

# The Impact of Municipal One-Stop Consultation Centers (OSCs) for Foreign Residents on Firms and Workers in Japan.<sup>†</sup>

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## Abstract

This paper examines how municipal one-stop consultation centers (OSCs) for foreign residents affect firms' employment structures and working conditions for both foreign and Japanese employees. Using an unbalanced panel of 437 foreign-employing establishments observed from FY2019 to FY2023 (1,716 establishment-year observations) merged with municipality-level data on OSC establishment and subsidy allocations, we estimate two-way fixed-effects and staggered difference-in-differences models robust to heterogeneous treatment timing. The results show that OSC establishment substantially expands both the intensive and extensive margins of foreign employment—by roughly six workers on average—while reducing annual overtime and total working hours by about 33 and 69 hours, respectively. These effects are more pronounced in municipalities receiving above-median allocations under the Foreign Resident Environment Improvement Subsidy, underscoring the importance of sufficient financial and administrative capacity. Spillover effects on Japanese employees are modestly positive: regular and non-regular employment increase, while regular working hours decline slightly, indicating complementarities rather than substitution between domestic and foreign labor. Overall, the findings suggest that OSCs enhance coordination, retention, and work–life balance across firms, functioning as institutional infrastructures that promote both efficiency and inclusion in local labor markets.

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