

Caseworkers' Workload and Welfare Rationing: Evidence from Public Assistance in Japan*

Masayoshi Hayashi

Graduate School of Economics, University of Tokyo

Hongo 7-3-1, Bunkyo-ku, Tokyo 113-0033, Japan

E-mail: hayashim<<at>>e.u-tokyo.ac.jp;

Phone: +81-3-5841-5513 (DI)

Fax: +81-3-5841-5521

Abstract: While a number of empirical studies have explored the determining factors of welfare caseloads, none of them has examined the effect of the size of caseworkers on the caseloads. However, studies outside the field of economics suggest that workload may be an important factor in determining caseload size, in that limited size of caseworkers may lead to the rationing of assistance. This would mean, holding other things being equal, that a smaller number of caseworkers might lead to a smaller number of welfare caseloads. Using a panel of Japanese cities, this paper estimates the effect of workload on caseload size to examine whether the rationing of social assistance benefits does occur. In particular, we exploit the exogenous change in the size of caseworkers caused by municipal mergers in the mid 2000's to allow for the endogeneity between the sizes of welfare caseloads and caseworkers. Our results support for the existence of the rationing.

Key Words: social assistance, workload, caseloads, caseworkers

JEL Code: H73, H75, H77

* Acknowledgement: I gratefully acknowledge the help of the Coordinating Division of the Local Public Finance Bureau at the Ministry of Internal Affairs and Communications in obtaining municipal data for Public Assistance recipients and caseworkers. I am also grateful for the comments made by Shun-ichiro Bessho and Koichiro Sawano. This study is financially supported by the Grant-in-Aid for Scientific Research (B) 20330064 and (A) 1507000033.