Economic Development & The Labor Market In Japan

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First, labor market stability during economic restructuring can be achieved more effectively with policies that foster the reallocation of surplus labor through effective, on-budget social policies. This is rather than by relying solely on inherent buffers against cyclical shocks (such as the employment of excess labor among SOEs noted earlier). Labor market developments. Until recently, labor market conditions appeared resilient, despite slower growth (Figure 1). Employment is holding up well. At the same time, unique features in China’s labor market, such as migrant flows and surplus workers in SOEs buffer against adverse shocks, but come at a cost (Figure 4).
On the whole, the labor market showed a remarkable stability during the financial crisis, despite decades of economic stagnation and sluggish real wage growth. Rapid population aging, however, has brought substantial changes to individuals in the labor market, most notably women, by augmenting labor demand in the healthcare services industry. Key findings. Pros. Japan's recent labor market experiences exemplify how rapid population aging affects the structure of the labor market through an expanding healthcare services industry. As a consequence, female labor force participation is increasing and more than one in five female workers is currently employed in the healthcare services industry.