日本国際経済学会報告要旨

Title: Temporary Jobs and Globalization

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Abstract:

Deregulation of the use of temporary workers in 2004 (the Worker Dispatching Act of 2004) has been regarded as an important reason for the recent rise of temporary workers in Japan. However, the shift from permanent to temporary workers began long before. This paper proposes a simple monopolistic competition model in which firms use both permanent and temporary workers for evading labor adjustment costs, and explores links between the shift from permanent to temporary workers and economic globalization. We also empirically test the links, using industry-level data of the Japanese manufacturing sector. We find that outsourcing is positively correlated with the replacement of permanent workers with temporary workers in domestic production. In addition, we find that industries losing world share of value added tend to decrease the employment of permanent workers. Industries with higher exports or imports are aggressive in using temporary workers, which suggests the role of temporary workers as an employment buffer.