

Japan: the Diversification of Forms of Employment and the Deepening of Social Stratification

Since the early 1990s, under the influence of a number of factors, the social landscape of Japan, which was previously quite smooth, began to change rapidly. Equity in incomes, nearly the same level of welfare of different strata of the population, the orientation of the absolute majority of families toward the standard way of life and a certain system of values were replaced by noticeable stratification in the level of current income and social status, as well as in the great variety of life styles and life preferences of the Japanese.

From the viewpoint of scale and social impact, the main line of social stratification has been a sharp increase of the proportion of irregular employees among employed workforce. The growth of non-permanent employment is happening in all developed countries under the influence of the process of rapid development of services and the changing nature of many types of labor as a result of the spread of information technology. But there is no other country with such a deep divide between the position of the permanent and non-permanent workers as in Japan. This applies to remuneration, training opportunities, promotion, social guarantees and so on.

It should be added, that in the case of a deterioration of a company non-permanent employees fall under dismissal first, because unlike regular employees they have no guarantee of long-term employment, nor protection by the justice. Japanese courts usually don't approve the attempts of companies to dismiss underperforming workers, believing that they are to be blamed for not make them decent members of the community and couldn't find an appropriate place for them. But these rules do not apply to non-permanent workers, even if their contracts are renewed and the work is spread over several years.

But differences in social status of permanent and non-permanent workers, i.e. how they are perceived in Japanese society are of particular importance. These differences were formed under the influence of the lifetime employment system, which was not only a labor management model of Japanese companies, but also the basis, on which and around which the system of values and lifestyles of several postwar generations of Japanese were formed. Under the influence of the system of lifetime employment, which guarantees for regular employees promotion and salary increases for many years to come, the status of regular employee became perceived as an unquestionable value and status as a non-regular employee with unstable employment and low wages was much lower.

Sharp differences between regular and non-regular workers in the last two decades became a particularly acute problem due to the qualitative changes in the category of part-time employees. Formerly on the conditions of non-regular employment worked mainly pupils of senior classes, students and housewives – persons, for whom this work was not a main activity and was not the principal source of livelihood. However, since the early 1990s the composition of that category began to gradually change, and now its backbone is formed by the young people,

who finished their education but had not found permanent work, be women, who have brought up children and wish to return to full employment, by workers laid off because of elderly age or as a result of the reorganization of the company, etc., and for the overwhelming part of them non-regular work is the chief type of occupation, and the main source of income.

In the most acute form the deep divide between permanent and non-permanent employees manifests itself in the youth segment of the labor market. Over the past ten years, from 2006 to 2015, the number of young people aged 15 to 34 years working under permanent employment has dropped from 15 million 890 thousand to 10 million 180 thousand or by 36 per cent, while the number of non-regular employees, in contrast, rose from 2 million 850 thousand up to 5 million 190 thousand or increased by 82 per cent. As a result, if in 2006 the ratio between regular and non-regular employees was 84.8 per cent: 15.2 per cent, in 2015 it was 66.2 per cent: 33.8 per cent. And the proportion of youth in the total number of non-regular workers has increased over these years from 17 per cent to 26.2 per cent. [1.2006, 2015, table I-B-1].

The consequences of the growth of non-regular employment among the young people were: the polarization of youth by social status and income depending on the forms of employment; appearance of very unusual or non-standard groups, whose lifestyles and value orientations contrast with the generally accepted rules and norms; a noticeable increase of the proportion of unmarried young Japanese. So, among the regular male workers aged 25 to 39 years the proportion of unmarried is 42.5 per cent, and among non-regular ones – 75.9 per cent; among women of the same age this proportion is 56.8 per cent and 38 per cent respectively [3. P. 197]. It was not surprising that in Japan fertility rate in recent years was one of the lowest among developed countries – 1.4. But this average rate hides the sharp differences between the categories of working and non-working married women: if in the first category it is only 0.6, in the second – 2.2 and this ratio stayed nearly unchanged over the past three decades [4. P. 162–163].

Smaller, but quite tangible dividing lines can be found in the sphere of regular employment too. The first of them is gender differences in the nature of the work, which are formed at the stage of recruiting the new graduates. It was introduced by Japanese companies after the adoption of the 1986 Act on equal rights for women and men in employment. Since the law prevents the inequality within the same category of employees, the companies decided to introduce two types of lifetime employment careers: one is for those, who will pursue the so-called general work (*sogoshyoku*), and the second is for those, who will carry out regular work (*ippanshyoku*).

This division was necessary, above all, to avoid expenditures on in-house training of such “non-perspective” workers as women, since the overwhelming majority of them after marriage and the birth of a child left the work. Men were hired mainly for a career related to *sogoshyoku* and enjoyed all the privileges of lifetime employment. A career related to *ippanshyoku* was intended mainly for women. It was limited to performing various office work and envisaged much more modest opportunities for training and career development, as well as lower wages.

After the adoption of the law on equal rights in employment the number of women working as regular employees began to rise quickly and in 2015 reached almost 11 million, while the proportion of women to the total number of permanent employees reached almost 1/3. But gender division of labor in Japanese companies remained intact. So, in 2014, among the permanent workers, who performed *sogoshiyoku*, men accounted for about 80 per cent, and among those, who performed *ippanshyoku*, 80 per cent were women [2. P. 103].

Recently a new category of regular employees has appeared – the so called restricted regular employees. This category was introduced in order to give greater flexibility to lifetime employment system, for better integration capabilities, aspirations and life events of employees in their career planning and organization of in-house training, and finally – in order to optimize labor costs. There are three types of restrictions: concerning the place of work, the nature of work and the time of work.

In the first case the employee cannot be transferred to another city in the process of rotation, as is the usual practice in the system of lifetime employment. The second case specifies restrictions on the nature of the duties (for example, that rotation can occur only within engineer positions and should not include managerial positions). The third type of restrictions involves the release of an employee from performing any work or other activities during overtime.

The regular employees with restrictions have the same indefinite contracts and the same level of social guarantees as ordinary regular workers. However, because the restrictions on the nature and conditions of work are negotiated at the time of recruitment (or at the time of the change of status), it is obvious that they have an influence on the management approaches to career planning of these workers and are converted into wage differences. So, according to one survey, the hourly earnings of workers with restrictions in the nature of work is about 10 per cent lower than of regular employees, and of workers with restrictions on work place is almost a quarter lower [5. P. 35].

Taking into account the negative consequences of the growing social inequalities, the Japanese government enacts laws to protect the rights of non-regular workers and to improve the state of working women. It takes measures to facilitate the employment of youth, as well as through the tax system and social security seeks to soften the growing income inequalities.

References:

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