

**Topic-Setting Program to Advance Cutting-Edge  
Humanities and Social Sciences Research**

(Responding to Real Society)

**Progress Report**  
(Summary of Final Report)

**[Current Status and Issues regarding Regulatory Reforms toward Expanding  
Employment Opportunities in Bankruptcy Law and Labor Law]**

**Core-Researcher:** Hisashi IKEDA

**Institution:** Hokkaido University

**Academic Unit:** Graduate School of Law

**Position:** Associate Professor

**Research Period:** FY 2013 – FY 2015

## 1. Basic information of research project

Research Area	Evaluation Analysis on a Regulatory Reform	
Project Title	Current Status and Issues regarding Regulatory Reforms toward Expanding Employment Opportunities in Bankruptcy Law and Labor Law	
Institution	Hokkaido University	
Core-Researcher (Name, Academic Unit & Position)	Hisashi IKEDA (Graduate School of Law, Associate Professor)	
Project Period	FY 2013 - FY 2015	
Appropriations Plan (¥)	FY 2013	JPY 2,475,000
	FY 2014	JPY 4,950,000
	FY 2015	JPY 2,475,000
	FY	JPY

## 2. Purpose of research

As we have seen in recent 20 years since the collapse of the bubble economy, employers, even if they are famous big companies, sometimes very easily fall into financial difficulties because of recessions, changes in structure of industry, supply-demand or population, changes of national policies, wrong doings of managements or simple mistakes in business judgement. Therefore, the regulatory reforms regarding labor and employment laws in Japan in last 20 years are focused on the balance between the employment expansion and the employment security, such as the regulatory reforms regarding non-regular employees. However, such recent regulatory reforms in labor laws do not change the definition of regular employees that consist of the core of the traditional Japanese long-term employment system. Furthermore the definition of regular employees in Japan seems to be fixed as the result of codifications of the principles for abuse of the right to dismiss and the principles for work rule in Labor Contract Act in 2007. On the contrary, it is now receiving attention to a series of regulation reforms to change the traditional definition of regular employees and to diversify regular employees through working conditions.

On the other hand, many drastic revisions have enforced regarding Japanese insolvency laws as a result of the long recession after the collapse of the bubble economy. Such revisions are said to be aimed to promote corporate reorganizations in order to avoid socioeconomic losses such as employment opportunities. In addition, there is a new movement to analyze past regulatory reforms and to discuss another revision regarding insolvency laws recently.

Therefore, revisions regarding Japanese labor laws and insolvency laws after the collapse of the bubble economy are all aimed, directly or indirectly, to expand employment opportunities at employers in financial difficulties. However, for now, since it have never been clearly recognized that regulation reforms in labor laws and insolvency laws have common purpose, expanding employment opportunities, regulation reforms in labor laws and insolvency laws have been thought as nothing to do with each other. Further, it is said that regulation reforms in labor laws and insolvency laws are inconsistent regarding employment securities. As the result, regulation reforms in labor laws are not related to insolvency laws even in corporate

reorganizations. This research is aimed to propose some suggestions toward coming regulation reforms in labor laws and insolvency laws analyzing past regulation reforms in this 20 years from the viewpoint of expanding employment opportunities, collaborating with front-line legal professionals.

### 3. Outline of research (Including study member)

To achieve this research purpose, research issues are as follows;

First, past regulation reforms in labor and employment laws in Japan have enforced in condition of not to modify the traditional definition of regular employees, on the one hand who can enjoy high employment securities, on the other hand who must accept unilateral changes in labor conditions such as wages, working hours etc. Therefore, this research is focused on the effect of the traditional definition of regular employees on employment opportunities at employers in corporate reorganization process.

Second, this research is focused on how to secure employment opportunities in corporate reorganizations, on who enforces such rules, trustees, bankruptcy courts or employee representatives, and on which legislation plays key role in expanding employment opportunities either labor law or bankruptcy law.

To achieve above research issues efficiently, the core-researcher on this research, Hisashi IKEDA, must be optimal because he is the leading expert in Japan on the application of labor laws in corporate reorganization process. Also, this project must be assisted by front-line legal professionals who have long and deep practical experiences in labor laws or bankruptcy laws, Kenji TOKUZUMI, Shione KINOSHITA, Akito HATTORI and Michihiro MORI.

### 4. Research results and outcomes produced

This research is aimed to propose some suggestions toward coming regulation reforms in labor laws and insolvency laws analyzing past regulation reforms in this 20 years to expand employment opportunities with legal professionals. Therefore, we paid attention to research results and outcomes provoke more discussion on this research's subject beyond the border between academic community and practical community in law. In particular, we have held a study group periodically inviting national and international relative professionals, and we have issued a lot of articles on professional law journals.

For now, our research results are as follows;

First, we clarified the process how to secure employment opportunities in corporate reorganization as one of the most severe situations for financial difficulties. Second, we provided elaborated analysis on Japanese long-term employment system as a basic premise for this research. Third, we discussed the effect on business continuities of regulatory reforms toward diversifying regular employees and increasing non-regular employees. Fourth, we tried to find a new model toward coming regulation reforms that can balance employment opportunities and employers' economic difficulties in comparison with the U.S. law and South Korean law. Fifth, in order to provoke more discussion on this research's subject beyond the border between academic community and practical community in law, the core-researcher and a part of professional partners on this research reported some of our research results at the conference of Japan Labor Law Association on Oct. 2015.