



Youth Employment Policy Summary

JAPAN



International
Labour
Organization

Background Figures:

Total population:
126.9 million (2016)¹

**Youth population (%
total):**
12.2 million (2014);
9.6 %²

GDP (USD\$): 4.12
trillion (2015)³

GDP growth: 0.5 per
cent (2015)³

**Urban-rural
breakdown:**
93.5/6.5 per cent
(2015)⁴

**Net migration rate
(per 1000):**
0.6 (2010-2015)⁴

**Employment by
sector:**
3.7 agriculture; 25.3
industry; 69.7
services (2010)⁵

Source:

1. Worldometers
2. ILOSTAT;
3. World Bank
4. UNESCAP
5. KILM



Source: Infoplease.com

Labour Market Situation of Young People

Japan has been slowly recovering from its economic recession following the 2008 crisis, and registered -0.1 per cent GDP growth in 2014, but grew to 0.5 per cent in 2015. As is commonly found in times of economic difficulty, youth are the first fired and last hired. The youth unemployment rate in the country was twice as high as the adult unemployment rate, at 5.9 per cent in 2014, showing an improvement from 2010 when it reached as high as 9.3 per cent. Young men were more likely to be unemployed than young women in 2014, at 7.1 per cent and 5.5 per cent respectively.

The size of the NEET population is of concern for the government, numbering over 500,000 in 2012 ([ILOSTAT](#)). There are signs however of progress in supporting this category of young people: in 2015 the NEET rate was 9 per cent, which is lower than the OECD average of 15 per cent ([OECD 2016](#)).

Another vulnerable category of youth are the temporary workers classified as “freeters”. Freeters initially wanted to be part-time workers and be independent from companies, but with the slump of the economy more businesses employed freeters to save on labour costs. As a result, becoming a full-time employee became more elusive for young people ([Reiko, 2006](#)).

Table 1: Youth Employment Indicators

Indicator	%
Labour Force Participation Rate, ages 25+ (2014) ¹	61.5
Youth Labour Force Participation Rate, ages 15-24 (2014) ¹	43.0
Youth Unemployment Rate (2014) ²	5.9
Youth Unemployment Rate in East Asia Subregion (2016) ³	10.7
Enrolment in secondary education (2013) ⁴	99.1
Enrolment in tertiary education (2012) ⁵	61.5

Source: 1. ILOSTAT; 2. KILM; 3. ILO 2016, WESO; 4. World Bank; 5. UNESCAP

Youth Employment Policy Approach

Japan's goal, as defined in the *Revitalisation Strategy*, is to decrease by 20 per cent those who have been unemployed for more than 6 months and to achieve an employment rate of 78 per cent for those between the ages of 20-34, compared to 74 per cent in 2012. Japan has implemented policies to address labour demand, improve the school-to-work transition through active labour market policies, increase the relevance of technical vocational education and training, and improve career guidance. The Public Employment Service plays an important role in the provision of career guidance, which is done in close cooperation with educational institutions. In addition, strategies have targeted enterprises and employers by encouraging changes in recruitment methods, provision of skills training and career development opportunities for young workers, and improving working conditions. Most commonly, provisions target young graduates, the unemployed, freeters and NEETs. While the age range varies according to the specific provision, according to the *National Youth Development Policy 2008*, youth refers to those under the age of 30.

Policy and Legal Measures

Enterprise Development: Japan's 2013 [Revitalisation Strategy](#) encourages young entrepreneurs by providing access to finance through a **crowd-funding scheme** for young people, and has a business support system provided by business experts along with websites to support young entrepreneurs. Measures related to access to finance include **low-interest loans** and working capital for youth less than 40 who have started a business in the last 5 years ([Vision for Children and Young People](#)). **Entrepreneurship education** is fostered in the [Youth Independence Challenge Plan](#) by establishing participatory entrepreneurship education in elementary, junior high and senior high schools and by expanding the "entrepreneur academy" to encourage young people to become entrepreneurs.

Education and Training: Regarding vocational education, the [Revitalisation Strategy](#) mentions **restructuring vocational subjects** so that they are based on the needs of companies and encourages schools to deepen ties with industry, thereby creating a better match between supply and demand. The 2015 [Industrial Competitiveness Action Plan](#), also focuses on the reform of technical education, increasing links with private sector demand for skills and the accelerated promotion of National Strategic Growth Areas.

The most emphasis is placed on **career education and career guidance**. Career education starts as early as elementary school, and provides students with opportunities to learn about different occupations through experiential learning and cooperation between schools and enterprises. The **Career Exploration Programme** invites guest speakers from various companies to talk to students in junior high and high schools ([Basic Policies for Employment Measures](#)). Career guidance relies on a strong relationship between the educational institutions and the public employment services. For example, in

Documents containing youth employment policy provisions:

- Industrial Competitiveness Enhancement Action Plan, 2015
 - Basic Plan for Working Youth Welfare Measures 2011-2015
- Japan Revitalization Strategy 2013
- Basic Policies for Employment Measures 2007-2013
- Working Youth Welfare Law 1970
- Basic guidelines on measures respecting the Improvement of Labour Management in Small and Medium-sized Enterprises to Secure the Workforce 1998
- Human Resources Development Promotion Act 1969
- Youth Independence Challenge Plan (General Plan for Career Education) 2003
- Employment Insurance Act 1974
- Law respecting the Improvement of Labour Management in Small and Medium-sized Enterprises to Secure the Workforce 1991
- Vision for Children and Young People 2010
- Guidelines for employers' appropriate actions regarding ensuring employment opportunities for young people 2007
- Employment Measure Act 1966
- Employment Security Law 1947

the [Vision for Children and Young People](#), high school students will be assigned a “**job supporter**” from the Public Employment Security Office and will help them find employment smoothly. Similar support will be provided for university students, where their “job supporter” will provide them information, job referrals and counselling.

Vocational guidance is also provided by schools in cooperation with the public employment services (PES). The “**job card**” scheme, according to the [Basic Policies for Employment Measures](#), provides counselling, practical vocational training and recognition of vocational training for students as well as working youth. The PES creates opportunities for different employment experiences, including internships. Measures promoting **internships** include a “Junior Internship” programme where junior and high school students can be junior interns in companies and the

Did you know?

Japan has ratified 49 ILO Conventions, including 6 Fundamental and 3 Priority Conventions:

Fundamental Conventions:

- Forced Labour Convention (No. 29)
- Freedom of Association and Right to Protection of the Right to Organise Convention (No. 87)
- Right to Organise and Collective Bargaining Convention (No. 98)
- Equal Remuneration Convention (No. 100)
- Minimum Age Convention (No. 138)
- Worst Forms of Child Labour Convention (No. 182)

Priority Conventions:

- Labour Inspection Convention (No. 81)
- Employment Policy Convention (No. 122)
- Tripartite Consultation Convention (No. 144).

[Youth Independence Challenge Plan](#) promotes accreditation of internships.

Japan also takes a long-term approach to training by encouraging provisions for young workers falling under **lifelong learning**. Its [Basic Plan for Working Youth Welfare Measures](#) includes provisions to encourage working youth through a mentor system and ensuring time for their self-development. The [Working Youth Welfare Law](#)'s Article 12 states that employers need to ensure that youth have time for vocational training or education. Career progression of young workers is also encouraged through short-term education programmes organised at universities, graduate schools and training colleges ([Youth Independence Challenge Plan](#)).

Labour Demand: According to the [Guidelines for Improvement of Labour Management in Small and Medium-Sized Enterprises to Secure the Workforce \(Guidelines for SMEs\)](#), SMEs provide 70 per cent of employment, yet young workers do not look positively on SMEs mainly due to lower pay, lower training opportunities and lower prestige. To counter-act this, there are different measures to provide employer subsidies to implement vocational education and training so that prospective employees can gain skills and knowledge. For example, through the “**Vocational Training with Practical Work**” initiative, the Minister of Health, Labour and Welfare allocates grants to those businesses which provided training between 6 months and 2 years of duration, 850 hours of training on yearly basis and where the practical training made up 20-80% of total training ([Human Resources Development Promotion Act](#)).

Employers are encouraged to provide stable employment to young people who do not yet have the professional experience to be employed full-time. This is done through wage subsidies in the “**trial employment**” scheme, whereby employers receive 40,000 yen per month when they offer work to a young person for three months, with at least 30 hours of work per week. The [Revitalisation Strategy](#) also mentions expanding the scope of trial employment to part-time workers, NEETs, and unemployed graduates.

In order to encourage small and medium enterprises (SMEs) to support the career development of young workers, SMEs can receive “**career development promotion subsidies**” if they provide vocational training to young employees (defined as those less than 35 years old with less than 5 years of work experience) or grant holidays to young employees to allow them to enrol in vocational training. The subsidy is contingent upon the employer still paying the young worker his/her salary for the time spent during training. The [Guidelines for Employers’ Appropriate Actions Regarding Ensuring Employment Opportunities for Young People \(Employers’ Guidelines\)](#) also provides subsidies to employers who carry out on-the-job training (training conducting with job duties) and off-the-job training (training conducted outside of job duties).

Labour Law and Legislation: Encouraging a healthy work environment for young workers is recognised as key. Consequently encouraging a work-life balance through restricting prolonged working hours, ensuring time allocated for self-development, and encouraging the taking of annual leave are encouraged in the [Basic Plan for Working Youth Welfare Measures](#). The [Guidelines for SMEs](#) also calls on SMEs to improve the counselling systems for the mental health of young employees.

Labour Market Policies: **Free employment placement services** are to be conducted in schools after notifying the Minister of Health, Labour and Welfare. **Job supporters** also provide one-on-one assistance to those who are expecting to graduate without a job offer and those who are already unemployed after graduation. The **job cafe** is a one-stop shop providing information concerning occupations and skills development, opportunities for obtaining work experience such as internships, career consulting, and job hunting support services. **Job cards** are given to part-time workers as a career counselling tool. **Scholarships** for vocational training are given to those graduates who lost their hiring offers due to natural disasters.

In the [Basic Plan for Working Youth Welfare Measures](#), **NEETs** are targeted through consultation with career consultants, provision of training in communication and in providing opportunities for work experience. NEET prevention and early recovery is done through home visits to youth who have dropped out of school or who are at risk of dropping out. **Freeters** are supported through the “job-seekers support scheme” which provides free vocational training and social protection during the training period.

A **reform of the recruitment system** is encouraged across several policy documents. A multiple-application system and year-round hiring is proposed, which would be particularly beneficial for high school seniors who would therefore be able to apply to several jobs in their final year ([Youth Independence Challenge Plan](#)). The [Guidelines for Employers](#) also states that recruitment rules should be changed so that both expecting graduates and those who already graduated should be eligible to apply for positions. The upper age limit is encouraged to be placed so that a wide range of young people can apply, and the recruitment season to be extended from the spring to also include the autumn.

Regarding **social protection**, the [Revitalisation Strategy](#) calls for a review of the employment insurance system so that it supports the re-education of young people (particularly for those who would like to change their career). In addition, unemployment benefits are given to new graduates who lost their preliminary hiring offers due to natural disasters ([Employment Measure Act](#)).

Structure of Governance and Main Actors

The **Ministry of Health, Labour and Welfare** is a key actor in the field of youth employment. It played an important role in the *Human Resources Development Act*, *Working Youth Welfare Law*, *Employment Security Law* and others. It is also responsible for monitoring the provision of free employment services and the standards of employment placement services. Other relevant ministries are the **Ministry of Education, Sports, Culture and Technology** and the **Ministry of Economy, Trade and Industry**. One characteristic of Japanese provisions is the importance of cooperation among several actors in implementation. This is the case, for example, with the Job Card programme and the Job Cafe. For the former industry, employers and the government cooperate in implementation and in the latter, municipal governments, local industries and schools collaborate on implementation.

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