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## 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.

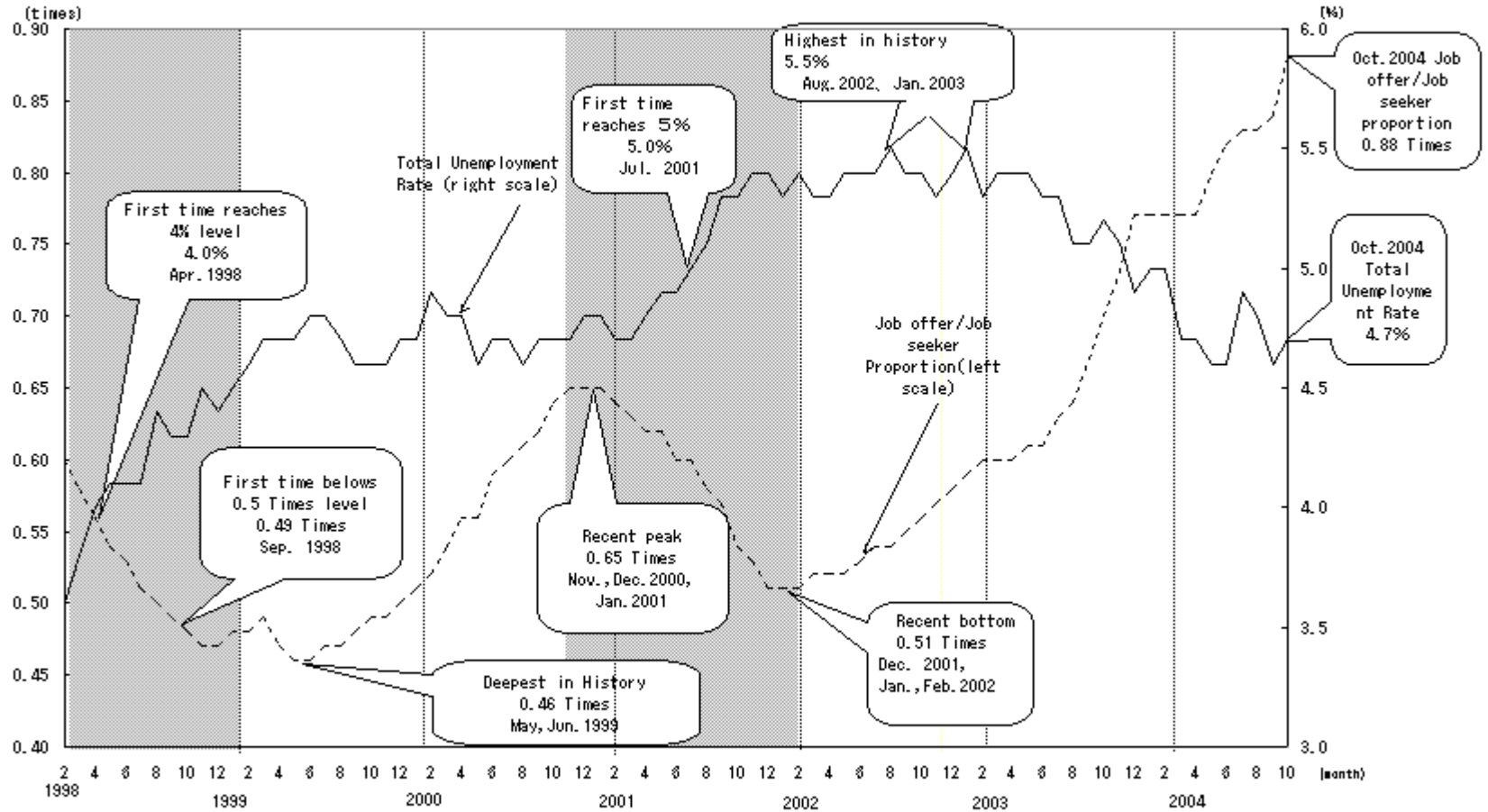
Government Policy  
on  
Employment and Development  
of Young Workers  
in Japan

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

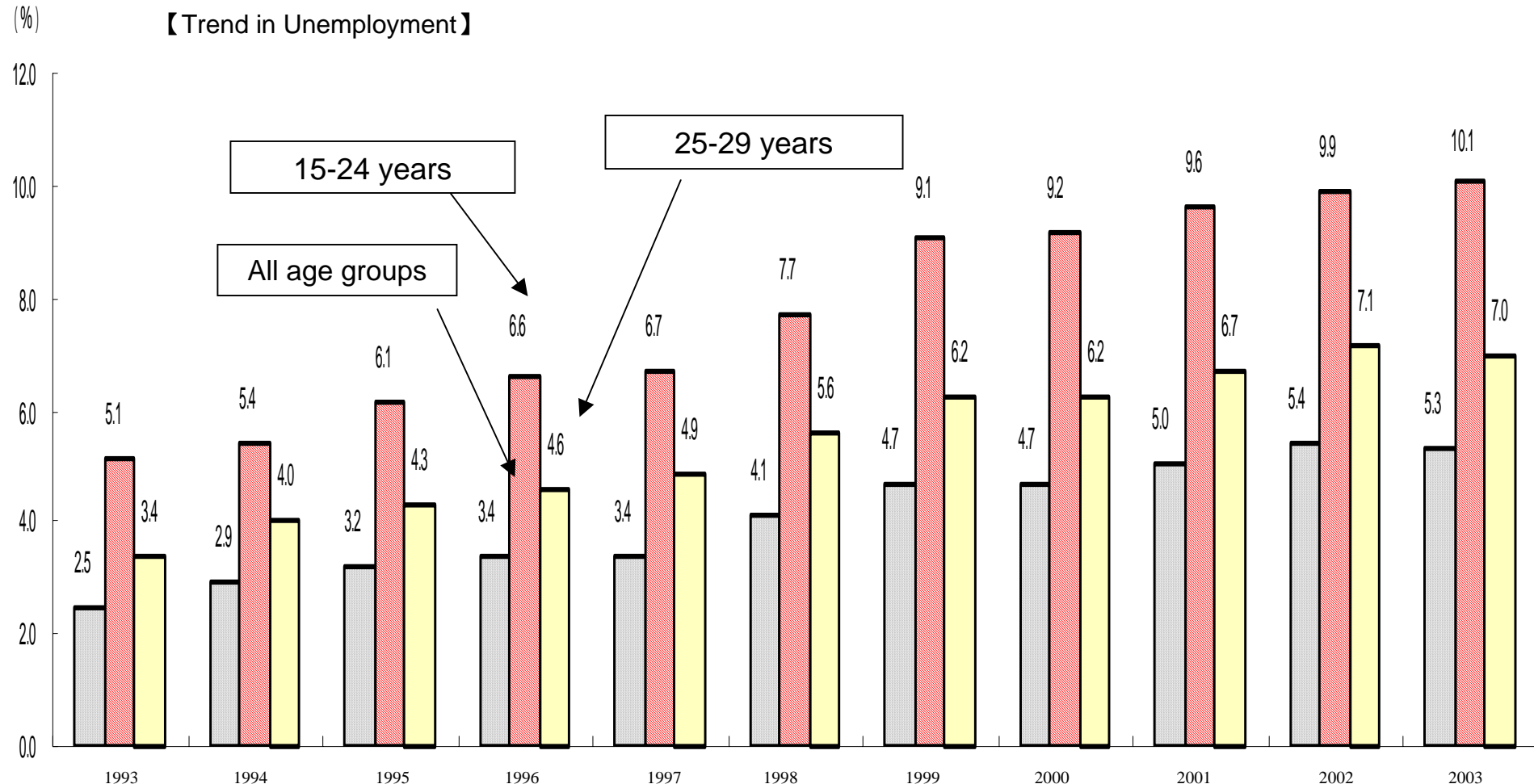
Note : Areas with mask suggest the period of depression

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

Vertical right scale : Total Unemployment Rate (%)

## 2 Increasing Youth Unemployment Rate

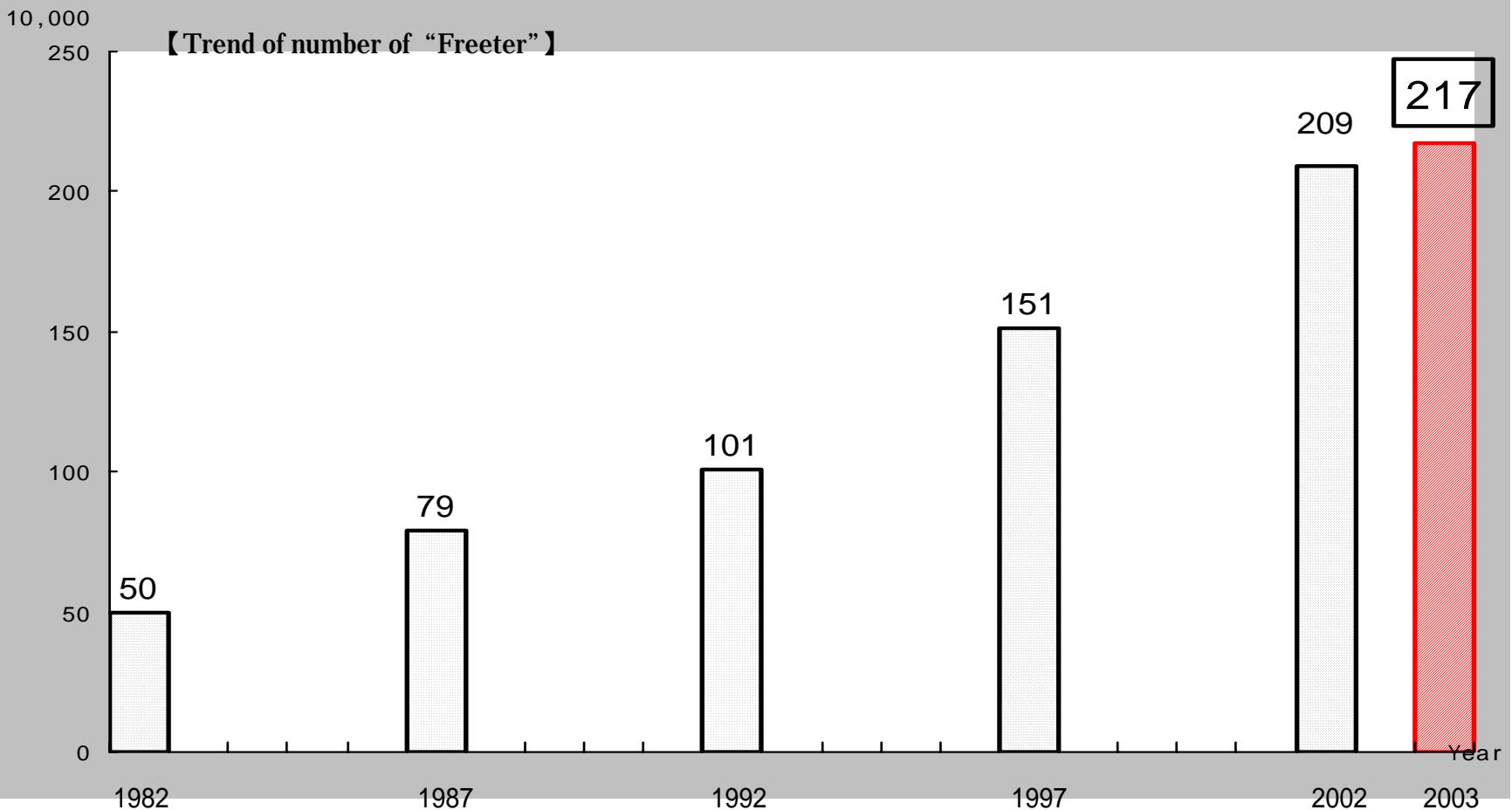
The unemployment rate among young people under 24 years reflects a worsening situation, having increased from 5.1% 10 years ago to 10.1% today, roughly double the average unemployment rate for all age groups. The unemployment rate among those between 25 and 29 years has increased to 7.0% from 3.4% 10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

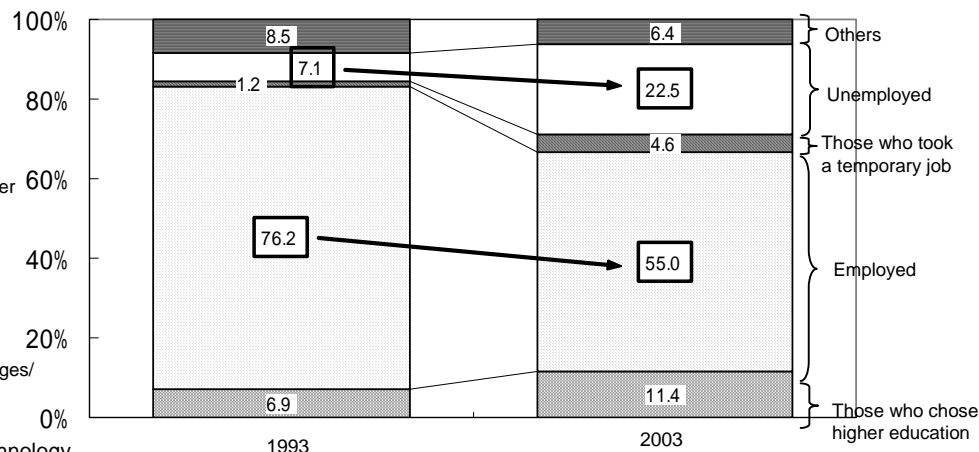
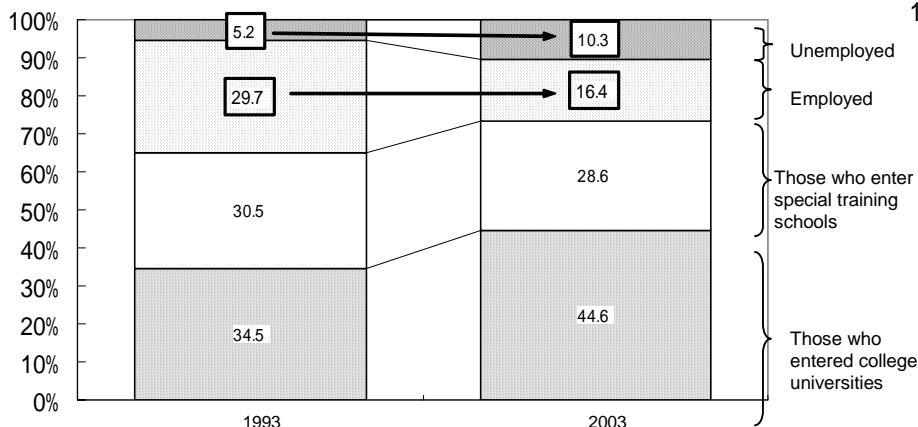
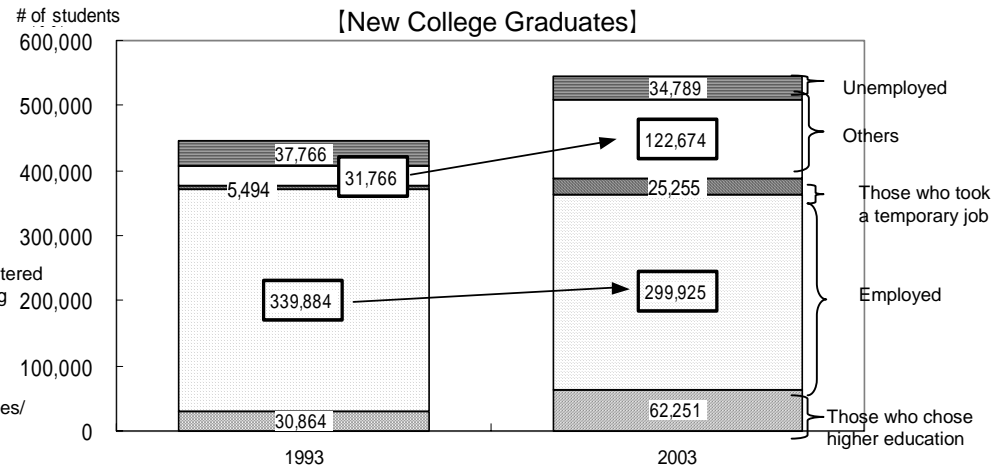
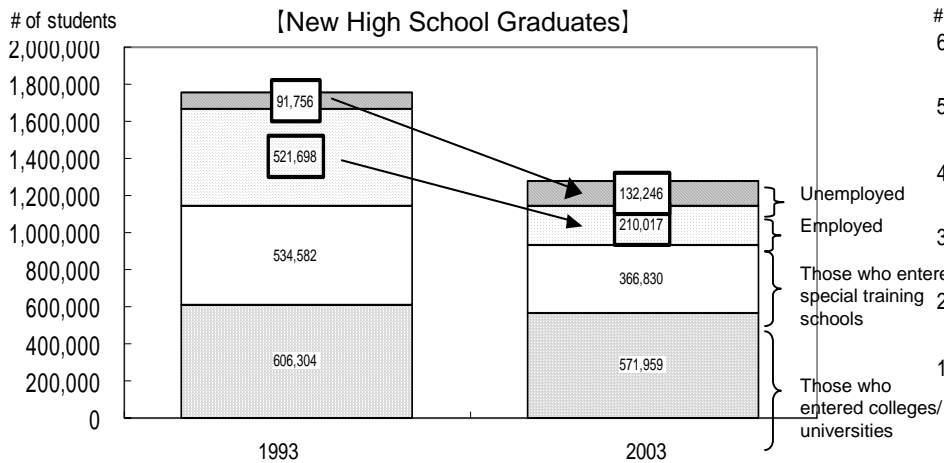
: “*Lôdôlyoku Chôsa Shôsai Shûkei*” Statistical Bureau, Min. of Intern’l Affairs & Communications. Figures are specially worked out by Office of Councilor for Labor Policy, MHLW ( 2002 )

# 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

**Getting employed**

**Students**

**Freeters**

**Young unemployed**

**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