

# Inequality of Opportunity for regular Employments in the Process of Japanese Youth-Labor-Market Transformation

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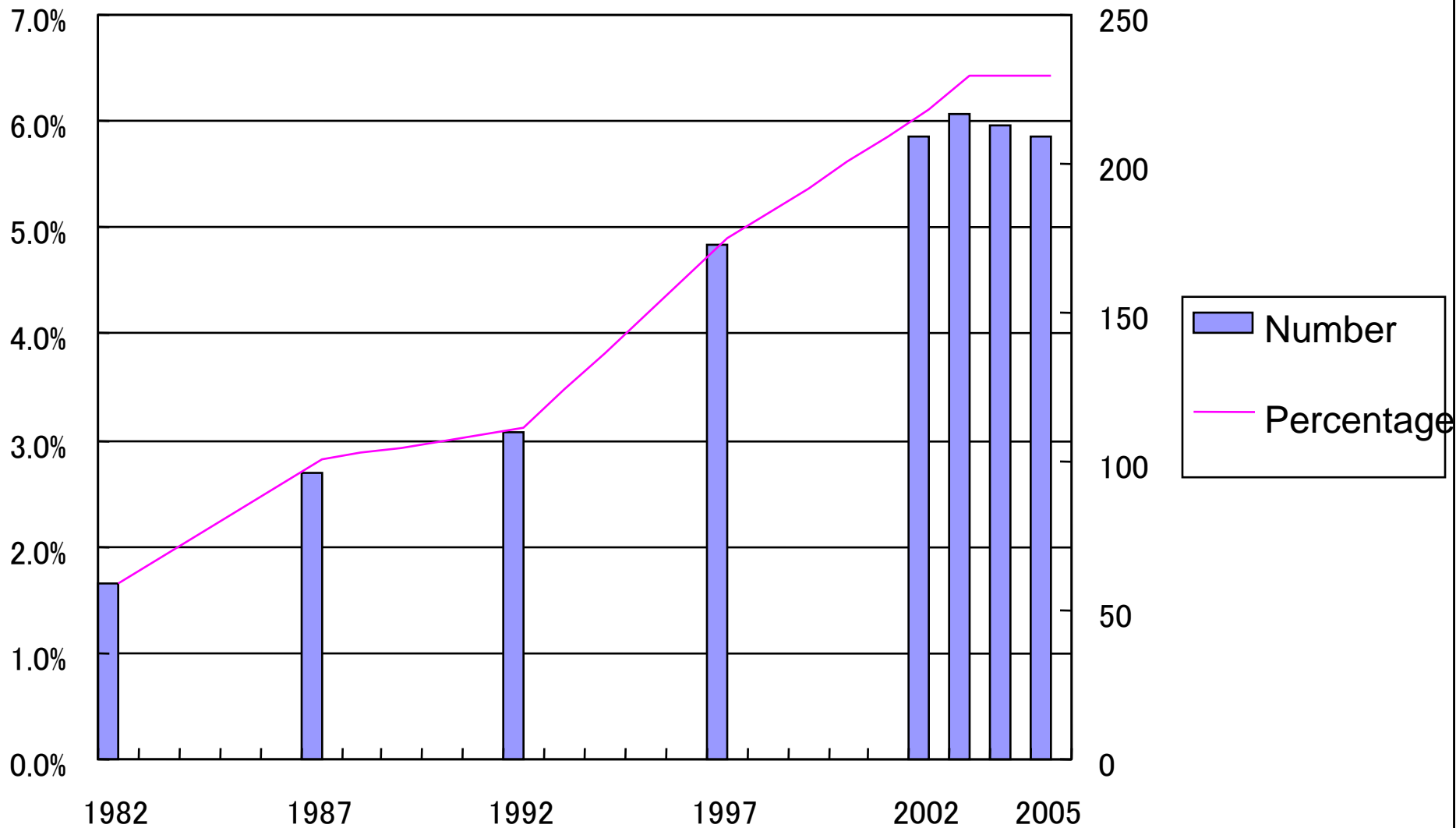
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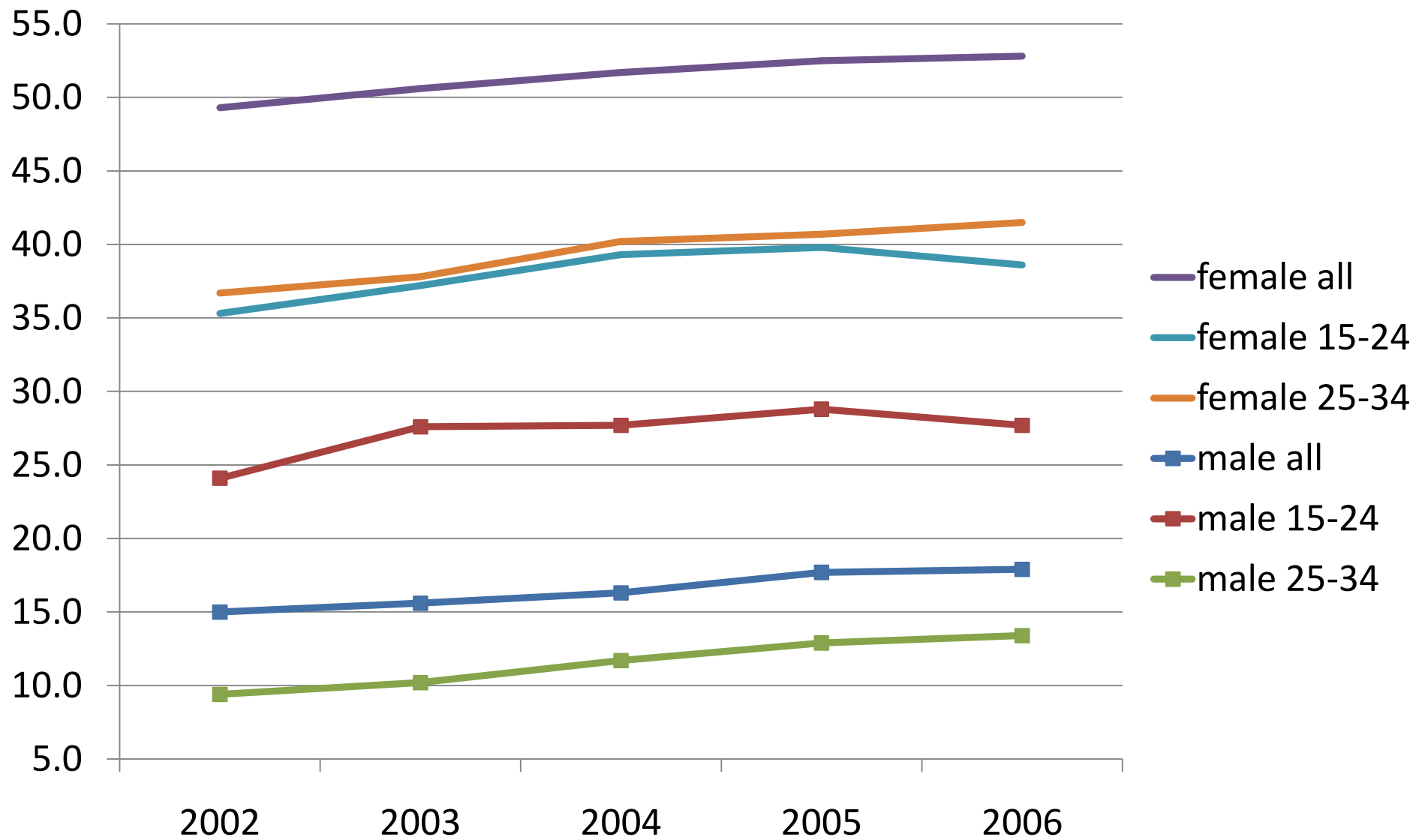
# 1 Transformation of Japanese Youth Labor Markets

- Increase in Non-regular Employment and Unemployment

# Expansion of Part-time Job among Young Japanese (15~34)



# Non-regular Employment Rate, Japan



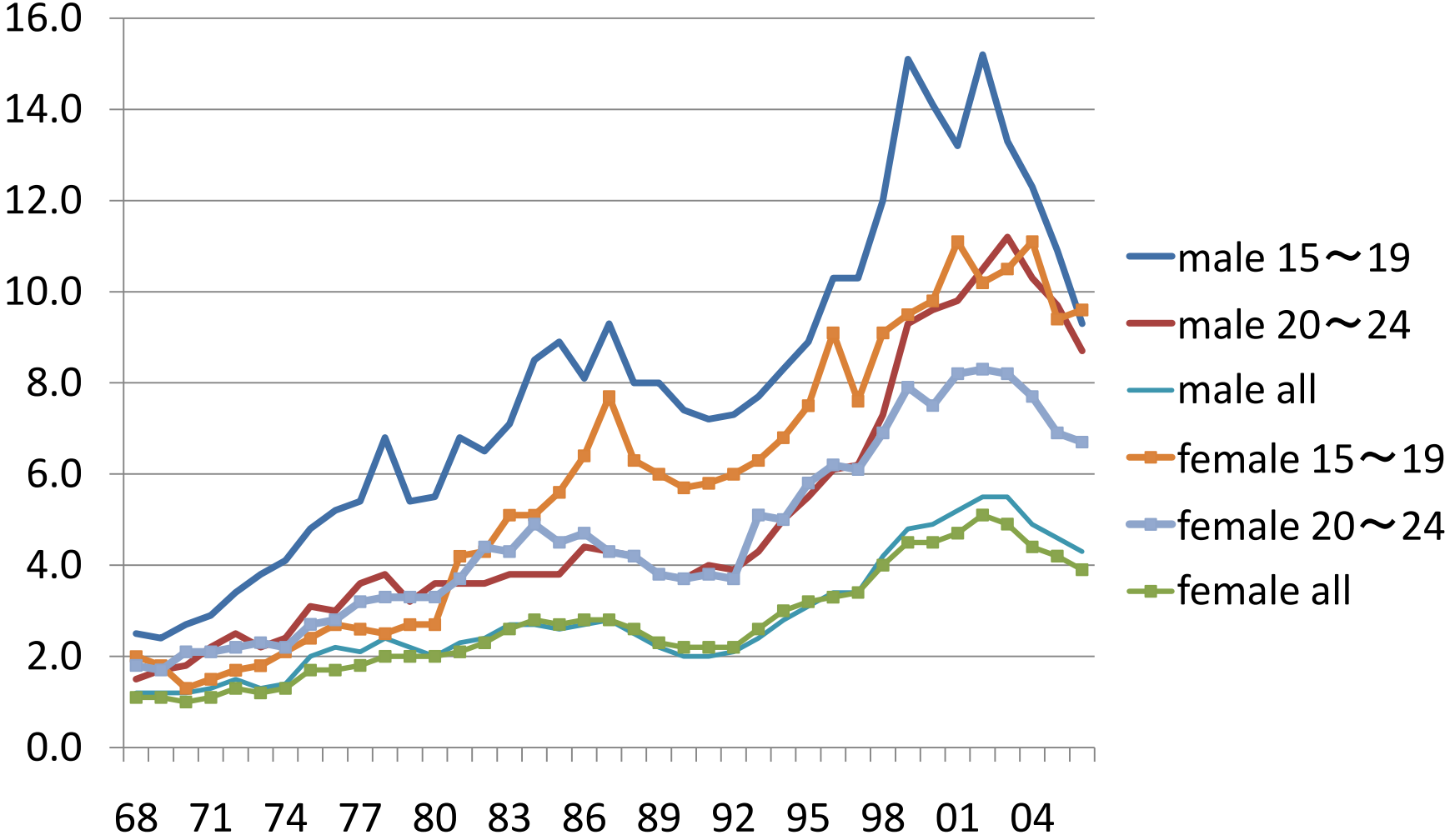
# Definition of regular and Non-regular Employment

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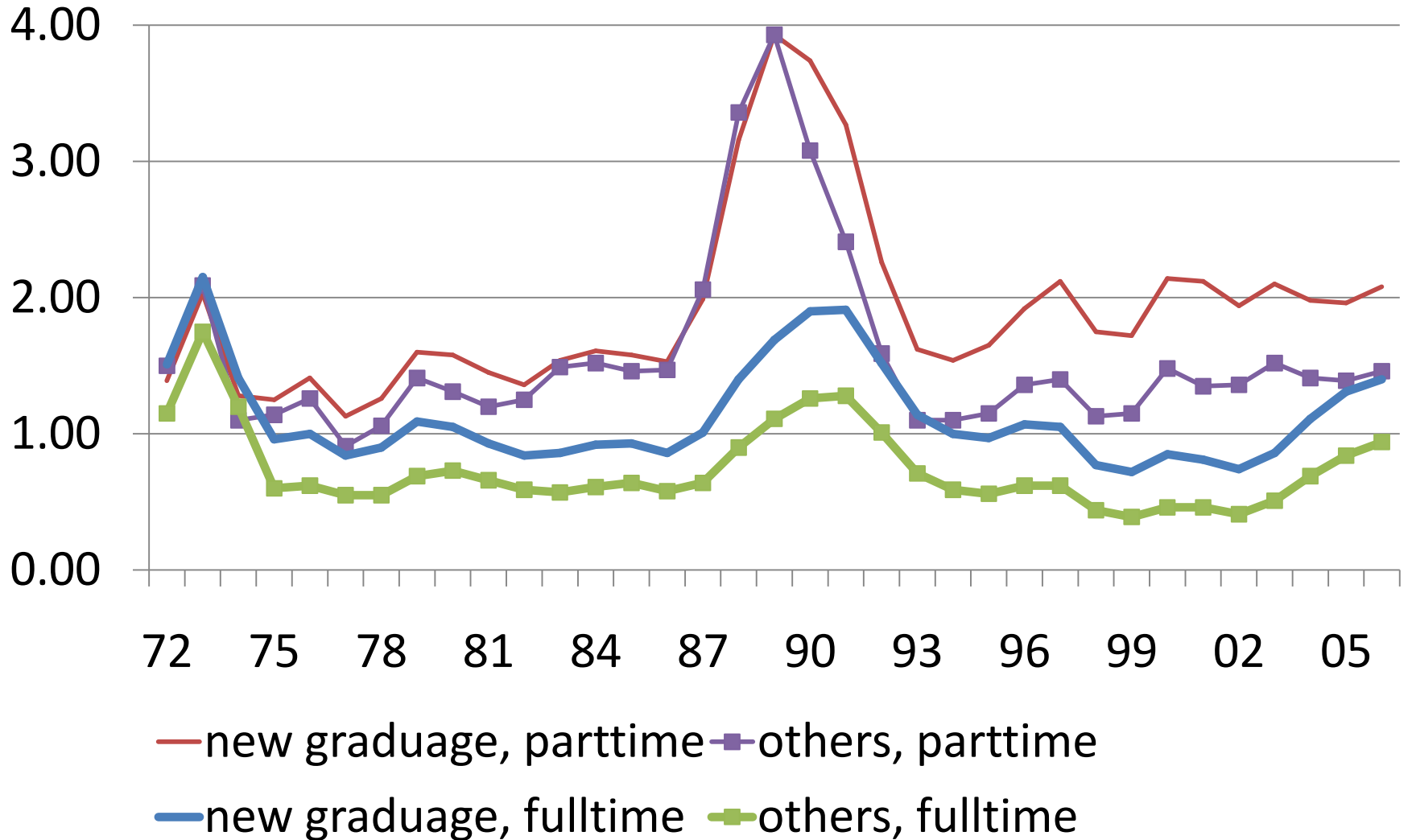
		Working Hour	
		Fulltime	Part-time
Term	fixed	Non-regular	Non-regular
	Non-fixed	regular	Non-regular

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# Absolute Unemployment Rate



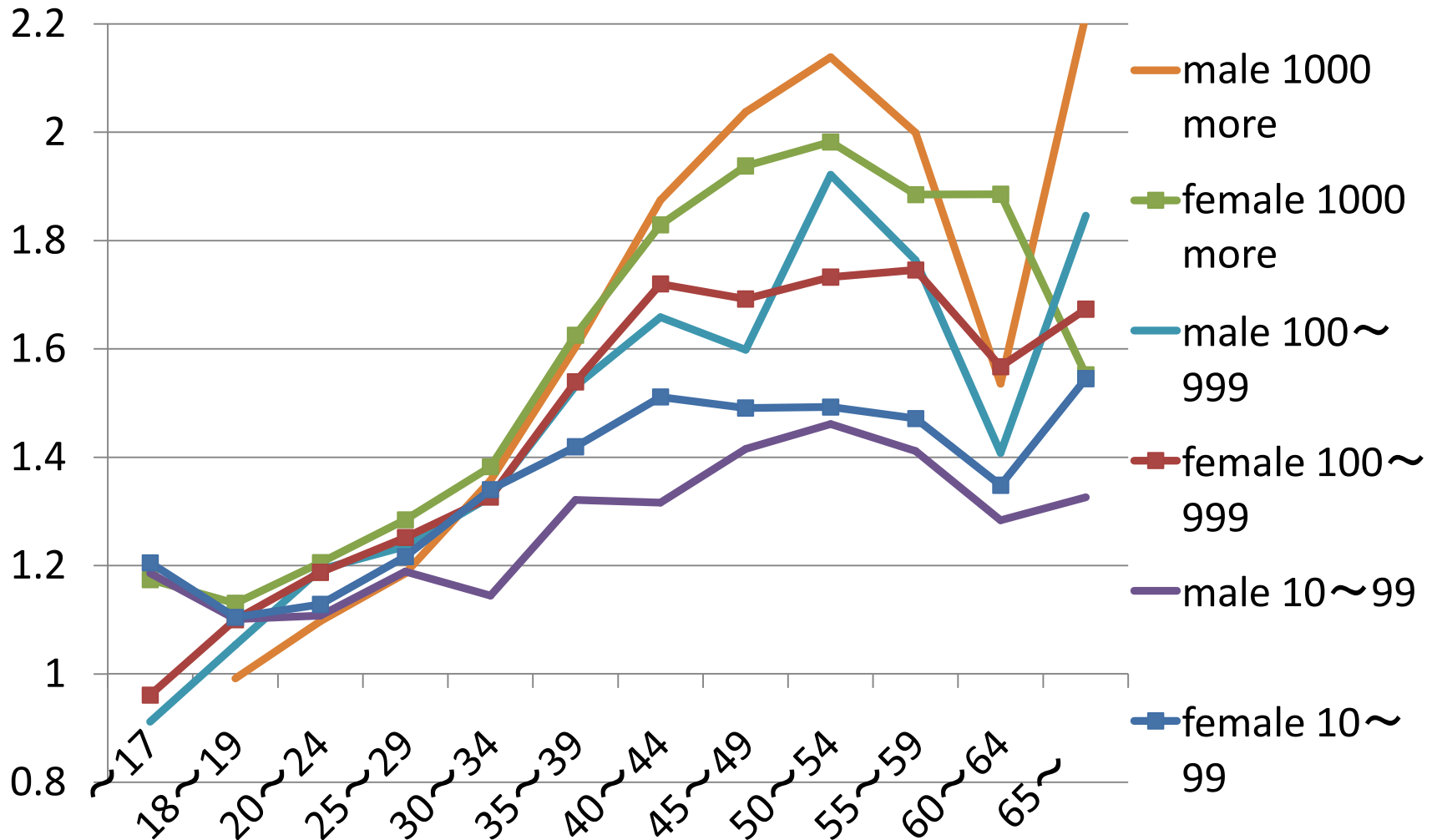
# Ratio of Openings to Job Applicants in Japan 1972-2006





# 2 Inequality between Regular and Non-Regular Employments

# Ratio of Monthly Earnings regular/Non-regular Employment, 2006, controlled for Firm Size



# High Mobility Barrier between Regular and Non-Regular Employments

	Previous Job	Current Job		Sum (thousand)	Odds Ratio
		Regular	Non- Regular		
Male	Regular	73%	27%	2390	5.1
	Non-Regular	35%	65%	1230	
Female	Regular	48%	52%	1310	3.9
	Non-Regular	19%	81%	2730	

- Sample is those changed Job for 3 years.
- Including those didn't change job, odds ratios are 104 and 94.

# Why Do We Focus “Youth”?

- The first job is important, when job mobility is difficult.
- Youth just leaving school is more disadvantaged, when regular employment is firmly protected and the labor demand shrinks.

# Inequality between Regular and Non- Regular Employees

- Earnings inequality
- Differential of Job security; Regular Employment is legally protected more firmly.
- Differential of Fringe benefits: employees' pension fund and welfare facilities.
- High Mobility Barrier between them

# 3 Research Question

- The labor market transformation changed the inequality of opportunity among young Japanese?

# Hypothesis 1

- The market transformation promoted the free competition and equality of opportunity.
- Therefore, the effects of sex and class origin on first job(regular/non-regular) decreased.

# Hypothesis 2

- The market transformation disadvantaged lower classes and female.
- Therefore, the effects of sex and class origin on first job(regular/non-regular) increased.



# 4 Data and Models

# Data

- SSM 1995 and 2005 Survey
- National Representative Sample of Japanese, aged 20~69.
- omitting respondents entering labor market when they are 30 years old or later

# Variables

- Dependent Variable: Non-Regular (If First job after leaving school is non-regular employment, Non-Regular=1, else =0)
- Cohort (Cohort when they entered the labor market, 1: 1956-65, 2: 66-75, 3: 76-85, 4: 86-95, 5: 96-2005)
- Sex=0: male or 1: female
- Survey Year=1: 1995 or 0: 2005
- Class Origin (Father's Job=1: Professional, 2: Manager, 3: Other Non-Manual, 4: Manual, 5: Farming or 6: Underemployment (non-regular employment or unemployment))
- Education=1: Junior High, 2: Senior High, 3: Junior College or 4 University

# Models

- Logistic Regression Model
  - adding main effects of independent variables one by one
  - adding interaction effects between cohort and the other variables one by one

# 5 Results

# Fitting of Models

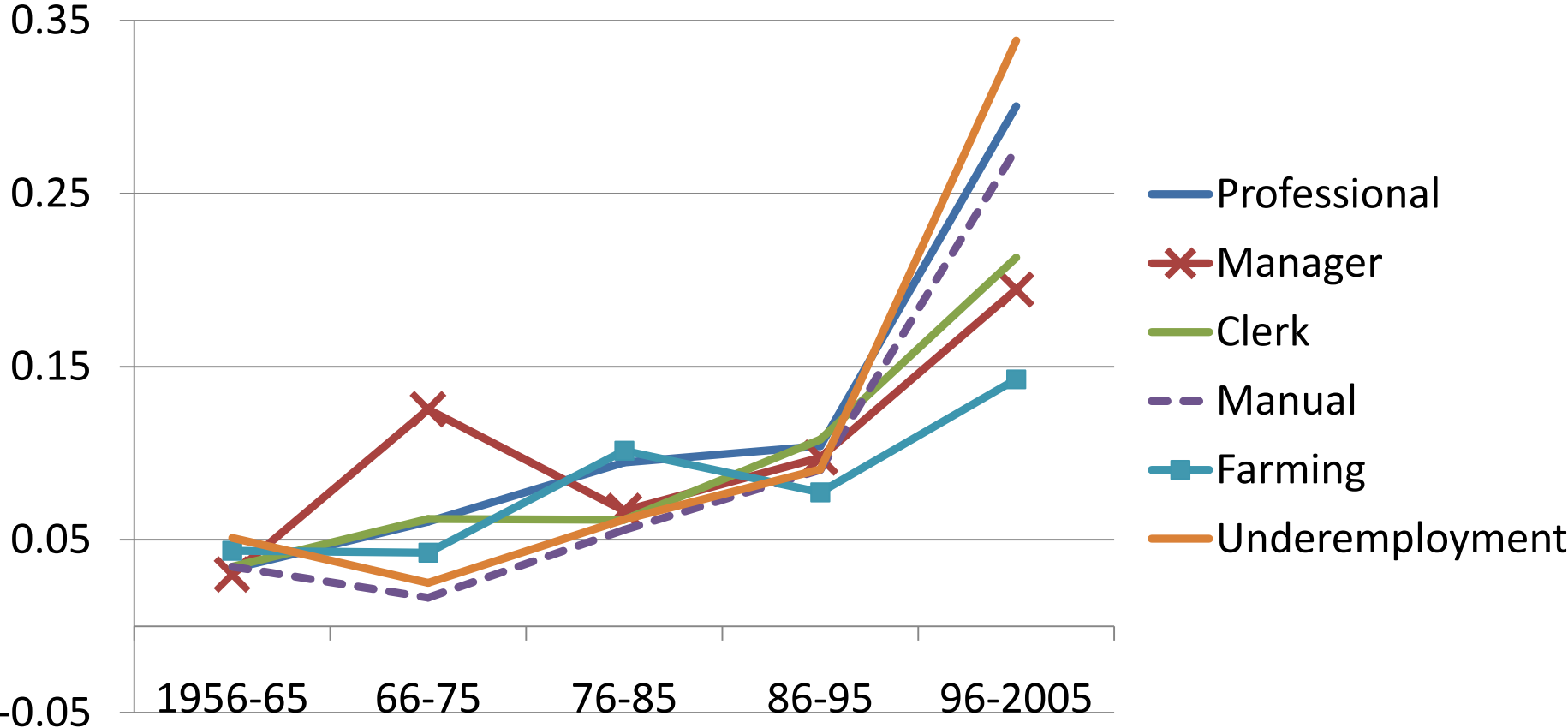
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Model	Added Parameters	-2LL	Change of -2LL	DF	AIC
0	Intercept only	3480.9			3482.9
1	year, sex, cohort	3258.0	222.9**	6	3272.0
2	Father's Job	3252.8	5.2	5	3276.8
3	Education	3199.7	53.1**	3	3229.7
4	cohort*sex	3196.5	3.2	4	3234.5
5	cohort*Father's Job	3163.0	33.5*	20	3241.0
6	cohort*Education	3127.9	35.1**	12	3229.9

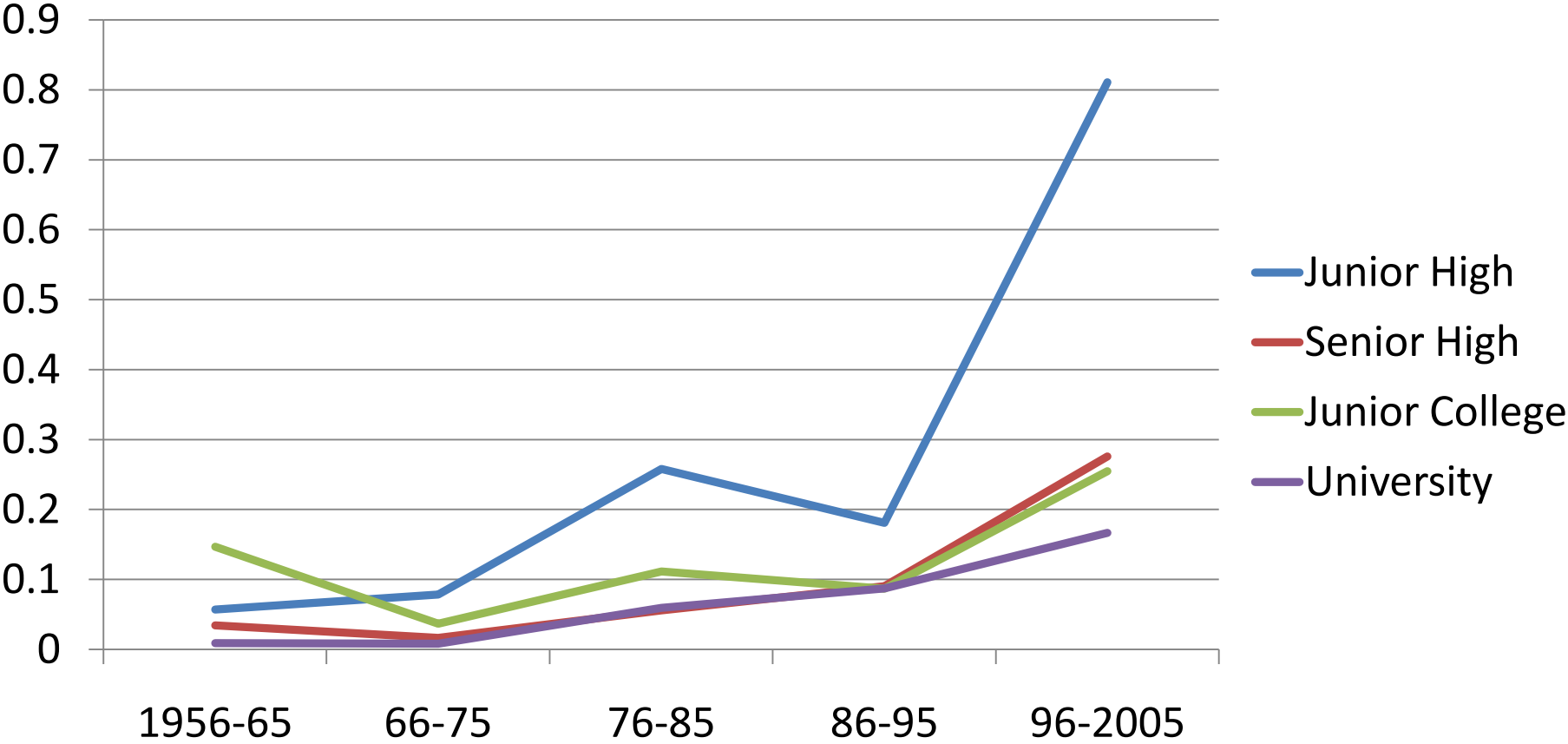
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N=5558,  $AIC = -2LL + 2(\text{Number of Parameters})$ , \*\*  $p < .01$ , \*  $p < .05$

# Estimated Rate of Non-Regular Employee (Male, Senior High, Model 6)



# Estimated Rate of Non-Regular Employee (Male, Manual, Model 6)





# Summary of Results

- Inequality of Opportunity between sexes didn't change between 1956-2005.
- That between class origin expanded in 1995-2005.
- Hypothesis 1 is rejected.
- Hypothesis 2 is partially accepted.

# 6 Discussion

- Why the effects of education increased?
  - More Meritocratic Society?
- There may be two types of non-regular employment:
  - entry job supposed to move to regular employment , and
  - dead-end job.

# References

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Bureau, 2007, <http://www.stat.go.jp/data/roudou/sokuhou/nen/dt/index.htm>