

## THE IMPACT OF THE GLOBAL FINANCIAL CRISIS ON THE JAPANESE LABOUR MARKET AND THE ROLE OF NON-REGULAR WORK

Ryo KAMBAYASHI, (Institute of Economic Research, Hitotsubashi University)

### Abstract :

As a result of the rising incidence of non-regular work and the alleged decline of the long-term employment system in Japan, the unemployment response relative to the sharp fall in aggregate demand was widely expected to be much more pronounced than during previous economic downturns. However, macro-economic data do not suggest that the adjustment behaviour of employers during the global crisis was very different from those observed during previous downturns: Japanese firms hoarded labour on a massive scale and largely adjusted by reducing working time. As a result, unemployment has increased even less than may be expected based on historical patterns. In order to explain this somewhat surprising stylised fact, this paper examines the implications of the rise in non-regular work for the adjustment behaviour of establishments at the micro level. It assesses to what extent the rise in non-regular work has affected the relative importance of working time and employment adjustments as well as the mix of layoffs, quits and hires to accommodate changes in employment. To this end, this study makes use two alternative comprehensive and nationally representative datasets of establishments for the period 1991-2009: the Employment Trend Survey and the Monthly Labour Survey. In order to assess the role of non-regular work for the adjustment behaviour of establishments, the analysis compares their adjustment behaviour during the global crisis and previous economic downturns, while controlling the nature of the economic shock and establishment characteristics. Simulations are used to assess the macro-economic implications of our results for labour market developments during the global crisis.



### 神林龍 准教授 プロフィール

1994年東京大学経済学部卒業

2000年東京大学大学院経済学博士課程修了

スタンフォード大学客員研究員、東京都立大学助教授等を経て、

現在、一橋大学経済研究所准教授