

Mass Layoffs of Temporary Workers and the Functions of Employment Portfolio Systems

by NITTA Michio
(The University of Tokyo, Institute of Social Science)

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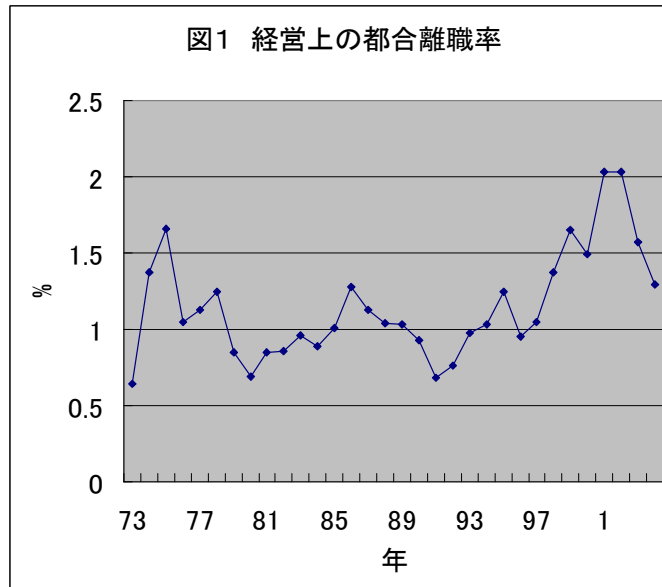
Mass Layoffs and the Functions of Employment Portfolio Systems

Prof. MICHIO NITTA
Institute of Social Science
University of Tokyo

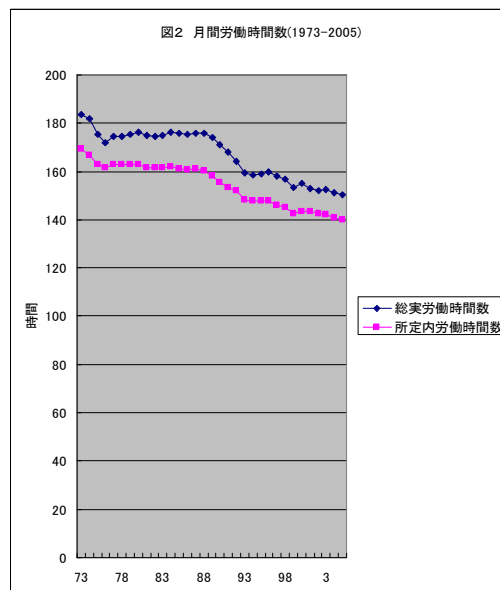
‘Lifetime Employment’ as a System

- **Mutual Commitments and Social Contract between Management and Labor**
- **Employment Adjustment Systems**
Working Hour Adjustments, Hiring Freeze,
Intra-&-Inter-Firm Transfer, Voluntary Redundancies
- **Employment Portfolio Systems**
Regular vs. Non Regular (‘Part timer’, ‘Arbeiter’, Agency Worker, Sub-contract Firm Worker, Limited-term Contract Worker, etc.)

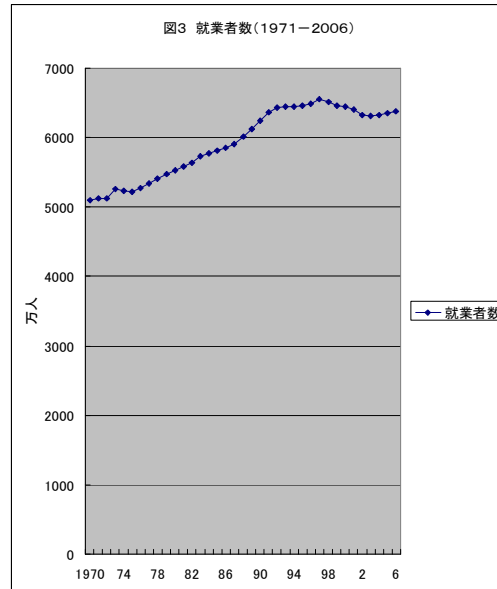
Ratio of Termination for Business Reasons



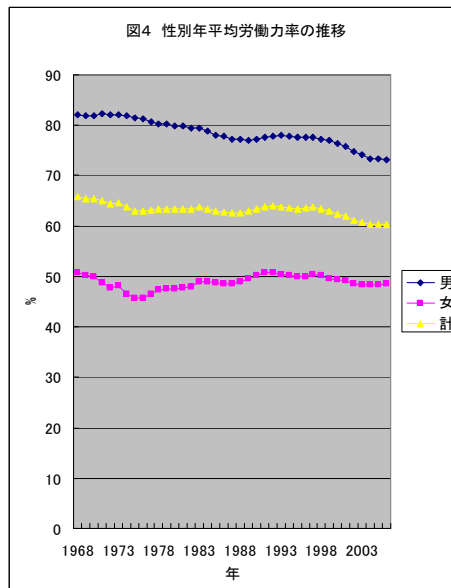
Monthly Working Hours Worked



Reduction of Jobs(1997-2003)



‘Voluntary’ Early Retirement by Aged Male



Employment Portfolio Systems

- Reducing Employment Risk
- Reducing Employment Costs
- Going Back to 1930s

Various non-Regulars

- Typical Part Timer (SH+LTC)
Non-typical Part Timer(1) (SH)
Non-typical Part Timer(2) (LTC)
- Typical Arbeiter(Student Worker)
Non-Typical Arbeiter (non-student)
- Typical Agency Worker (WDLaw)
Non-agency Dispatched Worker
- Contract Firm Worker (1) (Specific Plant)
Contract Firm Worker (2) (Several Plants)
- LTC Worker

Workforce by Type of Employment 1000person

	1982	1987	1992	1997	2002	2007
Total	57,888	60,502	65,756	67,003	65,009	65,978
%	100	100	100	100	100	100
SelfE	9,536	9071	8,442	7,931	7,041	6,675
%	16.5	15	12.8	11.8	10.8	10.1
FamilyW	5,869	5255	4,712	4,052	3,114	1,876
%	10.1	8.7	7.2	6	4.8	2.8
Execs	2,751	3089	3,970	3,850	3,895	4,012
%	4.8	5.1	6	5.7	6	6.1
Regular	33,009	34565	38,062	38,542	34,557	34,324
%	57	57.1	57.9	57.5	53.2	52
Part/A	4,675	6563	8,481	10,342	12,061	12,935
%	8.1	10.8	12.9	15.4	18.6	19.6
LTC+	695	730	880	966	2,477	3,313
%	1.2	1.2	1.3	1.4	3.8	5
Agency	-	87	163	257	721	1,608
%		0.1	0.2	0.4	1.1	2.4
Others	1325	1118	1008	1,025	946	965
%	2.3	1.8	1.5	1.5	1.5	1.5

New Type of Contract Firm Worker

- New and Old type of Contract Firms
- 860,000 (New+Old) in manu in 2004
- Subcontract or Agency Dispatch?
Legal and Political Issues

New LTC Worker

- Full Time Limited-term Contract Worker
- 1.5 million? in 2002
- Department Stores, Call Centers, etc.
- Higher Education, Higher Pay but difference with Regulars
- Opportunity for Promotion to Regular Status?

Changes 2002-07

- Increased employment by 1 million
- No increase in regular employment
- Large Increase in LTC+
- Large Increase in Agency dispatch: change in Labor Dispatching Law

Employment Adjustments: 2009 1q -2002 1q (manufacturing)

- Bigger scale 69% >> 42%
- Smaller redundancies 7% << 10%
- Bigger contract termination of LTC+Part
21% >> 7%
- Bigger paid leave 31% >> 3% (assisted by
government)
- Bigger other measures (overtime reduction,
transfer, hiring freeze)