

# How can we increase employment rates? How can we raise work incentives?

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## Abstract

What are the labor policies and socioeconomic environment to boost the labor supply of the unemployed and the productivity of the employed? My study tries to answer such a question based on the data analyses for Japan. I have confirmed that some of the government job-supporting policies succeed to inspire the youth unemployed to seek for jobs, and that firm's information disclosure improves job-matching between firms and the workers. I have also shown that work environment deteriorates not only workers' work-incentives, but also workers' health conditions. As a related topic but from a different point of view on female labor supply, I have shown that the Japanese married women flexibly change their labor supply so that they can buffer negative shocks to their family members.

## Background & Results

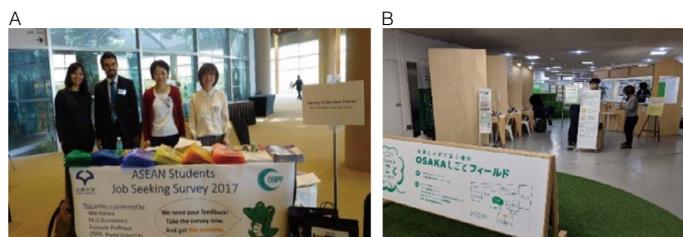
Individuals have their own acceptable levels of wage to work. This acceptable level is called the reservation wage which can be affected by the amount of non-labor income such as financial supports by the government and the unemployment benefits. It is also affected by household economic conditions and household requirement such as household chores. Social norms and socioeconomic environments also affect the work incentives for the employed as well as for the unemployed. My research explores what affects job-seeking behaviors, work-continuities, productivities, and working time allocations, applying unique Japanese characteristics to empirical analyses with individual and household dataset.

The uniqueness of my study lies in its consideration of the effects of society and culture around the workers themselves. The study also tries to utilize the most appropriate methods and data for analyses, conducting the original experiments and surveys if necessary. My studies have used, for example, the household datasets containing the detailed information within and across families, administrative data on the unemployed, and the original surveys/experiments conducted at existing firms and institutions. The choice of data and methods is important to reduce biases driven from unobserved sample characteristics in statistical analyses, and avoid misleading policy implications. The results have shown that workers are indeed affected by the other family members' behaviors and society, socioeconomic environments and labor market policies, more seriously than we have expected. The results have also shown that not only work-incentives but also health-conditions are important determinants of individuals' labor decisions.

## Significance of the research and Future perspective

My research clarifies what affects labor supply of various types of individuals in different periods of time all over Japan. The targets of my research are especially the youth, who do not have sufficient skills and experiences, and the married women, who are often discouraged to work for family concerns. Those labor are not suf-

ficiently used for production, and do not have enough bargaining power in the labor market. I would like to develop my research to find effective policies to stimulate work incentives, utilizing the randomized experiments at educational institutions, social experiments on Japan's unique changes in policy and socioeconomic environments.



A: Survey at ASEAN Career Fair in Singapore  
B: Job-match experiments at the employment support office in Osaka

Figure 1. Original surveys and experiments at actual workplaces  
For a better policy evaluation, I try to conduct the original surveys and experiments at workplaces existing in the real world.

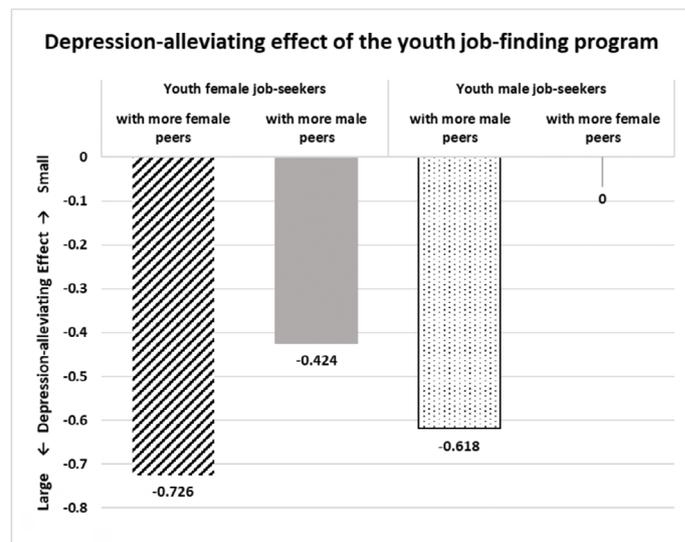


Figure 2. The depression-reduction effect of a job-finding program for the youth job-seekers  
The youth job-finding program can raise their job-matching, and at the same time, it can lower the cases of depression symptoms among them. This depression-alleviating effect is especially big when the youth have the same-gender peers in the program.

## Patent

## Treatise

## URL

## Keyword

Ishikawa, Yumi; Kohara, Miki; Nushimoto, Aya. Job Stress and Mental Health among Social Workers: Evidence from a Field Experiment at a Public Employment Support Institution in Japan. *The Japanese Economic Review*. 2022, 73; 123–146. doi: 10.1007/s42973-021-00100-z  
Kohara, Miki; Maiti, Bipasha. The Impact of Work-Life Balance Policies on the Time Allocation and Fertility Preference of Japanese Women. *Journal of the Japanese and International Economies*. 2021; 60(1); 101134. doi: 10.1016/j.jjie.2021.101134

labor supply, job matching, active labor market policies, work environment, family time allocation