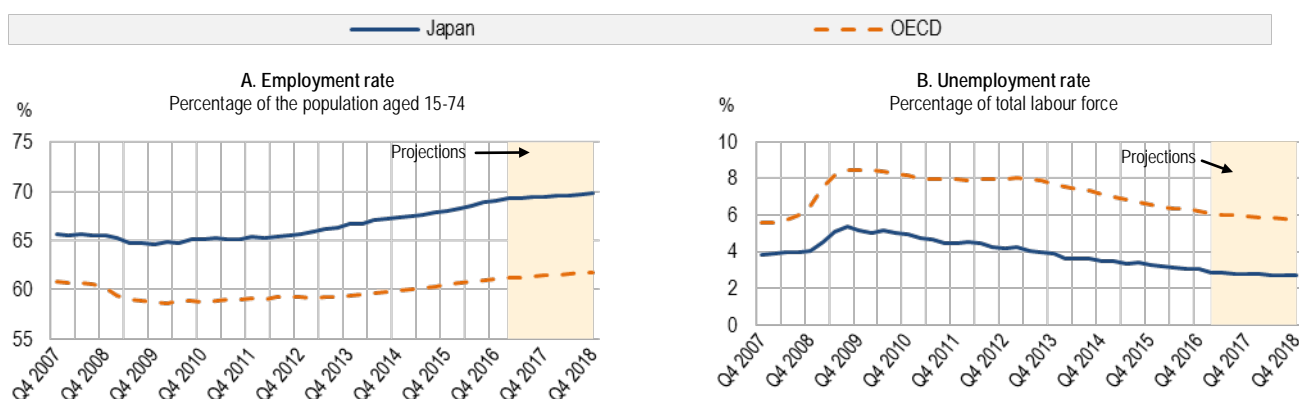


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

[DOI: 10.1787/empl_outlook-2017-en](https://doi.org/10.1787/empl_outlook-2017-en)

Labour market developments in Japan



Note: OECD weighted average.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in the first quarter of 2017, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- The negative impact of the economic crisis on employment was smaller in Japan than most other OECD countries. The short-time work scheme contributed to the greater resilience of the Japanese labour market.
- Unemployment in Japan has fallen continuously since the crisis, reaching just

2.8%, of the labour force in March and April, its lowest level in more than 22 years.

- The Japanese employment rate has increased at a faster pace since 2007 than the OECD average. This strong performance largely reflects the rising participation of women and the elderly in the labour market.
- The OECD projects that employment will continue to rise through the end of 2018 in Japan, but at a slowing pace. Participation will also continue to grow, leaving the unemployment almost unchanged at its current level.
- While employment growth has been strong in Japan, recent job creation has largely taken the form of non-regular employment reinforcing concerns about labour market dualism. Breaking down dualism is essential to achieving better labour market outcomes in terms of both the quantity and quality of employment.

Scoreboard of labour market performance for Japan



Note: An upward ↑ (downward ↓) pointing arrow for an indicator means that higher (lower) values reflect better performance.

Earnings quality: Gross hourly earnings in USD adjusted for inequality. *Labour market insecurity*: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. *Job strain*: Percentage of workers in jobs characterised by a combination of high job demands and few job resources to meet those demands. *Low income rate*: Share of working-age persons living with less than 50% of median equivalised household disposable income. *Gender labour income gap*: Difference between average per capita annual earnings of men and women divided by average per capita earnings of men. *Employment gap for disadvantaged groups*: Average difference in the employment rate for prime-age men and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#), Table 1.2. for further details

NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE JAPAN LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quality (pay, employment security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- The Japanese labour market scores combine strong performance in several areas with weaker performance in other areas.

- Japan performs particularly well in terms of the quantity of employment, achieving the lowest unemployment rate among OECD countries and a relatively high employment rate. The very low risk of unemployment in Japan is also reflected in a very low level of labour market insecurity.
- On the other hand, Japan shows some weaknesses in job quality and labour market inclusiveness. A relatively high share of working-age persons experience job strain and work long hours in Japan. As regards inclusiveness, both the high low-income rate and a big gender labour income gap indicate that some workers face barriers to accessing good jobs. It is encouraging that the gender gap has been steadily shrinking.
- Additional measures to remove obstacles to female employment, improve work-life balance (e.g. by reducing over-time work) and break down labour market dualism could further raise employment and improved job quality and inclusiveness.

Contacts: Yusuke Inoue (+33 1 45 24 92 55; yusuke.inoue@oecd.org) or Paul Swaim (+33 1 45 24 19 77; paul.swaim@oecd.org), Directorate for Employment, Labour and Social Affairs.