
Policy and Measures for Youth Employment and Human Resources Development in Japan - Keynote Report

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Ladies and gentlemen, good morning. My name is OTA Toshiaki, and I'm director-general for policy planning and evaluation at the Ministry of Health, Labor and Welfare in Japan. I'm very pleased to be here, to speak about the employment of young workers in Japan. I would like you to look at the documents, which were distributed, while I'm speaking about our latest employment situation, and employment of young people and measures, and also about issues to come and that we must face.

The recent employment situation

First of all, I will deal with the recent employment situation in Japan. Please look at the first page of the document.

Our latest results about total unemployment rate date from last October and is of 4,7%. On January 2003, and a month last year we had a rate of 5,5%, the highest in our history. This rate is now of about 4%, we can observe a slight improvement. At long-term, compared to the international situation, we can say that Japan has still a low unemployment rate. For example, the total unemployment rate at the beginning of the 90's was of about 2%. But the situation has suddenly deteriorated after the end of the "bubble" economy. The unemployment rate was of about 3% in 1994, 4% at the first time in 1998, and 5% in 2001 and our highest rate was of 5,5% as I've just said. With the recovery of economy, this rate has been of about 4%. Thus, we can admit a slight improvement of the situation. An other index of 《 hello work 》, the Japanese PESOs, shows us that the job offer/job seeker proportion is of 0,88 times. This means that the situation has improved since 2 or 3 years. This improvement, 0,88 times, hasn't been seen since 1993. In short, our employment situation is on the way of improvement despite some serious problems. What could be these serious problems? We can mention two. First, the employment situation of young workers, and secondly, the difference of situation growing between cities and regions, but I won't deal with this second problem today. I will just say that the unemployment rate is of 3% where the employment situation is good, and is of 8% in regions, which have serious problems. Our aim is to make it fall until 4% and we are searching for appropriate measures for that. I will finish about the general situation of Japan.

I would now like to deal with the employment situation of young workers, using more full data. Please look at page 2 to page 4 of the document. The unemployment rate of young workers under 24 years old has especially increased from 5,1%, 10 years ago to 10,1%, today,

the double of the average. The situation has become worse. There is 3,11 million jobless people in Japan, and half of it, that is to say 1,50 million of young workers under 35 years old have no job. We can say that it is usual that the unemployment rate of young workers is higher than the average of global unemployment rate. But if it is, it is because young workers often leave their job to find a more appropriate one, or as most of them are not married, it does not cost much when they change job. In Japan, as I said, one young worker in ten have no job. As it is said in page 3, we call part-time worker 《freeter》, and its number has more than doubled to 2,00million from 1,00 million 10 years ago. The irregular employment as well as instable employment has increased. Moreover, the number of 《NEET》, young people who are neither working nor studying at school has reached 500 thousand and reveals serious social problems. At page 4, we can observe the employment situation in details, of young people after graduating high school or college. Compared to 10 years ago, the employment rate among high school graduates considerably decreased. For example, the employment rate of high school graduates decreased from 29,7% or 500 thousand to 6,4% or 210 thousand. On the other side, the number of jobless young high school graduates doubled from 5,2% to 10,3%. For college graduates, the employment rate decreased from 76,2% 10 years ago to 55,0%. Actually, only half of the college graduates can find a job. The number of unemployed rapidly increased from 7,1% or 30 thousand to 22,5% or 120 thousand people. Besides, even if they can find a job, the number of those leaving work is increasing too. The rate of those leaving work within three years after graduation is 50% for high school graduates and 30% for college graduates. Thus, after graduating school and finding job, the number of young people leaving their work has incredibly increased.

The cause of severe employment situation

Now, why young people don't work or have an instable work or leave their work? We can find some reasons to this. First, from the point of view of employers, we must mention the economic recession and the increase of employers removing their production stronghold to foreign countries, which lead them not to employ young employee. Then, we must think of the increase of employment of irregular employment, such as part-time workers, "Alubaito" who cost much less than regular employee. Finally, rather than employing young and fresh workers who has just graduated school, employers prefer to employ workers who have already some experiences. They expect immediately useful workers. Thus, young workers have nowadays to face with lots of difficulties to find a job. There are some other reasons from the point of view of young people about this problems, but I think most of the causes remains in the fact that their are not motivated enough to work and don't know or can't decide what they exactly want to do. Also, young people don't have enough information about work nor experience, and they don't really know what kind of job there are. In the third point, most of them lack of basic knowledge as a worker. Problems on the companies' side and on the young workers side lead to a vicious circle. Companies have difficulties to find good material so they tend to reduce

employment, while young workers lose their self-confidence and their desire to work. I think these are the main reasons of the increase of instable employment and the number of those who do not work. On the other hand, we can also say that government has not provided enough information about work, training counseling services until now.

Social influence which young people's unstable working style etc. affects

This kind of situation might cause serious problems. If workers do not accumulate enough knowledge or techniques while they are young, this might cause serious damage in their professional life hereafter. From a global point of view including politics, economy and society, we can say that without young workers development projects, we could face a reduction of economic growth and a fragilisation of social security. That's why young workers' unemployment problem is a imminent one and not only is it an employment problem, but also a problem involving education, industry, and society, so the government should work on this as a national topic.

The measures of the Japanese government

This perception is now shared by the government, and last year, the minister of education, the minister of economy and industry, the minister of economy and finance policies, as well as the ministries concerned met together to realize a 《youth independence and challenge plan》. In the ministry of Health and Labour, we are now trying to plan measures according to this 《plan》, which are presented from page 5 to page 7. For example, we propose to promote to regular employment the transfer by adopting probationary period employment. Employers employ young part-timers for a 《test employment》 and then adopt them for regular employment. The transfer rate is about of 80%, so we can say this measure is rather successful. Moreover, local governments are also working on a one-stop job placement service center (the so-called 《job cafe》) and the introduce of the Japanese version of “Dual System” permitting to offer education at training institutions in conjunction with practical training in companies is also one of the key measures.

Job Café

Among these measures, I would like to present you in details two measures that were enforced from this year. First, I will deal with the job cafe noticed at page 6. This is a one-stop job placement service center for young workers. This cafe aims to collect young people opinion, to develop appropriate and useful measures. Local government has taken this new initiative. Concretely, local government in cooperation with local school and educational institutions provides job information service, opportunities to gain workplace experience, and job

placement services for young job seekers. The ministry of health and Labour, in response to the local governments requests, has established PESO as an annex to the job cafe. This was planned to be established until July, and this system has just started to work in the 43 prefectures, but there are already 310 thousand users in the first half of the year, and ten thousand of them succeed in finding work. The opinion about the job cafe is rather good: young people seem to stop at the cafe when they want. Moreover, with careful counseling and seminar, most of them can hope to accumulate knowledge, or with psychological support, the possibility to find job is higher than before. Finally, as the target is limited to young workers, they are motivated for they belong to the same generation so they recognize more easily their problems, which are particular to them.

The Japanese version of dual system

The second new initiative is the Japanese version of “dual system”. For this, you can look at page 7. We have had the German dual system as model, and the ministries of health, labour and welfare, with the cooperation of the ministry of education establish this education system since this year. The target of this system is a young worker, and it aims to launch an offer education at training institutions in conjunction with practical training in companies. There is a sort of test the end of this course, to accomplish the education of a “real” worker, and consequently, we hope the situation will stabilize at work. Young worker can now study and work at the same time. For example, for hotel service, young workers can have classroom lectures at educational institutions about manner or service during three days a week, and then, they can have they can develop their aptitude at the hotel for two days a week, through work and accumulate practical experience. Workers under the age of 35, searching for a stable work without having access to it, and who are motivated to find work through this method, are the main targets of this educational system. Concretely, we are thinking about young people who couldn’t find work after graduating school or jobless people, or 《 freeter 》. Of course, if they can find work thanks to this system, our aim is accomplished. But even if some of them cannot find work after it, we can assure ourselves that we can at least develop their capacity through this system. Thanks to that, we hope that people without job after school, or jobless people or 《 freeter 》 will not take root among society. This system has just started. By September, 13 thousand people have started this scheme. Until now, I’ve spoken about the main measures of the ministry of health labour, and welfare.

Youth Independence and Challenge Action Plan

But today, the Japanese society is confronting another problem : the increase of 《 NEET 》 , young people who are neither studying at school or at trainings institutions, nor working. Most of them are not motivated enough to work, or they were once, but they’ve lost their motivation. A solution to this situation must be found immediately.

Thus, 5 minister concerned, that is to say, the minister of education, the minister of health, labour and welfare, the minister of economy and industry, the minister of finance and the chief cabinet secretary gathered together in September to make the “youth independence and challenge plan” take form, as you can see at page 8. We demand a budget of 81 billion yen. This plan contains three main points: first, from elementary school to college, school will be in close collaboration with local communities and industries, to help young workers develop themselves. Secondly, we will raise willingness for those who have lost it, and lead them to find a stable job through general measures, and thirdly, develop young workers abilities through active involvement of private sector in HR development. To realize that, we have six policies. The first one is to enhance vocational education and develop specialized workers, the second one is to raise willingness to work among “freeter” and those who do not work nor go to school, the third one is to develop HR to support growing of industries, the fourth one is to promote in-employers HR investment, the fifth one is to promote grass-roots “E-Learning” programs, the sixth one is to promote national movement. Since we have not enough time, I would like to present you only the important points.

First, it is about enhancing vocational education and develop specialized workers: we’ve found that teaching about work from high-school or from college is too late to resolve our problems, so we’ve thought to give vocational education from elementary school or junior high-school. Junior high-school students will participate in workplace training for 5 days or more, and learn the importance of working by themselves. The central role for this will be for the ministry of education, and the latter will realize this system on all public juniors high school of Japan, within 3 years, that is to say 10 thousand public junior high school. PESOs would send some staffs of employers to school. The ministry of health, labour and welfare, the ministry of education as well as the ministry of economy and industry would cooperate together to enhance this “career” education.

Then, the second point is to raise willingness among “freeter” and those who do not work nor go to school. The main role for that is for the ministry of health and labour, and as I’ve just said, this measure helps young people who have lost their self-confidence or their desire to work to find it again. There are five points for that : first, there is the establishment of a “Wakamono Jiritsu Juku” 《 school of independence for youth 》 . This school is based on a training camp model where young people must live in-group and work together. Through these experiences, we expect them to obtain basic knowledge as a working person, self-confidence and motivation to work, to finally find work opportunities. The second point is about short-term vocational training. This leads young workers to skill up their communication abilities or basic business manners by the use of private sector companies, to make them find a work at an earlier stage. The third point comprehend the development of Job Passport scheme, to enhance ability to obtain a job through unpaid work experience which are evaluated, so that companies can know the worker’s capacities. The fourth point aims to expand the framework of free practical vocational training for young workers, provided by private institutions, and start to receive applications at the “Job cafe”. Finally, the fifth point aims at promoting the

concept of “Monozukuri Rikkoku”《 manufacturing kingdom 》 to support of visit of children and their parents to factories, private or public training institutions , or to hold symposiums about this theme. Furthermore, we hope to open competitions for young workers of manufactured goods to finally elaborate a society which is based on it and which tries to elevate its technique.

Finally, I will talk about the national movement. For this is a national issue, we felt the necessity to raise interest among the public about the employment of young workers. For this and for the raise of the desire to work, we have to promote cooperation among the economic world, the labour trade union world, local governments, etc, by holding a conference at national level.

At last, I would say that Japan will become a society where population would considerably diminish, 3 years later, that is to say in 2007. Already, the number of people at a productive age, that is to say between 15 years old and 65 years old has been diminishing since 1996. The working population has also been diminishing since 1999. Consequently, as I've said, it's crucial for Japan to construct a society where everybody, including young workers or elder workers, women, can work, according to their motivation and capacities. Above all, young workers must recover their self-confidence and motivation, and work in their best conditions. At this present symposium, I've had the pleasure to listen to the ILO and the other Asian countries, and that will be a precious hint for us. Also, I have to thank the labour and management support, as well as all those who are concerned about this issue. I hope we can all resolve this young workers employment problem. Thank you for listening.

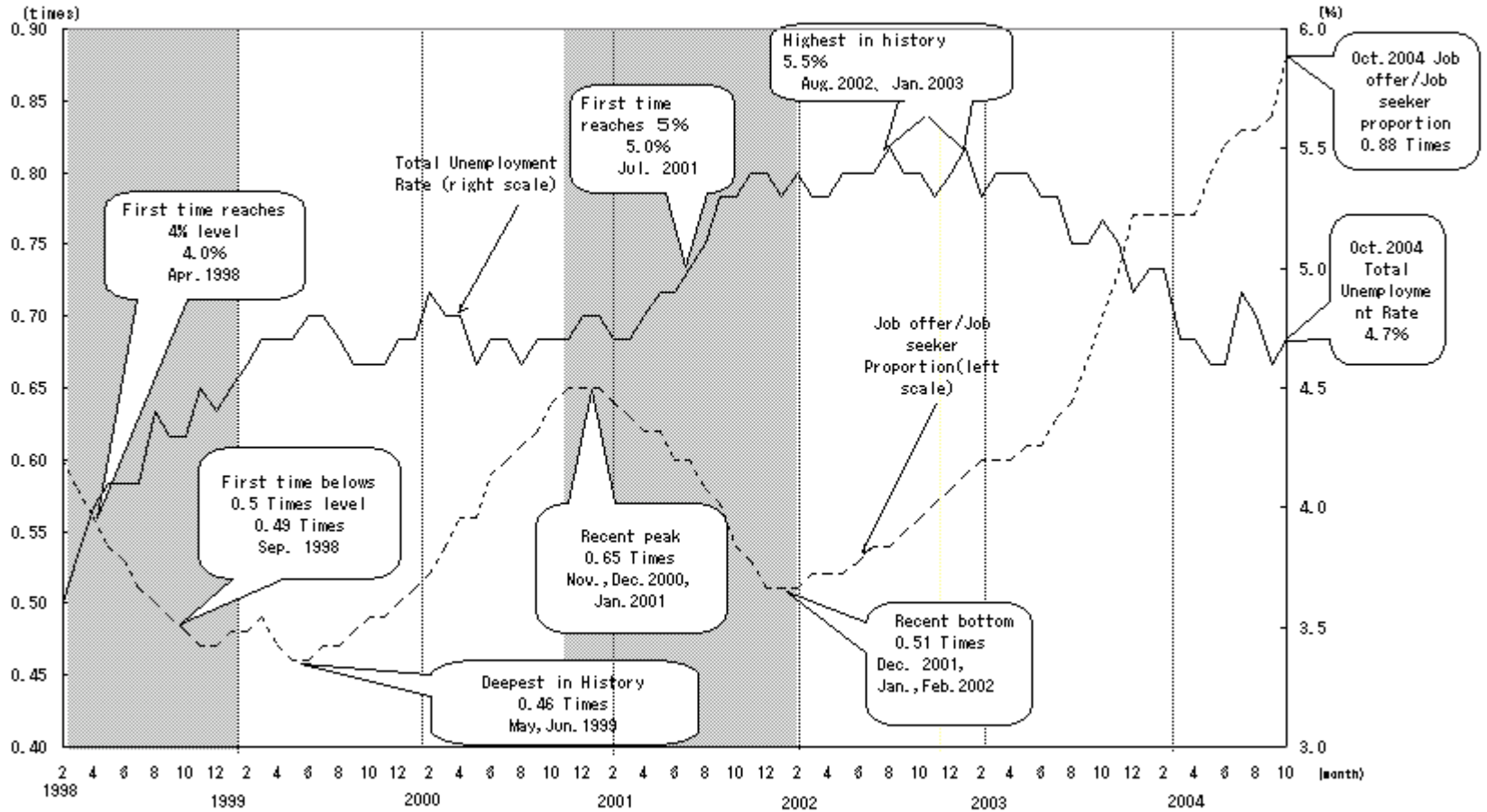
Government Policy
on
Employment and Development
of Young Workers
in Japan

Ministry
of
Health, Labour and Welfare
December 3, 2004

1 Recent employment situation

(1) Trend of Total Unemployment Rate and job offer/job seeker proportion

Present Employment situation is improving though they have some severe aspects



Source : "Shokugyō Anō Gyōmu Tōkai" MHLW, "Lōdō Ryōku Chōsa" Statistical Bureau, Min. of Internl Affairs & Communications

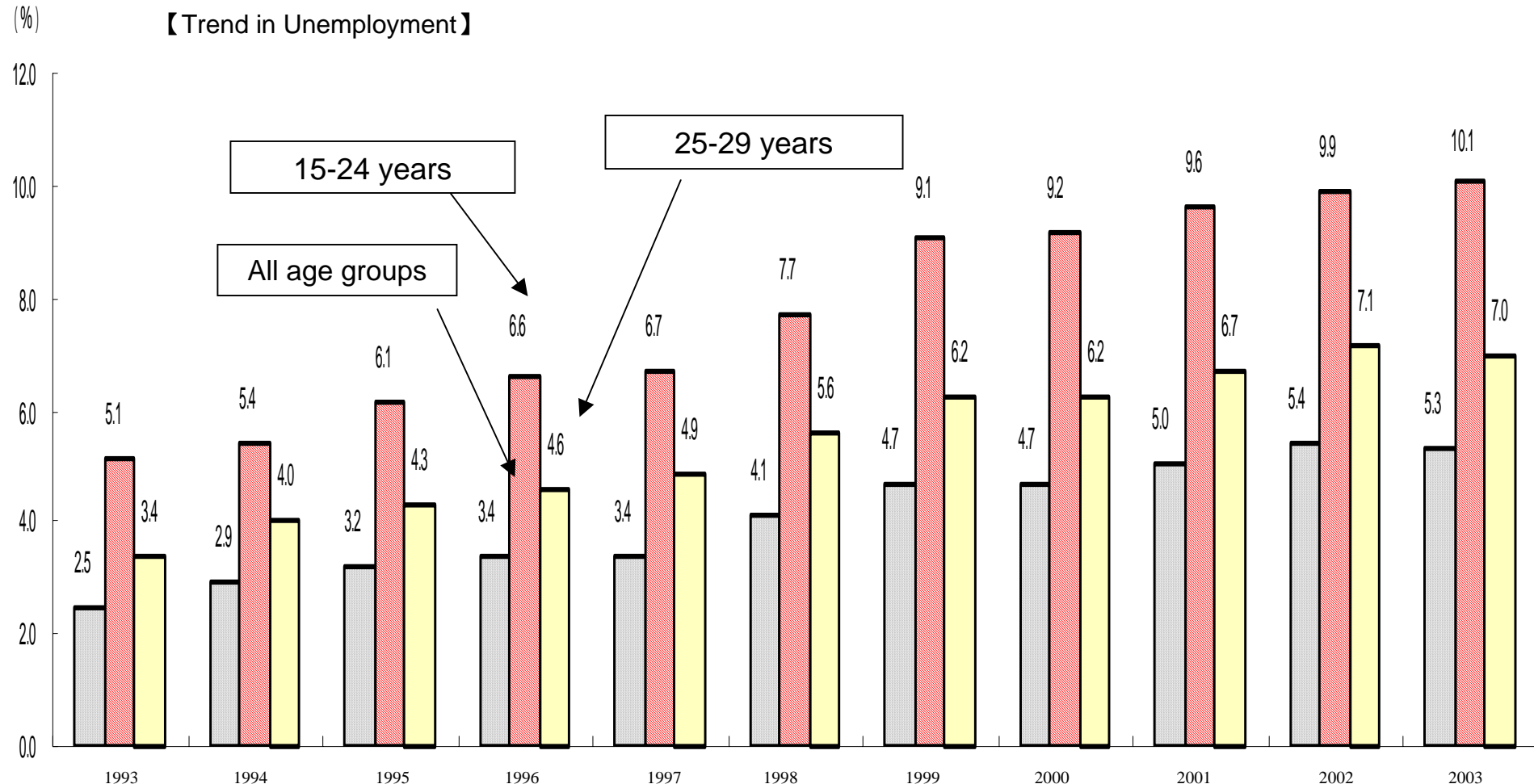
Note : Areas with mask suggest the period of depression

Vertical left scale : Kyōjū Bōritsu (job offer/job seeker proportion; times)

Vertical right scale : Total Unemployment Rate (%)

2 Increasing Youth Unemployment Rate

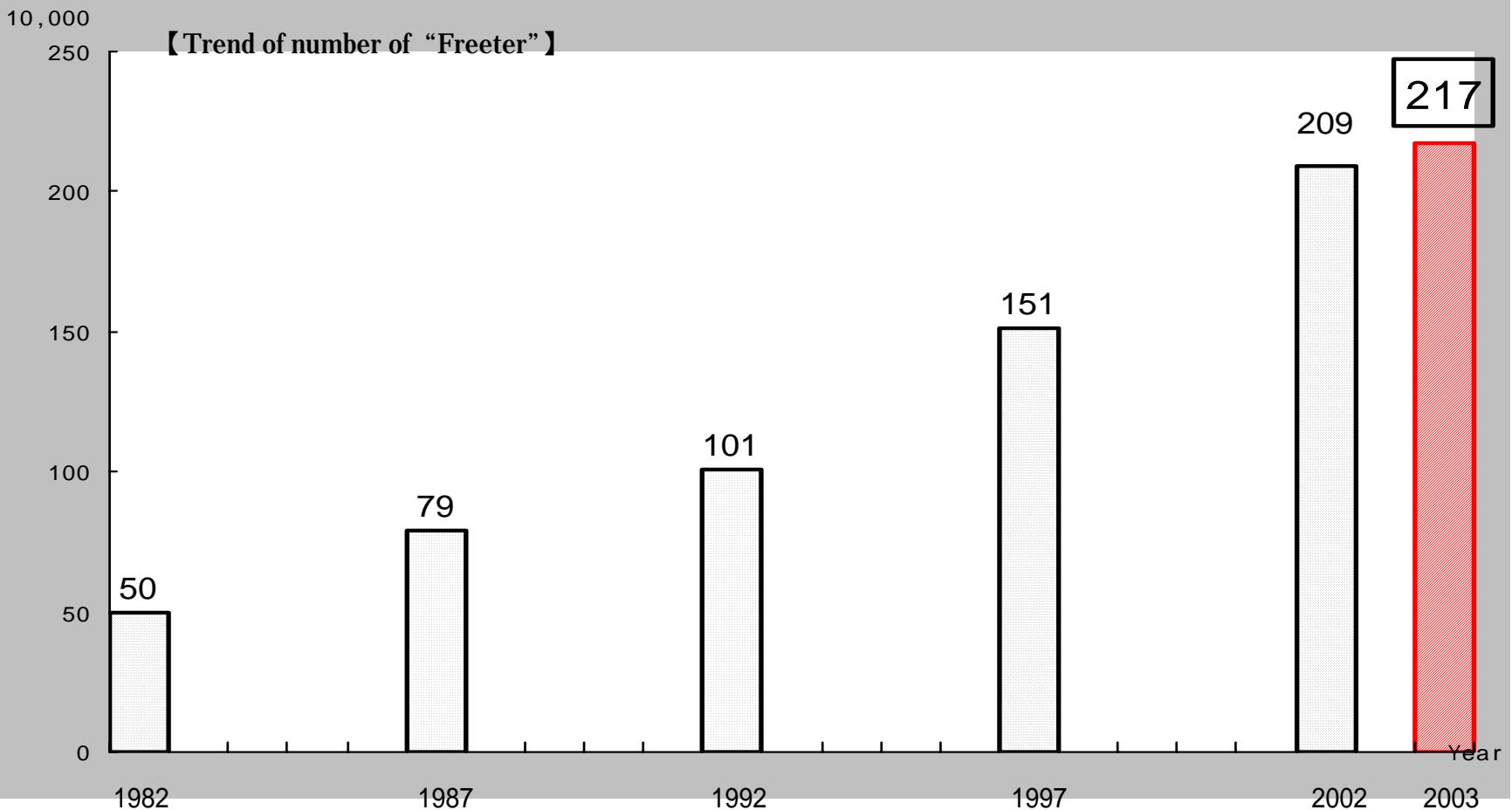
The unemployment rate among young people under 24 years reflects a worsening situation, having increased from 5.1% 10 years ago to 10.1% today, roughly double the average unemployment rate for all age groups. The unemployment rate among those between 25 and 29 years has increased to 7.0% from 3.4% 10 years ago.



(Source) Labor Force Survey, Statistics Bureau, Ministry of Internal Affairs and Communications

3 Increasing “Feeter”

Number of so-called “Freeter” has more than doubled to 2.17 million from 1.01 million 10 years ago.



Source : “*Shugyô Kôzô Kihon Chôsa*” Statistical Bureau, General Affairs Agency. Figures are specially worked out by Policy & Research Dep., of Ministry of Labor (~ 1997)

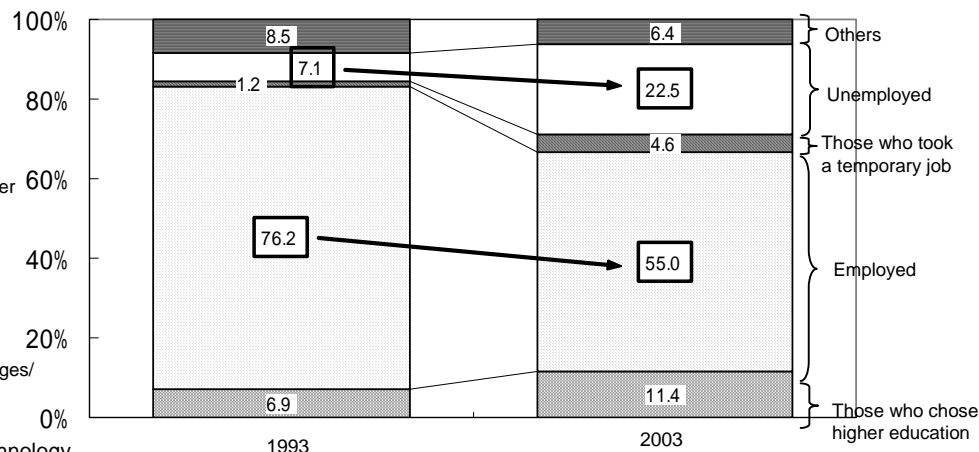
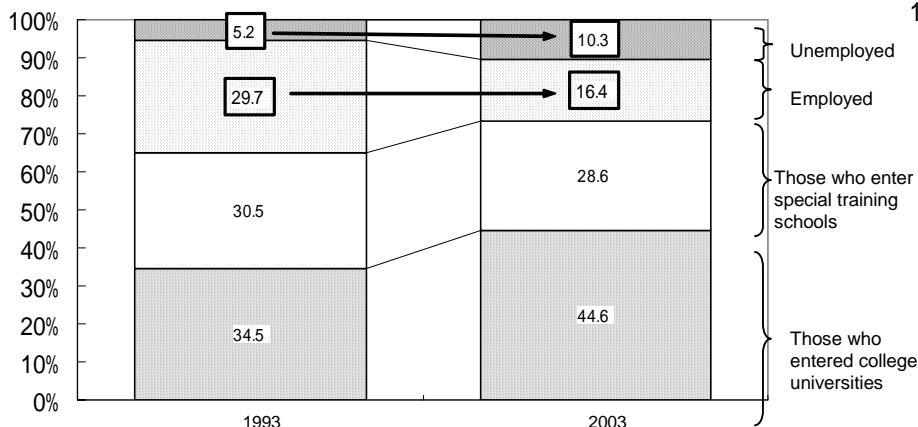
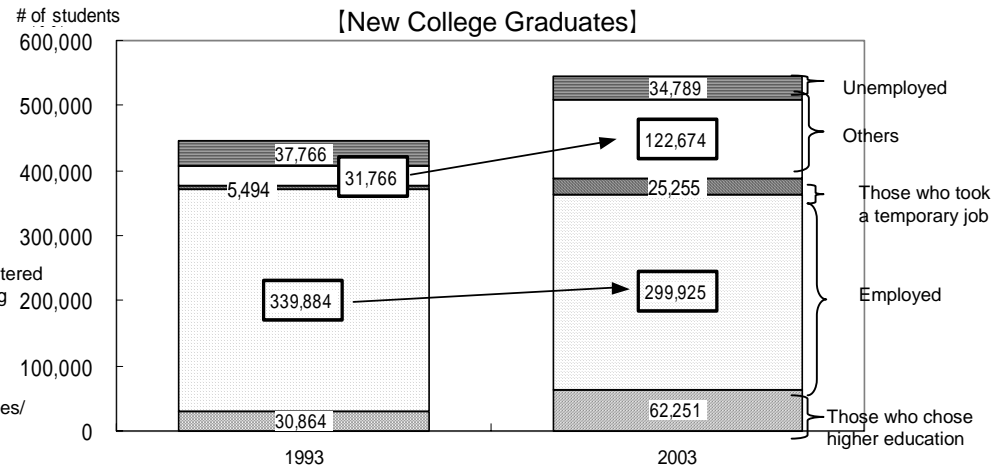
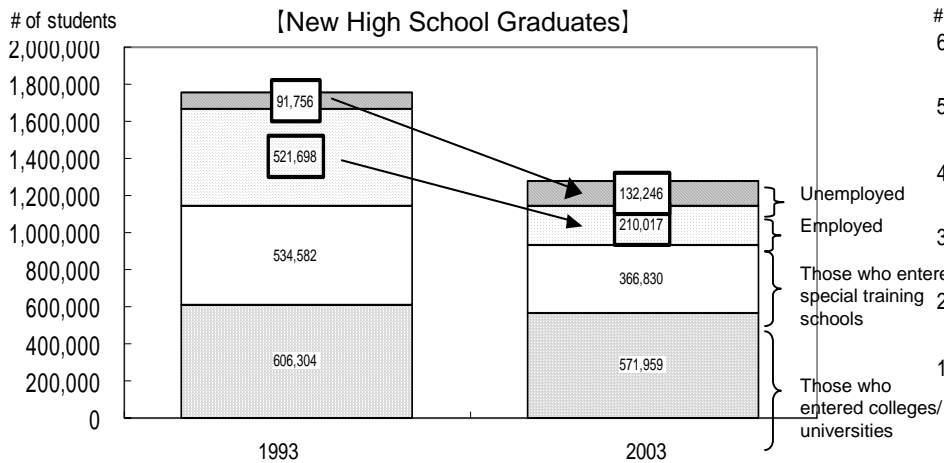
: “*Lôdôlyoku Chôsa Shôsai Shûkei*” Statistical Bureau, Min. of Intern’l Affairs & Communications. Figures are specially worked out by Office of Councilor for Labor Policy, MHLW (2002)

4 Employment Rate Keeps Falling

Compared to what it was 10 years ago, the employment rate among high school graduates decreased to 16.4% or 210,000 from 29.7% or 520,000, while unemployment among college graduates increased to 10.3% (130,000) from 5.2% or 90,000.

Over the same period, among college graduates, the employment rate decreased to 55.0% or 300,000 from 76.2% or 340,000, while the number of unemployed surged to 22.5% or 120,000 from 7.1% or 30,000.

The rate of those leaving work within three years after graduation is 70% for junior high school graduates, 50% for senior high school graduates and 30% for college graduates.



Source: Basic School Survey, Ministry of Education, Culture, Sports, Science and Technology

5 Youth Employment and Vocational Training Based on “Youth Independence and Challenge Plan”(“*Wakamono Jilitsu · Chôsen Pulan*”)

Promote job placement support for new graduates

◆ Assign “**Job Supporters for Young People**” at job placement offices to offer comprehensive job assistance to promote job understanding among young people and aid their retention at the workplace, by giving advice and consultation and through visits to schools, accompanying students on company visits, etc. (Since February 2003)

Achievement

○ 100 supporters were assigned in 2003. They visited **636** high schools in February and March and offered advice to **15,040** students who had not yet found a job.
in 2004, 600 supporters will be assigned throughout the country with the aim of providing advice to **170,000** students (all of the high school graduates seeking work)

Promote regular employment of part-timers by adopting probationary period employment

◆ Provide subsidy to companies which accept young unemployed persons for a three-month probationary period as a form of “test employment”, starting in December, 2003.

Achievement

Number who participated in the probationary employment:
about 38,000
Rate of transfer to regular employment: **79.7%**
Goal for 2004: to achieve a transfer rate of over 80%

Establish a one-stop job placement service center (Job Café)

◆ Local government will provide the following services in a cooperative alliance with local companies and schools at a one-stop service center called “Job Café”.

- Job information service for young job seekers
- Provide opportunity to gain workplace experience
- Job placement services

Achievement

Job Café had been established in all of **43** prefectures by local governments as of the end of July 2004
At the request of **35** prefectural governments, a regular job placement office was established in conjunction with Job Café

Introduce a human resource development system of real-work related vocational education(Japanese version of dual system)

◆ Launch a real-work related vocational education system to develop mature workers by offering education at training institutions in conjunction with practical training in companies

Achievement

Close to **7,000** apprentices had participated in the scheme in **47** prefectures by the end of June 2004.

6 Consolidation of One-Stop Service Center for Youth

**Ministry of Health, Labour and Welfare
(Budget: 273 billion JPY)**

- Locally coordinated program for young people
 - Hold company meetings for young workers
 - Raise awareness among parents or guardians of prospective high school graduates
- Parallel establishment of regular job placement office
 - Staff career consultants

**Ministry of Economy, Trade and Industry
(Budget: 525 billion JPY)**

- Young HR development projects to be launched in about 10 areas
 - Investigate and identify the needs of local industry with regard to young workers
 - Develop young workers to meet local needs by offering training and counseling services

Prefectural Government

Plan and manage autonomous one-stop service center to meet local needs

Support and coordination

Support

One-Stop Service Center

Service example

Provide job information

Check aptitude and find suitable job

Provide counseling services

Develop curriculum

Training

Practical experience (including internship, etc.)

Employment referral

Students

Freeters

Young unemployed

Getting employed

**Active involvement of private sector
Enhanced industry-academia**

7 Japanese Version of Dual System

Model case: Three-day-a-week classroom lectures at educational institution, work two days in real job

Classroom lecture
at educational
institution

In conjunction
with

Practical
training at
company



Assessment
of
qualification

Full-
fledged
worker

(Performance of 2004)

About 13,500 trainees had started short-term training (5 months average) by the end of September
Long-term training of one to two years started in October in 28 prefectures in order of precedence.

8 Current Status of Enhanced Youth Independence and Challenge Plan

Cabinet Secretariat
Cabinet Office
Ministry of Education, Culture, Sports, Science and Technology
Ministry of Health, Labour and Welfare
Ministry of Economy, Trade and Industry

Proposed Budget for FY05: 81 billion yen (52.6 billion yen for FY04)

Promote young worker development through **close collaboration between schools from elementary to college, industry, and local governments**

Implement comprehensive measures to motivate young people to work, offer employment, and retain them at work, for **young people who have lost the desire to work**

Raise ability and qualification of young people through **active involvement of private sector in HR development**

Promote national campaign
Implement strategic PR activities

Focus of
enhancement
measures

I. New measures to enhance youth independence and challenge plan Proposed Budget for FY05/ 35.1 billion yen (15 billion yen for FY04)

1. Enhance vocational education and develop specialized workers

Proposed budget:
4.3 billion JPY/FY05
(1.8 billion JPY/FY04)

Promote close collaboration among the concerned agencies in order to focus on vocational training at elementary and junior high school level through the following:

- Junior high school students participate in workplace training for 5 days or more;
- Streamline a program to raise awareness to work at job placement office;
- Early stage vocational training by offering opportunity to students to experience how goods are manufactured by drawing upon the experience and ideas of the private sector

Assist special training schools which focus on teaching advanced technology and traditional skills

2. Raise willingness to work among part-timers and the unemployed

Proposed budget:
20.2 billion JPY/FY05
(11 billion JPY/04)

Establish a "School of Independence for Youth" based on a training camp model to give confidence, foster motivation and raise awareness of work opportunities among young people;

Implement short-term basic vocational training by private institutions;

Develop and promulgate "Job Passport" system to enhance ability to obtain a job through unpaid work experience;

Expand the framework of free practical vocational training for young workers provided by private institutions and start receiving applications at the Job Café;

Promote the concept of "Manufacturing Kingdom" to create a labor pool with a knowledge of manufacturing and to support the endeavors of young people who want to take on the challenge of manufacturing goods.

3. Develop HR to support growth of industry

Proposed budget: 7.1 billion JPY/FY05
(2.1 billion JPY/04)

Establish centers where industry and academia can work together to develop core human resources at manufacturing sites and to pass on the skills and know-how of experts to the younger generation;

Develop a curriculum to develop human resources able to contribute to strategic service sectors, including contents service, IT workers, as well as MOT (management of technology) personnel, etc.

4. Promote in-house HR investment

Proposed budget: 1.3 billion JPY/05
(zero for 04)

Introduce a subsidy for career development promotion to be granted to companies which introduce the Japanese version of the dual system. I.e., a combination of two days of practical training at the workplace and three days of classroom education and vocational training;

Establish "a new tax system to promote HR investment" to accelerate investment by the private sector in HR development so that HR will be better able to support the foundations of Japan's industrial competitiveness

5. Promote grass-roots e-learning programs

Proposed budget: 1.7 billion/FY05 (10 million JPY/FY04)

Offer an e-learning opportunity to young people to help them obtain the knowledge and skills vital for finding work and employment at the job café, educational institutions such as universities, as well as the Chamber of Commerce and Industry;

Set up an environment to promote e-learning by establishing a system to provide such information

6. Promote national movement

60 million JPY/FY05 (zero for FY04)

Construct a website for young job seekers and implement a symposium provisionally entitled "Young Challenge Caravan";

Promote cooperation among all that are interested in starting a national movement, by holding a conference at national level and mini-events targeting youth, etc., in order to raise interest among the public;

Promote employment among young women by providing information and educational programs, including campaigns and seminars.

II. Measures to be continuously implemented in a steady manner (proposed budget: 46 billion JPY/37.6 billion for the previous FY)

Streamline one-stop service center (Job Café), promote Japanese version of dual system, and create new job/employment market

Policy and Measures for Youth Employment and Human Resources Development in Japan - Comments

President, Japanese Electrical, Electronic and Information Union; Vice President, JTUC-RENGO
Mr. Nobuaki KOGA

Good morning. My name is Nobuaki Koga and I am from the Japanese Electrical, Electronic and Information Union. Mr. Ota has made an extensive report on the circumstances of employment for young people and their working conditions and the measures that need to be taken.

We, as members of labor unions, feel that these problems of young people not only influence the vitality of our society but also reduce productivity and make it hard to maintain the balance of the social system, which is based on public assistance, self-assistance, and mutual assistance. This is because young people are placed outside the framework of taxes and social security.

We also feel that the employment of young people and the development of human resources are important issues in addition to the so-called 2007 problems Mr. Ota pointed out, and that measures needed to improve overall employment, including the so-called “freeters” or workers not seeking permanent positions, and “neets,” or people who are not in education, employment, or training.

We also believe that many parents of these “freeters” and “neets” are worried and that cooperation with schools, universities and colleges, and with the local people of the regions is also very important.

I believe that the background of these trends reflects the wide variety of views on work that now exist among young people. However, I feel that as a result of prolonged economic slump and intensified global competition, a change has occurred in the surroundings in which younger workers are cherished as permanent employees on a long-term basis and trained as a member of society and the professional abilities that are formed. Namely, it is clear that the opportunities for acquiring professional abilities have decreased in line with the changes in employers’ human resource requirements and in employment strategies.

I would like to point out some issues and make some suggestions as to what we should do.

Firstly, it is necessary for us to socially recognize the companies that are cooperating in the employment and capacity development of young people and to prepare and expand assistance to those firms.

Secondly, it is necessary to promote measures for the employment of young people based on the actual situation of the regions in cooperation with NPOs and labor unions, as well as accelerating development of capacities that meets the needs of society and the companies, utilizing local educational institutions and public and private job training centers.

Thirdly, the establishment of a national council has now been proposed, as Mr. Ota pointed out.

We also deem this a very important policy and would like to play an active role in it as union members. I think it important that the national council makes good use of the people who are actually experiencing both the joy and severity of working.

Fourthly, I think it necessary to develop learning-by-experience courses for young people to help them seek their own aptitudes and get practical experience of work in order to cultivate their own view of the professions and trades.

The measure in Japanese Electrical, Electronic and Information Union Electrical machinery industrial occupation academy

I would like to take this opportunity to introduce the Professional Academy of the Electrical, Electronic and Machinery Industries, which was established in October 2004.

Now, members of the unions are individually facing the problem of how they should work and how they should develop their careers in order to realize a fruitful and happy life. Up to now, we labor unions have made strenuous efforts to create comfortable working conditions. However, we must now reflect how deeply we have tackled working itself and whether we have promoted our movement in such a direction. As I mentioned just now, we have reached the time to seek our happiness as workers by enhancing our professional abilities and attaining self-realization and to think about our careers ourselves to that end. Therefore, the labor unions have established this Professional Academy of the Electrical, Electronic and Machinery Industries in order to help union members.

We are promoting four activities. Firstly, we have developed a system of aptitude tests that can be taken on the Web site of the Union. Secondly, we have developed a system in the Career Design Center within the Union that provides advice on the development of professional abilities and careers. Thirdly, we requested the member companies of the Union to open their training courses to all members under the Union so that everyone can be free to participate in the training courses of any firm. Fourthly, we created a Web site on which information on the employment plans of the member firms of the Union can be openly seen. In addition, we plan to train career development officers who will assist the career progress of union members, as the most important step for the future. This plan has started in October 2003. About 200 career development officers have grown up. This is not an easy step to take, but by continuing such efforts step by step, we would like to establish careers and work styles from the viewpoint of the labor unions and of working people.

Lastly, as Chairman of IMF-JC, I would like to add that the IMF-JC has a concern about the tradition of "craftsmanship," which is in danger of fading away, and we are trying to hold "craftsmanship" courses in primary schools and middle schools to give the pupils and students, as well as retired union members the opportunity to really experience the tradition of "craftsmanship." This is also a new area that the labor unions want to develop.

Thank you very much for your kind attention.

Policy and Measures for Youth Employment and Human Resources Development in Japan - Comments

Adviser, Fuji Electric Holdings Co., Ltd.
Mr. Takeo KATO

Good morning. My name is Takeo Kato and I work as Chairman of the Committee of Labor-Management Relations of Nippon Keidanren (Japan Federation of Economic Organizations). Keizai Doyukai (The Japan Association of Corporate Executives), a group of businessmen within Nippon Keidanren also feels a strong interest in the problems concerning the employment of young people and the development of their abilities, and active discussions are now being held.

The subject that managers should tackle

Today, I would like to pick up four issues among those that management must address immediately.

The first issue is, as Mr. Ota pointed out, to establish long-term employment plans and solid measures concerning employment. Under the prolonged depression, many companies have been forced to solicit their employees to take early retirement or to switch careers. We must admit that this has consequently narrowed the doors to opportunities for young people and caused a grave influence to their employment circumstances. Fortunately, the business climate is now on a course for recovery, and we believe that this is the time for companies to make a continued and stable employment plan from a long-term viewpoint. What we are concerned about at the moment is that the unstable employment of young people dependent on the business climate may create a distorted composition of personnel in firms in the future, and very important traditions of manufacturing firms, such as the handing down of techniques and craftsmanship may be discontinued. We, as management, would like to contemplate these grave effects and develop a stable and continuing employment plan as an important theme.

The second issue is to promote communication between schools and firms. Recently, cooperation between universities and firms has developed remarkably. But communication between middle schools and high schools, and firms has not yet been promoted sufficiently. In particular, not enough effort has been made in reflecting the needs of the firms in the curriculums of middle schools or high schools, which plays an important role in helping students to form a view on work. At the moment, Keizai Doyukai is trying to promote communications between schools and the management of firms. In practice, senior management of firms visit middle and high school to talk to the students and also to take the opportunity to talk freely with teachers. Last year, 150 senior managers visited schools and this year the number will be more than 200. In exchange, we would like to invite teachers to

experience life in one of our companies. We plan to increase the opportunity for teachers to take training courses at companies.

The third issue is the improvement of company experience for students. As Mr. Ota mentioned, there is an increasing number of firms that have adopted the system of internship. Now, one-third of large companies have adopted this system. The present system is, in most cases, accepting students who are scheduled to join the firms for three or six months as pre-employment experience. But we believe it important that companies should accept more students, not limited to those students that are to join the firm, and expand the doors to include middle and high school students as well as university and college students as at present.

As Mr. Ota mentioned just now, there are reports to the effect that middle school students experience work for one week in Hyogo Prefecture and Toyama Prefecture and this experience really helps them form their views on work. I understand that the Ministry of Education, Culture, Sports, Science and Technology is going to expand this scheme nationally in 2005, with a focus on the second year of middle schools, namely fourteen year-old students, as that is the most important age group. Many companies are hoping to take part in the work experience of students of this age.

The fourth issue is the improvement of on-the-job training within companies. According to statistics, the time spent for planned OJT by the firms has reduced over ten years from 74% in the early 1990s to 42% in the early 2000s. The training expenses over the same period are reported to have decreased by 100 billion yen. This is partly because companies tended to seek employees that provided immediate benefits. However, firms must change direction and take measures to strengthen both on-the-job and off-the-job training programs.

Recently, we have been discussing a possible decline in power of work sites in manufacturing operations. In these operations we have experienced industrial accidents. We must again improve our OJT to recover and reinforce this power of work sites that is a characteristic of Japanese industries. This is our fourth theme. I am afraid that I concentrated on the concrete themes only, but these are the themes that we in management would like to address immediately.

Thank you very much for your kind attention.

Policy and Measures for Youth Employment and Human Resources Development in Japan - Questions and Answers

Question from Audience: No. 1

I have two questions. The first is: it was said that in the past the problem for Japan was that of older people, but now the problem of young people has emerged. Which is to be focused on? I would like to ask each of the members of the panel. The second is: there seem to be two factors in the discussion, namely, stability and change. As I understand, Mr. Koga focuses on the changes and Mr. Kato is inclined toward stability after adjusting to changes. I think that the answer may be “Both factors are important,” but I would appreciate a rather simple answer like “which is which.”

Question from Audience: No. 2

My question may be a kind of request to the Administration. We are now involved in managing the National Homes for Working Youth, which now numbers about 500 throughout Japan. These institutions were established based on the Working Youth Welfare Law of 1959 with the aim of providing professional training to young working people, encouraging professional training, and to provide leisure facilities for young people who started working for medium and small enterprises through the post-war mass employment and who may lack friends or places to play in apart from their homes.

These 500 homes will be involved in the training of young people as discussed in the speeches of the panel. At the moment, 115,000 youngsters are registered and take part in various activities and training courses held at various homes. The facilities of these homes include gymnasias and training rooms and many young people are making use of them.

But, these homes are now being closed one after another and 30 homes have been closed monthly.

One reason is the influence of Administrative and Fiscal Reform on local governments and also know-how for operating these homes has not been accumulated in the regions. All these homes have a high concern about this “freeter” problem.

Another point is that I would like to request you to utilize these 500 facilities for youth employment measures. Every year, registration is renewed in these homes and about 20% of the youths leave the job column blank. Whether they do not want to disclose their work or are really without job, 20% are “quasi-NEET’s.” I would like to request the Administration to utilize these facilities that with their 30 years’ history.

Question from Audience: No. 3

I have two questions. The first is to Mr. Ota. I think education is actually necessary for parents of 45 to 55 years old who allow their children to become the “freeters” or “NEETs.” What do you think of this, please?

And to Mr. Kato. I think the visits of businessmen to schools and visits of teachers to firms are wonderful. Especially, giving teachers experience in a company is very important. But I have tended to find that senior businessmen speak only about superficial matters at school. So, I would like to request younger businessmen in their twenties or with about five years' company experience to talk about real life in a business. May I ask your opinion?

Mr. Toshiaki Ota: Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare of Japan

I am going to answer the questions of each questioner. The first one is about the balance between older people and younger people. We believe that both older people and younger people are important, though this may not completely satisfy you. As I mentioned just now, we are facing a society with a decreasing population after 2007, and the labor population has already started to decrease and it is anticipated that the labor population will decrease by 4 million by 2015. This will have a strong impact on the growth of the economy and it is important to build up a society where younger people, older people, and women can take equal parts in all activities, as I mentioned before. If younger people, older people, and women can work in society, the decrease of labor population would be limited to just 700,000 as compared to 4 million if left as it is. I believe that this is an important subject to work on, although the measures needed may be different.

The second question is about the use of the youth welfare centers. We are actively addressing measures for the employment of young people over these two or three years. I think it is important to make full use of the experiences of such centers, in addition to the job cafes and special training schools for independence that we are promoting as a comprehensive approach. The third point is the education of parents. We quite agree with your opinion. We believe that this is a problem that must be tackled not only by young people but also by the whole of society and involves education, industry, society, and other parties. As we are trying to approach the problem by enhancing the consciousness of the National Council in which employers, employees, and the representatives of local communities will participate, it is important to tackle the problem with the whole society—including, of course, parents.

Mr. Nobuaki Koga: President, Japanese Electrical, Electronic and Information Union; Vice President, JTUC-RENGO

As to the problem of older people and younger people, naturally, both are important. But I think we must reconsider where the main problems are. For example, People may ask, "What does employment mean?" I think that expanding these options of ways of participation or involvement in society is also very important.

As to the second problem of stability and change, I don't think stability and change contradict themselves. And I feel that we are living in a new age where we should synthesize matters that in the past were thought to be contradictory. In that sense, it is not a choice between this or that, but rather seeking a balance between stability and change is the most important thing.

Mr. Takeo Kato: Adviser Fuji Electric Holdings Co., Ltd.

As to the statistics, Mr. Ota has already talked about that. We are concerned about the 2007 problem. The year of 2007 is the time when the so-called baby boomers that were born from 1945 to 1947 turn 60 years old. Those people are said to be seven million in number and 20% to 50% more than other generations. We are concerned whether the tradition of techniques and craftsmanship will be properly maintained when these people leave their present positions. Therefore, we must prepare places where these people can get a soft-landing. This is a measure for older people. And preparing the conditions for young people to take over and acquire the techniques and skills of these older people, this is the gist of the measures for young people.

As to stability and continuity, what I mean by stability is the continued policy of employment of new people. On the part of companies, there is now a reflection on the employment policy of the past. They employ 500 university graduates when business is good and reduced the number to 100 or zero when business is poor. Regretfully, that was the actual shape of employment of many firms. But I think a continued and stable employment rate based on a long-term view is important.

Lastly, about sending businessmen to schools, I admit that sending younger people of 30 to 40 years old who are actually in the forefront of business will inspire students and give them hints about their future direction. So, yes, we would like to promote this. However, an interesting thing is that senior management often get very tense when faced with giving a lecture to 50 students at school—much more than when they make a speech to their employees! I think this is a good thing for them, too, because it gives them a good opportunity to really think about education. So, I will try to arrange a good combination of these two groups.