

# Changes and Continuity in Non-Regular Employment in Japan (1): Re-regulation, Labor Shortage, and Positive Signs for an Equal Labor Market?



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## 1. Non-Regular Employment in Japan

- Non-regular workers are defined as workers who fall under the category of part-time, fixed-term contract, or temporary agency (dispatched) workers.
- However, it is also important to note that under the Japanese-style employment system, non-regular workers are used for jobs that involve supplementary tasks with less stability, whereas regular workers enjoy long-term employment.

## 2. Expansion of Non-Regular Employment and “New Dual Labor Market”

- Amid the de-regulation of labor market and so-called “employment ice age,” the number of non-regular workers increased rapidly since the late 1990s (Figure 1), resulting in the establishment of “new dual labor market” composed of the following:

- significant wage disparity between regular and non-regular workers (Figure 2)
- difficulty in transitioning from non-regular to regular positions (Figure 3)
- the association between non-regular employment and the male breadwinner model (Figure 4).

## 3. Reversal Trends (Table 1 and Figure 5)

- The growing public discontent toward the striking social disparity prompted the Liberal Democratic Party (LDP) administration to begin laying out policies for the protection of non-regular workers around 2007.
- From 2009 to 2012, the Democratic Party of Japan administration tightened regulations regarding part-time work, fixed-term labor contracts, and temporary agency work.
- Upon returning to the government at the end of 2012, the LDP administration focused even greater efforts toward stabilizing employment and improving the treatment of non-regular workers in light of serious growing labor shortages.

## 4. Positive Signs?

- Except for older workers, the percentage of non-regular workers has started to decrease (Figure 6).
- In addition, the ratio of non-regular workers who select non-regular positions involuntarily (“not obtaining a job as a regular employee”) is declining (Figure 7).

## 5. Detailed Analyses (Continued to (2), (3) and (4))

- Have the wage disparities narrowed?
- Has the transition to regular positions become easier?
- Has the “male breadwinner model” changed?

Figure 1. Number of people aged ≥15 years (1,000 persons)

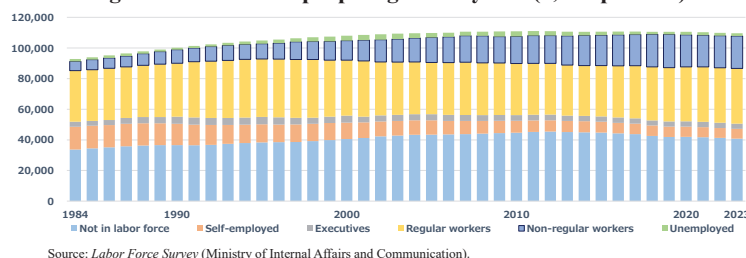


Figure 2. Average hourly wages of regular and non-regular workers in 2010 (by sex and age, JPY)

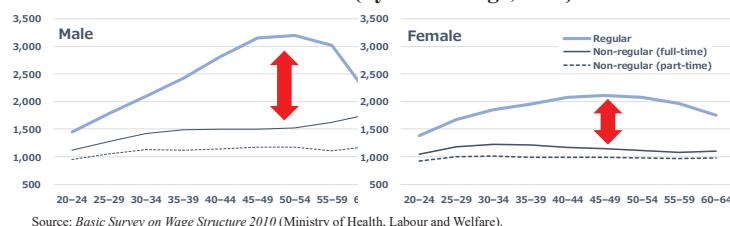


Figure 3. Wish to change employment type? (data in 2010, %)

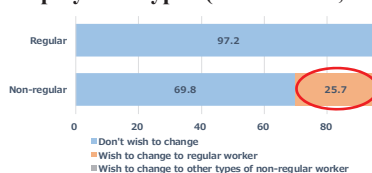


Figure 4. Ratio of non-regular workers in 2010 (by sex and age, %)

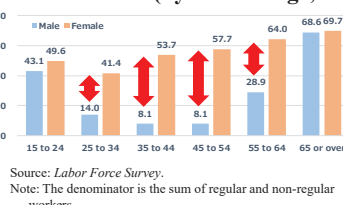


Table 1. Chronological table of non-regular employment policies in Japan

Year	Policy	Category
1994	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	Age of de-regulation
1995	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
1997	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
1998	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
1999	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2000	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	Age of re-regulation
2001	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2002	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2003	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2004	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2005	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	Age of re-regulation
2006	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2007	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2008	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2009	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2010	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	Age of re-regulation
2011	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2012	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2013	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2014	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2015	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	Age of re-regulation
2016	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2017	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2018	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2019	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2020	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	Age of re-regulation
2021	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2022	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2023	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	
2024	Expansion of the types of work performed by temporary agency workers (from 16 types to 26 types of work)	

Source: Takahashi, Koji (2023) “Non-Regular Employment Measures in Japan,” *Japan Labor Issues*, Vol.7, no.44, pp.52–60.

Figure 5. Diffusion index of labor shortage and excess (shortage minus excess, % points)

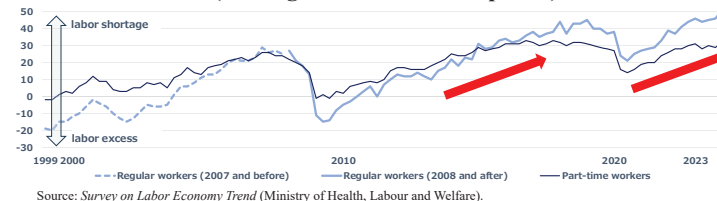


Figure 6. Ratio of non-regular workers by age (%)

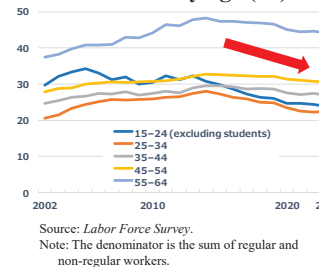


Figure 7. Composition of reasons for selecting non-regular positions (%)

