Japan Academy Prize to:

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for Standard Workers, Non-standard Workers: Central Issues in Labour Economics in Japan Today



Outline of the work:

Standard Workers, Non-standard Workers: Central Issues in Labour Economics in Japan Today (Keio University Press, 2017) by Prof. Ryo Kambayashi is a synthesis of various empirical research works he has conducted for the past twenty years in labour economics. Topics he has discussed range from the so-called Japanese employment practice to "standard" and "non-standard" job contracts, wage differentials, task polarization, and economic interpretations of legal institutions such as dismissal regulation. The book covers a long period from pre-World War II times to the 2010s with particular attention to the more recent past in Japan, thus offering a wider, historical perspective on current labour market issues we face today.

The volume is divided into three parts (plus introductory and concluding chapters). Two chapters in Part I are concerned with the period before the establishment of the Japanese employment system. It begins with the investigation into private and public job placement services in the 1920s and 30s, when it was the only means of governmental intervention into the labour market. While the state's venture had hardly been successful, the scale of state intervention increased under the war-time command economy regime. One of the noteworthy mechanisms introduced from above was an organisation for both the employer and employees to moderate labour relations at the shop-floor level. While the government's aim was to raise productivity at the industry level, the workers saw the new scheme as a means which enabled them to have a voice. This practice of labour-management communications was sanctioned by post-1945 reformers, taking root in post-war Japanese firms as the cornerstone of their employment system.

The second part with three chapters focuses on the contrast between standard and non-standard employment categories found in every sphere of the current Japanese labour market. The two contrasting categories can apply to individual workers as well as to firms exhibiting the same contrast in terms of the proportion of employees on standard contracts. The two also correspond roughly to organised and unorganised labour. A commonly-held view is that the share of standard contracts is decreasing, which is thought to imply that the Japanese long-term employment practice is in decline. One of the major findings in Part II, however, is that the proportion of standard workers in the total workforce aged between 18 and 54 has not declined. The proportion remained stable even in the bubble burst period since the late 1990s, and much the same can be said about the ten-year job retention rate for the core workers (defined as male university graduates with five or

more years of tenure). The proportion of non-standard workers did increase, but another important finding in Part II makes it clear that this increase was not matched by a decline in that of standard workers, but by the shrinking of the self-employed.

It is argued that these facts are reflections of underlying forces at work in the dual structure of standard and non-standard employments: the standard workers and their unions have a voice in the collective bargaining and other processes whereas the non-standard workers suffer from the lack of communications with their management. One chapter of Part II looks at judicial precedent cases concerning dismissal and changes in work rules, which suggests that over the post-war period court has encouraged both labour and management to talk to each other about any aspect of the work rules, and hence that any dismissal or wage cut should be judged in relation to the agreed internal rules. This judicial tradition has worked favourably for the standard, organised workers and unfavourably for the non-standard, unorganised.

Part III (with four chapters) turns to underlying tendencies which are at work in the recent past. Inequality in wages is increasing, which is apparent if age, gender, tenure, academic background and employer characteristics are controlled for. Also, task polarization is in progress with the share of non-routine tasks expanding. Another unmistakable trend is a steady decline of the self-employed. Although it is difficult to identify mechanisms at work, it is believed that the decline in the share of routine, physical tasks, on the one hand, and the increase in share of non-standard employment contracts, on the other, have something to do with the traditional, informal sector's decline. Finally, while the standard, organised sector still enjoys labour-management autonomy, the examination of recent revisions in minimum wage administration and the worker dispatching act suggests that the third party's influence will grow in the near future.

To write this book Prof. Kambayashi has explored a wide range of official statistics and surveys, scrutinised them, and applied the most up-to-date methods of analysis wherever data permit. The book has presented a comprehensive picture of the unbalanced structure of the standard and non-standard duality, identified when that structure emerged and how it worked, and has suggested in what way it will change in the future. As such, this work is a great contribution to studies in modern and contemporary Japanese economic history as well as labour economics.

List of Main Publications

Books (in Japanese)

- 1. 『雇用社会の法と経済』(荒木尚志,大内伸哉,大竹文雄と共編著),有斐閣,2008年.
- 2. 『解雇規制の法と経済―労使の合意形成メカニズムとしての解雇ルール』(編著),日本評論社,2008年.
- 3. 『日本の外国人労働力―経済学からの検証』(中村二朗,内藤久裕,川口大司,町北朋 洋と共著),日本経済新聞出版,2009年.
- 4. 『正規の世界・非正規の世界―現代日本労働経済学の基本問題』,慶應義塾大学出版会, 2017年.

Papers (in Japanese)

1.「国営化までの職業紹介制度―制度史的沿革」,『日本労働研究雑誌』第482号, 12-29頁,

2000年.

- 2.「等級賃金制度と工女登録制度一製糸工女労働市場の形成一」,岡崎哲二編『取引制度の経済史』所収,東京大学出版会,161-235頁,2001年.
- 3. 「民営紹介は公営紹介よりも「効率的」か―両大戦間期のデータによる検証」,『日本 労働研究雑誌』第536号, 69-90頁, 2005年.
- 4.「日本の解雇規制の成り立ちに関する一考察」,大塚啓二郎・東郷 賢・浜田宏一編 『模倣型経済の躍進と足ぶみ―戦後の日本経済を振り返る』所収,ナカニシヤ出版, 109-132 頁, 2010 年.
- 5.「日本における名目賃金の硬直性(1993-2006) 疑似パネルデータを用いた接近 」, 『経済研究』第62巻4号,301-317頁,2011年.
- 6.「労働者派遣法の政策効果について」,『日本労働研究雑誌』第642号,64-82頁,2014年(水町勇一郎と共著).
- 7. 「1980年代以降の長期雇用慣行の動向」,『経済研究』第67巻4号, 307-325頁, 2016 年(加藤隆夫と共著).
- 8.「『就業構造基本調査』にみる賃金格差—『賃金構造基本統計調査』との比較から」,『統計』第68巻7号,7-13頁,2017年.
- 9.「『正規の世界・非正規の世界』のその後」、『経済研究』第70巻1号,1-29頁,2019年.

Papers (in English)

- "The Registration System and the Grade Wage: From Cooperation to a Market for Human Capital? A Lesson from the Japanese Silk Reeling Industry", in Tetsuji Okazaki, ed., *Production* Organizations in Japanese Economic Development, Routledge, pp. 39–74, 2007.
- 2. "Wage Distribution in Japan: 1989–2003", *Canadian Journal of Economics*, vol. 41, no. 4, pp. 1329–1350, 2008 (with Daiji Kawaguchi and Izumi Yokoyama).
- "Employment and Wage Adjustments at Firms under Distress in Japan: An Analysis Based upon a Survey", *Journal of the Japanese and International Economies*, vol. 24, no. 2, pp. 213–235, 2010 (with Kenn Ariga).
- 4. "The Japanese Employment System after the Bubble Burst: New Evidence", in Koichi Hamada, Anil K Kashyap, and David E. Weinstein, eds., *Japan's Bubble, Deflation, and Long-Term Stagnation*, MIT Press, pp. 217–262, 2010 (with Takao Kato).
- "Dismissal Regulation in Japan", in Koichi Hamada, Keijiro Otsuka, Gustav Ranis, and Ken Togo, eds., *Miraculous Growth and Stagnation in Post-War Japan*, Routledge, pp. 74–90, 2011.
- 6. "Wage and Productivity Differentials in Japan: The Role of Labor Market Mechanisms", *Labour*, vol. 26, no. 4, pp. 514–541, 2012 (with Yannick Kalantzis and Sébastien Lechevalier).
- 7. "Differences in Definitions of Non-Regular Employees in Government Statistics", *Japan Labor Review*, vol. 10, no. 4, pp. 55–66, 2013.
- 8. "Trends in Worker Displacement Penalties in Japan: 1991–2005", *Japan and the World Economy*, vol. 27, pp. 41–57, 2013 (with Michael Bognanno).
- 9. "Minimum Wage in a Deflationary Economy: The Japanese Experience, 1994–2003", *Labor Economics*, vol. 24, pp. 264–276, 2013 (with Daiji Kawaguchi and Ken Yamada).
- 10. "The Japanese Labour Market during the Global Financial Crisis and the Role of Non-Standard Work: A Micro Perspective", *Journal of the Japanese and International Economies*, vol. 38, pp.

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260-281, 2015 (with Alexander Hijzen, Hiroshi Teruyama, and Yuji Genda).

- 11. "Task Polarization in the Japanese Labor Market: Evidence of a Long-Term Trend", *Industrial Relations*, vol. 55, no. 2, pp. 267–293, 2016 (with Toshie Ikenaga).
- "Long-Term Employment and Job Security over the Past 25 Years: A Comparative Study of Japan and the United States", *Industrial Labor Relations Review*, vol. 70, no. 2, pp. 359–394, 2016 (with Takao Kato).
- 13. "Declining Self-Employment in Japan Revisited: A Short Survey", *Social Science Japan Journal*, vol. 20, no. 1, pp. 73–93, 2017.
- "Employees who do not Know their Labour Contract Term and the Implications for Working Conditions: Evidence from Japanese and Spanish Microdata", *Japan and the World Economy*, vol. 49, pp. 95–104, 2019 (with Yuji Genda and Markus Heckel).