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CONTENTS

Special Feature on Research Papers (I)

Japan Labor Issues is pleased to present its annual special feature on research papers. This time, six significant papers will be presented for three parts (I-III). In the following pages, you will find two of them as Part I.

The Editorial Office selects research papers every year from various relevant ones written in Japanese and published within a year or two, from the viewpoint of communicating the current state of labor research in Japan to the rest of the world.

We hereby sincerely thank authors for their kind effort arranging their original papers for the benefit of overseas readers.

Editorial Office, *Japan Labor Issues*

Maternal Employment in Japan Over the Past 40 Years: Evidence from the Population Census

FUKAI Taiyo

This paper focuses on the challenge of balancing childcare and work, which is closely related to Japan's declining birthrate and persistent gender wage gaps. Using data from Japan's Population Census over the past forty years, the paper descriptively documents the working patterns of married women with children. With issues such as the child penalty and income thresholds in mind, the analysis highlights how parental employment has changed in response to childrearing and who is working, and in what ways. The results show that the substantial increase in employment rates among women in their 20s to 40s between 1980 and 2020 is largely driven by higher employment rates among married women with children. Although employment rates remain low immediately after childbirth, the widespread use of the parental leave system appears to have supported continued employment. Women who remain employed immediately after childbirth are disproportionately concentrated in professional occupations in the medical and welfare fields. In addition, among women who return to employment as their children grow older, many do so in part-time positions. In contrast, according to the Population Census, the employment patterns of men with children have changed little over the past forty years.

I. Introduction

One of the major news topics in Japan during the first half of 2024 was that the total fertility rate in 2023 was 1.20, the lowest on record in statistical history. The declining birthrate is a major issue not only in Japan but also internationally, and many researchers around the world, especially in advanced economies are conducting research on this issue. One of the factors behind the declining birthrate is that women tend to choose not to have

children or choose to delay having children due to economic reasons, such as earnings and employment stability, or the opportunity costs associated with interrupting one's career. In short, the issue of balancing childcare and work is inseparable from the issue of the declining birthrate. Over the past 30 years, there have been discussions in Japan on "work-life balance," resulting in the establishment of the "Work-Life Balance Charter" in 2007. The term "work-life balance" is now widely used.

Recently, increasing attention has been paid to the decline in women's earnings and employment rates associated with the birth of their first child. Since the analysis of child penalties by Kleven et al. (Kleven, Landais, and Søgaard 2019), many researchers have renewed their interest in this topic, and a growing body of work has examined this phenomenon internationally.[1] In Japan, analyses of child penalties are still limited, but Hsu (2021), using the Japanese Panel Survey of Consumers (JPSC), found that women's earnings declined sharply after the birth of the first child, leading to a decrease in employment rates in the short term and an inability to return to previous wage levels in the long term due to reduced working hours. Similarly, Komura (2022), using the "Longitudinal Survey of Adults in the 21st Century," reported that women's earnings decreased by approximately 60% at the time of childbirth and had not recovered even seven years later. This research trend has been facilitated by the increasing availability of administrative data and other sources that track individual earnings over time, as well as growing recognition that factors explaining gender wage gaps are related to childbearing.

Additionally, there is growing interest in institutional factors, particularly tax policies. Borella, De Nardi, and Yang (2023) analyzed U.S. data to point out that joint taxation, which increases the marginal tax rate for spouses, discourages women from working. Bick and Fuchs-Schündeln (2018) also demonstrated through international comparisons that differences in tax policies are important in explaining the employment of married men and women. Domestically, more attention has been drawn to the issue of income thresholds in the tax and social security systems, under which workers face higher income taxes or become liable for social insurance contributions once workers' annual income exceeds a certain level, and analyses focusing on the "1.03 million yen threshold," "1.06 million yen threshold," and "1.3 million yen threshold" have been conducted using local government tax data (Kondo and Fukai 2023). This line of research has been motivated by concerns such as the stagnation of women's employment growth in the United States and the age-related decline in women's full-time employment in Japan, often referred to as the "L-shaped curve."

Changes in women's employment due to childbirth and tax policies that affect their subsequent employment status are not only subjects of academic interest but also of policy attention. The "Annual Report on the Japanese Economy and Public Finance 2023" (Cabinet Office) uses the term "child penalty" in its discussion. Regarding tax policies, the "Enhanced Support Package to Help Overcome the Annual Income Barrier" has been implemented since October 2023 to enable individuals to work beyond the income thresholds. The "Basic Policy on Economic and Fiscal Management and Reform 2024" (decided by the Cabinet on June 21, 2024) also explicitly mentions the utilization of this package.

While there is growing interest in changes in women's employment associated with childbirth and in tax policies that affect their subsequent employment status, many aspects remain not well understood. One reason is the limited availability of surveys that can follow individuals' childbirth and employment histories over time. Nevertheless, it is still possible to extract useful insights from the data that are currently available. This paper uses the Population Census to describe how employment has changed and what the current situation looks like, focusing on women with children. Although the Population Census is not panel data and therefore cannot be used for strict estimation of child penalties, its large sample size enables us to capture the employment status of women with young children immediately after childbirth and the industries and occupations in which they are employed. Taking advantage of the strengths of the Population Census, this paper documents how the employment of women with children has changed over the 40 years from 1980 to 2020, noting the value of revisiting such

long-term trends.

The next section first provides an overview of the Population Census used in the analysis and explains how the census data are utilized. Subsequently, Sections III onward primarily focus on the employment of married women with children to examine their employment status immediately after childbirth and ten years after childbirth.

II. Data

The analysis utilizes data from the Population Census conducted from 1980 to 2020. The Population Census has been conducted every five years since the first survey in 1920, except during wartime. The census covers all people residing in Japan for three months or more, regardless of nationality, and collects data on age, household composition, employment status, and other items as of October of the survey year. This paper uses data from the Population Census during the period from 1980 to 2020, for which microdata is available. Since the Population Census is conducted every five years, data for each five-year period is available, but this paper uses data for every ten-year period to capture long-term changes. The 2020 census was conducted in the year when the COVID-19 pandemic began, and given that its impact on the labor market was particularly significant for women (Kikuchi, Kitao, and Mikoshiba 2021; Fukai et al. 2023), the results from 2020 should be interpreted in light of this context.

There are several advantages and disadvantages to use the Population Census. One disadvantage is that it does not contain detailed employment information such as working hours or earnings. Although the Population Census provides information on whether individuals are employed, their employment type (e.g., full-time, part-time, or temporary), as well as their industry and occupation, it is not possible to conduct more detailed analyses of employment conditions using these data. Moreover, because the census does not include individuals' employment histories, it is not possible to track employment continuity or career progression.

On the other hand, the use of the Population Census offers many advantages. The most significant advantage is its full population coverage, which allows for an accurate depiction of nationwide patterns. Because childbirth is a relatively rare event in the population as a whole, the large scale of the census makes it possible to analyze it in considerable detail. In addition, the substantial sample size allows researchers to document aspects that have not been well described to date, such as the joint distribution of industry and occupation among employed mothers. This is particularly useful for understanding the labor markets women face and how their skills are utilized. Moreover, because the census provides data spanning the past 40 years, long-term changes and trends can be systematically examined. Thus, the Population Census is highly valuable for providing a comprehensive and long-term perspective on women's employment before and after childbirth.

Before conducting an analysis of women's employment before and after childbirth using the Population Census, it is necessary to describe in detail how children are identified. In the Population Census, identifying who is whose child requires the use of the variable indicating each individual's relationship to the household head. Specifically, the relationship between the woman being analyzed and the household head is confirmed, and then each child is identified based on that relationship.

First, in order to focus the analysis on women's employment, the relationship status of women in the target age group is identified. Then, based on this relationship, it is determined whether any household members are classified as the woman's child. For example, if the target woman is recorded as the "spouse" of the household head, the presence of household members recorded as "child" is checked. Likewise, if the target woman is recorded as the "child" of the household head, the presence of individuals recorded as "grandchild" is examined. In this way, co-resident children are identified. However, it should be noted that the Population Census can identify only co-resident children. For example, if children have grown up and moved away from home to attend

university, they will appear in the census, but not within the same household as the target woman, and therefore cannot be identified as her children. In addition, when multiple individuals are recorded as "child" or "grandchild" within a household, it is difficult to determine precisely which of them are the children of the target woman. Such cases, however, account for less than 1% of all observations, and their impact on the analysis is likely to be limited. For this reason, these cases are retained in the analysis.

Understanding how employment information is collected in the Population Census is essential for analyzing women's employment before and after childbirth. The Population Census is conducted in October of the survey year, and employment status is based on information for the previous month, September. Specifically, the census uses the "actual" method, asking respondents, "Did you do any work during the week from September 24 to 30?" This question format is the same as that used in the Labor Force Survey in Japan.

The Population Census offers eight response options for employment status: "Mostly worked"; "Worked besides doing housework"; "Worked besides attending school"; "Absent from work"; "Seeking a job (unemployed)"; "Did housework"; "Attending school"; and "Other (infants, the elderly, etc.)." These categories have been used consistently since the 1980 census, ensuring comparability across survey years. This consistency allows for a detailed analysis of changes in women's employment status over the past 40 years.

In this study, "mostly worked" is interpreted as full-time employment, and "worked besides doing housework" is interpreted as part-time employment. This interpretation follows the guidelines provided for completing the survey questionnaire. In addition, the Population Census contains information on major industry and occupation classifications for employed individuals. Although the census also includes questions on whether workers are employed on a regular or temporary basis, these items are not used in the present analysis because the response categories differ substantially across survey years.

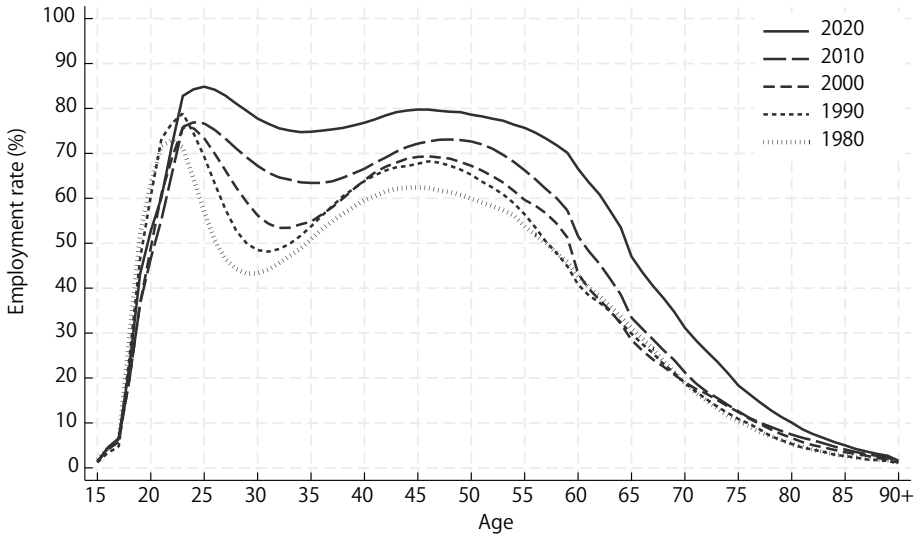
III. Changes in employment rates of women

First, Figure 1 plots changes in women's employment rates by age from 1980 to 2020. Looking at the overall trend, women's employment rates have increased over this 40-year period. In particular, the rise in employment among women in their late 20s to 40s has been pronounced. The deep trough in the M-shaped age profile that was clearly visible in 1980 has lifted by 2020, making the profile resemble a trapezoid rather than the traditional M-shape. Employment rates among women in their 50s and older have also gradually increased, indicating an expansion of the working age among women.

What types of working women have been increasing? Figure 2 focuses on women aged 25 to 49—an age group that experienced a substantial rise in employment rates between 1980 and 2020—and illustrates how their employment status (full-time, part-time, etc.) has changed over time. First, the share of women not in the labor force, shown at the bottom of each bar, has been declining year by year, indicating a steady increase in labor force participation among women in this age group. The percentage of women not in the labor force fell from 45.4% in 1980 to 18.8% in 2020. Next, the share of women who "mostly worked" during the survey period has changed markedly, rising from 30.6% in 1980 to 60.4% in 2020. Although the overall share is small, the percentage of women who were "absent from work" during the survey period has also increased since 2000—from 1.0% in 2000 to 2.8% in 2020. This increase likely reflects a growing number of women utilizing the parental leave system, which was legislated in 1992.

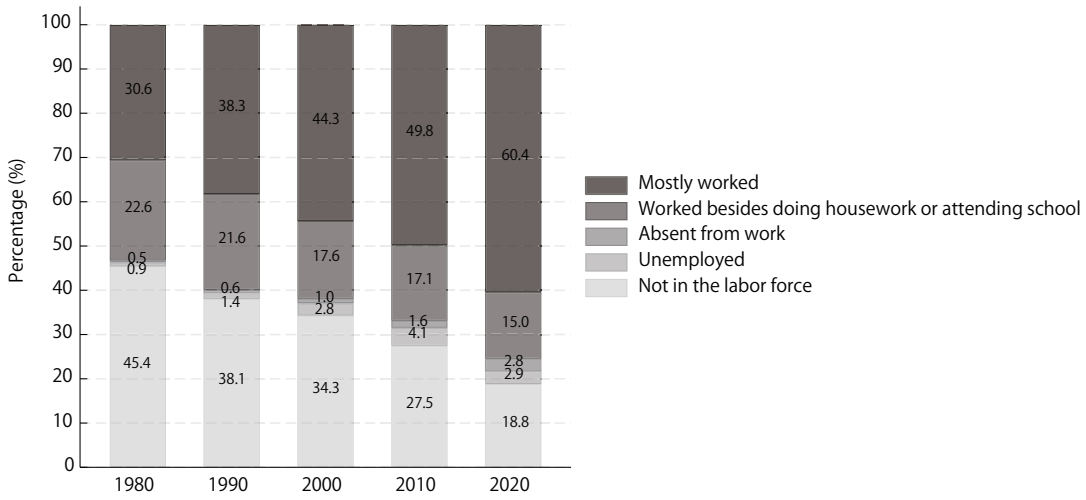
IV. Decomposition of factors behind the increase in women's employment rates

As shown in Figures 1 and 2, women's employment rates have risen substantially among those in their late 20s to late 40s. A major factor behind this increase is likely the growing number of women working full-time or



Source: Created by the author based on *Population Census* by the Statistics Bureau of Japan, Ministry of Internal Affairs and Communications.

Figure 1. Employment rates of women by age



Source: Same as Figure 1.

Figure 2. Breakdown of the employment status of women aged 25 to 49

in similar employment arrangements, who select the response category "mostly worked." In what follows, we take a closer look at the sources of this increase.

As above, we focus on women aged 25 to 49 and classify them into four groups based on "marital status (M)" and "the presence of children in the household (C)." We then decompose the change in employment rates between 1980 and 2020 into "changes in group composition" and "changes in employment within each group." For example, if the share of unmarried women—whose employment rates are relatively high—increased from 1980 to 2020, the rise in overall employment rates could be explained solely by compositional changes, such as an

increase in the proportion of unmarried women.

The decomposition method follows the standard approach used in earlier studies, such as Kawaguchi, Kawata, and Toriyabe (2021). Specifically, the employment rate of women aged 25 to 49 in a given survey year t, denoted as (e_t), can be expressed as a weighted average of the employment rates in each group ($e_{g,t}$) and their corresponding population shares ($s_{g,t}$):

$$e_t = \sum_g s_{g,t} e_{g,t}.$$

We set the year 1980 as the base year (t=0). Let the changes in group shares and employment rates from 1980 to 2020 be denoted by $\Delta s_g = s_{g,2020} - s_{g,0}$ and $\Delta e_g = e_{g,2020} - e_{g,0}$, respectively. Then the total change in the employment rate over this period (Δe) can be decomposed as follows:

$$\Delta e = \sum_a s_{g,0} \Delta e_g + \sum_a \Delta s_g e_{g,0} + \sum_a \Delta s_g \Delta e_g.$$

The first term on the right-hand side captures changes in employment within each group while holding group shares fixed at their base-year levels. This term therefore represents changes in the employment rate itself (the "employment effect"). The second term captures changes in group shares while holding employment rates fixed at their base-year levels, thereby indicating changes in the composition of the groups to which women belong (the "composition effect"). The third term represents the interaction between changes in group shares and changes in employment rates (the "residual"), which we do not interpret actively in this analysis.

The results of the decomposition are summarized in Table 1. Between 1980 and 2020, the employment rate of women aged 25 to 49 increased by 24.6 percentage points. Decomposing this increase shows that 21.5 percentage points are attributable to changes in employment within groups, while 7.2 percentage points are due to changes in group composition. Thus, the rise in employment itself is the dominant factor behind the overall increase. Notably, approximately 86% of the employment effect is accounted for by the increase in employment among women who were married (M = 1) and had children in their household (C = 1). This indicates that the employment rates of mothers increased substantially from 1980 to 2020, effectively lifting the bottom of the traditional M-shaped age–employment profile.

The results of a similar analysis conducted at 10-year intervals from 1980 are presented in the lower portion

Table 1. Decomposition of changes in employment rates of women aged 25 to 49

	Total Δe	Employment effect $\sum_g \Delta e_g s_{g,0}$	Composition effect $\sum_g e_{g,0} \Delta s_g$	Residual $\sum_g \Delta e_g \Delta s_g$
1980–2020	0.246	0.215	0.072	−0.041
		$\Delta e_g s_{g,0}$	$e_{g,0} \Delta s_g$	$\Delta e_g \Delta s_g$
M=0 & C=0		0.007	0.162	0.014
M=0 & C=1		0.003	0.020	0.002
M=1 & C=0		0.019	0.023	0.009
M=1 & C=1		0.185	−0.133	−0.066
	Total Δe	Employment effect $\sum_g \Delta e_g s_{g,0}$	Composition effect $\sum_g e_{g,0} \Delta s_g$	Residual $\sum_g \Delta e_g \Delta s_g$
1980-1990	0.068	0.054	0.015	−0.001
1990-2000	0.024	−0.006	0.029	0.001
2000-2010	0.055	0.039	0.019	−0.003
2010-2020	0.099	0.096	0.005	−0.003

Source: Same as Figure 1.
Note: M is a binary variable where 1 represents being married, and C is a binary variable where 1 represents having a child in the household.

of Table 1. These results show that the contribution of rising employment was particularly large between 2010 and 2020.

V. Employment of women immediately after childbirth

1. Changes in employment rates immediately after childbirth

The previous sections showed that the employment rate of married women living with children increased substantially between 1980 and 2020. In this section, we focus on women living with children and examine, in particular, women aged 25 to 34—the age range in which childbirth is most common.[2] We begin by looking at the employment rate of women whose oldest child in the household (assumed to be the firstborn) is 0–1 years old, who are therefore considered to have just given birth to their first child.

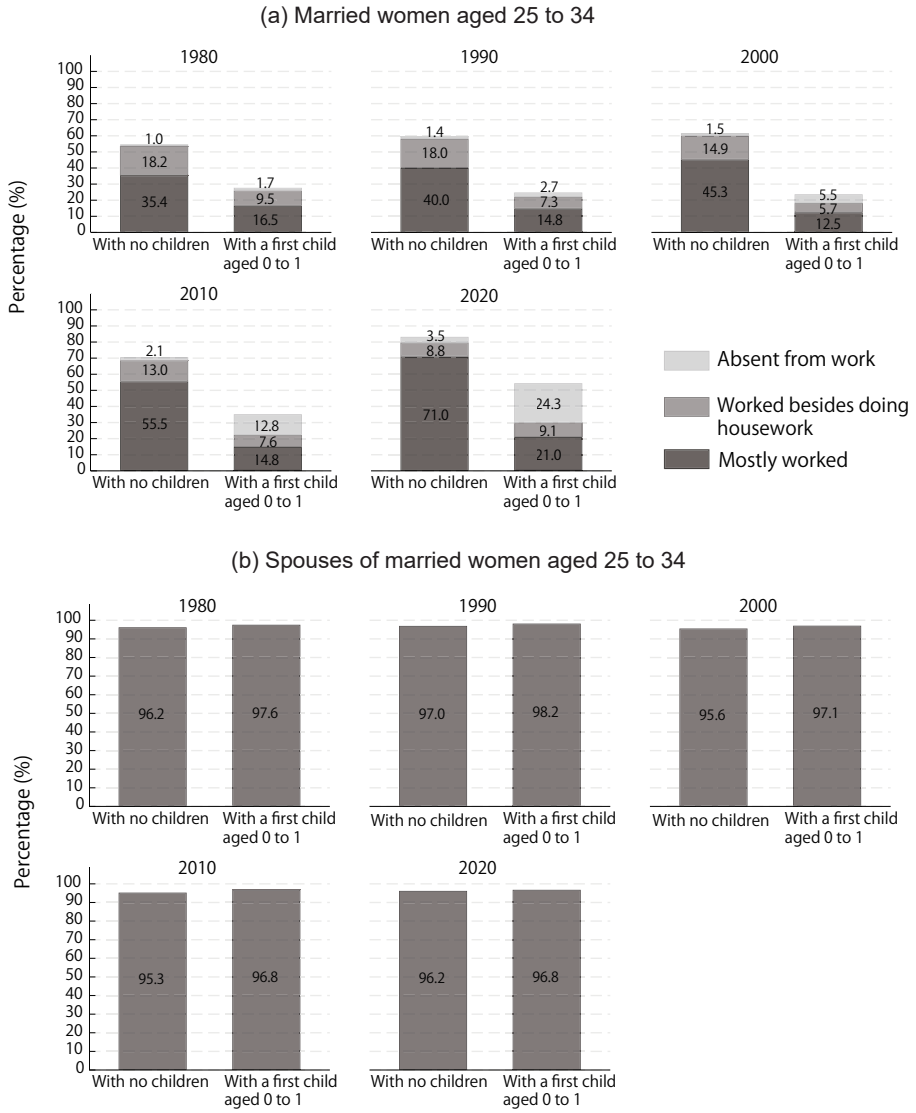
As a comparison, we also examine the employment rate of married women aged 25 to 34 who do not have children in their household. Comparing women who are assumed to have just given birth to their first child with married women who do not live with children is intended to provide a pseudo-estimate of the child penalty immediately after childbirth. However, this comparison does not necessarily correspond to the true child penalty because it simply contrasts women who have not yet given birth (married women without children) with women who have just given birth (married women with a 0–1-year-old child), rather than tracking changes in employment for the same individuals. Accordingly, the employment rate of women without children in their household is used only as a reference.

Figure 3 presents the employment rates of married women aged 25 to 34 and their spouses. For women, the employment rate immediately after childbirth is lower than that of women with no children in the household in every survey year from 1980 to 2020. This gap widened slightly between 1980 and 2000, reflecting rising employment rates among women not living with children. Since 2010, however, the employment rate of women immediately after childbirth has also increased markedly, driven in particular by a rise in the number of women taking leave rather than leaving employment altogether. This likely reflects the growing use of the parental leave system.

Although the number of women working immediately after childbirth has increased, many still leave their jobs at that time. In 2020, while the employment rate for married women without children exceeded 80%, the employment rate of women whose first child was aged 0–1 was only around 55%. Even though this is only a pseudo-measure, this gap captures what can be viewed as a child penalty immediately after childbirth. It is important to note, however, that the mere fact that some women leave employment after childbirth does not, by itself, indicate a problem. Some women leave work to focus on childcare, while others do so because balancing work and childcare is difficult. The term “child penalty” may give the impression of punishment, but what the data show here is simply that the employment rate of women immediately after childbirth is low. Turning to the employment status of the spouses, men’s employment rates show little variation depending on whether they live with children. Men’s employment remains high even after childbirth, in clear contrast to women.

2. Occupations and industries in which the target women are employed

Numerous studies, both in Japan and abroad, have documented that women’s employment rates drop immediately after childbirth. Figure 3 presents results consistent with this finding. However, much less is known about the characteristics of women who continue working during this period. To gain insights into what kinds of work arrangements enable women to remain employed while raising children, it is important to describe the characteristics of those who continue working after childbirth. Using the large-scale Population Census, we examine the joint distribution of industries and occupations among women who remain employed immediately after childbirth. For comparison, we also report the corresponding distribution for married women who do not



Source: Same as Figure 1.

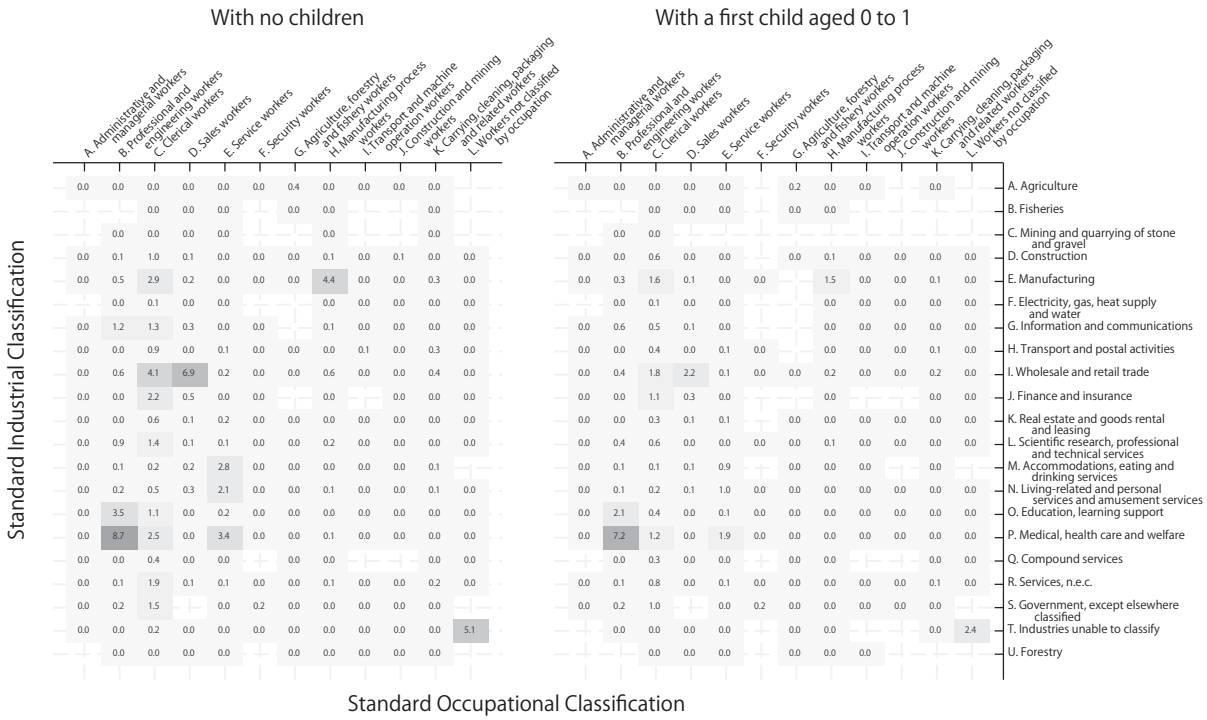
Figure 3. Employment rates of married couples with a first child aged 0 to 1

have children in their household.

The analysis uses the same sample as in Figure 3 and presents the results for 2010. Figure 4 shows the distribution of married women "with no children" and those "with a first child aged 0–1" across major industry and occupation categories. The figure reports the share of each category among all women in each group, excluding the "not employed" category, which accounts for the largest share.

Among married women who continue working immediately after childbirth, a large proportion are classified as "Professional and engineering workers" in the "Medical, health care and welfare" industry. This group likely includes doctors and nurses working in hospitals, as well as childcare workers and long-term care workers. Overall, women in professional and engineering occupations exhibit a strong tendency to remain employed after giving birth.

A similar pattern is observed among married women with no children: many are also "Professional and engineering workers" in the "Medical, health care and welfare" industry, and the overall distribution is broadly



Source: Same as Figure 1.

Figure 4. Distribution of industries and occupations among married women aged 25 to 34 in 2010

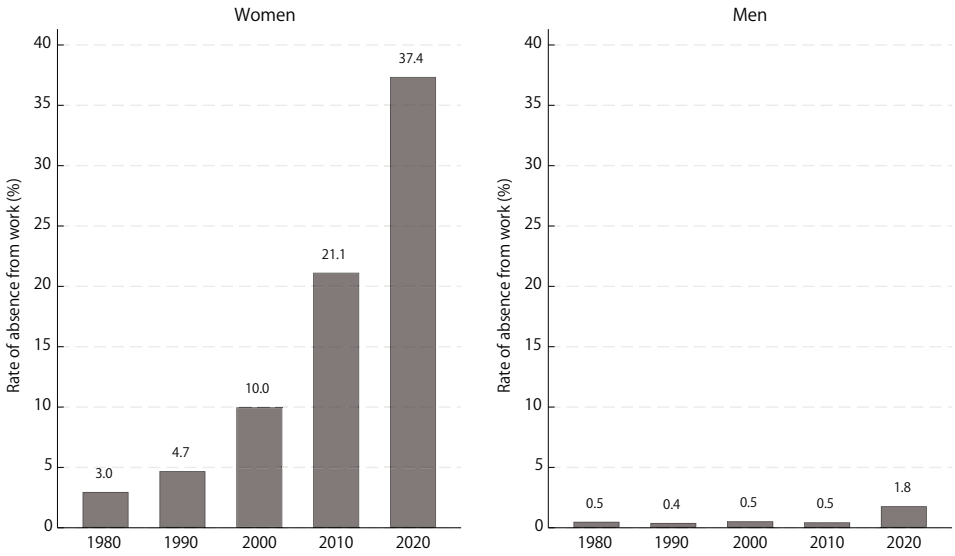
similar. However, compared with women immediately after childbirth, married women with no children are more frequently found among "Sales workers" and "Clerical workers" in the "Wholesale and retail trade" industry, as well as "Manufacturing process workers" in the "Manufacturing" industry.

It is difficult to interpret this difference. One possibility is that many women employed in "Wholesale and Retail Trade" or "Manufacturing" leave their jobs after childbirth. Another possibility is that the difference reflects the industry–occupation combinations in which women with children are more likely to work. In any case, the results suggest that the professional or technical nature of an occupation plays an important role in whether women continue working after childbirth.

3. Changes in the proportion of people absent from work

Another point evident from Figure 3 is the increase in the number of married women who are absent from work after childbirth. Therefore, this section focuses on absence from work. Under the parental leave system in place as of 2020, employees can generally take leave until their child reaches one year of age, except in situations where childcare is unavailable or when both parents take leave under the "Mother and Father Childcare Leave Plus" program. Accordingly, we examine the proportion of people absent from work among those whose first child is 0 years old.

It is important to note that the Population Census captures absence from work only during the last week of September of the survey year. Although the census does not identify whether those who reported being absent were taking parental leave, most absences following childbirth are likely to correspond to statutory maternity leave or parental leave. Furthermore, because the census records individuals who are on leave at a single point in time—rather than those who have taken leave at any time in the past—it inevitably underestimates the actual



Source: Same as Figure 1.

Figure 5. Rate of absence from work among married women aged 25 to 34 with children aged 0 years, and their spouses

take-up rate of parental leave. However, if the duration of leave taken has remained relatively stable over time, the census still allows us to capture trends in parental-leave take-up.

Figure 5 presents the percentages of married women aged 25 to 34 whose first child is 0 years old who were absent from work, along with the corresponding percentages for their spouses. Only a few percent of women were absent from work between 1980 and 1990, but the share increased to 10% in 2000 and to 37.4% in 2020. This indicates a sharp rise in leave-taking following the introduction of the parental leave system in 1992.

Another advantage of this approach is that it enables us to capture the spread of parental leave. According to the "Basic Survey of Gender Equality in Employment Management" published by the Ministry of Health, Labour and Welfare, the take-up rate of parental leave among women has remained largely unchanged since it exceeded 80% in 2007. This figure represents the proportion of women who took parental leave out of all women who gave birth within the same firm, and therefore excludes those who left their jobs during pregnancy. An important point evident from Figure 5 is that the number of women who are presumed to have taken parental leave among those who gave birth increased substantially between 2010 and 2020.

Looking at the corresponding graph for men, the percentage of those absent from work is low, and the increase over time is modest. This may partly reflect the shorter duration of parental leave available to men, but it also indicates substantial gender disparities in the use of the parental leave system. These patterns suggest that parental-leave take-up is a key factor shaping women's employment, and that its use has expanded as the system has become more widespread.

VI. Employment of women after childbirth

1. Employment status 10 years after the birth of the first child

The analyses conducted thus far have focused on the employment status of women with children aged 0 to 1 immediately after childbirth, presuming these children to be their firstborn. However, to understand changes in

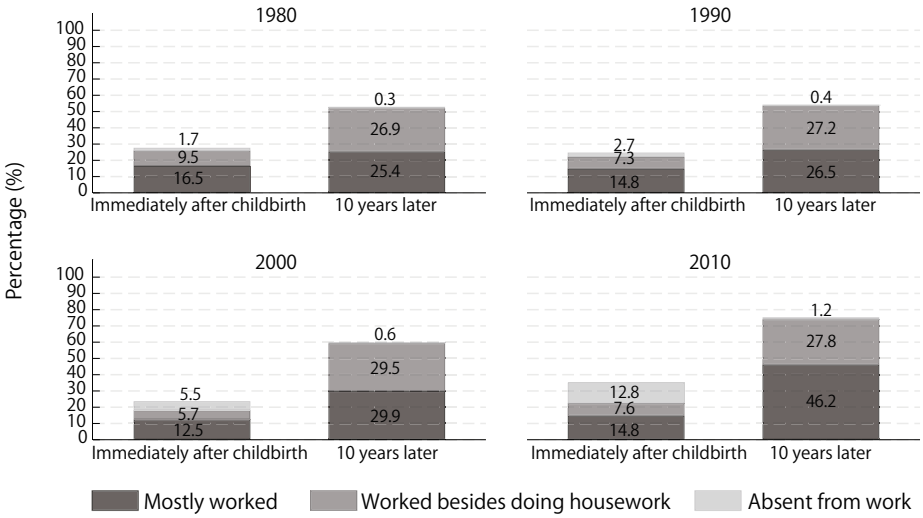
employment associated with childbearing, it is important to examine not only the period immediately after childbirth but also developments over subsequent years. Here, we can take advantage of the Population Census. The earlier analyses focused on women aged 25 to 34 with children aged 0 to 1. Ten years later, these women would be 35 to 44 years old and have children aged 10 to 11. Because the Population Census is a full-count census that covers the entire population, it almost certainly includes these women, enabling us to observe changes in their employment status. Of course, it is not possible to track the same individuals perfectly, as some may divorce or separate and thus appear in different household types in later years. Nevertheless, it is still possible to capture changes in employment among groups of women who are nearly identical.

The analysis compares the employment status of married women aged 25 to 34 with a first child aged 0–1 during the period from 1980 to 2010 with that of married women aged 35 to 44 with a first child aged 10–11 during the period from 1990 to 2020. This approach allows us to see how women's employment patterns evolve as their children grow older. As Figure 3 shows, men's employment status is expected to remain largely unchanged; therefore, the analysis focuses on women.

Figure 6 presents the results for each reference year. As the figure shows, employment rates increase substantially over the subsequent 10-year period across all cohorts. Even among women who gave birth around 1980, the employment rate rises from 30% to 50% over 10 years—a 20-percentage-point increase. For women who gave birth around 2010, the employment rate exceeds 70% ten years later, indicating that many women begin working in some form as their children grow older.

The employment rate ten years after childbirth for the 2010 cohort—around 70%—is close to the employment rate of women with no children shown in Figure 3. If this value can be interpreted as representing their pre-childbirth employment rate, it may suggest that women who were originally inclined to work are returning to employment as their children grow older. This interpretation is consistent with Hsu (2021), who finds that women's employment rates recover in the long run.

Another point to note is that a large share of women who are working ten years after childbirth report



Source: Same as Figure 1.

Figure 6. Employment rates of married women with children aged 0 to 1 in a given target year and married women with children aged 10 to 11 in the survey 10 years later

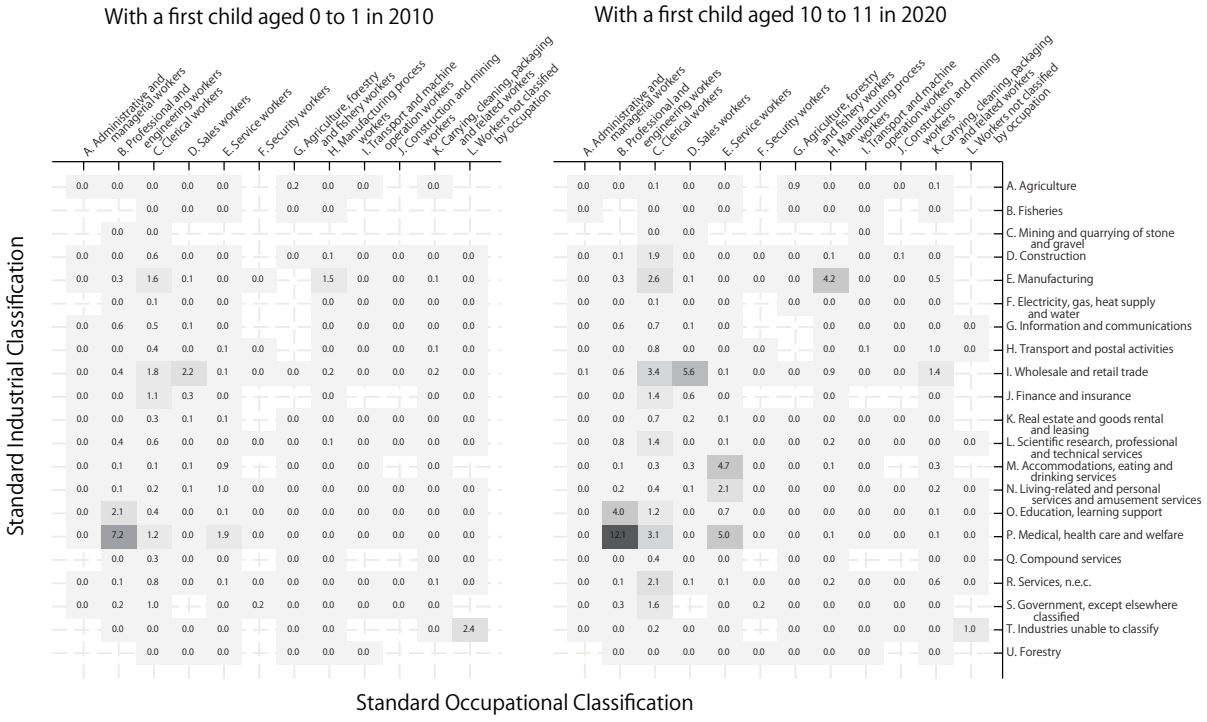
"working besides doing housework." Without panel data, it is unclear whether these women are newly entering employment in the category of "working besides doing housework," or whether those who were previously "mostly working" have shifted into this category. Nevertheless, it is evident that part-time or similar forms of "working besides doing housework" account for a substantial proportion of women who begin working once their children are older. Although the precise figures vary, this basic pattern has remained largely unchanged since 1980. This result suggests that, over the past forty years, issues such as income thresholds faced by part-time and temporary workers have continued to be relevant for women raising children.

2. Changes in the industries and occupations in which the target women work

As shown in Figure 6, the employment rate rises sharply from immediately after childbirth to ten years later, with many women beginning to work as their children grow older. Where do these women work during this period? To examine this, we compare the joint distribution of industries and occupations among women who are working immediately after childbirth with that of women who are working ten years after the birth of their first child, following the same approach as in Figure 4. As in Figure 4, each figure reports the share of women in each category among all women in the relevant group, and the "not employed" category—which accounts for the largest share—is excluded.

The analysis presents results for married women with a first child aged 0–1 in 2010 and for married women with a first child aged 10–11 in 2020. Thus, the 2010 results correspond to the right-hand panel of Figure 4. As shown in Figure 7, the largest increase ten years after childbirth is again observed among "professional and engineering workers" in the "medical, health care and welfare" industry. In fact, 12.1% of women with a first child aged 10–11 are employed in this industry–occupation combination.

Other industry–occupation combinations that increase ten years after childbirth include "sales workers" and



Source: Same as Figure 1.

Figure 7. Distribution by industry and occupation of married women with children aged 0 to 1 in 2010 and that of married women with children aged 10 to 11 in 2020

"clerical workers" in the "wholesale and retail trade" industry; "service workers" in the "accommodations, eating and drinking services" industry or in the "medical, health care and welfare" industry; and "manufacturing process workers" in the "manufacturing" industry. These categories likely include many doctors, nurses, childcare workers, and long-term care workers. Overall, women in "professional and engineering" occupations tend to continue working after childbirth.

Further detailed analysis is needed, but it is noteworthy that the industry–occupation distribution of women ten years after childbirth closely resembles the distribution for married women with no children in 2010, shown in the left panel of Figure 4. This may suggest that, as their children grow older, women tend to return to their original occupations or to occupations similar to those they held before childbirth.

VII. Conclusion

The challenge of balancing childcare and work is closely connected to issues such as the declining birth rate and gender wage gaps, and has been widely debated for nearly three decades. In recent years, particularly with the improved availability of panel data, increasing attention has been paid to gender disparities in employment trajectories around childbirth—exemplified by the child penalty—as well as to institutional features, such as income thresholds in the tax and social insurance system, that influence the employment of married women.

In this context, this paper has aimed to descriptively examine two questions using data from the Population Census: how parental employment has changed over the past forty years in connection with childrearing, and who is working and in what ways. Although the Population Census does not provide detailed information on income or working hours, it offers an accurate nationwide picture of who works and where. Moreover, by using data from 1980 through the most recent wave in 2020, we can document changes in the employment of parents over approximately half a century.

The analysis yields several findings regarding the employment of parents raising children. First, the rise in employment rates among women aged 20 to 49 from 1980 to 2020 is largely attributable to higher employment rates among women with children. Although the long-standing pattern in which married women immediately after childbirth have lower employment rates than married women without children has persisted over the past forty years, the results suggest a steady increase in the number of women who continue working after childbirth through the use of parental leave.

Moreover, among women who remain employed immediately after childbirth, many work in professional occupations within fields such as medical care and welfare. The analysis of employment ten years after childbirth further shows that the pattern in which many women begin working as their children grow older has remained stable over the past forty years. In recent years, the number of women working full-time has increased, although a large share continue to work part-time.

The results also reveal that as children grow older, more women become employed as sales workers, clerical workers, service workers, or manufacturing process workers. In contrast, the employment status of married men with children has shown little change over the past forty years, according to the Population Census.

The analysis presented in this paper suggests several implications. First, an increasing number of people are making use of policy measures such as the parental leave system. A natural next step is to conduct policy evaluations to assess the effectiveness of these measures—for example, whether similar outcomes would have been observed in the absence of parental leave provisions. Second, the concentration of post-childbirth employment in specific industries and occupations highlights the importance of analyzing factors such as the use of skills during the childrearing period, the potential skill depreciation associated with time away from work, and the educational and occupational choices that women may make in anticipation of future childrearing. Furthermore, given that many women continue to work part-time while raising children, institutional features

such as income thresholds have substantial implications for the Japanese economy as a whole. Finally, as the results show, changes in employment associated with childbirth are observed almost exclusively among women. The persistent gender differences surrounding childrearing over the past forty years remain an important area for future research.

This paper has summarized what can be learned from simple descriptive statistics using the Population Census. However, there remain many questions that have not yet been addressed, as well as limitations inherent in the census data. A natural next step is to describe the circumstances of individuals in a variety of situations. For example, the impact of childbirth is likely to vary by educational attainment, and descriptive evidence on factors such as three-generation co-residence (Sasaki 2002) and regional differences (Abe 2013) is also needed. Although more refined analysis will require attention to issues such as selection, it is essential first to document what is happening. Given the large sample size of the Population Census, there is still much to be gained from exploratory work, including applications of machine-learning methods. At the same time, because the census is cross-sectional, it is difficult to follow the same individuals over time. For analyses of this kind, administrative data—which have become increasingly available in recent years—are likely to be especially valuable.

As we move toward more rigorous analysis of issues such as the child penalty and income thresholds, it will be important to draw on multiple data sources, leveraging the strengths of each, in order to obtain a clear understanding of current conditions and to carry out credible policy evaluation and hypothesis-driven research.

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Notes

1. The phenomenon in which having children leads to declines in women's labor supply and earnings has been extensively studied in economics and sociology (Hill 1979; Korenman and Neumark 1992; Waldfogel 1997, 1998; Phipps, Burton, and Lethbridge 2001; Budig and England 2001, etc.). Since Kleven, Landais, and Søgaard (2019), the term "child penalty" has become widely used, and this paper also adopts this term, although it is not necessarily the most precise expression. The phenomenon is also described as the "motherhood effect" or the "family gap," and the author's views on this terminology are summarized in Fukai (2024).
2. For middle-aged and older women, there is a possibility that their children have already left home for university or other reasons. Therefore, this paper focuses on relatively younger women.

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Trends in the Gender Gap in Time Use among Japanese Married Couples

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Gender inequality in the public spheres outside the household—such as education, the economy, and politics—are relatively easy to measure continuously using standardized indicators. By contrast, it is not easy to continuously monitor gender gaps in the private sphere of the household using standardized method. In this context, time-use data collected by diary surveys provides valuable resources that highlights gender disparities in the private sphere through the analysis of time allocation among the household members. Accordingly, this paper constructs dyadic data at the married-couple level using anonymized data from the *Survey on Time Use and Leisure Activities* (Statistics Bureau, Ministry of Internal Affairs and Communications) for the period 1991–2016 and depicts trends in disparities in paid and unpaid work time between spouses. The analysis revealed that the traditional gendered division of labor, represented by husbands' longer hours of paid work and the concentration of unpaid work on wives, was firmly maintained throughout the observation period. On the other hand, as a localized change, a gradual narrowing of the spousal gap in unpaid working time was observed. Furthermore, the analysis taking couples' educational attainment into consideration suggests the possibility that the trend toward narrowing gender differences in time use may be driven by highly educated couples. These findings may reflect the dual nature of gender gaps in Japan: the traditional division of labor between husbands and wives remains stable overall while exhibiting localized change.

I. Research problem

It would not be an exaggeration to say that issues involving gender equality/inequality constitute a major interdisciplinary field in social sciences. The Gender Gap Index, published annually by the World Economic Forum, is calculated by weighting scores in four key dimensions: educational attainment, economic participation and opportunity, political empowerment, and health and survival (World Economic Forum 2023). The first three

of these dimensions—educational attainment, economic participation and opportunity, and political empowerment—can be considered public spheres, where gender gaps, such as disparities in higher education enrollment rates, gender wage gaps, and gender imbalances among members of the Diet and cabinet ministers, are relatively easy to identify. One reason for this is that statistics for measuring these gender gaps are well established, at least in Japan. As a result, empirical studies on gender gaps in public sphere have been steadily accumulated.

On the other hand, are gender disparities in the private spheres—such as those between romantic partners, family members, and married couples—still being reproduced, or are these disparities diminishing over time? To consider this issue, one must begin with the question of how to measure gender disparities in the private spheres. What feminism and women's studies have traditionally addressed are power relationships in the private spheres, particularly oppression and violence against women (for example, domestic violence). Yet it is not hard to imagine the difficulty of adopting a quantitative approach to such phenomena. This is because researchers face methodological (and ethical) challenges in collecting accurate data from respondents on sensitive matters such as oppression and violence. In other words, compared with the public spheres, gender disparities in the private spheres are more difficult to measure based on standardized scales.[1]

However, one of the relatively well-established indicators of gender disparities in the private spheres is the gendered division of labor between men and women, especially between husbands and wives. Specifically, the extent to which men and women engage in unpaid work—such as housework, childcare, and nursing care within the household— has been a matter of concern. In other words, this is essentially an issue of time allocation—how much time men and women spend on unpaid work within the household and how much they spend in public spheres outside it.

This paper clarifies trends in spousal differences in time use, using Japanese time-use survey data.[2] One of the features of this paper is that it focuses not only on overall differences in time-use patterns between husbands and wives but also on educational differences between couples. The remainder of this paper is organized as follows. Section II provides an overview of the gender gaps elucidated in previous time-use research and clarifies the contributions of this paper. Section III explains the *Survey on Time Use and Leisure Activities* used in this paper, describes the process of constructing dyadic data at the married-couple level, and outlines the operationalization of variables. Section IV presents the analytical results, followed by the conclusion and discussion in Section V.

II. Gender gaps from the perspective of time use

1. Methods for collecting time-use data and international comparative research projects

Before reviewing existing research findings on gender differences in time use, it is important to note that there are two main methods for collecting time use data. The first method is called the diary method. In this method, respondents record what activities they engaged in during each time slot of the 24-hour day, divided into units of 10 or 15 minutes. Representative time use surveys in Japan that collect data using this method includes the *Survey on Time Use and Leisure Activities* which is used in this paper, and the NHK National Time Use Survey (NHK Broadcasting Culture Research Institute).[3]

The second method is the stylized method for measurement. In this method, respondents report the total frequency of each activity over a specified reference period (e.g., one day or one week). The frequency can be measured in units of time (minutes or hours) or using a Likert scale. Compared with the diary method, the stylized method reduces the burden on respondents, but it has been criticized for introducing substantially large systematic error (Kan 2008; Kan and Gershuny 2009; Kan and Pudney 2008).

Of the two methods for collecting time use data described above, the diary method is regarded as the "gold

standard" in time use research, despite its drawbacks, such as imposing a heavy burden on respondents and requiring substantial space on questionnaires (Belli, Stafford, and Alwin 2009; Cornwell, Gershuny, and Sullivan 2019; Kan and Pudney 2008; Park 2023).[4] International time use research based on the diary method has largely relied on two major research projects. One is the Multinational Time Use Study (MTUS), launched in the 1980s by Jonathan Gershuny and Sally Jones. MTUS provides freely available data files, created by harmonizing sample surveys collected over the past 55 years in 30 countries, thereby facilitating international comparison of time use. The other international comparative research project is the Harmonised European Time Use Surveys (HETUS), led by Eurostat. HETUS has so far completed two waves: the first wave (HETUS 2000, round one) was conducted between 1998 to 2006 in 15 European countries, and the second wave (HETUS 2010, round two) was conducted between 2008 and 2015 in 18 countries. The third wave (HETUS 2020) is currently underway.

2. Gender differences in time use and gender revolution theory

What kinds of gender differences in time use have been documented in these international comparative research projects? First, in nearly all societies where time use data are available, women devote more time to unpaid work, while men devote more time to paid work. This pattern is hardly surprising; the issue of concern lies in its trend. Empirical evidence shows that gender differences in time use have gradually narrowed over time (Altintas and Sullivan 2016; Kan, Sullivan, and Gershuny 2011; Sullivan, Gershuny, and Robinson 2018).

In recent years, the theoretical framework most frequently referenced to explain and interpret trends in gender differences in time use is the "gender revolution (theory)" (Esping-Andersen and Billari 2015; Goldscheider, Bernhardt, and Lappegård 2015). This is a type of multi-equilibrium model. The first equilibrium is defined as a society characterized by the male breadwinner model based on gender division of labor, while the second equilibrium is defined as a more gender-equal society based on dual-earner couples. The gender revolution refers to the transition from the first equilibrium to the second, which is thought to be achieved in two phases. In the first phase of the revolution, gender equality advances in the public sphere (England 2010; England, Levine, and Mishel 2020). That is, as educational opportunities expand, more women enter the labor force, and dual-earner households become more prevalent. However, at this stage, a conflict arises between the social norms based on the traditional male breadwinner model, which is a characteristic of the first equilibrium, and these changes in women's behavior. As a result, family instability emerges, symbolized by trends such as delayed marriage, non-marriage, low fertility, and rising divorce rates. However, as the gender revolution enters its second phase, gender equality in the private sphere progresses. Specifically, men take on a greater share of unpaid work within the household, leading to gender equality in time use. According to the gender revolution theory, once society stabilizes in the second equilibrium, family stability is expected to follow, as marriage rates rise, divorce rates fall, and fertility recovers.[5]

One of the central elements of the gender revolution theory is the educational differences in family behaviors and their changes over time. Taking marriage as an example, in the early stage of the transition from the first equilibrium to the second equilibrium, the responsibility for unpaid work remains disproportionately borne by women in the private sphere, making the opportunity cost of marriage particularly high for highly educated women. As a result, women's educational attainment is negatively correlated with marriage rates. However, as the gender revolution advances and gender equality in the private spheres is achieved, the income-earning capacity of highly educated women begins to work to their advantage in the marriage market, while their opportunity cost of marriage decreases. Consequently, the correlation between women's educational attainment and marriage rates is expected to gradually shift from negative to positive.[6] Accordingly, when evaluating gender revolution theory, it is important to focus on the educational differences in the family phenomena under examination and their trends.

3. Time use and gender gaps in East Asia

Although extensive knowledge has been accumulated regarding trends in gender gaps in time use, much of it has been concentrated in Europe and North America. As noted earlier, this is because international comparative projects on time use research have been conducted mainly in these regions. For example, among East Asian countries, only South Korea is included in the MTUS (as of the time of writing of this paper, data from three time points—1999, 2004, and 2009—are available).

In recent years, however, empirical studies on gender gaps in time use in East Asia have gradually increased. According to Park (2021), using data from the Korean Time Use Survey from 1999 to 2014, the time spent on childcare increased among both mothers and fathers in South Korea, with this trend particularly pronounced among highly educated parents. Furthermore, Park (2023), using data from the same survey up to 2019, found that: (1) gender differences in time use across five major domains—housework, work outside the home, family care, leisure, and self-care—have been gradually narrowing; (2) nevertheless, as of 2019, wives still engaged in much more housework than husbands; and (3) these trends toward gender equality were more pronounced among the highly educated. In China, the first large-scale time use survey, the National Time Use Survey, was conducted by the National Bureau of Statistics in 2008, followed by the second survey, though smaller in scales, was conducted in 2017. According to the results, the gender gap in unpaid work time widened during the period between the two surveys (Du, Wang, and Dong 2023).

These studies are valuable as country-specific case studies on gender gaps in time use in East Asia. On the other hand, Kan, et al. (2022) provide a comparative analysis of gender gaps in time use between East Asian countries, including Japan, and Western European countries. Kan and colleagues standardized the diary-based time use survey data collected in Taiwan, Japan, Beijing, China, and South Korea according to the MTUS specifications and compared these East Asian countries with 12 Western European countries selected from MTUS. The results show that gender gaps in paid and unpaid work time are not uniform across East Asia. Specifically, in Japan and South Korea, the gender differences in time use have been decreasing but at an extremely slow pace, which is similar to the trend in Southern Europe. By contrast, in Beijing and Taiwan, gender gaps in time use have been relatively small, but their narrowing trend has stagnated.

While Kan, et al. (2022) was pioneering in incorporating East Asian countries in comparative research on trends in gender differences in time use, their study also has several limitations. First, their analysis focused on men and women aged 20 to 59, encompassing individuals across a wide range of life stages. As a result, differences in time use between unmarried men and women and those between married men and women are not clearly distinguished. It is easy to imagine that life stages significantly affect time use, and indeed, even among studies focused on Japan, there are numerous examples supporting this hypothesis (Yagishita 2020a, 2020b; Fukuda 2007). The second limitation is that gender differences in time use are analyzed based on data at the individual level. Therefore, the analysis results do not allow conclusions such as "wives perform XX % of unpaid work while husbands perform the remaining YY %." To enable such interpretations, it is necessary to construct dyadic data at the married-couple level rather than at the individual level.

Based on the above, this paper aims to clarify the following two points using Japanese time use survey data: (1) describe the trends in gender differences in time use among married couples by constructing dyadic data at the married-couple level; and (2) clarify how such gender gaps vary by educational attainment.

III. Data and methods

1. Data

The following analysis uses anonymized data from the *Survey on Time Use and Leisure Activities* (hereafter, "STULA") conducted by the Statistic Bureau of the Ministry of Internal Affairs and Communications (1991,

1996, 2001, 2006, 2011, and 2016). This survey employs a two-stage stratified sampling design, with census districts as the primary sampling units and households as the secondary sampling units. Respondents report their activities in 15-minute intervals over two consecutive days during the survey period (October of each survey year). In other words, according to the classification of time-use data discussed in Section II, this corresponds to the diary method. Since the 2001 survey, two types of questionnaires have been used: "Questionnaire A," which is based on the pre-coded system with 20 activity categories, and "Questionnaire B," which is based on the after-coded system. Of these, this paper uses Questionnaire A.

The STULA has a multilevel data structure consisting of three levels. The first level is the household, the second level is the household member, and the third level is the survey date (first day or second day). In this structure, individuals are nested within households, and diaries are nested within individuals. Each household member constitutes two rows of records: the first row representing the first day, and the second row representing the second day of time use.

In order to construct dyadic data of married couples from data with such structure, it is necessary to identify the marital relationships within the same household. In the STULA, "relationship to the household head" is recorded for all household members. If there is only one married couple in the household, one household member other than the household head is assigned a "spouse" code, and dyadic data can be completed by matching this household member with the household head.

A problem arises when there are two or more married couples within a household. Such cases can be broadly divided into two types, depending on the generation to which the household head belongs (Table 1). The first type is where the household head and their spouse belong to the middle generation (G2) (Cases 1a and 1b). In this type, if they live with the parents of either the husband or the wife, the marital relationship of the parents is identified in the G1 cell. Likewise, if they live with their child and the child's spouse, the marital relationship between the child and the spouse is observed in the G3 cell. The second type is when the household head and their spouse belong to the oldest generation (G1), their child and the child's spouse belong to G2, and their grandchild belongs to G3. In both types, the marital relationship of the household head's child and the child's spouse can be identified only when there is one "child" and one "child's spouse" in the household.[7] When there are two or more married couples in the child generation within the same household, it is impossible to determine which household members are married to each other. Since Table 1 lists all possible patterns of marital relationships, it is possible that, for a given household, cells outside the shaded area may not actually be observed.

The analysis sample was limited to married couples in which both spouses were aged 25 to 49.[8] When examining gender differences in time use—particularly in unpaid work time— one possible approach would be to focus on married couples with preschool-age children, who bear a heavy childcare burden. However, in this paper, the target population is defined more broadly as all married couples, including those without children and those with children of various ages. While analyses that limit or compare life stages are also important, given the limited knowledge about gender differences in time use when viewed at the married-couple level, this study prioritizes maximizing the coverage of married couples included in the analysis in order to draw an overall picture of differences in time use between husband and wife.

Table 1. Types of marital relationships based on the STULA

	First generation (G1)	Second generation (G2)	Third generation (G3)
Case 1a	Parents of the household head	Household head and spouse	Child and the child's spouse
Case 1b	Parents the household head's spouse		
Case 2	Household head and spouse	Child and the child's spouse	Grandchild

2. Variables

(1) Daily activities

This paper focuses on two types of activities: paid work time and unpaid work time.[9] As mentioned earlier, Questionnaire A in the STULA contains 20 pre-coded categories of activity. Among these, paid work time is defined as the total time spent on "work" and "commuting to school or work." Unpaid work time is defined as the total time spent on "housework," "caring or nursing," and "childcare." "Commuting to work or school" is included in paid work time to capture the total time commitment associated with paid work. Note that travel time arising from unpaid work—for example, travel from home or the workplace to a childcare facility—is not included because it is difficult to identify such time precisely from data.

When calculating the average daily time spent on each category of activity (in minutes), weights of 5/7 for the weekdays (Monday through Friday) and 2/7 for the weekends (Saturday and Sunday) are applied.[10]

(2) Educational attainment

The educational attainment of each spouse was categorized into two categories: "high school/junior high school" and "university/junior college/college of technology," without distinguishing between current enrollment and graduation. Combining the educational attainments of both spouses produces four patterns of educational pairing, designated as follows: (i) "high-education homogamy marriage" (both spouses: "university/junior college/college of technology"); (ii) "wife-hypogamy marriage" (wife: "university/junior college/college of technology"; husband: "high school/junior high school"); (iii) "wife-hypergamy marriage" (wife: "high school/junior high school"; husband: "university/junior college/college of technology"); and (iv) "low-education homogamy marriage" (both spouses: "high school/junior high school")

IV. Results

1. Changes over time in spousal differences in time use

First, it is useful to grasp the overall picture of changes in time use over time. Figure 1 compares the average daily time spent on paid work, unpaid work, and total work (a combination of the two) between husbands and wives. (Note that the average daily time spent on activities shown below is a weekly average weighted by weekdays and weekend, as mentioned earlier). What is immediately evident from Figure 1 is the gender gap in paid and unpaid work: husbands spend more time on paid work, while wives spend more time on unpaid work. This pattern reflects the traditional gendered division of labor and is not a new finding.

What, then, about changes over time in time use of husbands and wives?

First, although paid work time shows some fluctuations across survey years, a broad view spanning the 25-year period from 1991 to 2016 reveals little change for either spouse. Second, unpaid work time likewise shows little changes over time, but if anything, the time devoted to unpaid work tends to decrease for wives (306 minutes in 1991; 288 minutes in 2016) and increase for husbands (16.3 minutes in 1991; 36.5 minutes in 2016).

Finally, the right-hand panel of Figure 1 shows the total work time, which is the sum of paid and unpaid work time. In all survey years except for 1991, there is either no gender difference in the total work time or a tendency for husbands to have longer total work time than wives. For example, in 2016, husbands worked 21 minutes more per day than wives.

To summarize the above findings: First, the gendered division of labor—where husbands devote long hours to paid work outside home and wives bear most of unpaid work inside home—did not change substantially between 1991 and 2016. Second, when looking at the total work time combining paid and unpaid work time, the difference between husbands and wives has relatively diminished, and there is even a tendency for men to have longer total work time. Lastly, the most consistently observed sign of change over time is the narrowing gap in

unpaid work time between husbands and wives, although the pace of change has been slow.

2. Educational differences in time use between husbands and wives

The next point of view is how much the differences in time use between husbands and wives vary by educational attainment.

Figure 2 presents the data from Figure 1 broken down by the educational attainment of each spouse. Looking first at paid work time, there is almost no difference by the husband's educational attainment, whereas among

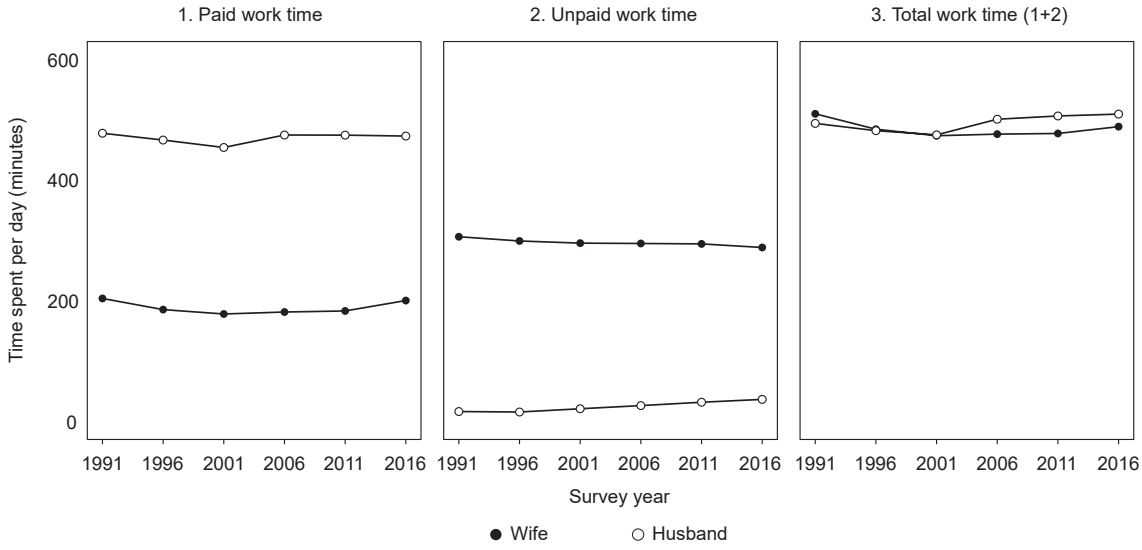


Figure 1. Paid work time, unpaid work time, and total work time per day by husbands and wives, by survey year

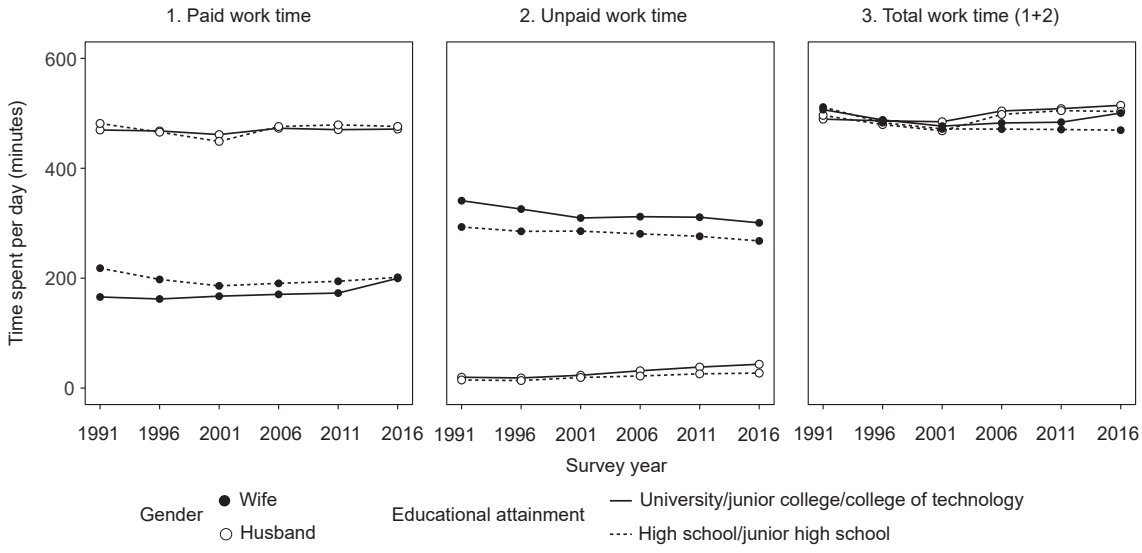


Figure 2. Paid work time, unpaid work time, and total work time per day by husbands and wives, by survey year and educational attainment

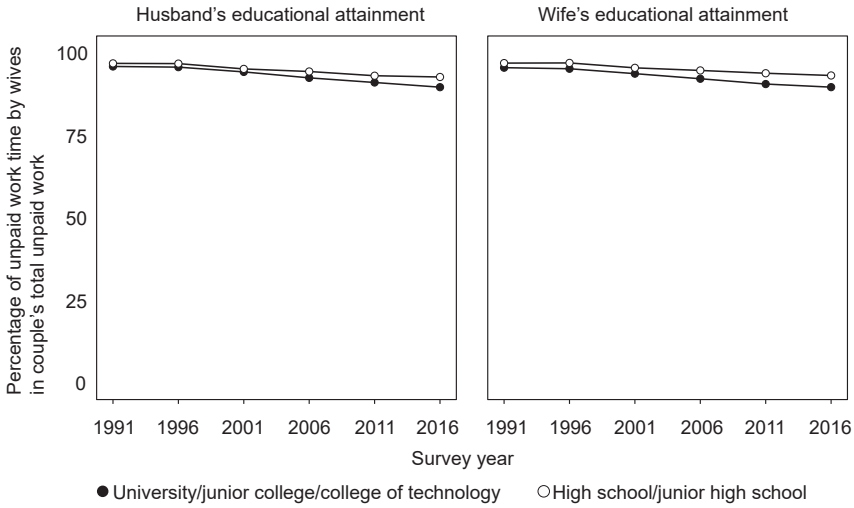


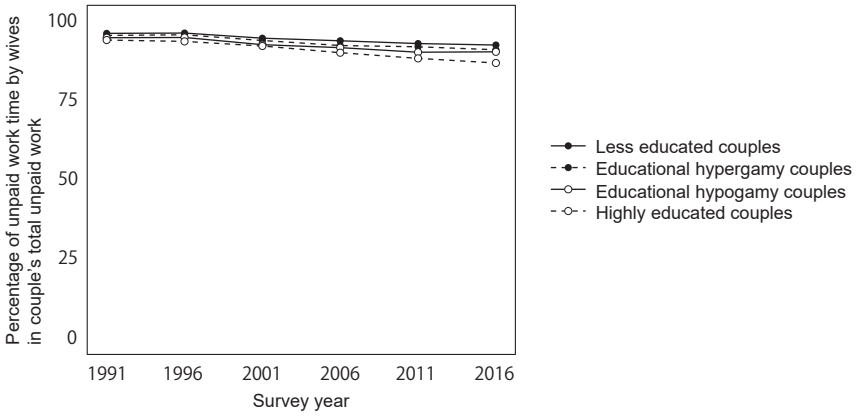
Figure 3. Percentage of unpaid work time by wives in total couple's unpaid work time, by educational attainment of each spouse

wives, the educational differences show a narrowing trend. In 1991, wives with "high school/junior high school" education spent more time in paid work than those with higher educational attainment, but by 2016 this difference had disappeared. By contrast, changes in the educational difference in unpaid work time are more pronounced among men (husbands). In 1991, there was little difference in unpaid work time by the husband's education, but since then, the increase in unpaid work time has been relatively larger among the highly educated, gradually making the educational difference more apparent. Although it is difficult to identify a consistent trend in total work time, as of 2016, the gender gap in total work time is smaller among the highly educated couples than among their less educated counterparts.

The analysis thus far has described the overall trends in the average time-use patterns of married couples and educational differences therein. However, the analysis above does not fully take advantage of the characteristics of dyadic data. Therefore, the following analysis focuses on unpaid work time to calculate wife's share of couple's total unpaid work time. For example, if a couple's unpaid work time consists of 200 minutes by wife and 50 minutes by husband on a given day, wife's contribution is 200 / (200+50) = 0.8 (80%). Note that this statistical measure is not calculated from couple's average unpaid work time, but rather from the (weighted) average of the ratios of couple's unpaid work time from each diary.

Figure 3 shows wife's share of couples' unpaid work time, broken down by the educational attainment of each spouse. Two points should be noted here. First, regardless of the educational attainments of couples, wives overwhelmingly bear the vast majority of unpaid work. However, the second finding is that educational differences in wives' share of unpaid work are gradually emerging, albeit very slowly. For example, in 1991, wives in couples where wife's educational attainment was "high school/junior high school" performed 96.8% of unpaid work, whereas in couples where the wife's educational attainment was "university/junior college/college of technology" was 95.4%—virtually the same level. By 2016, however, wife's share of unpaid work was 93.0% for couples where wife's educational attainment is "high school/junior high school" and 89.5% for couples where the wife's educational attainment is "university/junior college/college of technology," indicating a slight decline in the share of unpaid work borne by highly educated wives.

Figure 4 shows the proportion of unpaid work performed by wives by educational pairings. The trends observed here are almost identical to those in Figure 3. First, in all survey years and all educational pairings, the proportion of unpaid work performed by wives did not fall below 85%, indicating that the majority of care work



Note: The categories of educational combinations of couples are defined as follows.
[Highly educated couples] Both spouses: "university/junior college/college of technology", [Educational hypogamy couples] Wife: "university/junior college/college of technology"; husband: "high school/junior high school", [Educational hypergamy couple] Wife: "high school/junior high school"; husband: "university/junior college/college of technology", [Less educated couple] Both spouses: "high school/junior high school"

Figure 4. Percentage of unpaid work time by wives in total couple's unpaid work time, by combination of educational attainments of both spouses

within the household is concentrated on wives. Second, the gender gaps between spouses vary by educational pairings. Specifically, the gaps rank in ascending order as follows: highly educated couples, educational hypogamy couples, educational hypergamy couples, and less educated couples. Moreover, compared with other educational pairings, highly educated couples recently show a clearer trend of declining wife's share of unpaid work. For example, between 1991 and 2016, the wife's share of unpaid work among less educated couples decreased only slightly from 96.2% to 92.5%, whereas among highly educated couples, it dropped more sharply from 94.1% to 86.8%.

V. Conclusion and discussion

This paper constructed dyadic data of married couples using anonymized data from the Survey on Time Use and Leisure Activities conducted from 1991 to 2016 and described trends in gender gaps in paid and unpaid work time between spouses. The findings can be summarized as follows.

The first finding is the stability of the traditional gender division of labor between spouses and its localized changes. The gender division of labor, characterized by husbands' longer hours of paid work and the concentration of unpaid work on wives, remained firmly in place throughout the 25-year observation period. Inaba (2011), who discussed changes in Japanese families based on the analysis of the National Family Research of Japan from 1998 to 2008, pointed to the stability of the gender division of labor in families consisting of married couples and their children. This paper, using time-use data, also reached a similar conclusion. On the other hand, as a localized change, there has been a very gradual narrowing trend in the gender gap in unpaid work time between spouses. This result is consistent with the analysis by Kan, et al. (2022) of the STULA, which also covered unmarried individuals. Even when limiting the analysis target to the married couples, the pace of narrowing in the gender gap in time allocation of unpaid work does not differ greatly.

The second finding is that highly educated couples may drive the narrowing of gender gap in time use. Specifically, when the combinations of spouses' educational attainments are considered, as shown in Figure 4, it

becomes clear that the share of unpaid work performed by wives has been decreased relatively faster among highly educated couples than among other couples. This pattern is consistent with the predictions of the gender revolution theory.

It is important to note the limitations of this study and the remaining issues. First, differences in spousal time use by the presence of children or life stage (the age of the youngest child) have not been taken account. Second, the spousal division of labor may differ by their employment status, particularly the wife's status (full-time employment, part-time employment, or not employed). Although this paper aimed at depicting overall changes in spousal time-use patterns over time, future research should deepen the analysis by classifying couples into subgroups based on the covariates mentioned above.

Despite these limitations, the findings of this paper can be summarized as follows: gender gap in time use among Japanese couples reflects a coexistence of reproduction (stability) and transformation. The gender role structure in which household unpaid work was heavily concentrated on women (wives) persisted strongly over the quarter-century from 1991 to 2016. On the other hand, there were signs of change: wives reduced their unpaid work time, while husbands devoted more time to unpaid work. Such changes were particularly pronounced among the highly educated. Whether to emphasize either of the two aspects of Japanese couples' time use—stability and change— is likely to be a point of debate among scholars. To the eyes of radical advocates seeking the swift achievement of gender equality, the findings of this analysis may appear as an "incomplete gender revolution" (Esping-Andersen 2009). Conversely, those who view slow but steady progress toward gender equality more positively may perceive in the spousal division of labor in the private sphere, something akin to the "quiet revolution" that Goldin (2006) described as the final stage of the historical transformation of women's careers in the United States. This paper does not adopt either position; rather, it underscores the importance of continuously monitoring gender disparities in the private sphere using time-use survey data. The STULA used in this paper is an extremely valuable public statistical survey, which is one of the largest-scale time use surveys in the world and has a long history. Looking ahead, such public statistics on time use are expected to play an even greater role in illuminating issues of gender inequality in the private sphere.

Additional remark: The anonymous data from the *Survey on Time Use and Leisure Activities* (MIC) was obtained from the National Statistics Center through the application for use in accordance with the Statistics Act. Assistance was provided by Dr. SHIRAKAWA Kiyomi (Rissho University) in filing the application. The analysis results presented here were independently prepared and processed by the author and differ from the official statistics compiled and published by the MIC.

This paper is based on the author's article commissioned by the editorial committee of the *Japanese Journal of Labour Studies* for the special feature "Labour and Social Security Issues in a Society with a Declining Population" in its August 2024 issue (vol. 66, no. 769) with additions and amendments in line with the gist of *Japan Labor Issues*.

Notes

1. It should be noted that the author does not intend to claim that there is a lack of quantitative studies on gender disparities in the private sphere. In sociology, Blood and Wolfe's (1960) classic study on power relations between husband and wife is well known. In economics, the "collective model," proposed as an antithesis to the "unitary model" that treats the household as a single decision-making body, emphasizes unequal resource allocation within the household and intrahousehold bargaining power.
2. In recent years, research on the division of roles in same-sex or LGBTQ+ couples has also been conducted (e.g., van der Vleuten, Jaspers, and van der Lippe, 2021), but this paper focuses solely on heterosexual marital relationships.
3. For details on the survey design of the "NHK National Time Use Survey" and its history, see Sanya (2015).
4. In an experiment by Gershuny et al. (2020), 148 participants wore wearable cameras and wristbands. The collected image data and physical activity data (e.g., sleep data) were compared with diary data. The results demonstrated that the time-use diary data are reliable when compared with such objective data.
5. The idea that the imbalance in gender equality between the public and private spheres leads to low fertility has already been proposed by McDonald (2000) (although, as Fukuda (2023) points out, McDonald emphasizes gender equity rather than gender equality). Since then, numerous studies have been conducted to formulate and demonstrate the relationship between gender regimes and fertility

(Anderson and Kohler 2015; Castiglioni and Dalla Zuanna 2009; Goldscheider, Bernhardt, and Lappegård 2015).

6. For empirical research on temporal changes in the educational gradients in first marriage rates in Japan, see Fukuda, Raymo, and Yoda (2020) for details.
7. There were some cases where there was one "child" and one "child's spouse" in the household, and both were of the same sex. In such cases, dyadic data of married couples were not created for the child generation. Possible explanations include: (1) same-sex couples; (2) the household head has two married children, and both of the children live separately from their spouses (e.g., the household heads has two sons who live separately due to work, and only their wives live together in the household); and (3) data cleaning errors. However, Case (2) is considered extremely rare. As for the STULA, there is no relationship code for "grandchild's spouse," so marital relationships in the grandchild generation cannot be identified.
8. The number of couples by survey year (after listwise deletion) is as follows:
   1991: 29,094; 1996: 25,945; 2001: 14,497;
   2006: 12,653; 2011: 11,765; 2016: 10,734.
9. To deepen the understanding of gender differences in time use, other activity categories such as leisure time and sleep time are also important. However, due to space constraints, gender differences in these areas will be discussed in a separate paper.
10. In the Survey on Time Use and Leisure Activities, the two survey days assigned to respondents are not evenly distributed; most commonly, they include a Friday, Saturday, or Sunday (for details on the sample design, see Kurihara and Sakata 2014). Therefore, if data are aggregated without applying weekday weights, weekend time-use patterns are disproportionately reflected.

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Key topic

2025 *Shunto*: Continuing from 2024, Wage Increase Rate Above 5% Achieved, Leading to Increases in National Government's Employee Wages and in Minimum Wages

ARAKAWA Sota

In wage increase negotiations between labor unions and management in the spring of 2025, or the 2025 *Shunto*, remarkable numbers of large companies offered high-level wage increases, as they did in the previous year, resulting in an average increase rate exceeding 5% in two consecutive years. Such a high level of wage increases was achieved due to strong demands from labor unions for wage hikes that outpace price hikes as well as pressure from the labor market facing labor shortages and the government and the business community aiming to achieve economic growth driven by wage hikes. The 2025 *Shunto* indirectly contributed to significant increases in wages for national government employees and in prefectural minimum wages. Although some challenges, such as wage gaps between large companies and SMEs, remain unsolved, the 2025 *Shunto* made major progress toward the establishment of a society with wage growth.

I. Final results on the amount and rate of wage increase

1. In 2025, the management in large companies continued to accept labor unions' demands in full amount.

In Japan's labor-management wage negotiations, the so-called *Shunto*, labor unions start to present their demands in February, and the *yamaba*, when responses from large companies are concentrated, arrives in mid-March. Then, with the average in wage increases offered in the *yamaba* serving as the market rate (benchmark) for the year, negotiations are held at medium-sized companies and SMEs and are mostly completed by around July. On the concentrated response day in mid-March in 2025, when most large companies responded to labor unions' demands, many of these companies offered wage increases on par with or beyond the level demanded by labor unions, like the case of the 2024 *Shunto*.

Looking at a representative example of wage increase response offered by a large company, Toyota Motor reported in its own PR website (*Toyota Times*) that the management accepted the union's demand in full, although the demanded amount has not been shown (Nikkei 2025b; Toyota Motor Corporation 2025). According to the *Nikkei*, some union members were given a wage hike of 24,000 yen or more depending on the job category and qualification (Nikkei 2025b). In Hitachi and Fujitsu, which are in the electrical machinery industry, the management reached an agreement on raising the wages of core workers engaging in development and design by 17,000 yen just as the labor side demanded, up by 4,000 yen from the amount of increase both companies offered in 2024. In other industries, such as iron and steel and heavy machinery, the unions in JFE Steel and Mitsubishi Heavy Industries won a wage increase of 15,000 yen (average per union member) as demanded (JCM 2025).

2. The third-highest wage increase since the foundation of JTUC-Rengo was recorded.

On July 3, 2025, the Japanese Trade Union Confederation (JTUC-Rengo), the national center of labor unions with a membership of 6.813 million, published the final results of wage increases in the

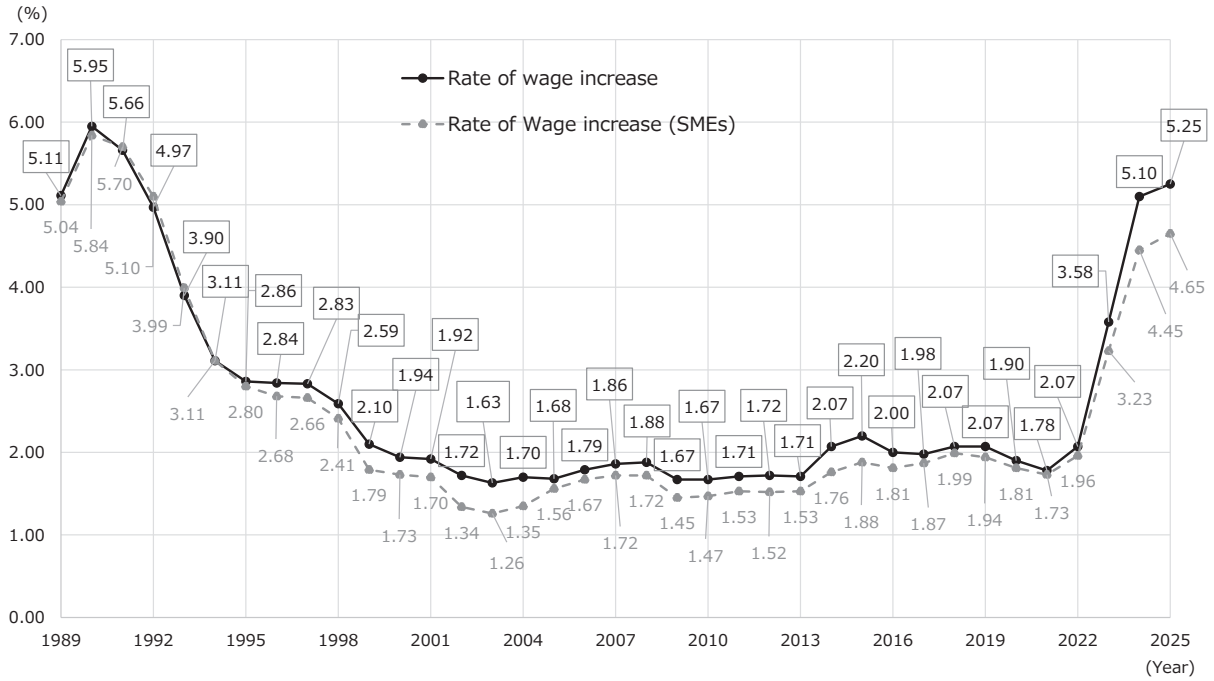
2025 spring wage negotiation (data tabulated for 5,162 unions, approximately 2.96 million union members). According to the results, the amount of increase in monthly wage per union member (weighted average) was 16,356 yen, up by 1,075 yen from the results of the previous year, and the increase rate (weighted average) marked 5.25%, up by 0.15 percentage points from the increase rate in the previous year.

The increase rate fluctuated in the 1% to 3% range during the period from 1993 to 2023, and in the 2024 round, it exceeded 5% for the first time in 33 years, achieving an increase of over 5% for two consecutive years. Since 1989, when JTUC-Rengo was founded, the increase rate of 5.25% was the third highest, following 5.95% recorded in 1990 and 5.66% in 1991 (Figure 1).

3. Small- and medium-sized unions also achieved a high level of wage increase, but still below the level of large companies.

In the 2025 *Shunto* Policy, JTUC-Rengo advocated that "small and medium-sized unions actively demand the gap-correction portion" to promote the reduction of wage gaps between large companies and SMEs. As shown in Figure 1, the wage increase rate among SMEs remained below the average rate among all companies since the mid-1990s.

To show whether small and medium-sized unions were able to reduce wage gaps, the amount of increase and increase rate are examined separately for labor unions with 300 or more members and labor unions with less than 300 members. Among unions with 300 or more members, the amount of increase was 16,920 yen, up by 1,046 yen from the previous year's results, and the increase rate was 5.33%, up by 0.14 percentage points from the previous year's results. On the other hand, among unions with less than 300 members, the amount of increase was 12,361 yen, up by 1,003 yen from the previous year's results, and the increase rate was 4.65%, up by 0.20 percentage points from the previous year's results (Table 1). When viewed over the past 30 years, it can



Source: JTUC-Rengo, "Results of 2025 Spring Wage Negotiation Final Responses."
Note: "Wage increase rate (small and medium-sized unions)" refers to the average wage increase rate among labor unions with less than 300 members.

Figure 1. Changes in wage increase rate (weighted average) since the foundation of JTUC-Rengo (in 1989)

Table 1. Amount of increase and increase rate by union size

	Amount of increase (yen)	Increase rate (%)
All unions	16,356	5.25
Unions with less than 300 members	12,361	4.65
Unions with 300 or more members	16,920	5.33

Source: JTUC-Rengo, "Results of 2025 Spring Wage Negotiation Final Responses."
Note: The figures are weighted averages.

Table 2. Amount of increase and increase rate as the base-pay increase, with an annual wage increase excluded

	Amount of increase as the base-pay increase (yen)	Increase rate as the base-pay increase Increase rate (%)
All unions	11,727	3.70
Unions with less than 300 members	9,468	3.49
Unions with 300 or more members	11,967	3.72

Source and *Note*: Same as Table 1.

be said that small and medium-sized unions achieved a sufficiently high wage increase, but both the amount of increase and increase rate among them turned out to be not as high as those among large unions with 300 or more members and those among all unions.

4. A rate of net increase reached 3.70%, the highest level since the collection of data started.

The amount of increase and increase rate discussed thus far include an annual wage increase[1] that is offered to workers after one year of service under the wage payment rules for the deemed increase in their experience and abilities, without bargaining with the company. Therefore, in order to find a net increase in the wage level for workers through labor-management negotiations, it is necessary to ascertain the amount of increase and increase rate with such annual wage increase deducted. The final results published by JTUC-Rengo include such data, which has been called "base-up" (base-pay increase) for many years in Japan.[2]

According to JTUC-Rengo's final results of wage increases, as the base-pay increase, with an annual wage increase excluded, the amount of increase (weighted average) was 11,727 yen, up by 1,033 yen from the previous year's results.[3] The increase rate (weighted average) was 3.70%, up by 0.14 percentage points from the previous year's results (Table 2). The results in 2025 were the highest since JTUC-Rengo started to collect data of the amount and rate of base-pay increase in 2015. Additionally, unions with less than 300 members were also lower in both the amount and rate of base-pay increase than the overall average and unions with 300 or more members.

5. The wage increase exceeded the average inflation rate in FY2024, 3.0%, securing an increase in real wages.

To ascertain whether the wage increase exceeded the previous year's inflation rate and thereby achieved a positive real wage increase, the increase rate in the base-pay increase, which can be regarded as a net increase, was compared with the all-items consumer prices index (year-on-year average for FY2024) published by the Ministry of Internal Affairs and Communications. The all-items index stood at +3.0%, and the increase rate in the base-pay increase turned out to be significantly higher.

6. JTUC-Rengo evaluates the outcome as a result of sincere negotiations on the importance of "investment in people."

Looking at labor unions' assessment of the final results in the 2025 *Shunto*, the 2025 *Shunto* final overview, which JTUC-Rengo finalized on July 17, 2025, evaluated the results as an "outcome of labor unions' persistent and sincere efforts of negotiation conducted from a mid- to long-term perspective on the importance of 'investment in people,' which will lead to the sustainable growth of companies and productivity enhancement of Japan as a whole, based on the recognition that they were facing a crucial moment for getting wages, economy, and prices on a stable cruising trajectory."

Since 2022, JTUC-Rengo has argued that the *Shunto* negotiations should make the transition from the approach of deciding a wage increase following the results of economic growth or corporate performance, to a new stage where a virtuous economic cycle will be created with investment in people, such as a wage increase, as the starting point. In the 2025 *Shunto* final overview, JTUC-Rengo concluded that progress was made toward having this new stage take root.

JTUC-Rengo positively evaluated the efforts for wage increases of small and medium-sized unions aiming to reduce wage gaps, stating that these unions "fought well in view of the steady growth in the number of unions that won larger wage increases than the average amount of increase among all unions, which suggests that the trend of wage growth has spread across a wider range of companies." On the other hand, because both the amount of increase and increase rate were below the average amount and rate among all unions, JTUC-Rengo concluded that "the efforts were not enough to stop the widening of wage gaps."

II. Factors that contributed to achieving high-level wage increases for two consecutive years

1. JTUC-Rengo clearly set the target level for demanding a base-pay increase at 3% or more.

There are three major factors that contributed to achieving high-level wage increases for two consecutive years: (1) labor unions took a stronger stance to seek wage hikes than the previous year; (2) the government and the business community also called for active action by companies to raise wages; and (3) labor shortages intensified competition for human resources.

Regarding the first factor, JTUC-Rengo stated in the 2024 *Shunto* Policy that it set the target level for demanding a base-pay increase at 3% or more "as a guideline," (in that way, the total wage increase would manage to amount to 5% or more, including 2% of the annual wage increase), showing consideration to labor unions in industries where it would be difficult to set 3% or more due to poor business performance. However, in the 2025 *Shunto* Policy, in view of high prices affecting people's cost of living, it clearly specified the target level for demanding a base-pay increase as "3% or more," without allowing any flexibility. Moreover, for small- and medium-sized unions, it added 1% to the demand to reduce wage gaps (which means demanding a total wage increase of 6% or more, consisting of 2% as the annual wage increase, 3% as the base-pay increase, and 1% to reduce wage gaps).

As a result, the average amount of wage increase demanded by all members of JTUC-Rengo increased year-on-year, with the rate of increase including the annual wage increase reaching 6.09%, up by 0.24 percentage points from 2024. The rate of base-pay increase reached 4.51%, up by 0.21 percentage points (JTUC-Rengo 2025c). In the 2025 *Shunto* Final Overview, JTUC-Rengo concluded that "the labor unions' active demands and persistent negotiations brought about these results."

2. Prime Minister Ishiba promised that the government would mobilize all possible measures to spread wage increases.

The second factor is that the government and the business community called for active action by companies to raise wages, as they did in the 2024 *Shunto*.

The Ishiba Administration aims to spread and set up wage increases exceeding price hikes as one of its

key policy pillars, because it adopts the approach of achieving economic growth by raising both household income and the overall productivity of the economy, starting with wage increases. This point was once again stressed in the Basic Policy on Economic and Fiscal Management and Reform 2025, which was established in August 2025 (Cabinet Office 2025). On April 14, during the *Shunto* period, the Ishiba Administration held the first government-labor conference with JTUC-Rengo in 16 years. Of course, achieving wage increases was a main topic on the agenda, and Prime Minister Ishiba promised, in the presence of the leaders of JTUC-Rengo, that the government would mobilize all possible measures to spread the wage increases across the country.

Before each year's *Shunto*, the Japan Federation of Economic Organizations (Keidanren), an employers' association, releases the Report of the Special Committee on Management and Labor Policy, in which it shows its stance as the management side toward wage increases for the year. In the 2025 Report, Keidanren argued that the virtuous cycle of economy should be accelerated by promoting maximization of added value and investment in people and called on companies to undertake deliberations on wage increases with base-pay increases in mind. On March 12, 2025, once all responses from large companies had been presented, then-Chair Tokura Masakazu issued a comment that positively evaluated the results, stating that "It's an outcome of the labor and management deeply sharing the recognition of the importance of 'investment in people' and repeatedly engaging in earnest discussions on sustainable wage increases for their companies." Tokura also said that he "feels very encouraged that we have taken a steady step forward to ensure that a strong momentum for wage hikes will 'take root.'"

3. About 60% of SMEs raised wages without an improvement of business performance.

The third factor is the influence of the persisting situation of labor shortages.

Amid the escalating competition for human resources among companies due to labor shortages, companies find it difficult to offer a lower level of wage increases than their competitors in the same industry. Even SMEs, whose financial capability doesn't match up to that of large companies, are in a situation where they cannot hire workers unless they offer higher wages (according to Yasukochi Katahiro, the Chairperson of the Japanese Association of Metal, Machinery, and Manufacturing Workers (JAM), an industrial union with many affiliated small and medium-sized unions). According to the Survey on Wage Reforms in SMEs (June 4, 2025), released by the Japan Chamber of Commerce and Industry and the Tokyo Chamber of Commerce and Industry, as many as 60.1% of SMEs offered (or planned to offer) wage hikes in FY2025, although there was no sign of improvement of their business performance.

The intensifying competition for human resources is also reflected in the trends toward higher starting salaries. In Japan, the typical starting salary for university graduates had long remained around the mid-200,000-yen range or lower until a few years ago,[4] but some large companies have raised them to the levels exceeding 300,000 yen, such as Marubeni Corporation (330,000 yen) (Nikkei 2025a) and Fast Retailing (330,000 yen) (Fast Retailing 2025).

III. Wage hikes for workers in the private-sector companies spreading to other sectors

1. An increase of 3.62% in salaries for national public employees was recommended.

The wage increase above 5% achieved in the 2025 *Shunto* affected the determination of wages in the public service sector and the discussion on the minimum wage revision.

In Japan, the National Personnel Authority makes a recommendation to the Diet and the Cabinet every summer on the extent to which the salaries of national public employees should be revised, based on the results of wage surveys conducted among the private-sector companies.[5] The 2025 recommendation was issued on August 7.

The recommendation called for an average salary increase of 15,014 yen (3.62%) for national public employees, considering factors such as wage trends

in private-sector companies. In the recommendation 2024, the proposed increase of 11,183 yen had been the highest in 33 years since 1991, when the figure was 11,244 yen, but the recommendation 2025 exceeded even that.

2. The Central Minimum Wage Council proposed an average minimum wage increase of 6%.

As for reginal minimum wages, the Central Minimum Wage Council, composed of representatives from labor, employers and the public, meets every summer to discuss "guidelines" for raising the minimum wages in different regions (prefectures) in Japan and propose the discussion results to the Minister of Health, Labour and Welfare. Based on the proposed region-specific guidelines, the prefectural minimum wage councils decide the final amounts of increases for their respective prefectures.

On August 4, 2025, the Central Minimum Wage Council completed and released its proposal. The labor representatives of the Council argued that the wage increases achieved in the 2025 *Shunto* should be reflected and asked that the Council propose guidelines for a significant increase exceeding the 2024 level. According to the proposal, the nationwide weighted average of the guideline amounts for minimum wage increase was 1,118 yen, and the nationwide weighted average of the increase amounts was 63 yen, which is surpassing the 51 yen in 2024. This marked the highest amount since 1978, when the guideline system was introduced. The increase amount corresponds to a 6% increase, exceeding both the 5.1% in 2024 and the wage increase rate achieved in the 2025 *Shunto*.

IV. Remaining challenges and outlook for the 2026 *Shunto*

1. The monthly real wage index continued to remain negative.

Although the 2025 *Shunto* achieved a wage increase exceeding 5% for two consecutive years and a wage increase trend was also observed among workers outside the private-sector companies, challenges and remaining concerns still exist. The first challenge is that the negative real wage index has not yet been eliminated.

As mentioned earlier, the comparison between the wage increase rate achieved in the 2025 *Shunto* and the average inflation rate in FY2024 shows that the wage increase did indeed surpass inflation, securing a positive real wage increase. However, the results of the *Monthly Labor Survey* released by the Ministry of Health, Labour and Welfare (MHLW) show that the year-on-year change in real wages (real wage index) has not turned positive based on the most recent monthly data.

According to the final results of the *Monthly Labor Survey* for June 2025, released on August 15, 2025, the real wage index (for establishments with five or more employees),[6] based on total cash earnings which include special cash earnings and non-scheduled cash earnings, remained negative since April 2025, -2.0% in April, -2.6% in May, and -0.8% in June, indicating that the wage increases achieved in the 2025 *Shunto* had not yet translated into positive real wage growth (MHLW 2025). Although the MHLW *Monthly Labor Survey* naturally includes establishments without labor unions, the unionization rate has fallen to around 16%, suggesting that wage increases may not have sufficiently spread to the many workplaces without labor unions.

Despite the high level of wage increases for two consecutive years; there are still signs that people's sense of burden from rising prices has not yet eased. According to the results of the "Opinion survey on the general public's views and behavior" (102nd survey [June 2025]) released by the Bank of Japan on July 14, 2025, 75.3% of the respondents said that prices had "gone up significantly" compared with a year earlier, and the figure exceeded 95% when those who answered "gone up slightly" were included.

2. Nurses and care workers left behind the trend of wage growth.

The second challenge is that the trend of wage growth has not spread to nurses in medical institutions or to care workers. Hospitals are facing financial difficulties due to rising prices, and even though the government raised the medical service fees paid to

hospitals to improve the treatment of medical staff, this has not brought about sufficient wage increases.[7] According to the results of the "FY2024 Survey on Wages of Nursing Staff" conducted by the Japanese Nursing Association, the average base wage for nursing staff had increased by only about 6,000 yen over the past 12 years. As for care workers, their low pay levels have also been leading to labor shortages. Further policy support from the government is increasingly expected in these sectors.

3. The impact of Trump tariffs on exporting companies is the biggest concern.

Will it be possible to achieve high-level wage increases for three consecutive years in the 2026 *Shunto*? The biggest concern is the impact of Trump tariffs on corporate performance.

The industries expected to be most seriously affected are export-oriented manufacturers, particularly in the automobile industry. In its financial results released on August 7, 2025, Toyota Motor Corporation projected that U.S. tariffs would have a negative impact of 1.4 trillion yen on its operating profit for the fiscal year ending in March 2026. Since automobile manufacturing involves a broad network of related industries, a decline in the performance of an automakers is expected to affect the performance of many small and medium-sized suppliers as well. In Japan's *Shunto*, labor unions in such companies have traditionally played a leading role in driving the spring wage negotiations.

In the "2025 *Shunto* final overview," JTUC-Rengo said:

> "To firmly establish in a society a new stage in which real wages will continuously increase through stable prices and active investment in people, leading to sustained economic growth, it is important not only to maintain the current trend of wage growth over the medium term but also to create strong momentum toward correcting wage disparities."

So, JTUC-Rengo made its stance clear that in the 2026 *Shunto*, it will continue to call on management to raise wages and correct wage gaps between companies by different sizes.

The situations affecting wage increases—such as price hikes, labor shortages, and the government support for higher wages—are expected to remain unchanged in 2026. While keeping a close eye on corporate performance, the only factor likely to change, how will labor unions develop their strategies to achieve significant wage increases for a third consecutive year? There is little doubt that the 2026 *Shunto* will evaluate the unions' capabilities even more than the 2025 round.

Notes

1. For example, some wage systems adopt rules, such as that a salary increase will be given along with an increase age or length of service by one year, or a salary will automatically be raised according to the deemed increase in abilities after one year of service. According to the MHLW's "2024 Survey on Wage Increase," more than 80% of the respondent companies offer regular wage increases for both managerial and non-managerial employees.
2. Strictly, the term "base-up" (base-pay increase) is defined as an across-the-board increase of base pay for all employees. However, this report uses this term in a broader sense, meaning an amount of wage increase that does not include an annual wage increase, regardless of whether it is offered across-the-board.
3. This amount is calculated based on the data for the 3,594 unions (with approx. 2.7 million members) that can calculate the portion of the base-pay increase.
4. According to "Results of the survey on the starting salary offered for new recruits who graduated in March 2024" by the Tokyo Labor Bureau, the average amount of the starting salary offered for new university graduates at public employment security offices in Tokyo remained in the 200,000 yen range since 1996, standing at 216,500 yen in 2024.
5. As government employees do not have basic labor rights, such as the right to collective bargaining, the National Personnel Authority makes a recommendation on their salary every year.
6. The real wage index is calculated by dividing the total cash earnings index by the consumer price index (all items, less imputed rent).
7. We heard this explanation when we interviewed UA ZENSEN and All-Japan Prefectural and Municipal Workers Union (Jichiro), industrial labor unions having nursing staff as their members, in the spring of 2025.

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Report

Results of the Eighth "Survey on Working Life" from JILPT Fixed-Point Survey

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I. Introduction

Since 1999, the Japan Institute for Labour Policy and Training (JILPT) has conducted a fixed-point attitude survey titled "the Survey on Working Life" in order to clarify various aspects of workers' awareness. This paper introduces the results of the most recent 2021 survey, focusing on awareness related to so-called "Japanese-style employment practices," as well as workers' perspectives on career development and the ideal form of society Japan should aim for. It examines workers' awareness from perspectives such as lifetime employment, seniority-based wages, and a sense of unity with the organization (Sections II–V); career development within a single company versus across multiple companies (Sections VI); and preferences for an egalitarian society versus a competitive society (Section VII).

This was the eighth such survey, following those conducted in 1999, 2000, 2001, 2004, 2007, 2011, and 2015, enabling us to trace changes in workers' awareness over time. The survey was conducted using a placement method through home visits by surveyors. The sample consisted of 4,000 men and women aged 20 and over, drawn through stratified two-stage random sampling from the Basic Resident Register. Responses were obtained from 2,388 individuals (valid response rate: 59.7%).

II. Awareness of "lifetime employment," "seniority-based wages," and "sense of unity with the organization"

Let us take a look at trends in support rate for the three core elements of Japanese-style employment practices: "lifetime employment" (long-term employment at a single company until *teinen*[1] [mandatory retirement]), "seniority-based wages" (a pay system in which salary increases with years of continuous service), and "sense of unity with the organization" (a feeling of belonging to the company or workplace). Here, support rate refers to the combined percentage of respondents who answered "I think it's a good thing" or "If anything, I think it's a good thing" (this definition applies throughout).

The support rate for "lifetime employment" exceeded 70% in the initial 1999 survey at 72.3%, rose above 80% in 2007 to 86.1%, and reached nearly 90% in the previous 2015 survey at 87.9%. However, this marked the peak, and in the most recent 2021 survey, the support rate declined by more than 5 percentage points to 82.0%. As for "sense of unity with the organization," the support rate for this item, similarly "lifetime employment," continued to rise since the start of the survey, reaching approximately 90% in the previous 2015 survey at 88.9%. This also peaked in 2015, falling to 87.2% in the 2021 survey. However, the decline was only 1.7 percentage points, and thus not large.

In terms of wages, the support rate for "seniority-based wages" showed a consistent upward trend from the start of the survey, peaking at 76.3% in 2015. However, in the 2021 survey, this figure fell by 5.9 percentage points to 70.4%. In summary, although the support rate for these items of Japanese-style employment practices had steadily increased since the start of the survey, the 2021 results mark a notable reversal (Figure 1).

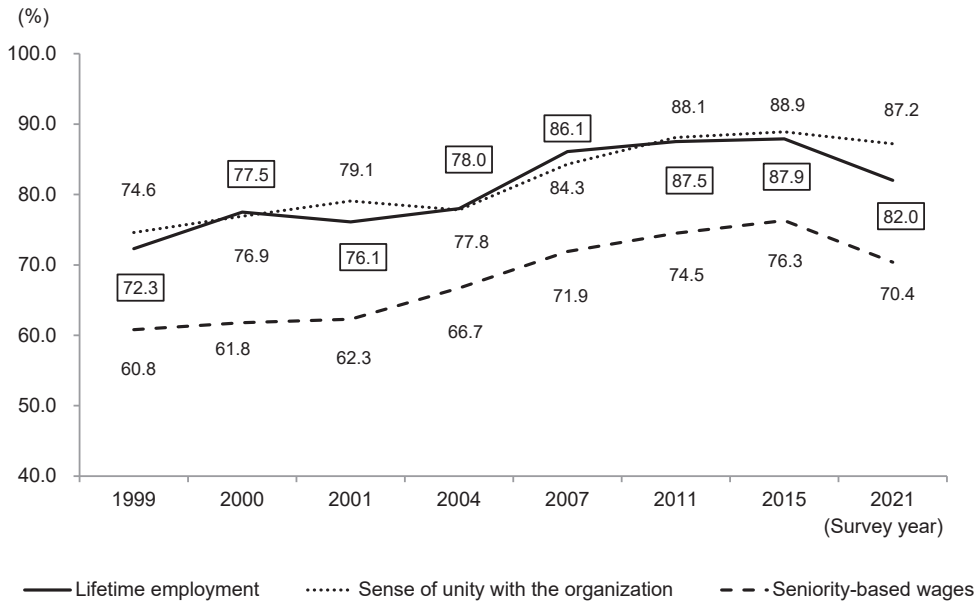

Figure 1. Trends in support rate for Japanese-style employment practices

III. Support for "lifetime employment" (Trends by age group)

Looking at the support rate for "lifetime employment" in more detail by age group in the 2021 survey, we find that the percentage rises with age—from 75.1% among those in their 20s to 88.5% among those aged 70 and over, with older age groups showing higher levels of support. In the previous survey (2015), the support rate for "lifetime employment" was nearly 90% across all age groups, with virtually no variation by age. In the 2021 survey, however, the gap by age group has widened.

Looking at trends over time by age group reveals a clear pattern through the 2004 survey: the older the respondent, the stronger the support rate for "lifetime employment." In the 2007 survey, however, the support rate among people in their 20s and 30s rose by more than 10 percentage points, pushing support rate above 80% in all age groups and significantly narrowing the age gap. The 2015 survey saw the gap shrink even further. But in the 2021 survey, it appears a clear age-based gap, with the support rate for "lifetime employment" rising along with age (Table 1).

IV. Support for "seniority-based wages" (Trends by age group)

When we examine the details of the support rate for "seniority-based wages" by age group, the percentage is in the 60% range for the working-age population aged 20 to 59 and in the 70% range for the elderly aged 60 and over, both of which are high levels. However, compared to the previous survey in 2015, the support rate fell across all age groups. The drop was especially notable among people in their 40s and 50s, with decreases of 10.0 and 7.0 percentage

Table 1. Lifetime employment

(unit: %)

Survey year	1999	2000	2001	2004	2007	2011	2015	2021
Total	72.3	77.5	76.1	78.0	86.1	87.5	87.9	82.0
Men	71.2	75.8	74.7	77.2	86.3	87.4	87.0	81.3
Women	73.3	78.8	77.4	78.8	85.9	87.5	88.6	82.7
Ages 20–29	67.0	73.5	64.0	65.3	81.1	84.6	87.3	75.1
Ages 30–39	69.1	72.0	72.6	72.1	85.9	86.4	88.4	78.0
Ages 40–49	70.8	77.3	74.6	76.9	86.5	87.8	88.6	78.5
Ages 50–59	71.0	77.1	78.9	80.0	86.0	85.2	88.1	81.3
Ages 60–69	75.4	80.1	78.4	82.6	86.5	89.8	88.1	84.1
Ages 70 and over	83.2	84.0	85.0	85.4	87.7	88.7	87.1	88.5

Table 2. Seniority-based wages

(unit: %)

Survey year	1999	2000	2001	2004	2007	2011	2015	2021
Total	60.8	61.8	62.3	66.7	71.9	74.5	76.3	70.4
Men	58.5	58.4	59.8	65.3	73.3	74.6	74.7	69.7
Women	62.8	64.7	64.4	68.0	70.8	74.4	77.7	71.0
Ages 20–29	56.2	54.5	54.1	56.1	75.5	74.5	72.6	69.1
Ages 30–39	56.8	57.7	55.8	62.3	63.8	73.1	72.8	66.5
Ages 40–49	55.3	58.2	61.5	66.4	68.2	70.2	73.7	63.7
Ages 50–59	60.2	61.3	61.8	67.4	72.0	73.0	76.2	69.2
Ages 60–69	66.9	67.9	67.4	69.5	72.4	75.5	75.7	72.3
Ages 70 and over	73.0	70.1	72.0	74.5	79.1	80.2	82.1	77.4

points, respectively.

Looking at the historical trends, similar to "lifetime employment," the support rate for "seniority-based wages" consistently increased with age up until the 2004 survey. However, in the 2007 survey, the support rate among respondents in their 20s jumped by around 20 percentage points, and in the 2011 survey, the support rate among those in their 30s rose by about 10 percentage points. These shifts dramatically narrowed the gap between age groups (Table 2).

V. Support for "sense of unity with the organization" (Trends by age group)

In the 2021 survey, the support rate for "sense of unity with the organization" shows relatively slight variation across age groups. However, it is notable that respondents in their 20s, who had shown the highest level of support since the 2007 survey, ranked lowest in the 2021 survey. In the previous survey (2015), the working-age population aged 20 to 50, which had a support rate of over 90%, has seen a noticeable decline across the board.

Looking at the time series, since the first survey, the support rate for "sense of unity with the organization" has consistently been lower among seniors aged 70 and over compared to other age groups. Other than that, there had been a minor difference by age group until now. However, from the 2007 survey onward—compared to the 2004 survey—the support rate among those in their 20s and 30s increased sharply by more than 10 percentage points, resulting in a higher support rate among the entire working-age population. This trend continued in the 2011 and 2015 surveys.

Looking at the results by gender, it is notable that since the first survey, men have consistently shown a

Table 3. Sense of unity with the organization

(unit: %)

Survey year	1999	2000	2001	2004	2007	2011	2015	2021
Total	74.6	76.9	79.1	77.8	84.3	88.1	88.9	87.2
Men	81.0	82.6	85.1	82.9	89.8	90.8	91.3	90.2
Women	69.1	72.2	73.9	73.2	80.0	85.9	87.0	84.4
Ages 20–29	79.2	80.2	84.5	75.3	92.3	93.6	94.3	85.4
Ages 30–39	79.1	80.3	81.2	78.9	91.1	93.6	92.0	86.0
Ages 40–49	73.5	76.0	77.1	82.1	89.9	92.9	91.8	87.8
Ages 50–59	73.1	76.6	79.1	76.1	81.3	85.2	92.7	88.8
Ages 60–69	73.7	77.3	79.9	80.3	82.1	85.5	86.6	87.5
Ages 70 and over	69.1	70.9	73.4	72.6	75.9	82.1	83.1	86.6

higher support rate than women. This reflects a stronger sense of belonging to their company or organization among male respondents (Table 3).

VI. Awareness on career development

The typical career development model associated with Japanese-style employment practices involves long-term employment at a single company until mandatory retirement (*teinen*), during which workers accumulate skills.

Since the first survey in 1999, the proportion of respondents who view "single-company career" model as desirable has consistently remained high and shown an upward trend, reaching a majority (50.9%) in the 2015 survey. However, in the latest 2021 survey, this figure fell sharply to 36.6%, a defining feature of that year.

In contrast, the proportion favoring a "multi-company career" rose significantly to 32.4% in the 2021 survey. While this figure had remained relatively stable since the first survey in 1999, it increased by 9.3 percentage points in the 2021 survey, showing growth that is approaching the level of support for "single-company careers."

The share of respondents favoring an "independent self-employed career"—pursuing work independently as a business owner or freelancer—has gradually declined since the start of the survey, falling below 10% for the first time to 9.5% in the 2021 survey (Figure 2).

Looking at the percentage of respondents who chose "single-company career" by age group over time, the surveys up to 2007 show that support rate tended to be slightly higher among middle-aged and older groups (those in their 50s to 70s and above) than among younger groups. However, in the 2011 survey, the percentage of respondents in their 20s who supported a "single-company career" rose sharply—by more than 10 percentage points—narrowing the gap between age groups.

In contrast, the 2021 survey showed a significant drop of 10 to 20 points across all age groups, with particularly large declines among the working-age population (those in their 20s to 50s) (Table 4).

Until the 2007 survey, the proportion of respondents favoring "multi-company career" tended to be higher among younger age groups, showing a trend opposite to that of "single-company career." However, in the 2011 survey, the support rate for "multi-company career" among people in their 20s dropped significantly—by about 15 percentage points—diminishing the previously clear tendency for younger respondents to favor this career path.

In the 2021 survey, the support rate for "multi-company career" rose across all age groups, increasing by 7 to 10 percentage points. While the support rate remained high among working-age population, as it had in the past surveys, it also grew among those aged 60 and over. As a result, the traditional age-based differences in preferences have largely disappeared (Table 5).

Overall, the long-standing pattern—where the preference for "single-company career" increased

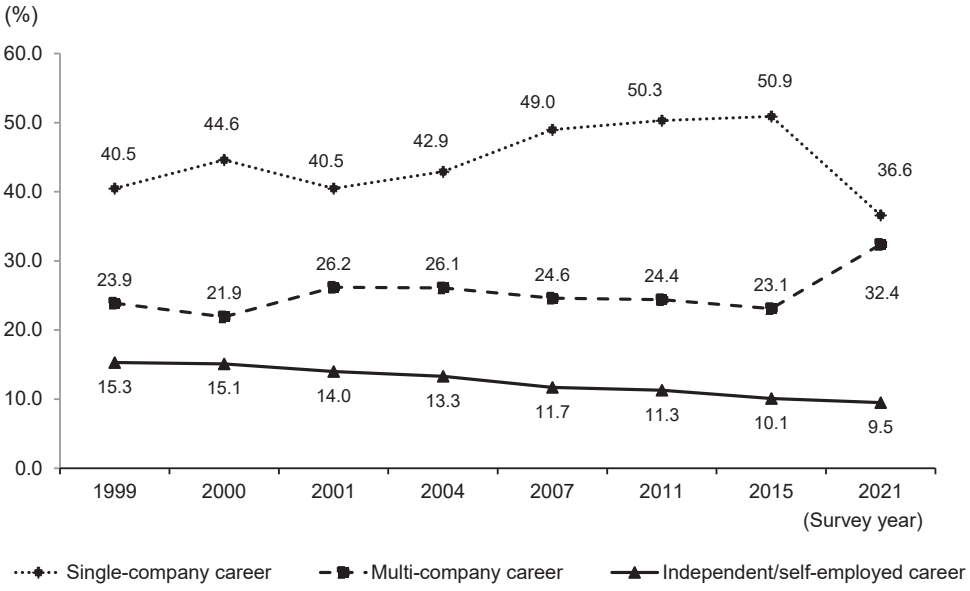

Figure 2. Desired career development

Table 4. Single-company career

(unit: %)

Survey year	1999	2000	2001	2004	2007	2011	2015	2021
Total	40.5	44.6	40.5	42.9	49.0	50.3	50.9	36.6
Men	39.6	45.8	41.4	41.8	51.1	51.6	50.3	38.4
Women	41.3	43.6	39.7	44.0	47.4	49.1	51.4	34.9
Ages 20–29	36.6	44.1	38.9	33.9	40.3	51.1	54.8	38.6
Ages 30–39	42.6	40.1	34.9	41.0	45.1	46.7	49.3	34.7
Ages 40–49	38.7	40.6	37.2	36.6	50.9	48.0	53.1	30.0
Ages 50–59	40.1	41.6	40.4	45.2	48.9	49.7	48.2	35.0
Ages 60–69	42.3	48.9	48.4	45.9	49.6	52.1	50.6	38.5
Ages 70 and over	43.1	53.0	41.8	51.2	53.9	53.4	51.0	41.8

Table 5. Multi-company career

(unit: %)

Survey year	1999	2000	2001	2004	2007	2011	2015	2021
Total	23.9	21.9	26.2	26.1	24.6	24.4	23.1	32.4
Men	24.4	21.5	25.2	25.4	23.5	23.0	24.1	28.9
Women	23.4	22.3	27.1	26.8	25.4	25.6	22.3	35.6
Ages 20–29	33.5	29.9	36.6	35.4	42.9	28.2	26.8	35.6
Ages 30–39	31.5	30.4	37.4	35.7	32.8	33.9	27.9	37.3
Ages 40–49	26.8	27.0	30.3	33.4	28.4	27.6	30.2	39.6
Ages 50–59	21.3	22.9	22.9	24.4	22.7	28.8	29.6	37.4
Ages 60–69	18.0	14.9	19.7	20.0	21.8	20.4	19.5	30.4
Ages 70 and over	10.2	7.3	12.7	11.4	11.8	12.2	13.3	20.4

with age and the preference for "multi-company career" decreased—began to break down from the 2011 survey onward. In the 2021 survey, the proportion of respondents in their 20s who favored "single-company career" was the highest among the working-age population (38.6%). In contrast, support for "multi-company career" among people in their 20s was the lowest among all working-age population (35.6%), marking a significant shift in the landscape.

VII. The ideal society Japan should aim for

When asked about the kind of society Japan should aim for, 37.2% of respondents chose "an egalitarian society with minimal wealth disparity," while 31.6% preferred "a competitive society where people can freely compete based on their motivation and abilities."

Looking at the historical trends since the first survey, until the 2004 survey, the proportion of respondents choosing "a society where people can freely compete based on motivation and ability" exceeded that of those favoring "an egalitarian society with little disparity between rich and poor" by about 10 percentage points. In the 2007 survey, this trend reversed, with "the egalitarian society" surpassing "the competitive society" by more than 10 points. In the 2011 survey, the order of preference remained the same, but the gap narrowed. From the 2011 survey, the proportions remained at roughly the same levels through the 2015 and 2021 surveys (Figure 3).

Looking at support rate for "an egalitarian society with minimal disparities between rich and poor" by age group, the support rate among younger and middle-aged respondents in their 20s, 30s, and 40s is in the low 30% range (33.5%, 32.2%, and 31.1%, respectively). In contrast, among older respondents in their 50s, 60s, and 70s and above, the rate is around 40% (38.5%, 38.0%, and 44.3%, respectively), indicating a difference by age group.

Even when viewed over time, while there are fluctuations in the overall levels, the general trend of differing preferences between younger/middle-aged and older generations remains unchanged. Looking at the data by gender, 32.7% of men support "an egalitarian society," compared to 41.5% of women, showing a substantial difference in thinking between the sexes (Table 6).

Looking at support rate for "a society where

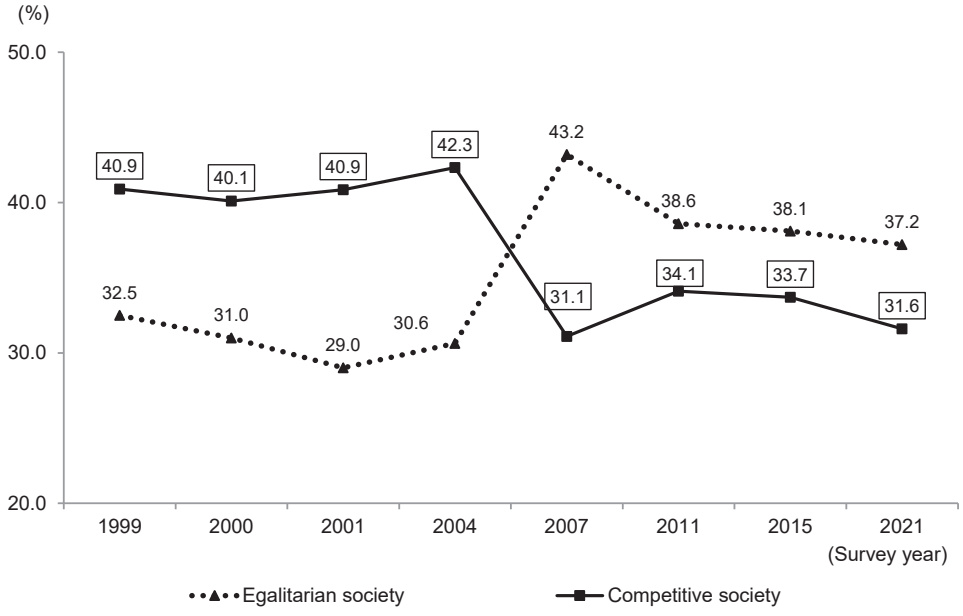

Figure 3. The ideal society Japan should aim for

Table 6. Egalitarian society

(unit: %)

Survey year	1999	2000	2001	2004	2007	2011	2015	2021
Total	32.5	31.0	29.0	30.6	43.2	38.6	38.1	37.2
Men	26.9	25.9	24.7	27.4	41.8	34.7	34.0	32.7
Women	37.3	35.1	32.7	33.5	44.4	41.8	41.5	41.5
Ages 20–29	26.0	27.8	24.8	23.2	38.3	31.9	29.3	33.5
Ages 30–39	29.1	25.8	24.7	25.1	38.8	35.0	29.3	32.2
Ages 40–49	30.8	27.3	28.3	32.5	38.7	34.6	32.4	31.1
Ages 50–59	33.3	32.7	32.8	30.7	44.2	43.1	37.2	38.5
Ages 60–69	36.7	35.5	31.1	32.6	48.2	41.1	43.5	38.0
Ages 70 and over	39.8	35.4	29.4	36.9	46.1	41.2	45.6	44.3

Table 7. Competitive society

(unit: %)

Survey year	1999	2000	2001	2004	2007	2011	2015	2021
Total	40.9	40.1	40.9	42.3	31.1	34.1	33.7	31.6
Men	50.0	48.8	49.8	50.6	37.4	41.7	39.9	36.9
Women	32.9	33.0	33.3	34.8	26.1	27.7	28.6	26.6
Ages 20–29	50.1	43.9	49.8	50.2	43.9	48.9	51.0	40.8
Ages 30–39	43.7	48.7	45.1	49.0	34.5	39.7	46.7	39.4
Ages 40–49	47.3	44.1	42.4	42.5	35.0	33.9	35.5	35.4
Ages 50–59	42.6	41.8	40.4	43.3	29.6	31.4	32.0	28.0
Ages 60–69	33.5	33.7	39.3	40.8	28.6	31.9	29.5	27.1
Ages 70 and over	23.0	29.1	28.8	30.1	23.6	28.0	24.7	27.8

people can freely compete based on motivation and ability" by age group, support rate tends to be higher among younger age groups overall, with about 40 % (40.8%) of those in their 20s expressing support. This general tendency is also evident in the time-series data. There is also a substantial gender gap: 36.9% of men support "a competitive society," a relatively prominent level and significantly more than the 26.6% of women who support it (Table 7).

VIII. In lieu of a conclusion

This report has presented the results of the fixed-point survey on workers' awareness regarding not only toward so-called "Japanese-style employment practices," but also toward career development and ideal form of society Japan should aim for. The results have been presented using the key themes: "lifetime employment, seniority-based wages, and a sense of unity with the organization," "career development within a single company versus across multiple companies," and "an egalitarian society versus a competitive society."

A common pattern across these areas is the significant shift observed in the 2007 survey. This period overlapped with prolonged economic stagnation following the collapse of the bubble economy, and with the onset of the global financial crisis that began with the U.S. subprime mortgage collapse and led to the bankruptcy of Lehman Brothers.

Against this backdrop, since the 2007 survey, the support rate for traditional notions such as "Japanese-style employment practices," "career development within a single company," and "an egalitarian society" rose sharply among younger respondents—

who had previously been more inclined to hold non-traditional views than other age groups. As a result, the overall support rate for traditional values grew, and generational differences in attitudes narrowed.

In the 2021 survey, traditional views still dominated overall, but there was a slight shift among younger respondents toward more non-traditional values. Generational differences in awareness have started to remerge. Regardless of economic trends, the employment landscape is expected to grow increasingly unstable, driven by technological advancements such as AI and greater fluidity in the labor market.

Japanese-style employment practices are also beginning to visibly break down in practice, as seen in the growing number of companies adopting job-based employment with *shokumukyu* (job-based pay). Still, as long as anxiety about these changes persists, the proportion of people—especially older generations—who continue to support traditional values is likely to remain high for the time being.

Note

1. *Teinen* refers to a system in which the employment relationship is mandatorily terminated when an employee reaches an age specified by the company. The mandatory retirement age at the majority of Japanese firms is 60.

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Commentary

Is it Legal for the Employer to Refuse to Renew a Fixed-term Labor Contract with a Worker Who is a Re-employed Retiree on the Grounds of the Worker's Refusal to Accept Changes in the Working Conditions?

The *Takaoka Toko Co., Ltd (Kabushiki-gaisha Toko Takaoka)* Case
Tokyo High Court (Oct. 17, 2024) 1323 *Rodo Hanrei* 5

IWAHORI Kana

I. Facts

X (plaintiff) held an indefinite-term labor contract with Company A (not a party to the case). Following the termination of the contract upon X's reaching the mandatory retirement age (60 years of age) on September 30, 2020, X concluded a fixed-term labor contract (hereinafter, "Contract 1") with Company A on October 1, 2020, which specified details such as the contract term of one year from the date of contact, four-day workweek, and the basic monthly pay of 303,600 yen. Regarding the continued employment (*keizoku koyo*) of retirees under the age of 65 as stipulated in Article 9, paragraph (1), item (ii) of the Act on Employment Security of Elderly Persons, Company A had prepared the rules for continued employment of retirees (hereinafter referred to as "Company A's continued employment rules") and made them known to its employees. Contract 1 was concluded in accordance with these rules. On July 1, 2021, X applied to Company A for the renewal of Contract 1 under the same working conditions as the previous conditions (hereinafter, the "Application for Renewal").

On July 30, 2021, Company A and Company Y (defendant), which is a parent company of Company A, reached an agreement for the merger wherein Company Y would absorb Company A as of October 1, 2021. Company A was succeeded to by Company Y on that date.

On August 23, 2021, Company A proposed to X two alternative fixed-term labor contracts to be concluded following the termination of Contract 1: (i) a managerial position with a five-day workweek and monthly remuneration (basic pay of 256,500 yen) for seven-month term (hereinafter, "Proposal 1"); and (ii) a non-managerial position with a four-day workweek and hourly remuneration of 1,200 yen for a term of three years and seven months (hereinafter, "Proposal 2"). In response, X sent a document to Company A to notify that X cannot agree to either Proposal 1 or Proposal 2 because the scope of work was too broad and would result in a significant deterioration of working conditions.

On September 13, 2021, Company A and Company Y presented other proposals to X that revised the content of work of Proposal 1 and Proposal 2 (hereinafter, all proposals from Proposal 1 onwards are collectively referred to as the "Proposals"). However, X did not agree to any of the Proposals. Company Y and Company A did not offer X any further alternatives, and Contract 1 expired without X accepting the contract renewal offer.

On September 30, 2022, one year after the expiration of Contract 1, and again on October 1, 2023, X applied to Company Y for contract renewal under the same working conditions as Contract 1. However, Company Y indicated to X its intention to reject both contract renewal applications.

In this lawsuit, X argued that, based on Article 19, item (ii) of the Labor Contract Act (hereinafter referred to as "LCA"), X had a reasonable expectation that the contract would be renewed at the expiration of Contract 1, but that Company Y's refusal of his

application for renewal under the same working conditions as Contract 1 lacked objectively reasonable grounds and was not found to be appropreate in general societal terms, and sought confirmation of his rights under the labor contract. The Tokyo District Court rendered a judgment on April 25, 2024, to dismiss X's claim, ruling that X is not found to have a reasonable expectation for the contract renewal, and even if X had such expectation, Company Y's refusal of the Application for Renewal is supported by objectively reasonable grounds and therefore is found to be appropriate in general societal terms. Dissatisfied with this, X appealed to a higher court.

II. Judgment

The court of second instance dismissed X's appeal. The following is a summary of the appellate judgment.

1. "It is interpreted that the phrase '[the worker] expects the said fixed-term labor contract to be renewed' as referred to in Article 19, item (ii) of the LCA is not limited—based on, the wording of that Article— to situations where the renewal is expected under the same working conditions as the prior contract. Rather, it also encompasses situations where the worker expects the said fixed-term labor contract to be renewed under the working conditions that have been changed from the conditions of the prior labor contract."

Contract 1 between X and Company A is the first labor contract for X's re-employment after mandatory retirement. Although it is found that X and Company A had never renewed a fixed-term labor contract, "it is found that Contract 1 was concluded in accordance with Company A's continued employment rules, which serve as a continued employment system introduced under Article 9, paragraph (1), item (ii) of the Act on Employment Security of Elderly Persons, and that these rules provide as follows: the company continues to employ retirees who seek re-employment until they reach the age of 65 years, except for those who fall under grounds for dismissal or other cases prescribed in the company's regulations of employment; and the term of a labor contract for post-retirement re-employment is one year, and upon the renewal of the labor contract, the working conditions under the renewed contract, including the number of working hours/days and monthly pay, will be determined on a case-by-case basis, while hearing the request from the worker to be continuously employed and taking into various circumstances concerned."

According to the above, "it is found that there were reasonable grounds upon which X expected Contract 1 to be renewed upon the expiration of Contract 1 in their relationship with Company Y, which had succeeded to Company A through the merger, regardless of whether the same working conditions as those of the prior labor contract would be offered (…)."

2. "Company Y is found to have refused X's Application for Renewal."

3. In this case, Contract 1 was not renewed because X did not accept any of the Proposals by Company Y. "The court examines whether Company Y's refusal of the contract renewal lacks objectively reasonable grounds and is not found to be appropriate in general societal terms, including whether the Proposals were reasonable."

"Company A's continued employment rules provide that the term of a labor contract for post-retirement re-employment is one year, and upon the renewal of the labor contract, the working conditions under the renewed contract, including the number of working hours/days and monthly pay, will be determined on a case-by-case basis, while hearing the request from the worker to be continuously employed and taking into various circumstances concerned." It is hard to find that the contract renewal under the same working conditions as those of the first labor contract was guaranteed.

It is found that Company A had posted a current account deficit for three consecutive years since FY2018, and that on July 30, 2021, it was decided that the company would be absorbed by Company Y under absorption-type merger as of the day following the date of expiration of Contract 1. Furthermore, "Company A explained the likelihood of a merger in

which it would be absorbed by Company Y at an explanatory meeting held for its employees including X about five months before the merger, and also at an explanatory meeting held after the merger was decided, Company A explained that it would be absorbed by Company Y as of the day following the date of expiration of Contract 1, and given these explanations, X is found to have been able to recognize that the counterparty to the renewal of Contract 1 was not Company A, but Company Y, which would succeed to Company A." At the latter explanatory meeting mentioned above, Company A announced that Company A's continued employment rules would be changed to Company Y's rules for re-employed older workers, which serve as Company Y's post-retirement re-employment system, and the changes in the rules were made known to Company A's employees. Since Company Y's rules for re-employed older workers provide that the basic pay is 1,200 yen per hour in principle, it is found to be objectively unavoidable that the pay for X under a labor contract to be concluded between X and Company Y after the expiration of Contract 1 would be below the pay offered under Contract 1, and X himself is found to have been aware of the likelihood that changes in the working conditions would be proposed.

Company Y had established its rules for re-employed older workers and internal rules for compensation for managerial positions. It is found that Company A and Company Y presented Proposals 1 and 2 to X about one month prior to the expiration of Contract 1, while specifying the working conditions in accordance with these sets of rules, and that, at that time, about 120 re-employed retirees of Company Y concluded labor contracts in accordance with these sets of rules, with no retiree being re-employed under different conditions. "Based on the foregoing, it is difficult to conclude that there were reasonable grounds upon which X expected Contract 1 to be renewed with Company Y at the time of expiration of Contract 1 under the same working conditions as those previously applied."

On the other hand, it is difficult to discern any particular necessity for Company Y to re-employ Company A's re-employed retirees under their previous working conditions, but rather it appears substantially more necessary for Company Y to re-employ them under the same working conditions applicable to Company Y's re-employed retirees. "In light of these findings—and given that three other re-employed retirees of Company A accepted Company Y's proposal and concluded a fixed-term labor contracts with Company Y, and that the work performed by X in Company A falls within the scope of the business that Company Y was scheduled to discontinue, and therefore nothing suggests that X would become busier in Company Y," it should be said that the Proposals were reasonable even by taking into consideration that the Proposals are less favorable to X than the working conditions under Contract 1 and that Company Y's business was robust. As it is found that an explanation was given that the Proposals were in line with the conditions applicable to Company Y's re-employed retirees, the "Proposals cannot be deemed to be inappropriate in procedural terms."

"According to the above, while it is difficult to find that there were reasonable grounds upon which X expected the Contract 1 to be renewed with Company Y at the time of expiration of Contract 1 under the same working conditions as the previous conditions, the Proposals presented by Company A and Company Y to X are found to be reasonable and cannot be deemed to be inappropriate in procedural terms. It cannot be said that Company Y's refusal to renew Contract 1 as a result of X's refusal to accept the Proposals falls under the case where an employer's refusal of the contract renewal lacks objectively reasonable grounds and is not found to be appropriate in general societal terms, and therefore, Contract 1 is not renewed."

III. Commentary

In Japan, there is a general framework that restricts an employer from refusing to renew a fixed-term labor contract upon its termination if certain conditions set out in Article 19 of the LCA are met. Item (ii) of that article stipulates that, if a worker

applies for the renewal of a fixed-term labor contract, and the following two conditions are met, it is deemed that the employer accepts the application for renewal with the same working conditions as previous fixed-term contract: (1) it is found that there are reasonable grounds upon which the worker expects the fixed-term labor contract to be renewed; and (2) the employer's refusal to accept the application for renewal lacks objectively reasonable grounds and is not found to be appropriate in general societal terms. In other words, the legality of an employer's refusal to renew a fixed-term labor contract is examined through the two-stage review that focuses on (1) whether the worker had a reasonable expectation for the contract renewal, and (2) whether the employer's refusal of the contract renewal is supported by objectively reasonable grounds and is found to be appropriate in general societal terms.

Issues concerning an employer's refusal to renew a fixed-term labor contract could also arise in relation to the continued employment system for retirees. In Japan, many companies have adopted the mandatory retirement age, and since the law prohibits setting the retirement age below 60, it is common to set the retirement age at 60. In order to cover the period of income loss between the end of employment and the start of receiving pension — five-year gap caused by gradual increase in the pension eligibility age (in principle, 65 years old)— companies are now legally required to secure employment for their employees until the age of 65. Specifically, Article 9, paragraph (1) of the Act on Employment Security of Elderly Persons obligates companies that adopt the mandatory retirement age to implement one of the following measures: raising the mandatory retirement age; introducing the continued employment system (a system under which elderly persons currently employed by the employer continue to be employed after the mandatory retirement age if they wish); or abolishing the mandatory retirement age. In practice, nearly 70% of these companies have introduced the continued employment system (Ministry of Health, Labor and Welfare, *2024 Report on the Employment Condition of the Elderly Persons*, 3). Under this system, it is common practice to conclude a fixed-term labor contract for re-employment.

In this case, Company A and Company Y were both employers with continued employment systems. When Company A, which had fallen into financial difficulties, was to be absorbed into Company Y, the two companies offered new working conditions based on Company Y's continued employment rules to workers who had entered into fixed-term contracts with Company A after retirement, including X. It is not uncommon for workers who wish to renew their fixed-term contracts to be offered working conditions that are different from their previous conditions. However, in this case, Company Y refused to renew X's contract because X did not agree to the proposed changes. The central issue was whether Company Y's refusal to renew the contract violated Article 19, item (ii) of the LCA.

In this judgment, the appeal court first addressed how to interpret a worker's expectation of contract renewal under Article 19 of the LCA. The court rejected the interpretation adopted by the court of first instance, which had limited this expectation for the contract renewal under the same working conditions as previously existed, and stated that the expectation referred to in that Article also includes an expectation of renewal under working conditions different from the previous conditions. This suggests that the court clarified its interpretation that Article 19, item (ii) of the LCA to be primarily intended to protect the expectation that employment itself will continue, and that changes in working conditions do not affect the worker's expectation of renewal. The appeal court's interpretation finds support in scholarly literature and prior judicial precedents. One of court decisions held that "renewal" under Article 19, item (ii) of the LCA refers to the conclusion of a fixed-term labor contract with a worker at a point in time immediately following or closely after the expiration of the worker's prior fixed-term labor contract, and does not mean conclusion of a contract for the same contract term or under the same working conditions as the prior contract (the *Kawaijuku Educational Institution* case, Tokyo High Court (Feb. 2, 2022) 1271 *Rohan* 68). The judgment in the

present case is significant in that it broadly recognized the scope for workers to have reasonable expectation of the contract renewal in light of the purpose of Article 9, paragraph (1) of the Act on Employment Security of Elderly Persons, i.e., securing stable employment until the age of 65.

Next, let us examine how the courts have determined the second issue of whether an employer's refusal to renew a fixed-term labor contract is supported by objectively reasonable grounds and is deemed appropriate in general societal terms. In the cases regarding the deterioration of working conditions proposed at the time of renewal of a fixed-term contract, we can find two approaches in courts' decisions. The first focuses on the necessity to change the working conditions and the reasonableness of the proposed working conditions (forecited the *Kawaijuku Educational Institution* case). In a case in which post-retirement re-employment was concerned, the reasonableness of the working conditions proposed has been considered an important factor in judgment, with emphasis placed on the degree of disadvantage to the worker in analysing whether the employer's refusal of the contract renewal was supported by objectively reasonable grounds and could be deemed appropriate in general societal terms (the Tanaka Oxygen Dealer (refusal of contract renewal, or yatoi-dome) case, Hiroshima High Court (Dec. 25, 2020) 1286 Rohan 68).

However, such approach to determination that focuses on the reasonableness of working conditions has been criticized as setting back the protection for workers' expectation for the contract renewal and undermining the meaning of Article 19, item (ii) of the LCA. The second approach is to acknowledge that the proposed changes to working conditions are reasonable, but not to recognize that reasonableness as the grounds for the employer's refusal to renew the contract, thus denying the legality of the employer's refusal (the *Hilton Japan* case, Tokyo District Court (Mar. 11, 2002) 825 *Rohan* 13).

In the judgment of the present case, the court focused on the reasonableness of the proposed working conditions in determining whether the employer's refusal to renew the contract was supported by objectively reasonable grounds and was found to be appropriate in general societal terms, putting greater emphasis on the changes in working conditions than on the continued employment. The conclusion reached in this case aligns with the first approach, i.e., the holdings in the *Kawaijuku Educational Insitution* discussed above which underscored the significance of evaluating the reasonableness of changes in working conditions in determining the legality of the employer's refusal to renew the contract.

The court also examined the reasonableness of the Proposals from the perspectives of the necessity to adopt the same working conditions as those of Company Y's re-employed retirees upon the merger, the fact that Company A's re-employed workers, except for X, had signed contracts with Company Y, and the extent to which the proposed conditions were less disadvantageous to X. In this process, the court placed more emphasis on the necessity to change the working conditions (the company needed to treat its employees uniformly) than on the degree to which the conditions were less favorable to the worker. This approach can be interpreted as reflecting the case-specific circumstance that the employer had been absorbed by another company (and this made it necessary to adopt the uniform working conditions).

Furthermore, the court denied the reasonable grounds for X's expectation for the contract renewal under the same working conditions as the previous conditions, on the basis of the facts that: the working conditions for Company A's re-employed workers were not uniformly determined in advance and supposed to be decided on a case-by-case basis; X knew that Company A would be absorbed by Company Y and therefore X was aware that working conditions might change; and all of Company Y's re-employed retirees concluded contracts under the same working conditions as those offered to X. Thus, the court determined whether there were reasonable grounds for the worker's expectation of the contract renewal under the same working conditions as previous contract, within the framework for determining whether the employer's refusal to renew

the contract was supported by objectively reasonable grounds and deemed appropriate in general societal terms. This constitutes a distinctive feature of this judgment when compared with existing precedents.

An employer's refusal to renew the contract with a proposal of changes in the working conditions is subject to the two-stage review under Article 19, item (ii) of the LCA, as with the case of an employer's refusal without such a proposal. Also, Article 19 of the LCA stipulates that the contract is deemed to have been renewed under the same working conditions as the previous conditions if the employer's refusal of the contract renewal is judged to be unlawful. In the present case, the court held that X had a reasonable expectation of the contract renewal, but acknowledged the reasonableness of the working conditions presented to X in the process of determining whether X's contract should be deemed to have been renewed under the same working conditions as the previous conditions, and concluded that Company Y's refusal of the contract renewal is supported by objectively reasonable grounds and is appropriate in general societal terms. In order to draw a conclusion that is consistent with such legal effect, the reasonableness of changes in the working conditions would have important implications in determining the legality of the employer's refusal of the contract renewal.

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Karoshi and Overwork-Related Health Problems in Japan: Current Situation and Prevention Measures

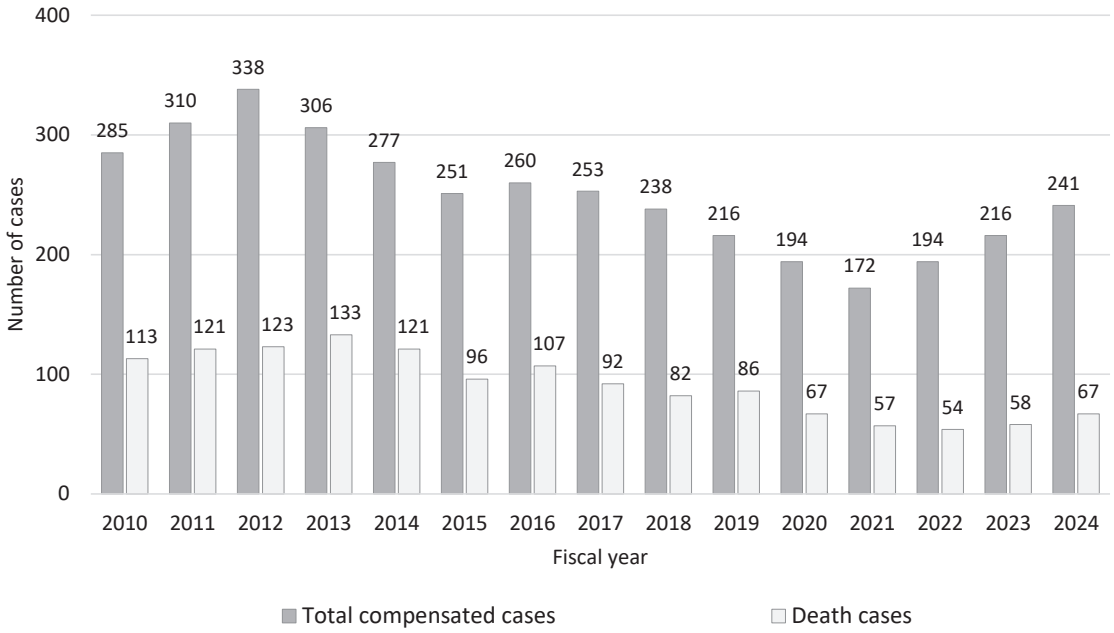
TAKAMI Tomohiro

I. *Karoshi* as a persistent social issue

As symbolized by the term *karoshi* (death from overwork), Japan has long been characterized by long working hours and excessive workloads that could impair health. Overwork remains a major social issue due to its adverse effects on workers' physical and mental well-being and on their work-life balance.

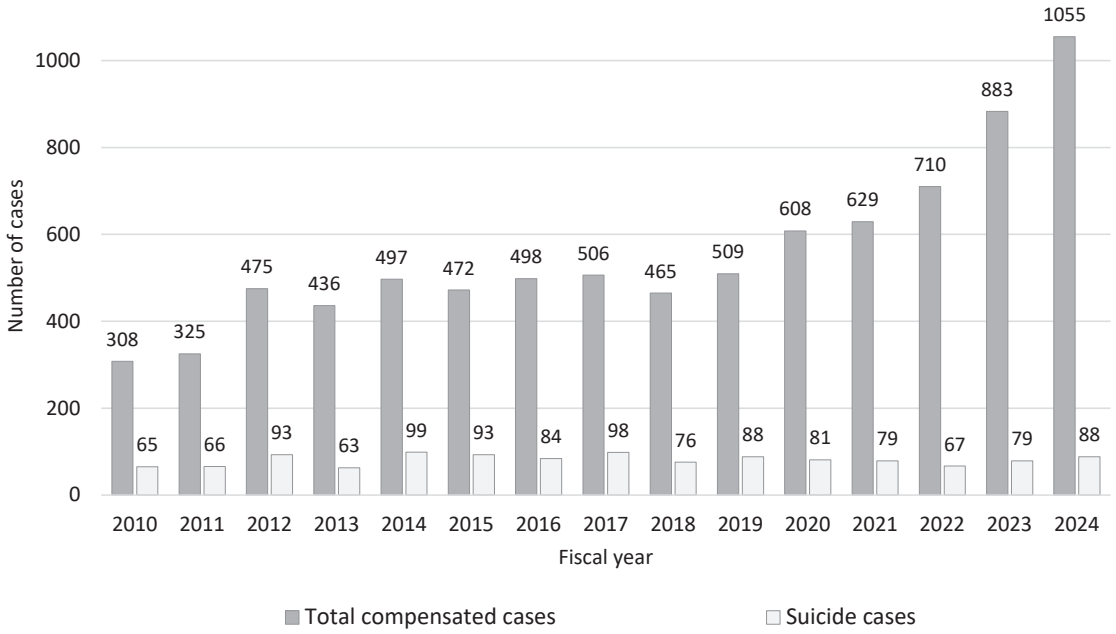
In Japan, cases in which excessive job demands lead to cerebrovascular and cardiovascular diseases (CCVDs) or mental disorders—sometimes resulting in death—are officially recognized as industrial accidents and are eligible for compensation under the industrial accident compensation insurance system. This system specifies which injuries and illnesses are considered work-related.

As illustrated in Figure 1, the number of compensated cases related to CCVDs has remained around 200 in recent years, with 241 cases reported in fiscal year 2024. Among these, 67 cases resulted in death. Mental health problems have also drawn increasing attention. As shown in Figure 2, compensated cases related to mental disorders have continued to rise, reaching 1,055 recognized cases in fiscal year 2024, including 88 suicides.



Source: Author prepared based on Ministry of Health, Labour and Welfare (2024).

Figure 1. Trends in the number of compensated cases of cerebrovascular and cardiovascular diseases (CCVDs)



Source: Same as Figure 1.

Figure 2. Trends in the number of compensated cases of mental disorder

The number of cases differs according to industry and occupation. According to the latest figures published by the Ministry of Health, Labour and Welfare (MHLW) in its FY2024 report, Workers' Compensation for Karoshi and Other Work-Related Cases, the number of recognized workers' compensation cases for CCVDs was highest in the transportation and postal services sector, followed by accommodation and food services and manufacturing. By occupation, the largest number of cases was found among transport and machine operators, followed by service workers and professional and technical workers. Looking at more detailed occupational categories, motor vehicle drivers, such as truck drivers, accounted for the largest share. In terms of workers' age, the number of compensated cases was highest among those in their fifties.

The trends in recognized workers' compensation cases for mental disorders differ from those for CCVDs. By industry, the highest number of cases was observed in the medical and welfare sector, followed by manufacturing and wholesale and retail trade. By occupation, professional and technical workers accounted for the most cases, followed by service workers and clerical workers. By age, workers in their forties represented the largest group, with a significant number of cases also observed among those in their thirties and twenties. Suicide caused by overwork has long been a particular focus of attention due to numerous lawsuits and widely publicized cases of overwork-related deaths. These have prompted calls for companies to address their social responsibilities.

II. Revision of the criteria for determining overwork-related accidents and diseases

What kinds of work burdens cause health problems such as karoshi and other overwork-related disorders? The answer is reflected in Japan's criteria for determining work-related accidents and diseases. Separate criteria have been established for CCVDs and for mental disorders, and these have been revised as necessary over the years.

Since the revision of the determination criteria for mental disorders has already been discussed in a previous article published in *Japan Labor Issues* (JILPT 2025), this article focuses mainly on the

determination criteria for CCVDs and examines the issue of overwork in Japan today.

In the determination criteria for work-related CCVDs, the number of working hours serves as a crucial evaluation factor. Under the determination criteria, several types of work burdens are considered: an "extraordinary event" that occurred shortly before onset; "short-term excessive workload" within a relatively brief period (approximately one week before onset); and "long-term excessive workload," referring to engagement in particularly heavy work over an extended period that leads to a marked accumulation of fatigue.

Specifically, overtime hours during the approximately six months prior to onset are used as an indicator for assessing long-term excessive workload. When an employee has worked roughly 100 hours of overtime in the month immediately before onset, or more than about 80 hours per month on average over a period of two to six months prior to onset, the causal relationship between work and disease is regarded as strong.

Among cases of work-related CCVDs, those involving long working hours accounted for a large proportion. According to the MHLW's FY 2024 report, Workers' Compensation for Karoshi and Other Work-related Health Disorders, of the 241 CCVD cases compensated in 2024, 167 cases—approximately 69.3%—involved employees who worked 80 hours or more of overtime per month on average, either during the one-month evaluation period or over the two- to six-month evaluation period preceding onset. Correcting long working hours is therefore critically important in preventing karoshi and other overwork-related health problems.

In recent years, increasing attention has been directed not only to the total amount of overtime but also to various other aspects of working time from the perspective of health risks. Continuous work without sufficient rest, long periods of duty or on-call time, night work, irregular or shift work, and insufficient rest intervals between workdays have been identified as significant risk factors, particularly due to insufficient recovery time and disruption of circadian rhythms.

The criteria for determining occupational CCVDs were revised in September 2021. The main points of the revision are as follows:

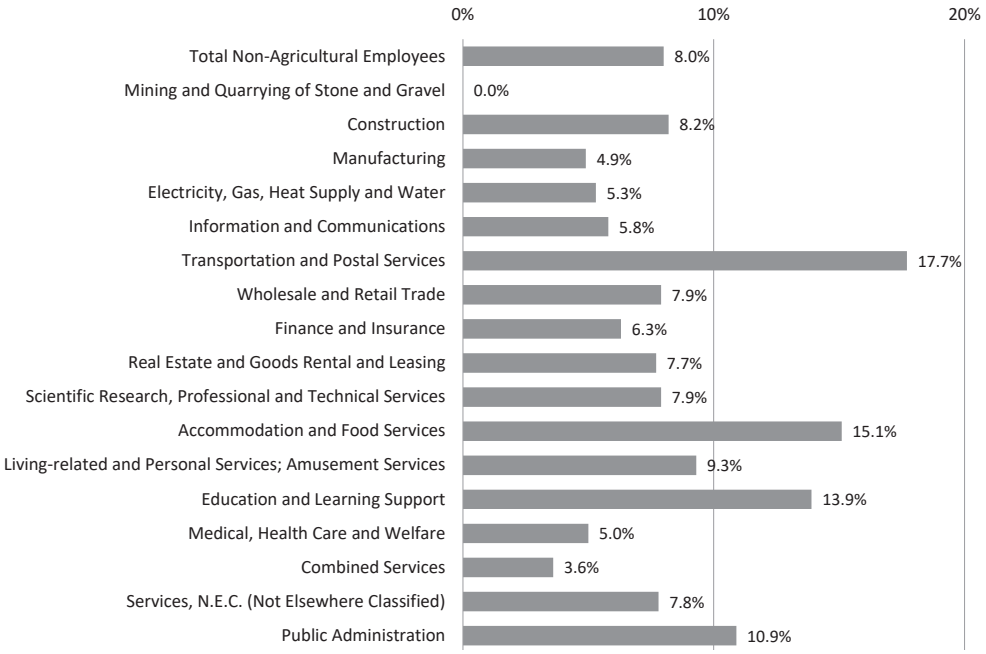
(1) In the assessment of "long-term excessive workload," it was clarified that both working hours and workload factors other than working hours should be comprehensively evaluated when determining work-relatedness.

(2) The workload factors other than working hours were revised to include, in addition to "work with long periods of duty" and "irregular work, shift or night work," new factors such as "continuous work without days off" and "work with short intervals between shifts."

III. Preventing overwork

The incidence rates of overwork-related health problems differ across industries and occupations (Takahashi, 2019). These differences in the number of compensated cases are thought to reflect variations in work burdens, including long working hours. For example, the share of employees working long hours varies substantially across industries. Figure 3, based on MHLW (2024), shows by industry the proportion of employees working long hours—defined as 60 hours or more per week—among full-time employees who work 40 hours or more per week. According to figure 3, the proportion of workers putting in 60 hours or more per week in 2024 is particularly high in sectors such as transportation and postal services and accommodation and food services. These sectors overlap with those that see a large number of work-related CCVDs. This indicates that long working hours are a critical factor to address in preventing overwork-related health problems. The occupational structure and organizational culture characteristic of each industry appear to play a crucial role in determining workers' vulnerability to overwork-related health outcomes.

Over the past decade, policies addressing overwork have undergone significant development. Prompted by movements led by bereaved families and their supporters, the Act Promoting Measures to Prevent Death and Injury from Overwork was



Source: Same as Figure 1.

Figure 3. Share of employees working 60 hours or more per week, by industry (among employees with hours of 40 or more)

enacted in 2014, followed by the Outline for Measures to Prevent Death and Injury from Overwork in 2015. In 2016, the government also published the first *White Paper on Measures to Prevent Karoshi and Other Overwork-Related Health Disorders*.

Regarding mental health, the Stress Check Program was introduced in 2015 for workplaces employing 50 or more workers, and following recent legal amendments, its scope has been expanded to include small and medium-sized enterprises. In line with these developments, many companies have continued to place greater emphasis on maintaining and promoting employees' mental well-being.

What further steps, then, are needed to prevent overwork? Working hours remain a key issue. The Work Style Reform Act (Act on the Arrangement of Relevant Acts on Promoting Work Style Reform), enacted in 2018 and implemented in 2019, established clear upper limits on overtime. To ensure the effectiveness of these regulations, government authorities must continue to monitor compliance and provide appropriate guidance to employers. At the same time, it is essential to move beyond conventional approaches to preventing overwork (Takami 2020). Efforts should focus on addressing underlying work-related factors that drive excessive working hours—such as pressure to meet clients' demands or performance quotas—and on ensuring that workloads remain reasonable and manageable.

As work styles become increasingly diverse and flexible, it is crucial both to respect individuals' varied choices and to safeguard their health. Protecting one's physical and mental well-being in the course of work is not always an easy task. Nevertheless, the prevention of overwork and the promotion of healthy working conditions have become more important than ever as pressing social issues. Continued interdisciplinary collaboration among policymakers, employers, and researchers is essential to create sustainable work environments.

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Main Labor Economic Indicators

1. Economy

The Japanese economy is recovering at a moderate pace, while the effects caused from the U.S. trade policies are seen mainly in the automotive industry. Concerning short-term prospects, the improvement in the employment and income situation and the effects of the policies are expected to support a moderate recovery, while attention should be given to downturn risks of the Japanese economy due to the impact of the U.S. trade policies are increasing. In addition, the effects of continued price increases on private consumption through a downturn in consumer sentiment are also downside risks to the Japanese economy. Also, continued attention should be given to the effects of fluctuations in the financial and capital markets. (October 2025)[1]

2. Employment and unemployment

The number of employees in September increased by 520 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.6%.[2] Active job openings-to-applicants ratio in September, seasonally adjusted, was 1.20.[3] (Figure 1)

3. Wages and working hours

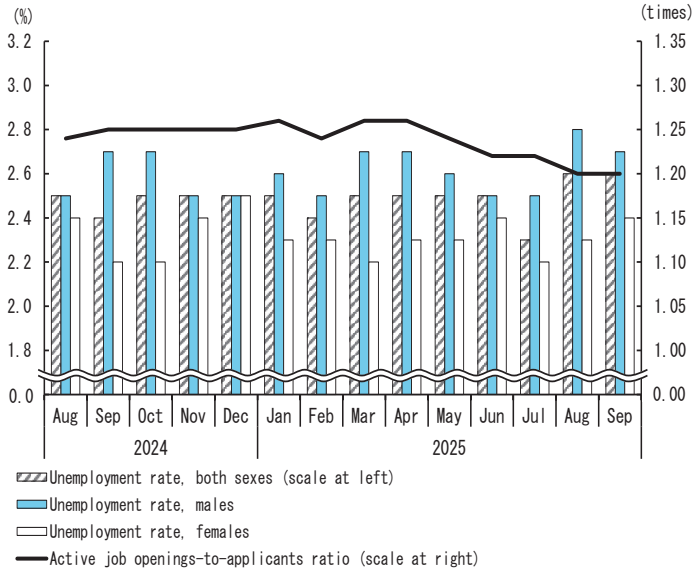
In September, total cash earnings increased by 2.1% year-on-year, while real wages (total cash earnings, realized as consumer price index (total excluding owner-occupied imputed rent)) decreased 1.3%. and real wages (total cash earnings, realized as consumer price index (composite)) decreased 0.7%. Total hours worked decreased by 0.1% year-on-year, while scheduled hours worked at the same level as the same month of the previous year.[4] (Figure 2)

4. Consumer price index (CPI)

In September, CPI for all items increased by 2.9% year-on-year, the consumer price index for all items less fresh food increased by 2.9%, and CPI for all items less fresh food and energy increased by 3.0%.[5]

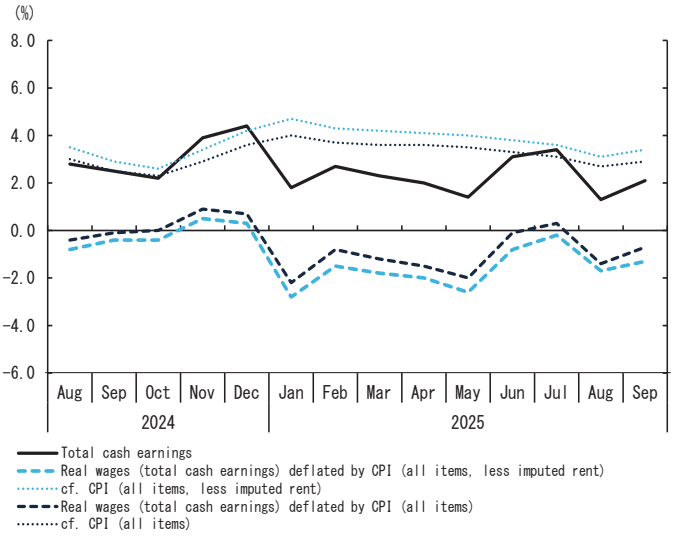
5. Workers' household economy

In September, consumption expenditures by workers' households increased by 10.2% year-on-year nominally and increased by 6.6% 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*. https://www.jil.go.jp/english/estatis/eshuyo/index.html
Notes: 1. Cabinet Office, *Monthly Economic Report*, which analyzes trends in the Japanese and world economies and indicates the assessment by the government. 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. For establishments with 5 or more employees. https://www.mhlw.go.jp/english/database/db-l/monthly-labour.html
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Contents of Japan Labor Issues 2025
Volume 9 Number 51 – 55

Trends

Research

Judgments and Orders

Series: Japan's Employment System and Public Policy

Vol.9, No.52	Corporate In-house Education and Training and Career Formation in Japan	FUJIMOTO Makoto
Vol.9, No.53	Current Policies on Supporting Employee with Caring Responsibilities in the Most Aged Society: The 2024 Amendment of the Child Care and Family Care Leave Act and Related Policies	IKEDA Shingou
Vol.9, No.54	Current State of Working Hours and "Work Style Reform" in Japan	TAKAMI Tomohiro

Special Feature on Research Papers

Vol.9, No.51	Issues for Regulating Working Hours in the Post-Work-Style-Reform Era	HOSOKAWA Ryo
	Effects of Paternity Leave Take-up Rate in Fathers' Industry of Work on Mothers' Employment and Health	NAKAYAMA Mao ISHIKAWA Yumi
Vol.9, No.52	Advancing Women with Interrupted Careers: Focusing on Women's Motivation for Autonomous Skill Development during Middle Age and Older	TAGAMI Kota
	A Comparative Study on Employment Policy Target for Persons with Disabilities: Japan, France, and Germany	TERADA Gaku
Vol.9, No.53	Position of Japan Regarding Changes in Work Environment Following Introduction of AI Technology in Workplace: International Comparison Focusing on Reponses by Corporate Organizations	IWATSUKI Shinya
	An International Comparison of Japanese Jobs	ASUYAMA Yoko

SPECIAL ISSUE / Seminar Report

Vol.9, No.55 The 8th JILPT Tokyo Comparative Labor Policy Seminar 2025
"*Aging Population and Labor Law Policy*"

Protecting Older Workers in China: A Path Forward	Tianyu WANG (China)
Current Status of Aging and Labor and Social Policy Responses in Korea	Daiyoung OH (Korea)
Retirement Process of Older Workers in Japan: Perspectives from Legislative Frameworks and Human Resource Management	Tomohiko MORIYAMA (Japan)
Addressing Taiwan's Demographic Crisis: Workforce Development Policies for a Graying Society	Jo-Hsiang HUANG (Taiwan)
Australia's Aging Workforce: Navigating the Challenges and Opportunities for Labour Regulation	Amanda SELVARAJAH (Australia)
Aging Population and Employment in Thailand: Evaluating Policy Responses to Demographic Shifts	Panthip PRUKSACHOLAVIT (Thailand)
Amidst the Demographic Shifts: The Case of the Silver Workforce in the Philippines	Ronahlee A. ASUNCION (Philippines)
Tackling Aging Population and the Labor Law Policy in Malaysia	R. Ravindra KUMAR (Malaysia)
Indonesia's Workforce in Transition: Labor Law and Policy amidst Aging Society	Ike FARIDA (Indonesia)

What's on the Next Issue

Japan Labor Issues

Volume 10, Number 57,

Spring 2026

tentative

●Special Feature on Research Papers (II)

▷ Examination of the Occupational Polarization Hypothesis: Analysis on the Japanese Labor Market in 21st Century Based on the Employment Structure Survey Data

▷ Non-Compete Clauses and Restrictions on Labor Mobility

●Trends

Key topic

Proposing the Importance of Establishing Career Ladders in Occupations that Support Social Infrastructure, Such As Healthcare and Welfare, Transportation, and Customer Service: MHLW's White Paper on the Labor Economy 2025

●Research

Article

An approach that facilitates a connection between the psychology of the unemployed and the social system: What we can learn from a book entitled "The Psychology of Unemployment"

●Judgments and Orders

Commentary

Whether A Company Housing System Available Only to Career-Track Employees Constitutes Direct or Indirect discrimination
The *AGC Green Tech* Case
Tokyo District Court, May 13, 2024

●Statistical Indicators

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