

Research note

Dead-End Careers — The Vicious Cycle of Temporary Employment in Japan

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Summary

Since enacting the Temporary Dispatching Worker Law in 1986, Japan has carried out a series of labor market deregulations that have led to an expanded external labor market and greater flexibility for companies. Workers in the external labor market face, however, difficulties in advancing their careers, since employment is often insecure and opportunities to become permanent employees within a company are very limited. Based on an analysis of data from an online survey of temporary workers in Japan and statistics compiled from the General Survey on Dispatched Workers (Haken Rōdōsha Jittai Chōsa) published by the Ministry of Health, Labor, and Welfare, this paper examines the chances that have been available for temporary workers to change to regular employment in the years since the global economic crisis of 2008. Further, it explores how these workers themselves perceive these available opportunities. As the results show, the possibilities to change to regular employment have worsened since the global economic crisis, resulting in increasingly long periods of temporary employment and an aging temporary workforce. Not only this, temporary employees have also seen their chances to change to regular employment very negatively, indicating that they are well aware of the limited career opportunities offered by their current form of employment. Applying a recent labor market segmentation model put forward by Köhler, Goetzelt, and Schröder (2006), I argue that the boundaries separating internal and external labor markets create obstacles for temporary workers to change to regular employment, leaving many in dead-end careers.

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