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Book Review: Sato and Imai (ed): Japan's New Inequality: Intersection of Employment Reforms and Welfare Arrangements.

Abstract

Japan's New Inequality is a study of the effects of changes in welfare arrangements and employment reforms in Japan since the collapse of Japan's Bubble Economy in the late 1980s. This volume draws heavily on theories and methods of social stratification studies to explore three general areas: regular and non-regular divisions in labour markets (i.e. between permanent full-time and non-permanent part-time employees); changes in employment structures for women and the self-employed; and changes in family structure, the ageing population and welfare provisions. This volume provides a concise and up-to-date picture of income, wealth and employment inequalities in Japan.

Keywords

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YOSHIMICHI SATO and JUN IMAI (eds). *Japan's New Inequality: Intersection of Employment Reforms and Welfare Arrangements*. Victoria, Australia: Trans Pacific Press, 2011. 181 pp. A\$84.95, hardcover; A\$34.95, paper.

Japan's New Inequality is a study of the effects of changes in welfare arrangements and employment reforms in Japan since the collapse of Japan's Bubble Economy in the late 1980s. This volume draws heavily on theories and methods of social stratification studies to explore three general areas: regular and non-regular divisions in labour markets (i.e. between permanent full-time and non-permanent part-time employees); changes in employment structures for women and the self-employed; and changes in family structure, the ageing population and welfare provisions. This volume provides a concise and up-to-date picture of income, wealth and employment inequalities in Japan.

Sato and Imai's chapter examines career mobility and regular and non-regular employment. Their analysis confirms that the strong association between labour market, welfare and education establishments created the "regular" pattern of career mobility in large firms (and to a lesser extent in medium and small firms), particularly for Japan's corporate-centred society during the 1960s and 70s. Since the 1980s these patterns have been largely disrupted. Although Japanese firms increasingly rely on non-regular employees, individuals' career plans have not adapted to this change, and non-regular employees are largely excluded from opportunities for upward mobility.

In 'The Limit of Equality by "Company Citizenship"', Imai further explores the politics of labour market segmentation between regular and non-regular employees. Labour market deregulation, while benefiting corporations, has had a negative impact on labour markets in Japan. The number of non-regular employees has increased, as has their level of insecurity. Between 1999 and 2003 the percentage of all workers able to access markers of company citizenship such as pensions, retirement allowances and bonuses also declined.

Hiroshi Tarohmaru provides a welcome international comparison to the discussions of Japan's inequalities, comparing income inequality between Japan, South Korea and Taiwan. Tarohmaru compares the differences in the experiences of standard and non-standard employees in these countries, comparable to the discussion of regular and non-regular employees by Sato and Imai in the previous chapters. After controlling for variables such as sex, education, firm size, occupation, tenure and work experience, we can see a large income gap between standard and non-standard employees in both Japan and Taiwan, although the income gap in South Korea largely disappears once these variables are controlled for.

In Marcus Rebick's chapter, the analysis moves from the inequalities between regular and non-regular employees to gender inequality in the Japanese workforce. Rebick notes that while gender gaps in pay and employment in Japan have narrowed over recent decades, the income gap in particular remains high by international standards. While increased educational achievement by women, an increase in labour market experience and tenure, and government policies that facilitate the continuation of women's employment after marriage and childbirth have all helped to reduce the income gap, a gap of around 15 percentage points persists. This gap does not reduce when variables such as tenure and education are included, and it has been present for the last quarter century, suggesting that anti-discrimination legislation has not had a large effect on reducing this inequality and reshaping social stratification in Japan.

One area that has seen significant reshaping since the late 1980s is the self-employed sector, as discussed by Shin Arita in 'Structural Change and Inter/Intra-Generational Mobility in Self-Employment'. While self-employed workers accounted for 19.1 per cent of Japan's working population in 1980, by 2005 this had dropped to 11.2 per cent. This decline is largely due to a series of regulatory changes in Japan in the 1990s, particularly in the retail sector, which has historically had a high level of self-employment. The rate of entry into self-employment among the younger generations in Japan is no longer able to replace the existing self-employed who are retiring.

Hiroshi Hamada and Yusuke Hayashi's 'Impact of Change in Household Composition on Poverty and Inequality in Japan' and David-Antoine Malinas' 'Homelessness in Japan: Corporate Welfare Limits in an Aging Society' reframe the earlier discussion on income disparities to one on disparities in wealth. Hamada and Hayashi discuss Japan's increasing levels of poverty and economic inequality since the late 1980s, and Malinas explains how an increasing number of Japan's homeless are older people who had previously worked as regular employees with housing provided.

Much of the discussion in this book relies on quantitative methods of statistical analysis, but readers should not be intimidated by the technical discussions, as they are supported by detailed and interesting qualitative research. For those who are interested in empirical studies of inequalities in Japan, this book is a valuable resource that gives a clear picture of the current state and historical background to many of Japan's social inequalities.

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