

Lunch Seminar on the Japanese Economy at the MFJ
(Maison Franco Japonaise, Nichi-Futsu Kaikan, Ebisu, Tokyo)

"The Changing Behavior of Young Workers in Japan:
Causes and Consequences"

Yuji GENDA
The University of Tokyo (Institute of Social Sciences)

May 15, 2006

Youth Unemployment Declines From 2001 to 2005

12.8% to 10.2% (15-19-year-old)

9.3% to 8.4% (20-24-year-old)

5.4% to 4.4% (total)

“Freeter”s

- Part-time young workers after graduation
- Doubled 2 from 1 million 10 years ago
- Most freeter want regular jobs
- A little decline after recovery

Losing “Long-term” Employment Baby Boomers @ Peak

Table 1. Average Working Years within a Same Firm (Male Regular Workers)

Birth Period	Age Category								
	20– 24	25– 29	30– 34	35– 39	40– 44	45– 49	50– 54	55– 59	60– 64
1935 ~39					14.3	17.7	20.5	21.2	13.9
1940 ~44				12.1	15.9	19.2	21.9	22.6	14.9
1945 ~49			8.9	12.5	16.0	19.2	22.2	22.6	
1950 ~54		5.9	9.4	12.8	15.9	19.2	21.7		
1955 ~59	3.0	5.5	8.8	12.0	15.5	18.7			
1960 ~64	2.7	5.2	8.5	12.0	15.3				
1965 ~69	2.7	5.1	8.6	11.8					
1970 ~74	2.7	5.2	8.4						
1975 ~79	2.7	5.0							

Source. Wage Census. Ministry of HLW.

Non-employment still remains among youths

Non-employment goes to

1) Unemployment

&

2) NEET (Not in Education, Employment, or Training)

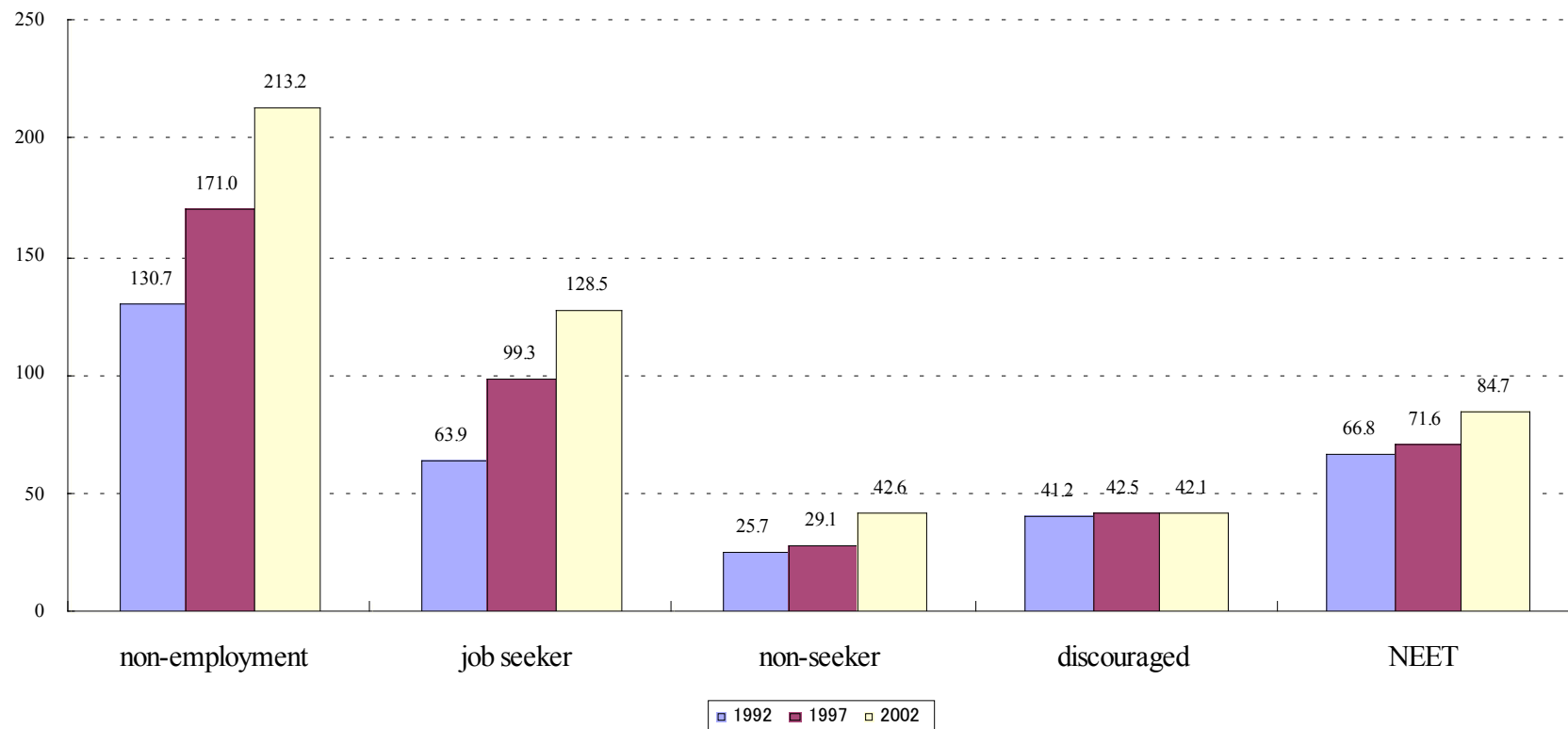
NEET: a report from Social Exclusion Unit, U.K.,
“Bridging the Gap,” 1998.

What is a difference?

- Unemployment (Want and Search Jobs)
- NEET consists of two types:
 - (1) Non-seeker (Want but Not Search Jobs)
 - (2) Discouraged (Not Want Jobs)

Substantial Non-employment

Figure 1. Single Non-employment and Its Composition
(15-34-year-old, ten thousand persons)

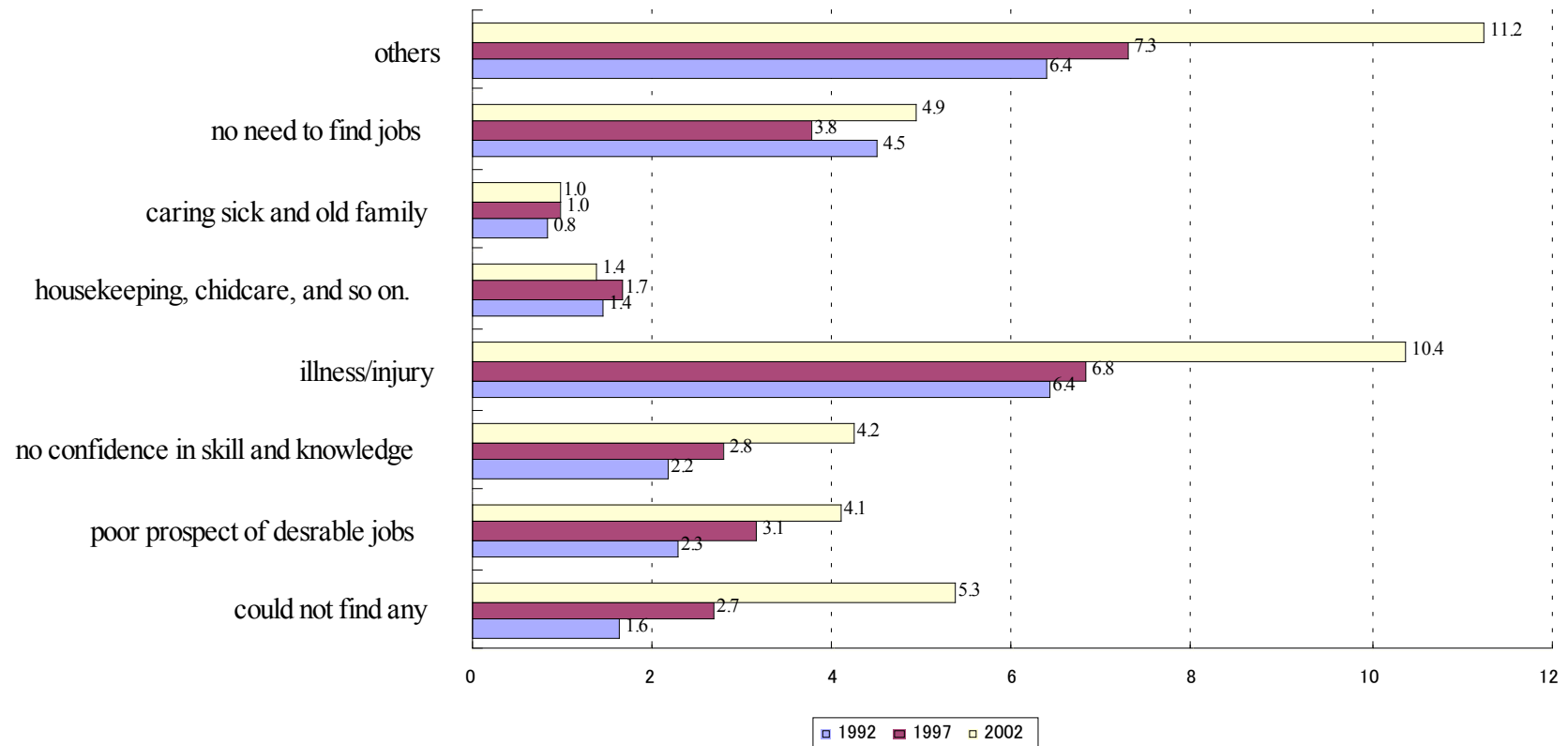


Reasons for Increasing NEET

- Serious recessions
- Mental problem, or over-working
- Lack of communication skills
- Lack of self-confidence
- Education
- Social class structure
- Unknown

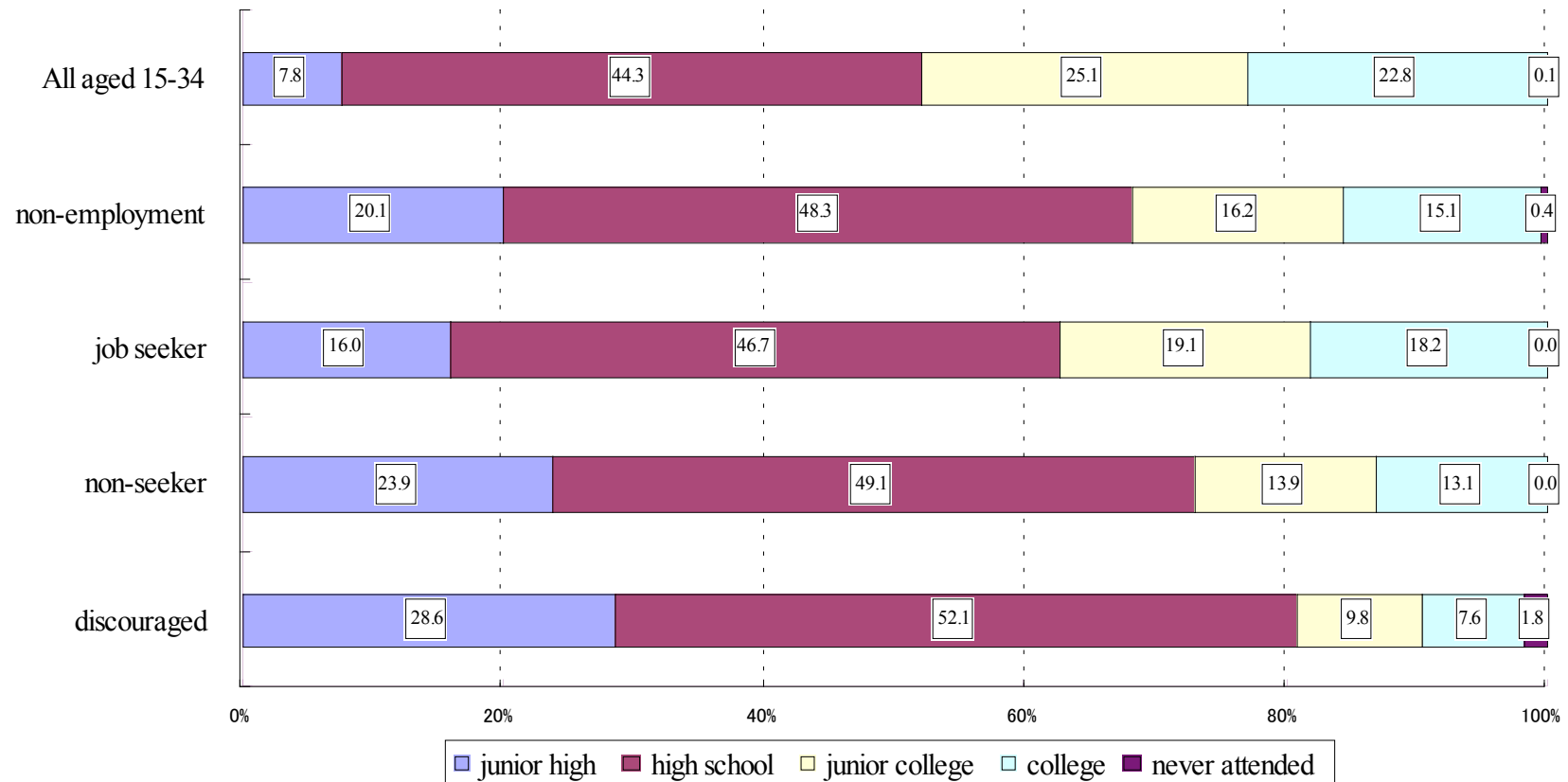
Why not Working?

Fig 2. Why Not Looking for A Job? (Non-seekers, 10 thousand persons)



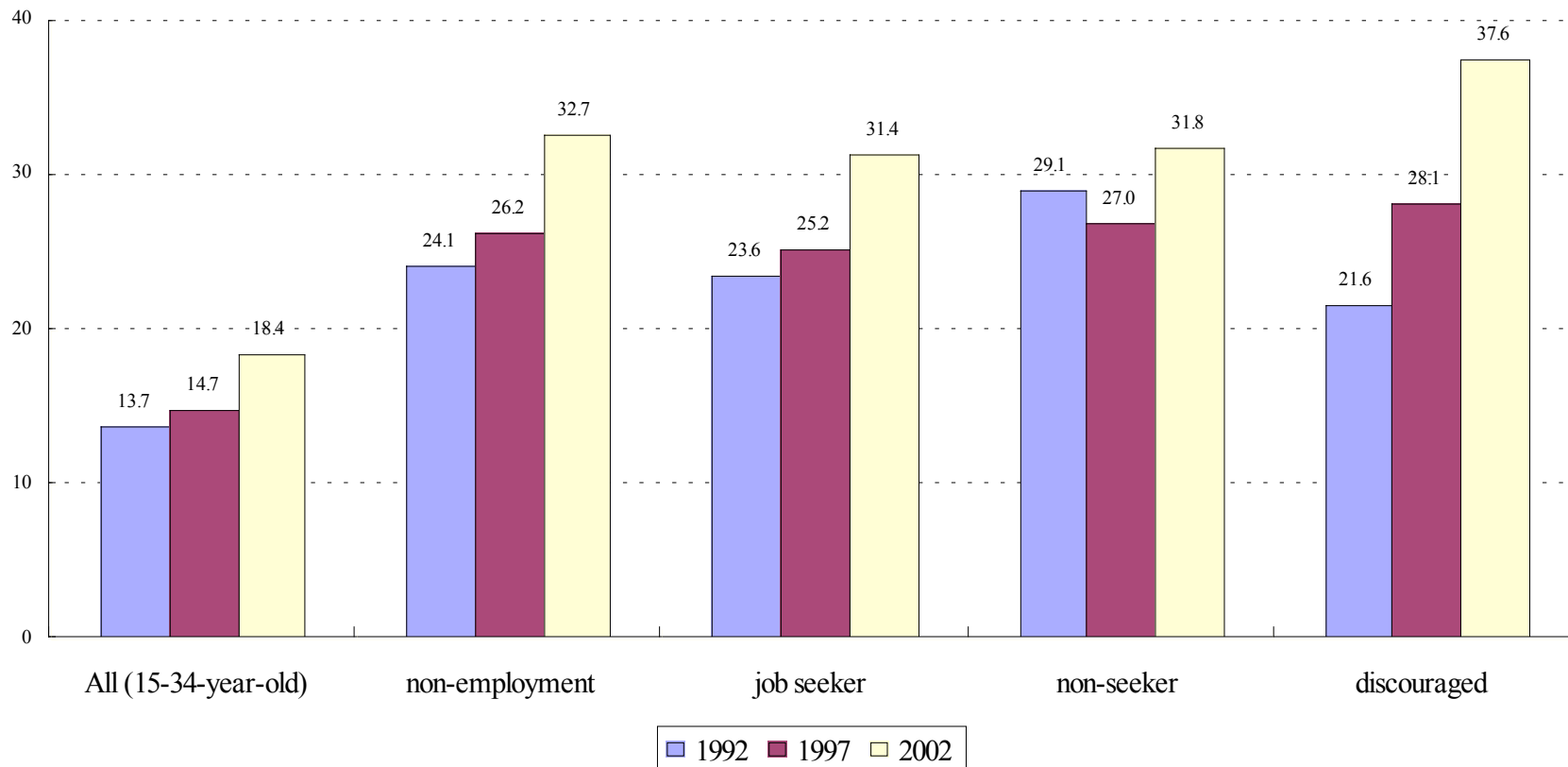
Educational Inequality

Fig 3. Educational Backgrounds in 2002 (%)



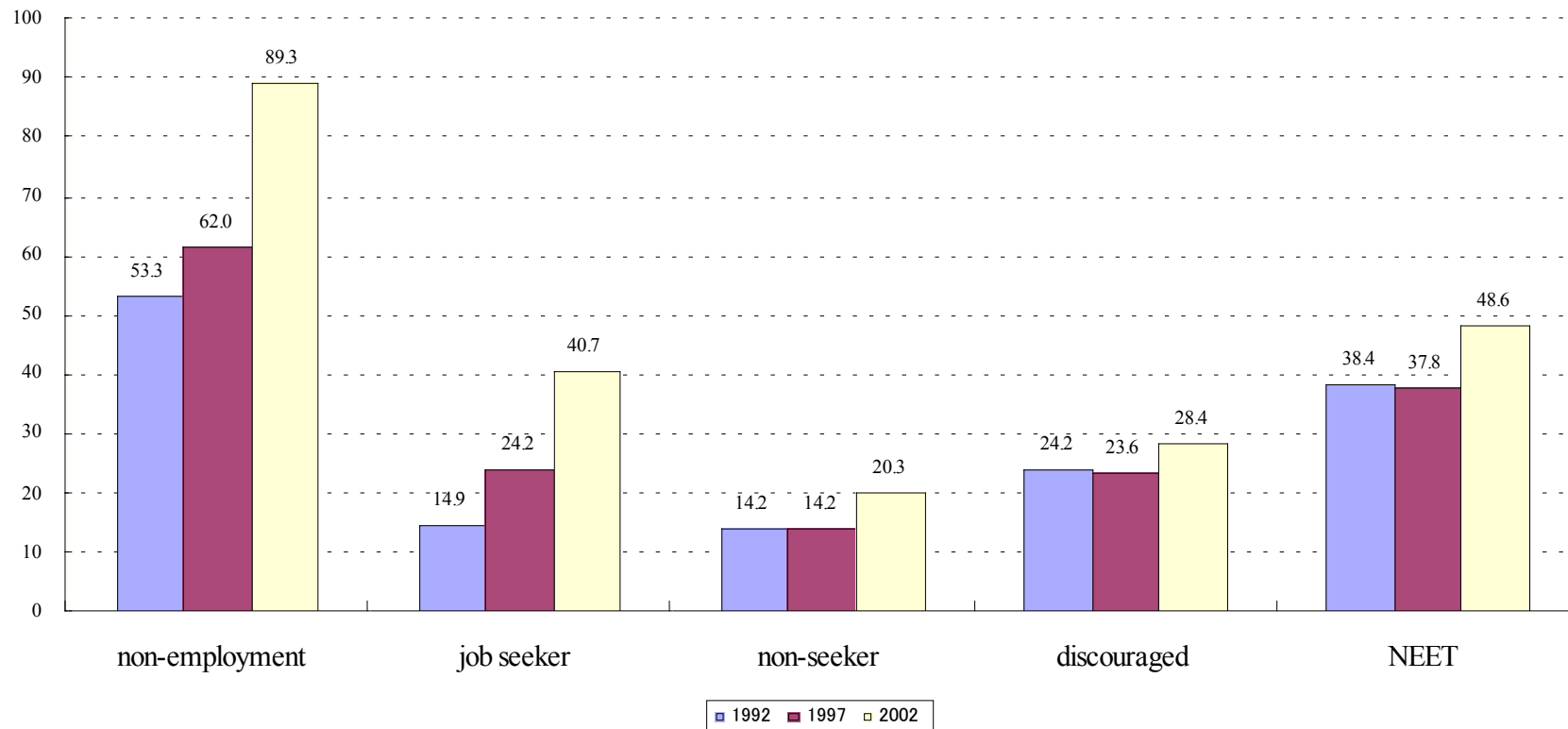
Reproduction of Poverty

Fig 4. Proportion of Annual Household Income Less than 3 Million Yen (%)



Not Only Youth but also Middle

Figure 5 . Single Non-employment and Its Composition
(35-49-year-old, ten thousand persons)



How to improve?

- Steady Economic Growth

& three universal keywords:

“ individual” (not mass)

“ continuous” (not tentative)

“ comprehensive” (not just for labor policy)

Policy: Key Words

- Action plans by government
- NPO
- Community business
- Collaboration between firm and school
- Basic education
- Tax system, or income redistribution

END