

Japan Labor Issues

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August-September 2020

Volume 4 Number 25

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HAMAGUCHI Keiichiro

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● Statistical Indicators



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Column

Student Part-timers as a Subject of Labor Policy

HAMAGUCHI Keiichiro

This past May 4, Prime Minister Shinzo Abe convened a Novel Coronavirus Response Headquarters meeting, where he declared that he would extend until May 31 the implementation period for state-of-emergency measures he announced on April 7. At a following press conference, he announced that deposits of Sustainability Subsidy (Subsidy Program for Sustaining Businesses) for small and medium-sized enterprises (SMEs) and self-employed workers would begin. He also gave notice of three forthcoming policies by stating, “(w)ith respect to reducing the burden borne by restaurants and other such businesses to pay rent, further expanding the Employment Adjustment Subsidies, and supporting students working part-time now in a severe situation, we will expeditiously put additional measures in place, in line with the discussions undertaken by the ruling parties.”

In my column of April 14, “Spread of the Novel Coronavirus and the Future of Japanese Labor Policy,”¹ I commented on developments concerning the Employment Adjustment Subsidy (EAS) at that time. However, what was then discussed about EAS program was the raising of the daily maximum (8,330 yen, now revised to 15,000 yen from June 12 in the second supplementary budget). This is a matter entangled with the problem of how to fund the EAS, and although many points should be discussed regarding this point alone, I will not address them here. Additionally, I touched on moves concerning rent assistance in the last paragraph of my other column of April 30, “Expansion of Rent Subsidy Eligibility as a COVID-19 Countermeasure.”² This subsidy, which was established in the second

supplementary budget, covers 2/3 of monthly rent for six months (monthly maximum is 1,000,000 yen for corporations and 500,000 yen for self-employed).

On the other hand, the “additional measure” in Prime Minister Abe’s statement was implemented as the Emergency Student Support Handout for Continuing Studies on May 19. According to the Ministry of Education, Culture, Sports, Science and Technology, this program provides students experiencing a significant economic impact on their lifestyles due to heavy reductions in household income and income from part-time work because of the impact of the spread of the COVID-19 and facing difficulties continuing their studies at their universities or other educational institutions, a cash handout of 200,000 yen (in case of exempt from residence tax) or 100,000 yen (in other cases).

I believe this third “additional measure”—“supporting students working part-time now in a severe situation”—is a new topic that has not been addressed head-on in policy discussions heretofore. Under labor laws, student part-timers (student working part time) are short-time non-regular workers who are no different from part-time-working housewives or “freeters.” “Freeters” mean temporary or part-time young workers who are neither housewives nor students. However, at least in labor policy thus far, they are unlike housewives and freeters in that they are positioned (either consciously or unconsciously) as people who should not be dealt with in terms of labor



policy. At any rate, student part-timers have been excluded from the labor market's safety net in times of economic crisis. This is a reflection of past sociological circumstances in Japanese society. However, one could say that the current coronavirus crisis has exposed the fact that this premise has already changed dramatically and revealed that circumstances under which it is not always so easy to justify excluding student part-timers from the safety net were widespread. In this column, I would like to engage in a general discussion of student part-timers, who are now emerging as subjects of labor policy, based on this historical background. I will also give consideration to housewife part-timers and freeters, who are already subjects of labor policy, for purposes of comparison.

To begin, let us look very briefly at the history of non-regular employment in Japan. As discussed in Hamaguchi 2016,³ from before World War II until Japan's period of rapid economic growth (mid 1950s–early 1970s), a category of workers called “*rinjiko* (temporary workers)” existed, and their working condition attracted attention as a labor problem. Like “*honko* (regular workers),” this category was mainly comprised of adult males, and therefore the instability of temporary workers' employment and poor wages and working conditions were a major social problem. However, as Japan's economy took off, manpower shortages rapidly began to emerge. Thus, during the 1960s, not only was it more difficult to hire new temporary workers but also it became standard practice to hire temporary workers as regular workers. The number of temporary workers shrank quickly as a result. Rising rapidly in their place was a workforce consisting mainly of housewives called “part-timers.” For the most part, these women saw themselves as housewives first and foremost and worked to augment the family's finances within that role. Therefore, discriminatory treatment in the workplace was not immediately viewed as a problem. When the oil crises occurred, it was not questioned that employment would be maintained through employment adjustment subsidy to regular employees, which were mainly men, and that part-timers would be let go as a cushion. However, in the 1980s, a phenomenon emerged

whereby part-timers came to play a key role in the workplace. And consequently, since the 1990s, the equal treatment and balanced or proportional treatment of part-timers has been gradually materializing as a labor policy challenge.

Like housewife part-timers, student part-timers came to be used as an ideal source of low-wage labor to fill the gap left by temporary workers. Advantages to using them included the fact that, because they are students who are primarily dedicated to their studies, low wages are not problematic, and that when they eventually find employment as regular workers, their time as part-timers becomes nothing more than a temporary episode of their lives. In this way, “student part-timers” grew into an essential and flexible labor pool for companies up until the 1980s. After the 1960s, when temporary workers suddenly disappeared, it was the flexible manpower of student part-timers and housewife part-timers—who, by definition, do not require membership in a company because they already have membership in their schools and families—that supported the job-based external labor market.

In the 1980s, when Japan's “bubble economy” was developed, Recruit Co., Ltd. used the term “*free arbiters*” to refer to workers who did not take employment as regular employees after the completion of their school studies (usually, undergraduate studies), which until then had been their “main occupation,” and who instead worked at jobs that theretofore had been their secondary occupation as their “main occupation.” At the time, society's general impression of the word “freeter” was of a selfish young person who just does what he wants. However, in reality, during the latter half of the 1990s, a time referred to as the “employment ice-age” following the bubble economy's collapse, the job-finding circumstances of new graduates became difficult and the number of people who could not become regular employees skyrocketed. These people were absorbed into non-regular employment; namely, part-time jobs, temporary work, and contract work. As they became a social issue as “older freeters” from around the mid-2000s, the problem of non-regular employment—a

topic which until then had only finally become discussed as part of women's labor problems (i.e., housewife part-timers)—became a policy issue as a youth labor problem that included men. The first shot here was a “re-challenge” policy prepared as a centerpiece policy of the first Abe administration in 2007. Awareness of this problem became widespread during the 2008 financial crisis sparked by Lehman Brothers' bankruptcy, and it provided the basic tone of a series of non-regular employment policies that led up to today's “equal pay for equal work” policy.

However, despite this, there was one group that was consciously excluded from this problem awareness. Student part-timers were still not made a subject to be targeted in labor policy even as freeters (who are no longer students) were. This shows a striking asymmetry in comparison with housewife part-timers. In fact, in a manner reminiscent of the 1980s, when the phenomenon of part-timers as key workers first attracted attention, student part-timers of the 2010s were becoming an essential workplace labor force rather than just an auxiliary labor force. In the past, companies that adjusted worker shifts to suit students' convenience were the norm. However, nowadays greater binding force is applied to students, and it is said that they frequently cannot study even before or during exam periods or end up being absent from lectures and seminars to do their part-time jobs and therefore lose credits.⁴

The current labor laws cannot cope with this recent transformation in student part-timers. Symbolizing this is the Employment Insurance Act, which was revised in 2010 after the failure of Lehman Brothers revealed imperfections in the labor market's safety net for non-regular workers. With this revision, status as an insured person for employment insurance, which previously required the expectation of employment for at least one year as a necessary condition for short-time workers and dispatched workers, is now generally applied when the employment of at least 20 scheduled hours a week and at least thirty-one days with the same employer is expected. Thus, the labor market safety net was finally extended to insecure non-regular workers who most needed it. However, even so,

exceptions were created here.

Employment Insurance Act (Exclusions from Application)

Article 6 This Act does not apply to those listed in the following items.

- (iv) Persons who are students of a school stipulated in Article 1, Article 124, or Article 134 Paragraph 1 of the School Education Act (Act No. 26 of 1947) and who are specified by an Ordinance of the Ministry of Health, Labour and Welfare as equivalent to the persons listed in the preceding item (iii).

Regulation for Enforcement of Employment Insurance Act

(Persons specified by the Ordinance of the Ministry of Health, Labour and Welfare as referred to in Article 6 item 4 of the Act)

Article 3-2 Persons specified by the Ordinance of the Ministry of Health, Labour and Welfare referred to in Article 6 item 4 of the Act shall be persons other than those listed in the following items.

- (i) A person who is planning to graduate will be employed by an applicable business, and will continue to be employed by said applicable business following graduation.
- (ii) A person who is on leave from school
- (iii) A person who is enrolled in a part-time evening curriculum
- (iv) A person specified by the Director of Employment Security Bureau as a person equivalent to the preceding 3 items.

Operations Guidebook for Employment Insurance 20303 (3) Persons ineligible to become insured persons

The persons listed below shall not be subject to the application of the Employment Insurance Act pursuant to Article 6, etc. Accordingly, said persons shall not become insured persons even if they are hired by an applicable business.

(D) A student of a school stipulated in Article 1 of the School Education Act (Act No. 26 of 1947), a specialized training college stipulated in Article 124 of that Act, or any of the miscellaneous schools stipulated in Article 134 Paragraph 1 of that Act (Article 6 item 4 of the Employment Insurance Act).

A person who is other than a person enrolled in a university's evening program or a part-time evening curriculum of an upper secondary school (hereinafter "daytime student") shall not become an insured person, even if he/she is a student of a school stipulated in Article 1 of the School Education Act (Act No. 26 of 1947), a specialized training college stipulated in Article 124 of that Act, or any of the miscellaneous schools stipulated in Article 134 Paragraph 1 of that Act (Article 6 item 4 of the Employment Insurance Act). Additionally, a daytime student shall not become an insured person even if he/she works at night, etc. However, the persons listed in the following items shall become an insured person even if they are a daytime student.

(a) A person who holds a certificate of expected graduation and who finds employment prior to graduation and plans to continue working at that business after graduation.

(b) A person who is on leave from school. (In this case, the submittal of documents attesting to this fact is required)

(c) A person who is enrolled in a graduate school, etc., based on an order from an employer or with the approval of an employer while sustaining an employment relationship with that employer (e.g., working graduate student, etc.).

(d) Other persons who are enrolled in a school that does not require a prescribed number of days of attendance for course completion and who are recognized as being capable of working in the same manner as other workers employed in similar operations at the business. (In this case, the submittal of documents attesting to this fact is required.)

Without going into details, part-time evening students are included in the scope of application because they are students who work to maintain their livelihood. However, the part-time jobs of full-time daytime students are assumed to be non-full-scale employment for the purpose of additional income—or, rather, to earn spending money for themselves—and therefore the policy decision was made to exclude them from the scope of application. Given that this decision was made in 2010, ten years ago, when a policy change was made on the premise that housewife part-timers and freeters are working to maintain their livelihood, it can be surmised that the social situation surrounding student part-timers subsequently changed greatly in the 2010s.

Over the years, the process whereby under-the-surface social changes become exposed by a major social crisis and then require institutional changes to rectify things has occurred repeatedly in the development of policy concerning non-regular workers. Today it is extending to the part-time work of daytime students. Of course, the newly established Emergency Student Support Handout for Continuing Studies is not the above-mentioned problem of how to apply for employment insurance. Still, as was the case when subsidies in response to elementary school closures, etc., for freelance workers unexpectedly became the launchpad for labor policy targeting freelancers (a point mentioned in my column of April 14), the relief measures for daytime student part-timers may spur the positioning of daytime student part-timers, who have been excluded from labor policy heretofore, as a subject of that policy.

The views and recommendations of this paper are the author's and do not represent those of the Japan Institute for Labour Policy and Training.

1. See Keiichiro Hamaguchi, "Spread of the Novel Coronavirus and the Future of Japanese Labor Policy," *Japan Labor Issues*, vol. 4, no. 24, July 2020. Original column was written in Japanese and released on April 14, 2020 at <https://www.jil.go.jp/english/jli/documents/2020/024-01.pdf>.

2. Keiichiro Hamaguchi, "Expansion of Rent Subsidy Eligibility as a COVID-19 Countermeasure" [Shingata korona taisaku toshite no yachin hojo no taisho kakudai], <https://www.jil.go.jp/tokusyuu/covid-19/column/006.html> (released on April 30, 2020,

in Japanese).

3. Keiichiro Hamaguchi, “Attributes of Workers Such as Gender and Age and Policy for Non-regular Employment in Japan” [Seibetsu/nenrei tou no zokusei to nihon no hitenkeigata rodo seisaku], *Japanese Journal of Labour Studies* 58, no.7 (July

2016): 4–13. The abstract is available in English at <https://www.jil.go.jp/english/ejournal/documents/201607.pdf>.

4. Haruki Konno, *Burakku baito: Gakusei ga abunai* [Exploitative enterprises: Students in danger] (Tokyo: Iwanami Shoten, 2016), etc.

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Key topic

Obligating Efforts Concerning Measures to Secure Employment Opportunities up to the Age of 70: Revision of the Act on Stabilization of Employment of Elderly Persons, etc.

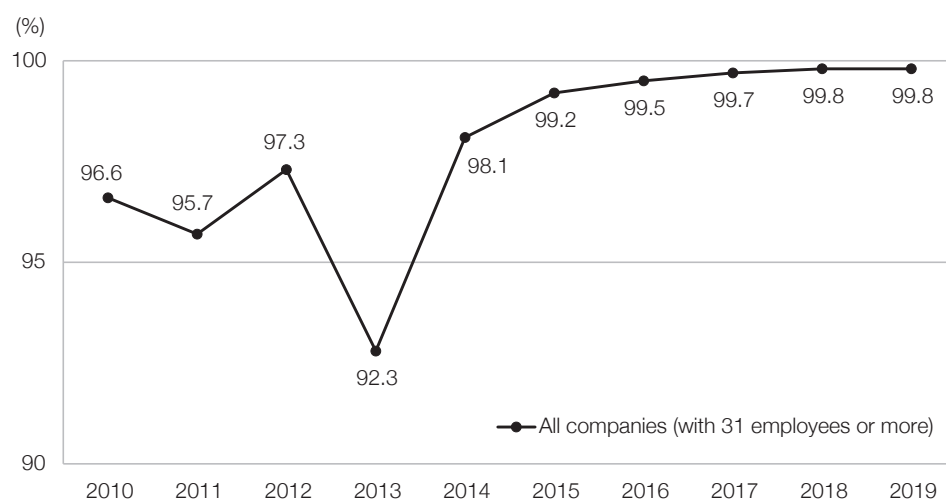
In the Action Plan of the Growth Strategy (approved by the Cabinet on June 21, 2019), the government pointed out the need to secure employment opportunities up until the age of 70 and to broaden employment options corresponding to the characteristics of individual senior citizens. This is aimed at securing employment opportunities for senior citizens who desire to work with the coming era in which life expectancy at birth will reach 100 years (so called “the age of 100-year lifespan”). Based on this, the Committee on Basic Employment Measures (headed by Masahiro Abe, Professor, Chuo University) set up under the Employment Security Committee of the Labour Policy Council of the Ministry of Health, Labour and Welfare held discussions on six occasions beginning in September 2019 that led to the release of a report titled “Regarding the securing of employment opportunities for senior citizens and the disclosure of information on mid-career employment” on December 25 of the same year. A bill containing a package of revisions for the Act on Stabilization of Employment of Elderly Persons and other laws that incorporated the report’s content was submitted to the 201st Diet session as the “Bill for Partial Revision of the Employment Insurance Act, etc.,” and adopted and enacted on March 31, 2020.

Securing employment opportunities until the age of 65

The introduction of measures to secure employment for all people who desire it up to the age of 65 is currently compulsory as a result of successive revisions to the Act on Stabilization of Employment

of Elderly Persons. Following revisions to the Act made in 2004 and 2012, employers became obligated to implement one of three “measures for securing employment for elderly persons”—namely, (1) raising the mandatory retirement age, (2) introduction of a continuous employment system, or (3) abolition of mandatory retirement—in order to ensure stable employment up to the age of 65 (Article 9 of the Act). Although the current Act was formulated with the continued employment of senior citizens in the same company in mind, concerning the measure (3) above, it permits the continuation of employment at a specially related employer (a group company such as a subsidiary or an affiliate) until the age of 65. However, the Act states that the responsibility for the measures for securing employment in such cases rests with the employers who employed the senior citizens until the age of 60.

As of June 1, 2019, the percentage of companies that are introducing measures to secure employment up to the age of 65 for all senior citizens who desire to continue working reaches 99.8% among companies with 31 employees or more (Figure 1). The percentage of companies that go beyond their obligation under the Act by having systems for working after the age of 66 is 30.8% (Figure 2). The senior labor force participation and employment rates have been showing upward trends in recent years. The desire to work among people aged 65 or older is also strong (Table 1 and Table 2). In light of these circumstances, the report pointed out that the environment must be further developed so that senior citizens can continue being active, regardless of their age, in accordance with their individual



Note: The values for 2012 and 2013 are not suitable for simple comparison due to a system revision that took place in April 2013 (abolishment of a system that permitted the limitation of people eligible for continuous employment systems).

Figure 1. State of implementation of measures for securing employment for elderly persons

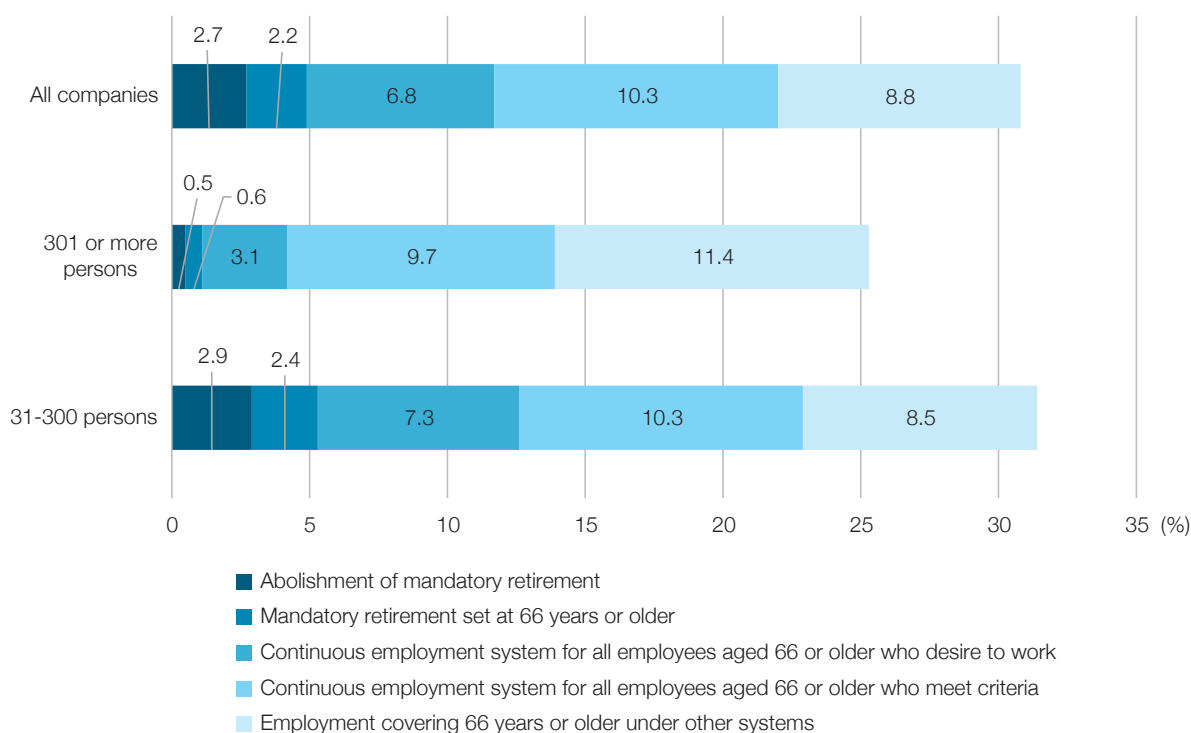


Figure 2. Companies with systems permitting work after age 66

needs and situations.

Securing employment opportunities up to the age of 70 is premised on having employment opportunities secured up until 65. Accordingly, the report notes that there is a continuing need to support

the introduction of measures to secure employment for everyone who wants it until the age of 65. (It should be noted that transitional measures that permit the application of criteria for limiting the people eligible for continuous employment systems

Table 1. Labor force participation rates of males aged 65 years or older

(%)

	Japan	USA	Canada	UK	Germany	France	Italy	Hong Kong	Singapore
1985	37.0	15.8	11.4	8.5	5.1	5.3	8.4	26.7	25.9
2018	33.9	24.0	18.1	14.0	10.3	4.0	7.7	18.6	38.2

Source: JILPT, *Databook of International Labour Statistics 2019*, <https://www.jil.go.jp/kokunai/statistics/databook/2019/documents/Databook2019.pdf>.

Note: A point in which Japan differs from other countries is that the age at which it is thought that people should retire is high. Senior citizens have a strong desire to work, and this is a factor that pushes up seniors' labor force participation rate (JILPT 2019: 62).

Table 2. Answers to the question "Do you wish to keep working even after reaching pensionable age?" (by sex and by age group)

(%)

	Yes	Probably	Probably not	No	Don't know	Motivated to work	Not motivated
Total (n=2,118)	44.1	31.8	12.8	8.9	2.4	75.8	21.8
Male (n=949)	47.5	29.2	12.5	9.5	1.3	76.7	22.0
Female (n=1,169)	41.2	33.9	13.1	8.5	3.3	75.1	21.6
Male / Ages 20–29	26.7	34.7	25.3	10.7	2.7	61.3	36.0
Male / 30–39	36.6	33.3	20.3	9.8	0.0	69.9	30.1
Male / 40–49	46.1	33.1	14.3	5.2	1.3	79.2	19.5
Male / 50–59	46.4	37.9	9.3	5.7	0.7	84.3	15.0
Male / 60–69	53.2	25.9	10.0	10.9	0.0	79.1	20.9
Male / 70+	56.1	20.7	7.6	12.7	3.0	76.8	20.3
Female / Ages 20–29	23.2	51.2	17.1	7.3	1.2	74.4	24.4
Female / 30–39	39.9	36.6	15.0	6.5	2.0	76.5	21.6
Female / 40–49	39.5	39.0	15.7	4.0	1.8	78.5	19.7
Female / 50–59	36.2	39.9	14.9	6.4	2.7	76.1	21.3
Female / 60–69	51.6	22.5	11.2	10.9	3.9	74.0	22.1
Female / 70+	42.6	29.4	9.1	12.8	6.0	72.1	21.9

Source: JILPT, "75.8% motivated to keep working even after reaching pensionable age—The 7th Survey on Working Life," *Japan Labor Issues*, vol. 1, no. 2, 2017, <https://www.jil.go.jp/english/jli/documents/2017/002-05.pdf>.

Note: "Motivated to work" is the total of "Yes" and "Probably." "Not motivated" is the total of "No" and "Probably not."

under labor-management agreements will end based on the current Act at the end of fiscal year 2024.) Additionally, securing the appropriate treatment of workers who continue employment beyond the age of 60 is necessary. The report therefore notes that the employment environment must also be developed in terms of treatment. This is in part based on the fact that a legal system concerning the improvement of the regulation for eliminating unreasonable disparities in treatment between regular and non-regular employees (the Act on Improvement etc. of Employment Management for Part-Time and Fixed-Term Workers) was executed on April 1, 2020. This will be applied to small to medium-sized enterprises

(SMEs) on April 1, 2021.

Securing employment opportunities until the age of 70

Guidelines for the implementation and operation of measures to secure employment up to the age of 65 are established. The report stressed that similar guidelines must be established for measures to secure employment opportunities for people who desire to work until the age of 70. Moreover, it notes with regard to measures up to the age of 70 that it is appropriate to understand that employers who employ people up to the age of 60 have the legal obligation to make efforts to implement those

measures.

As for the content of measures up to the age of 70 to be implemented by employers, the report states they are similar to the measures to secure employment up to 65; specifically, (1) raising the mandatory retirement age, (2) introduction of a continuous employment system, and (3) abolition of mandatory retirement. The report further submits, however, that, in addition to the current measures (1), (2), and (3), it is appropriate to establish new measures—namely, (4) reemployment in companies that are not specially related employers, (5) work through freelancing or starting their own business, and (6) involvement in social contribution activities—and to require employers to make efforts to implement one of them. Regarding measure (4), the report refers to the conclusion of contracts among employers in the same manner as with the introduction of continuous employment systems by specially related employers. With regard to measure (5), specifically to funding for freelance contracts with individuals and business startup support for individuals, the report mentions the establishment of a system for concluding continuous outsourcing agreements up to the age of 70 with former employees after their mandatory retirement or after the end of their continuous employment up to 65, and that the matter of which businesses would be covered by the system could be settled within the systems that employers introduce.

With regard to measure (6), specifically to funding for individuals' participation in social contribution activities, the report mentions establishing a system that allows former employees to be continuously involved in the following businesses (a) or (b) up to the age of 70 after their mandatory retirement or after the end of their continuous employment up to 65. It mentions that the matter of which businesses would be covered by the system could be settled within the systems that employers introduce.

- (a) Business that the employer personally carries out.
- (b) Business that is carried out by an organization that the employer commissions, contributes to (i.e., funds), or provides other

forms of assistance, and that is related to an undertaking that helps advance the interests of an unspecified and large number of people.

With regard to (b), the report specifies that this refers to the conclusion of a contract (between the employer and the organization carrying out the business) that permits the former employee's continued involvement in the business up to the age of 70 following mandatory retirement or after the end of continuous employment up to the age of 65. It specifies that, at that time, the organization carrying out the business shall state that it will provide opportunities for involvement in the business until the age of 70 to senior citizens based on the content of the system introduced by the employer. At the same time, it specifies that a "business in which senior citizens are engaged by means of the employer's contribution (funding) or other assistance" shall require contributions or other assistance necessary for its smooth implementation, and that, "from the standpoint of balance with other options concerning the specific form of the employer's participation," a business covered by the system shall be limited to a consideration-based business that pays money as compensation for the provision of service, etc. to senior citizens.

Sufficient discussion between labor and management is required

The physical strength, health condition, and other circumstances surrounding individuals become more diversified from the age of 65 compared to the years before. Because of this, the report states that "it is appropriate to permit the limitation of persons covered" in the measures that employers will implement when setting general obligations to make efforts. In view of the desirability of agreements about the criteria of the limitation to be reached between labor and management, it further demands that this point should be clarified in guidelines.

A variety of options for working styles that are tailored to senior citizens' characteristics must be prepared. On the other hand, the regulations of labor relations laws and ordinances do not extend

to “measures not by means of employment” (the measures (5) and (6) to be newly introduced). The report mentions these points and notes that sufficient discussion between labor and management will be required for the appropriate implementation of measures up to the age of 70. With regard to discussion on what measures employers will implement, it states that “while discussions and agreements with the Majority Union or the Representative of a Majority are anticipated, it is appropriate to specify such measures in guidelines in the same manner as for measures to secure employment up to the age of 65.” As for discussions on “measures not by means of employment,” the report notes that establishing in law the making of efforts to reach an agreement with the Majority Union or the Representative of a Majority is appropriate. Additionally, with regard to discussions on which measures will be applied to individual workers when an employer implements multiple measures, the report states that specifying the hearing of individual workers’ desires in guidelines is appropriate. The report also considers it appropriate to understand that the securing of employment opportunities until the age of 70 by combining multiple measures, rather than with only one, amounts to implementing measures that satisfy the obligation to make effort.

Disclosure of mid-career employment rates by companies becomes mandatory

The report mentions that, as working lives become longer, it is necessary to provide support so that workers can smoothly gain employment in the occupation they desire as well as high-quality employment and can further enhance their working lives and take on new challenges through independent career development. The report points out the need to make workplace information more visible and to further promote matching between workers who desire mid-career employment and companies by disclosing information on mid-career employment. However, in light of the fact that mid-career employment is already actively occurring in SMEs as well as the burden on SMEs, the report proposes imposing the obligation to

disclose information only on large companies with 301 employees or more. Specifically, it states that it is appropriate to disclose such information as the percentage of mid-career regular workers among all regular workers by using methods that are easily accessible by job seekers, such as through websites of the companies.

However, the report points out that although companies with a strong track record in terms of regular mid-career employment are likely to present a high possibility of regular employment for job seekers, workplace assessments should not be based solely on the number of mid-career employment. It states that providing support so that companies will voluntarily disclose their workplace information is appropriate. Specifically, it mentions that it is appropriate to request large companies to voluntarily disclose quantitative information (e.g., mid-career employment rates for middle-aged/elderly workers and members of the “employment ice age” generation) and qualitative information (e.g., post-mid-career employment career paths, human resources development and treatment as well as the company’s thinking on mid-career employment), in addition to the items demanding legal obligation. It also mentions that it is appropriate to provide support to SMEs so that they too will voluntarily disclose such information.

Passage of a bill for legal revision by the 201st Diet session

The report’s content was reflected in a bill for legal revision. A bill amending the “Act on Stabilization of Employment of Elderly Persons” concerning the securing of employment opportunities for senior citizens and a bill amending the “Act on Comprehensive Promotion of Labor Policies, Stability of Employment of Workers and Enhancement of Occupational Life” concerning the disclosure of information on mid-career employment were incorporated together with bills to amend the “Employment Insurance Act” and “Industrial Accident Compensation Insurance Act” into a package “Bill for Partial Revision of the Employment Insurance Act, etc.” that was submitted

to the 201st Diet session. The bill was adopted and enacted on March 31, 2020. Above legal revision will come into effect on April 1, 2021.

The interim report of the Planning Meeting on a Social Security System Oriented to All Generations that is chaired by Prime Minister Abe (issued on December 19, 2019) also mentions the securing of employment opportunities up to the age of 70. It recommends dividing legislation into two stages from the standpoint of smoothly promoting the securing of employment opportunities until the age of 70. For the legislation's first stage, it specifies the above-mentioned six measures and establishes a provision that requires employers to make efforts to systematize one of them. It adds that the Minister of Health, Labour and Welfare may, when he or she deems it necessary, demand that employers formulate a plan by labor and management at each company and that they ensure the implementation of plan formulation. In the

legislation's second stage, the revision of a bill will be studied to secure the implementation of such measures (so-called "obligation") by announcing company names as under the current law based on progress in the first stage. Here, the interim report takes the view that "as with previous legislation, the establishment of exemptions when there are labor-management agreements concerning cases of poor health condition, poor attendance rate, etc., will be studied." In addition to the establishment of such legislation, the interim report mentions the building of assessment and compensation systems that emphasize ability and results while taking into account the motivation of and acceptability by senior citizens, measures to prevent workplace accidents and maintain health based on declining physical functions that come with age, and, further, the promotion of career-development support and recurrent education with focus on advancing age.

Research notes

Development of the Input Data for the Occupational Information Network of Japan

KAMAKURA Tetzushi

MATSUBARA Ayako

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I. Introduction: What is the occupational information network of Japan?

The occupational information network of Japan¹ is a brand-new website (opened on March 19, 2020) developed by the Ministry of Health, Labour and Welfare (MHLW). It provides information on approximately 500 occupations (only available in Japanese) from several viewpoints including jobs, tasks, and skill requirements so it can support job hunting for job seekers and recruiting activities of companies.

Four types of information are currently available: text-based descriptions, cross-occupational numeric estimates, recent labor market information, and visual content (short videos). The source of the first two types of information is the database called “input data” developed by the Japan Institute for Labour Policy and Training (JILPT), an independent administrative institute affiliated with MHLW. This paper reports the outline of JILPT’s data collecting efforts over the past two years.

II. Method: How to collect information for the database?

JILPT has taken different approaches to data collection for the two types of information: text-based descriptions and numeric estimates. About 250 occupations (about half of the total of 500 to be provided) were targeted per year because of the need to prepare the database within two years in time for the release of the website. This section mainly

describes the process of data collection.

1. Data collection for text-based descriptions

The first drafts of the text-based descriptions were basically written by entrusted research companies based on interviews with relevant organizations both in the public and private sectors. The legacy data of descriptions that JILPT had accumulated and revised over the past several decades were utilized to the extent possible in this data collection.

The data collection for targeted occupations was divided into three task levels according to the effort needed to collect recent information: minor revision, major revision, and newly written. At the minor revision level, the legacy descriptions were substantively reused and only some outdated parts were revised. At the major revision level, the legacy descriptions were referred to, but interviews were conducted as well to revise them drastically. At the newly written level, as there were no legacy descriptions to refer to, interviews and relevant authoritative information available on websites through the Internet were largely relied on as sources of information.

When these activities were finished and the first drafts were submitted to JILPT, the quality of the content was discussed among six editors in an editorial committee mainly composed of MHLW and JILPT researchers. It was possible for the drafts to be thoroughly rewritten from the viewpoints of neutrality of the information as provided by a governmental institution, objectivity, accuracy,

and the freshness of information. Second drafts mainly at the newly written level were sent to relevant organizations for their final checks and modifications. Detailed sections on descriptions which are currently available will be described in the next section.

2. Data collection for numeric estimates

Several domains of numeric estimates were fundamentally calculated based on the results of online surveys of incumbents working in targeted occupations. In addition, paper-based surveys were conducted for some occupations for which the sample size of the online survey was less than 20.

(1) Online surveys

Two online surveys, which basically had the same items, were conducted in 2018 and 2019, each targeting about 250 occupations. All respondents were pre-registered members of Internet research firms in Japan.² The research firms sent a recruiting e-mail to each member for the survey, and members voluntarily answered the questionnaire via computer or smartphone. Although each survey period was about one month, it was possible for data collection to close for some occupations if the number of responses reached 60 or above.

Participants answered some demographic questions and selected their own occupation from a list of targets. The items of the six cross-occupational domains and the Tasks domain (occupation-specific items) were shown to them only when they found their own occupation on the list and the chosen occupation was one for which information was still being collected. Detailed domains will be described in the next section.

(2) Paper-based surveys

In 2019, JILPT also conducted paper-based surveys for occupations for which it had not been possible to collect an adequate number of samples (at least 20) online in the 2018 survey. JILPT asked for the cooperation of relevant organizations directly or through MHLW. Several organizations, which were mostly in the public sector, accepted our request and we sent printed questionnaires to them.

The survey period was 2–4 months depending on

the organizations. When the number of responses by occupation reached 20 or above, the samples from the paper-based surveys became the only source for estimation and the 2018 online survey data were discarded. The two sources were mixed for the estimation only when the number of samples did not reach 20 in one source (there was only one such case).

(3) Final data for estimation

The total number of samples both from online and paper-based surveys is 25,974 (after data screening) for 511 occupations. The average is 50.8 per occupation (SD=19.0). Estimates (mean or proportion) were then calculated for each item for 426 occupations and tabulated as the master data for the occupational information network of Japan. Of the occupations, 85 were excluded mainly because it was not possible to reach a sample size of 20.³

Even though the master data has been stored at JILPT, this is not the same as the input data submitted to MHLW for the website. On the website, each page for a given occupation must have a text-based description, with no exception. In cases where these descriptions have not been prepared yet, the corresponding numeric estimates have been eliminated in the input data, although they are free from defects.

III. Results: What kinds of data are initially available?

1. Available text-based descriptions

The structure of the text-based descriptions is just like the Occupational Outlook Handbook (OOH) published online by the U.S. Bureau of Labor Statistics (BLS). This means each description has three sections: “What They Do,” “How to Become One,”⁴ and “Work Environment.” In addition, several pieces of relevant information are appended including other names of the occupation, codes in the Standard Occupational Classification in Japan (compiled and edited by MHLW), related credentials and licenses, and sources of and links to additional information.

2. Available numeric estimates

The domains of the numeric estimates are basically derived from the Occupational Information Network (O*NET) sponsored by the U.S. Department of Labor/Employment and Training Administration (USDOL/ETA). Most cross-occupational descriptors of O*NET have an academic basis mainly in psychology, and they possess appropriate generality to assure that they can be asked for any kinds of occupations (Peterson et al. 2001). These properties make it easier to also apply the same descriptors for other countries.

Even so, we had to perform some “localization” beyond simple translation. As a source for scientific research, it is critically important to maintain the same structure with O*NET as well as to keep it

possible to assure that anyone could compare the two databases with minimal effort. However, the occupational information network of Japan is a website primarily for Japanese students, job seekers, workers, career counselors, and HR professionals. This means we should choose to focus on the aspect of practical utility rather than scientific comparability in the event of conflict. For instance, “Philosophy and Theology,” a descriptor in the Knowledge domain, was replaced by “Philosophy and Religious Studies” because in Japan, jobs which require knowledge of religions often need knowledge of various religions including Buddhism. We also had to consider the sustainability of the website (mainly in terms of the budget) as well as the burden on respondents.

Six domains of cross-occupational information

Sample page for “Semiconductor Processors”: Text-based description and other information

半導体製造

印刷する

★マイリストに保存

職業別名 : 半導体製品製造設備オペレーター
職業分類 : 電気機械器具組立設備制御・監視員
属する産業 : 製造業 ☒ (クリックすると別サイトのしょくばらへ移ります)

① どんな仕事？

② 就業するには？

③ 労働条件の特徴

④ しごと能力プロフィール

⑤ 類似する職業

⑥ 関連リンク

どんな仕事？

半導体の製造工程で設備、装置、機械を操作、監視し半導体を製造する。

半導体は、シリコンなどの元素半導体を材料として作られる電子部品で、トランジスタやダイオードなどの素子単体（ディスクリート半導体部品）とトランジスタなどで構成されるLSI（大規模集積回路）がある。コンピュータ、冷蔵庫、電子レンジ等の家電製品、スマートフォン、タブレット等の一般消費者向け製品から産業用機械まで、小型化、軽量化、省エネルギー化が実現されているのは、半導体がチップやLSIに大量に組み込まれるように設計・開発を進め、効率よく基盤の中に収めることに成功した成果といえる。

生産職は、半導体工場の中で、半導体の量産、組み立て、検査の工程を担っている。生産の自動化が進み、仕事は製造のための設備、装置、機械の操作、監視が中心となっている。設備、装置、機械は非常に精密であり、仕様書、マニュアル等の操作手順に従った正確な操作を行い、担当する装置等が順調に動いているかを常に監視する。軽微なトラブルには対応するが、解決が困難な場合にはエンジニア等に状況を報告し、相談するなど対応を図る。

半導体の製造は、高い製品歩留まりや品質管理を実現するために、クリーンルーム内で各種の装置等を操作する。

総工程数は400～600工程に及ぶが、前工程（ウェーハ処理工程：表面に電気回路を作る）と後工程（組み立て工程）に大きく分けることができる。

具体的な仕事を工程に沿ってみると、前工程では、単結晶棒をスライスしてシリコンウェーハに加工し、成膜（せいまく）工程で熱処理装置を使って、CVD（化学気相蒸着）法によりウェーハ上にシリコン酸化膜（せいかまきん）を形成する。

[動画]



Retrieved from <https://shigoto.mhlw.go.jp/User/Occupation/Detail/268> (May 19, 2020)

are currently available: Interests, Work Values, Skills, Knowledge, Work Context, and Education-and-Training in addition to one occupation-specific information, Tasks domain.

(1) Interests

In this domain, there are six descriptors precisely corresponding to those in O*NET: “Realistic,” “Investigative,” “Artistic,” “Social,” “Enterprising,” and “Conventional.” This RIASEC taxonomy, advocated by Holland (1959), is also well-known among practitioners in Japan. It seemed that there were no cultural concerns with regard to applying it directly.

Participants were asked the question “What kind of interest is suited to your current job?” and instructed to answer in a five-point scale: from “Not suitable” as 1 to “Very suitable” as 5. Simple average values among incumbents were recorded in the input data as estimates for each occupation.

(2) Work Values

In this domain, there are 10 descriptors. Half of them basically correspond to those in O*NET: “Achievement,” “Independence,” “Recognition,” “Relationship,” and “Organizational Support.” The other five descriptors are the results of localization: “Stability,” “Safety and Health,” “Expertise,” “Service and Dedication,” and “Lifestyle.”

According to Sager (1999), the Work Values in O*NET were originally derived from the Theory of Work Adjustment (TWA) (Dawis and Lofquist 1984) and the Minnesota Job Description Questionnaire (MJDQ) (Dawis 1991). Although this background assures generalizability for Japanese incumbents to some extent, some addition and segmentation seemed to be appropriate to improve the practical utility for them.

First, “Working Conditions” in O*NET was divided into “Stability” and “Safety and Health.” It seemed to be more informative for Japan’s labor market to provide these estimates separately because they would vary independently and both could be crucial values for job seekers.

Second, three values were added referring to the Theory of Career Anchors (Schein 1990). In Japan, the concept of “life-work balance” (i.e.,

the “lifestyle” Career Anchor) has recently been attracting attention to correct long working hours. However, neither TWA nor MJDQ includes such a concept. Thus, we decided to add three concepts from eight Career Anchors as work values, including lifestyle, which could be important for Japanese workers.

Participants were asked the question “In what aspect is it easy to get satisfaction in your current job?” and instructed to answer in a five-point scale: from “Not easy to get satisfaction” as 1 to “Very easy to get satisfaction” as 5. Simple average values were recorded in the input data.

(3) Skills

In this domain, there are 39 descriptors, 35 of which basically correspond to those in O*NET, such as “Reading Comprehension,” “Active Learning,” “Complex Problem Solving,” “Management of Financial Resources,” “Coordination,” “Judgment and Decision Making,” “Equipment Maintenance,” and so on. Four descriptors were added as basic content skills in foreign languages: “Reading in a Foreign Language,” “Listening in a Foreign Language,” “Writing in a Foreign Language,” and “Speaking in a Foreign Language.”

For many people living in the US, their first language (i.e., English) has been common in international situations, which would explain why “Foreign Language” has been set only in the Knowledge domain in O*NET. However, in Japan, foreign language skills (e.g., English, Chinese) should be handled as basic content skills “that allow people to acquire information and convey this information to others” (Mumford et al. 1999, 51) in the context of the increasing globalization of business.

Participants were asked “What level of skills is needed for your current job?” and answered using a somewhat atypical eight-point scale. First, the option of “Not relevant for my job” was set as 0. Subsequently, a seven-point level scale was shown below that option only when the skill was relevant, with three “anchors” on 2, 4, and 6 just like the O*NET level scales. Although trained analysts are rating both importance and level in current O*NET

data collection, we have been collecting only level information, because it has been repeatedly reported in previous studies that these two ratings have a high correlation (e.g., Handel 2016; Taylor, Li, Shi, and Borman 2008; Tsacoumis and Van Iddekinge 2006). As a result of discussion in the development committee where overall policies for the data collection were determined, we concluded that level information with concrete anchors is more practical than abstract importance information.

At first, we tried to reuse O*NET anchors (105 in total) with simple translation for the corresponding 35 descriptors. However, most anchors seemed to have problems either in terms of apprehensibility for Japanese users or validity at a located level (too low as level 2 or too high as level 6). Therefore, 101 anchors for corresponding descriptors were newly prepared as well as 12 anchors for four additional ones through discussions among working group members, and just four anchors remain as simple translations from O*NET. Simple average values were recorded in the input data.

(4) Knowledge

In this domain, there are 33 descriptors basically corresponding to those in O*NET. There are some localizations as shown below to assure apprehensibility and practical utility for Japanese users. Detailed reasons for each localization can be seen in the development report of JILPT (Kamakura 2020; only available in Japanese).

- “Food production” was replaced by “Agriculture and Farming.”
- “Sociology and Anthropology” was replaced by “Sociology.”
- “English Language” was replaced by “Japanese Grammar and Vocabulary.”
- “Foreign Language” was replaced by “Foreign Language Grammar and Vocabulary.”
- “Philosophy and Theology” was replaced by “Philosophy and Religious Studies.”

Participants were asked “How important is the knowledge for your current job?” and instructed to answer in a six-point scale composed of “Not Relevant to my Job” as 0 and a five-point importance scale from “Not Important” as 1 to “Very

Important” as 5. Again, although importance and level information are collected in O*NET, we chose one of them to reduce the burden on respondents. For the Knowledge domain, we decided to collect only importance because (1) it was too difficult to prepare level anchors both for skills and knowledge simultaneously in a limited period of time, and (2) it seemed that the need for level information for Knowledge was not as high as for Skills. Simple average values were recorded in the input data.

(5) Work Context

In this domain, there are 23 descriptors basically selected from the 57 in O*NET. This is the only domain in which the number of items has been reduced compared to O*NET. To prioritize items and reduce the burden on respondents, some interviews were conducted targeting organizations specializing in supporting women, senior citizens, and disabled persons.

As a result, from the viewpoint of practical utility, we chose 23 descriptors shown below.

- Nine descriptors from the subgroup of 14 Interpersonal Relationships.
“Contact With Others,” “Face-to-Face Discussions,” “Telephone,” “Letters and Memos,” “Frequency of Conflict Situations,” “Work with Work Group or Team,” “Deal with External Customers,” “Coordinate or Lead Others,” and “Responsibility for Outcomes and Results.”
- Six descriptors from the 30 Physical Work Conditions.
“Indoors, Environmentally Controlled,” “Indoors, Not Environmentally Controlled,” “Outdoors,” “Spend Time Sitting,” “Spend Time Standing,” and “Spend Time Making Repetitive Motions.”
- Eight descriptors from the 13 Structural Job Characteristics.
“Time Pressure,” “Importance of Being Exact or Accurate,” “Importance of Repeating Same Tasks,” “Pace Determined by Speed of Equipment,” “Consequence of Error,” “Freedom to Make Decisions,” “Structured versus Unstructured Work,” and “Work Schedules.”

In this domain, the questions and scales varied depending on the descriptor corresponding to the O*NET original: importance, frequency, degree of responsibility, time proportion in working hours, and so on. Most questions were followed by five-point scale options. As an exception, “Work Schedules” had three category options: “Regular,” “Irregular,”

and “Seasonal.” Although simple average values are basically recorded in the input data for most descriptors, proportions became the estimates for “Work Schedules.”

(6) Education and Training

In this domain, there are four descriptors partially corresponding to the O*NET questionnaire with the same title: “Common Academic Background,” “Training Period before Entering the Occupation (Excluding School Education),” “Related Work Experience Period before Entering the Occupation,” and “On the Job Training Period after Entering the Occupation.” Although the data for the latter three questions have been integrated into the Job Zones domain on O*NET OnLine, we decided to provide them directly mainly because we did not comprehend the detailed process to rate the level of Job Zones.

For “Common Academic Education,” participants were asked “What educational background is common in your current occupation?” and there were eight options allowing multiple answers: from “Less than High School Diploma” to “Doctoral Degree.” For the other three questions, there were nine options about period (single answer) from “Not needed” to “More than ten years.” In addition, the option of “I don’t know” was set for all four questions. Proportions are recorded in the input data.

(7) Tasks

This domain is occupation-specific and the number and content of questions vary by occupation. For instance, there are 11 tasks for “Plumber”: “Read drawings and inspect structures to prepare the necessary materials and tools,” “Use a ruler or level to determine where a pipe will be laid and mark it,” “Attach openings to a pipe and pipe fittings in structures using a hand tool and a power tool,” and so on.

Participants were asked “Which of these tasks do you perform in your current job?” and checked all the tasks they perform. Although O*NET has collected several pieces of information (relevance, frequency and importance) for each task, we decided to collect only the implementation rates mainly to reduce the burden on respondents. Proportions are

recorded in the input data.

IV. Discussion: Several considerations about the database

The input data prepared for the website can be downloaded in the csv or xlsx file type on the Internet. However, there are several precautions when using them, especially for academic purposes.

1. Some descriptive statistics released a half year later

The information included in the currently available data only consists of means (mainly in cross-occupational domains) or proportions (mainly in the Education-and-Training and Tasks domains). Other descriptive statistics values like standard error, 95% confidence interval, and sample size are currently being prepared considering finite population correction. These pieces of information will be available in around October 2020.

2. Limited domains compared to O*NET

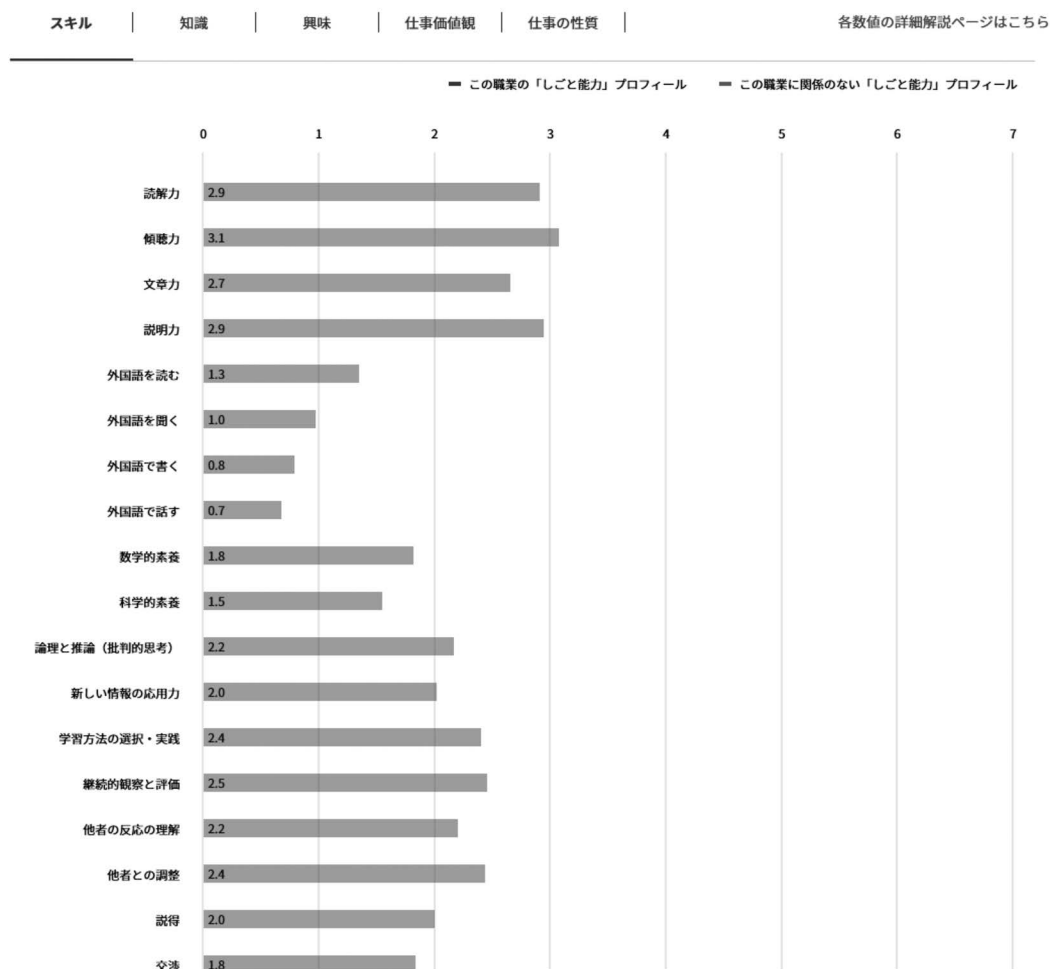
Some informative domains in O*NET have yet not been prepared, including Abilities, three tiers of Work Activities, Work Styles, and Tools & Technology (T2). In the initial development, we had to ask participants to answer all questions for seven targeted domains to develop the database in just two years. It seemed difficult to add any more questions at once.

From the next survey in 2020, however, it has been decided to separate the questionnaire into several parts and conduct surveys for one part a year. We are now planning to add the Generalized Work Activities domain based on these surveys. Although a clear long-term roadmap does not yet exist, the other remaining domains in O*NET might also be developed in the future.

3. Some challenges to conducting cross-national comparisons

Even though the cross-occupational domains basically correspond to O*NET, there are some challenges to conducting cross-national comparisons between the United States and Japan.

Sample page for “Semiconductor Processors”: Skills information しごと能力プロフィール



Retrieved from <https://shigoto.mhlw.go.jp/User/Occupation/Detail/268> (May 19, 2020)

First, the targeted occupations are widely different. For instance, “Tofu Maker” is the occupation of producing tofu, a traditional Japanese food made of soybeans, and cannot be targeted independently in O*NET. Researchers would have to devise a method to find correspondences between the lists of occupations for each country.

Second, as mentioned above, there are some localizations even in corresponding domains. Interests might be relatively easy to compare. Knowledge (importance only) and Work Context have some localized descriptors, but can still be compared per item. Work Values and Education-

and-Training are difficult to compare because the structures of domains were changed to some extent. Skills (excepting the four additional descriptors) are superficially easy to compare, but researchers have to consider the differences of the “anchors” for the level scale. In such a situation, it could be reasonable to utilize a rank ordering rather than mean ratings, referring to the findings in Taylor et al. (2008).

Finally, the language barrier is an unavoidable challenge, especially for foreign language speakers. We do not have any plan to provide information in another language for now. Even so, it might be the case that some kinds of correspondence tables will

be officially published in the future.

4. Need for methodological sophistication in data collection

There are many concerns about the methodological validity of the surveys for incumbents described in this paper, including population coverage, sampling bias, possible commingling of other occupations, level anchors for Skills, and the burden to answer. Over the last two years, we have not had a chance to fully consider these issues. It is necessary to address these issues in future surveys based on the available evidence.

1. The occupational information network of Japan is a tentative name that comes from the pioneering project O*NET (Occupational Information Network) sponsored by the U.S. Department of Labor/Employment and Training Administration (USDOL/ETA). As described in this paper, we have deeply consulted O*NET to develop cross-occupational numeric estimates. MHLW plans to solicit names for the website in the near future.
2. They offered their basic personal information (e.g., gender, age, prefecture of residence) at the first registration and have continued to answer various kinds of online surveys requested by outside organizations so they can obtain points that can be converted into benefits. There are no obligations and they can decide whether or not to answer these surveys.
3. This minimal number for estimation was decided based on findings about estimate accuracy (e.g., SE and 95% CI) referring to the U.S. Department of Labor (2018). Even so, there are an exception. Detailed information on this topic can be seen in the development report by JILPT (Kamakura 2020; only available in Japanese).
4. The name of the occupation is inserted instead of “One” on the OOH website.
5. Although there are two descriptors relating to “Outdoors” in O*NET, we decided to integrate them into one based on the responses in the interviews.

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Wages in Japan

Part III: Wages and Forms of Employment

NISHIMURA Itaru

I. Wage curves vary depending on forms of employment

Part I identified the seniority-based wage curves as a characteristic of wages in Japan. This aspect, however, does not apply to all employees. Depending on the size of the company by which they are employed, the steepness of wage curves varies and wage differentials arise. Part II examined these situations and pointed out at its conclusion the possibility that wages varied depending on forms of employment. This article presents the characteristics of wages by form of employment.

There are differences in how wages rise between regular employees and non-regular employees. Figure 1 shows wage curves for male regular employees and male non-regular employees. The wage curve for regular employees shows a seniority-based shape that continuously rises from the age of 19 until around the age of 50 and peaks at the 50–54 age group. Looking at the degree of increase, the peak of their wage amount is 2.4 times the amount of the 19 or younger age group. Meanwhile, the wage curve for non-regular employees shows a gradual rise but is nearly flat. The 60–64 age group, the peak of their wage amount, is 1.5 times the amount of the 19 or younger age group. Thus, the wages of non-regular employees do not form the seniority-based wage curve as seen in Japanese wages which was identified in Part I.

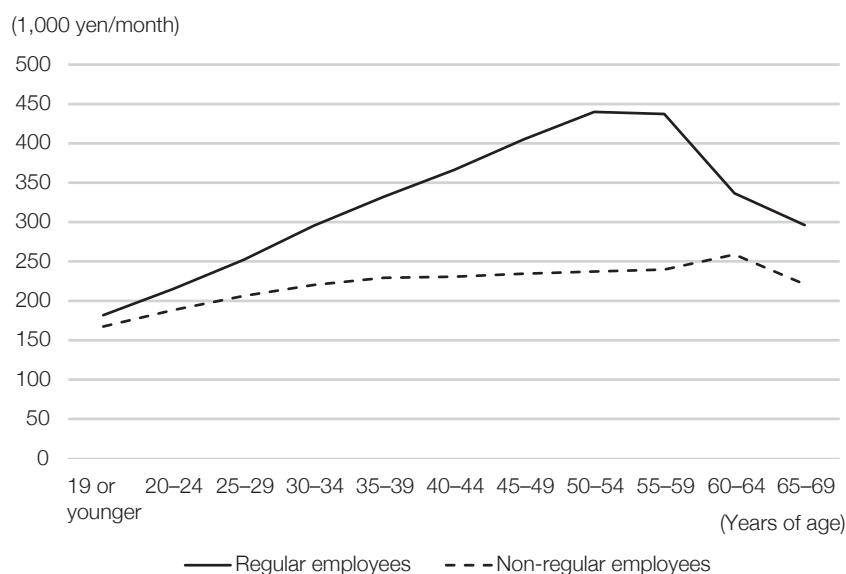
As to these wage curves, the wage differentials between regular employees and non-regular employees are not so large in the younger age groups but grow larger with each older age group. In the

19 or younger age group, the wages of non-regular employees are 92.1% of those of regular employees. The gap is not exceptionally large or could be said roughly the same at this age group. The gap then gradually grows larger with successive ages, and at the point of the 50–54 age group, which is where regular employees' wages peak, the wage amount of non-regular employees is 53.9% of that of regular employees. Thus, different wage curves form for regular employees and non-regular employees. Attention must be paid to what extent the actual differences are, as this analysis above does not take into account the industries, occupations, or jobs that employees actually do. Furthermore, the existence of fixed-term contract employees who receive higher wages than those of regular employees has been pointed out. It is not the case that the wages of *all* non-regular employees are low compared to those of regular employees.

II. Wage differentials between full-time workers and part-time workers

Let us now examine the wage curves and wage levels of part-time workers in comparison with those of full-time workers. The wage curve for part-time employees is almost flat as shown in Figure 2. Looking at the degree of increase, the amount of the 30–34 age group, the peak of their wage amount, is 1.2 times the amount of the 19 or younger age group. It can be seen that part-time employees' wage curves resemble those of the non-regular employees shown in Figure 1.

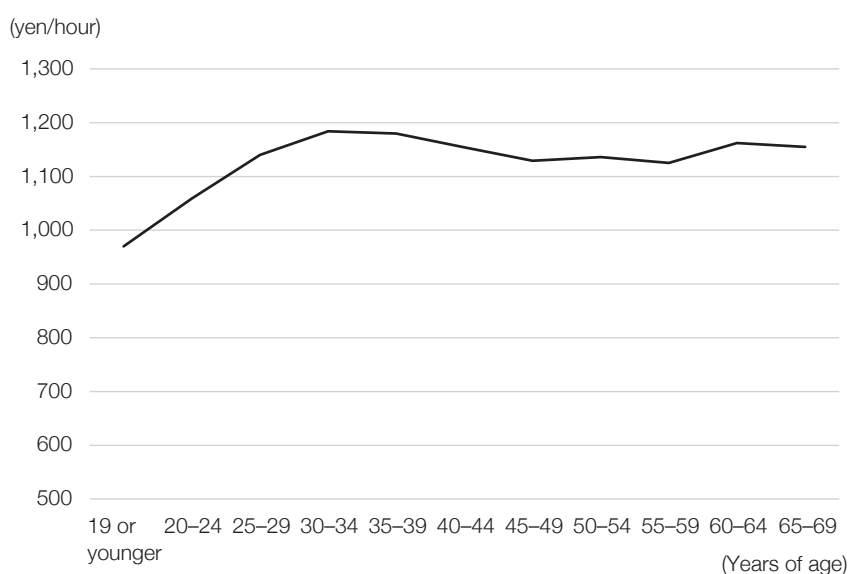
What about the wage levels of non-regular employees? Table 1 shows the wage gap between



Source: MHLW, *Basic Survey on Wage Structure*, 2019.

Notes: 1. Regular employee refers to a person considered to be a regular employee or regular staff member at his or her establishment, while non-regular employee refers to any other person (i.e., a person who is not a regular employee or regular staff member).

Figure 1. Wage curves by form of employment



Source: MHLW, *Basic Survey on Wage Structure*, 2019.

Figure 2. Wage curves of part-time employees

full-time employees and part-time employees in Japan and other countries. In Japan, the wage levels for part-time employees is 56.6% (2014), 59.4% (2017), and 60.4% (2018)¹ of that of full-time employees. The wage gap between full-time

employees and part-time employees is shrinking, albeit gradually.

Part-time employees' wages in France, Denmark, and Sweden are about 80% of those of full-time employees. In the United Kingdom and German,

Table 1. Earnings gap between full-time workers and part-time workers
(%, Full time workers=100)

	2014	2017	2018
Japan ¹	56.6	59.4	60.4
United Kingdom ²	71.0	71.6	72.6
Germany ³	72.1		
France ³	86.6		
Italy ³	66.4		
Denmark ³	79.0		
Sweden ³	82.2		

Source: JILPT, *JILPT Databook of International Labour Statistics 2019*.

Notes: 1. Hourly scheduled cash earnings (average) of part-time workers in comparison with “ordinary workers (*ippan rōdōsha*)” at private-sector companies with 10 or more “regular employees (*jōyō rōdōsha*)”. Overtime work is excluded.

2. Sample survey targeting 1% of all occupational types, excluding self-employment. Average hourly wage (excluding overtime pay) of part-time workers in comparison with full-time workers. Revised values for 2014 and 2017; provisional values for 2018.

3. Average hourly wage (including overtime pay) of part-time workers in comparison with full-time workers at companies with 10 or more employees.

these same wage levels are about 70% (Table 1).² The gap in wage level between full-time employees and part-time employees in Japan is larger than that in other countries.

One factor behind this situation is that a high percentage of part-time employees are non-regular employees in Japan. In other words, the wage differentials between full-time and part-time employees are thought to be largely due to differences in forms of employment.

III. Why do differences arise in wage levels?

The above discussion examined wages based on forms of employment. The shape of the wage curve differs for regular employees and non-regular employees. There are gaps between regular employees and non-regular employees in terms of wage level as well.

Several factors are thought to be behind these phenomena.³ One major cause is that the principles for determining wages differ. Regular employees' wages are determined in accordance with organizational rules, while non-regular employees' wages are determined by market wage rates in

the labor market. In Japan, the wages of regular employees are determined based on the employees' professional abilities, their general abilities such as character and personality, and their own performance. Employees' abilities grown through experience in their jobs result in their wage raises. In contrast, in the case of non-regular employees, wages are determined by market wage rate but not by their general abilities and their own performance. Thus, while regular employees can increase their wages based on their own efforts and results without being affected by labor market conditions, few non-regular employees increase their wages in that way.

VI. Efforts to reduce wage differentials

The wage differentials between regular employees and non-regular employees are questioned in Japan as in other countries, and efforts have been made to correct the situation. Such efforts are epitomized by a 2020 revision of labor laws enforced under the slogan for realizing a Japanese version of “equal pay for equal work”. Specifically, the Part-time and Fixed-Term Workers Act⁴ was enacted by combining Article 20 of the Labor Contracts Act and the Part-time Workers Act. The Worker Dispatching Act was also revised. With these revisions of laws, the expansion of the scope of equal treatment (prohibition of less favorable treatment) and balanced or proportional treatment of non-regular employees has been realized. Future trends must be watched to determine how this series of legal revisions changes the wages of regular employees and non-regular employees, which have different wage determination principles.

This is a series of three articles on the topic of wages in Japan. See “Part I: Why Does Japanese Wage Curve Have a Strong Seniority Element?” (May-June issue, vol. 4, no. 23) at <https://www.jil.go.jp/english/jli/documents/2020/023-04.pdf> and “Part II: Wages and Size of Company” (July issue, vol. 4, no. 24) at <https://www.jil.go.jp/english/jli/documents/2020/024-06.pdf>.

1. The differences in wage level presented here do not take into account differences in the jobs performed and other factors such as gender and educational background. It can be expected that the numerical values indicating wage differentials between full-time and part-time employees would fluctuate if such factors were considered.

2. Definition of “part-time employee,” surveyed subject, and method for calculating factors such as wage levels vary from country to country, to which attention should be paid when making comparisons.

3. For example, while not considered in this paper, differences may exist in the content of jobs performed by regular employees

and non-regular employees. If regular employees handle more difficult jobs and non-regular employees engage in simpler tasks, it follows that gaps in their wages would inevitably occur.

4. Act on Improvement, etc. of Employment Management for Part-Time and Fixed-Term Workers.

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I. Main Labor Economic Indicators

1. Economy

The Japanese economy is still in an extremely severe situation due to the Novel Coronavirus, but it almost stopped deteriorating. Concerning short-term prospects, the economy is expected to move toward picking up from an extremely severe situation, supported by the effects of the policies while the socio-economic activities will be resumed gradually with taking measures to prevent the spread of infectious diseases. However, attention should be given to the trend of domestic and overseas infections, and the effects of fluctuations in the financial and capital markets (*Monthly Economic Report*,¹ June, 2020).

2. Employment and unemployment

The number of employees in May decreased by 730 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.9%.² Active job openings-to-applicants ratio in May, seasonally adjusted, was 1.20.³ (Figure 1)

3. Wages and working hours

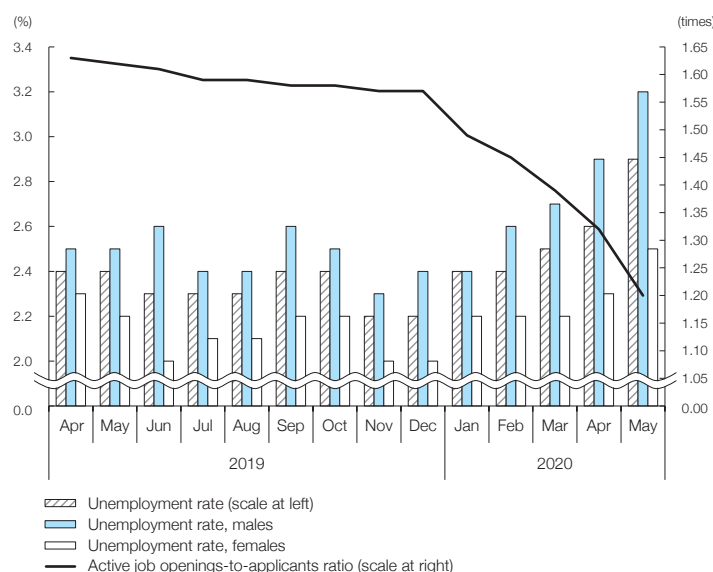
In April, total cash earnings (for establishments with 5 or more employees) decreased by 0.7% and real wages (total cash earnings) decreased by 0.8% year-on-year. Total hours worked decreased by 3.9% year-on-year, while scheduled hours worked decreased by 2.6%.⁴ (Figure 2)

4. Consumer price index

In May, the consumer price index for all items increased by 0.1% year-on-year, the consumer price index for all items less fresh food declined by 0.2%, and the consumer price index for all items less fresh food and energy increased by 0.4%.⁵

5. Workers' household economy

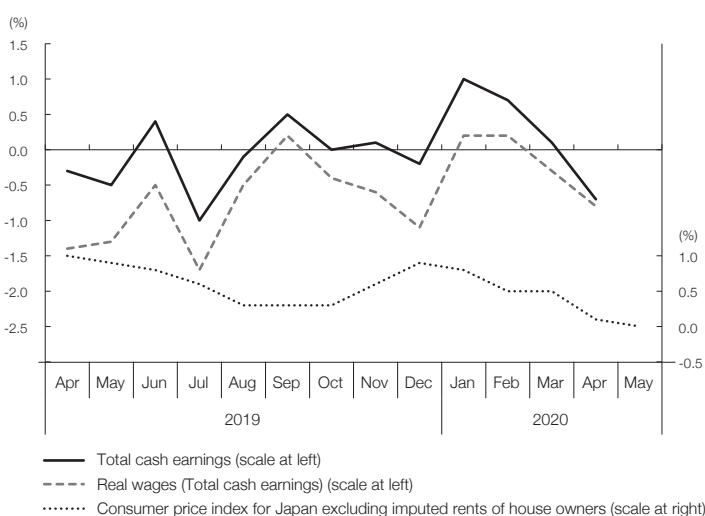
In May, consumption expenditure by workers' households decreased by 15.5% year-on-year nominally and decreased by 15.5% in real terms.⁶



Source: Ministry of Internal Affairs and Communications (MIC), Labour Force Survey; Ministry of Health, Labour and Welfare (MHLW), *Employment Referrals for General Workers*.

Note: Active job openings-to-applicants ratio indicates the number of job openings per job applicant at public employment security. It shows the tightness of labor supply and demand.

Figure 1. Unemployment rate and active job openings-to-applicants ratio (seasonally adjusted)



Source: MHLW, *Monthly Labour Survey*; MIC, *Consumer Price Index*.

Figure 2. Total cash earnings / real wages annual percent change

For details for the above, see JILPT *Main Labor Economic Indicators* at <https://www.jil.go.jp/english/estatis/eshuyo/index.html>

1. Cabinet Office, *Monthly Economic Report* analyzes trends in the Japanese and world economies and indicates the assessment by the Japanese government. Published once a month. <https://www5.cao.go.jp/keizai3/getsurei-e/index-e.html>

2. <https://www.stat.go.jp/english/data/roudou/results/month/index.html>

3. https://www.mhlw.go.jp/english/database/db-l/general_workers.html

4. <https://www.mhlw.go.jp/english/database/db-l/monthly-labour.html>

5. <https://www.stat.go.jp/english/data/cpi/index.html>

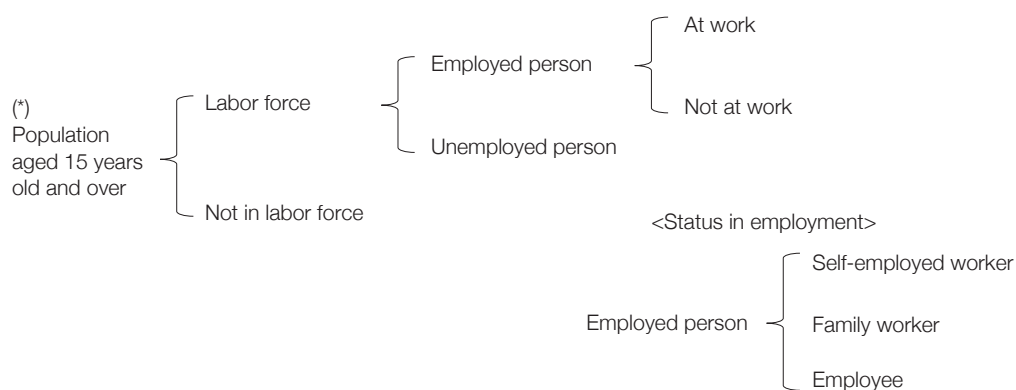
6. MIC, *Family Income and Expenditure Survey*. <https://www.stat.go.jp/english/data/kakei/index.html>

II. Impacts of the COVID-19 pandemic on employment and unemployment

There are growing concerns that COVID-19's spread will have a significant impact on employment by retarding economic activity in Japan. The following outlines the most recent trends shown in statistical indicators relating to employment. See JILPT website *Novel Coronavirus (COVID-19)* for the latest information (<https://www.jil.go.jp/english/special/covid-19/index.html>).

1. Employment and unemployment

(1) Definitions of Labor Force Survey



Source: Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey, Concepts and Definitions*, <https://www.stat.go.jp/english/data/roudou/pdf/definite.pdf>.

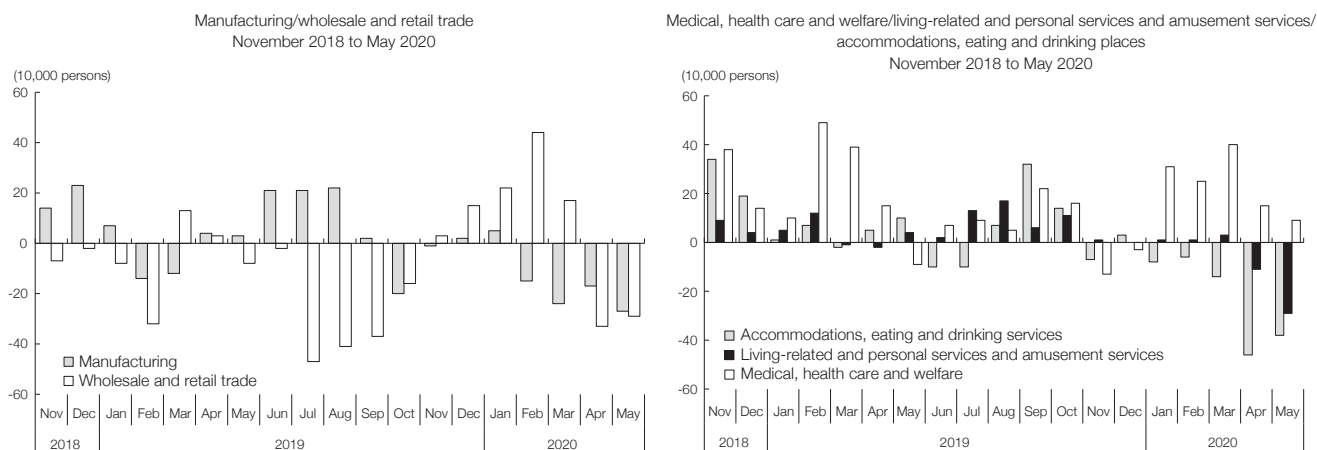
(2) Labor force

Table 1. Labor force

(10,000 persons)

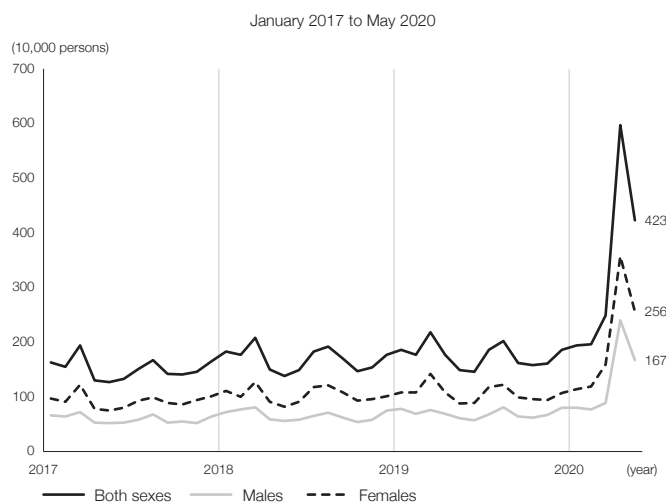
		Labor force		
		Total	Employed person	Unemployed person
			Not at work	
2017		6,720	6,530	190
2018		6,830	6,664	166
2019		6,886	6,724	162
2020	January	6,846	6,687	159
	February	6,850	6,691	159
	March	6,876	6,700	176
	April	6,817	6,628	189
	May	6,854	6,656	198

Source: Compiled by JILPT based on Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey (Basic Tabulation)*(unadjusted values).



Source: Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey* (Basic Tabulation).⁷

Figure 3. Number of employed persons by main industry (unadjusted values, year-on-year change)

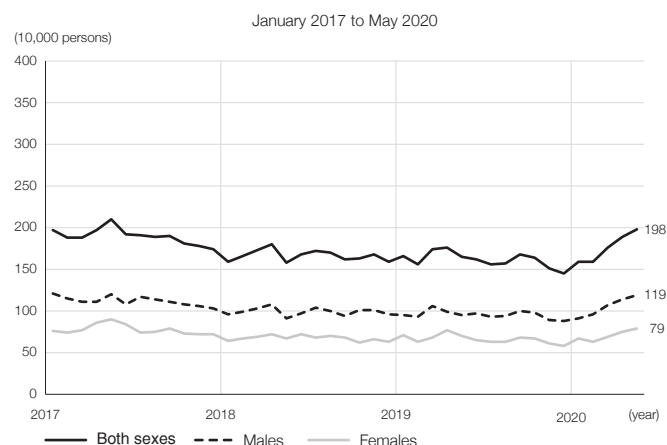


Source: MIC, *Labour Force Survey* (Basic Tabulation).⁸

Figure 4. Number of employed persons not at work (unadjusted values, by sex)

7. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c01.html#c01-1> (in Japanese).

8. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c23.html> (in Japanese).



Source: MIC, *Labour Force Survey* (Basic Tabulation).⁹

Figure 5. Number of unemployed persons (unadjusted values, by sex)

2. Working hours



Source: Compiled by JILPT based on MHLW, "Monthly Labour Survey."¹⁰

Notes: 1. Beginning in June 2019, values are based on a complete survey of "business establishments with 500 or more employees."

2. "Business establishments with 500 or more employees" for the Tokyo metropolitan area are re-aggregated beginning in 2012.

Figure 6. Total hours worked, scheduled hours worked, and non-scheduled hours worked (year-on-year change, total of full-time employees and part-time workers)

For the up-to-date information, see JILPT *Main Labor Economic Indicators* at <https://www.jil.go.jp/english/estatis/eshuyo/index.html>

9. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c03.html#c03-1> (in Japanese).

10. MHLW, *Monthly Labour Survey*. <https://www.mhlw.go.jp/english/database/db-l/monthly-labour.html>. For up-to-date information and further details, see <https://www.jil.go.jp/kokunai/statistics/covid-19/c11.html#c11-1> (in Japanese).

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6. Hours of Work and Working-time Arrangements
7. Trade Union, Industrial Relations and Occupational Accidents
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