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« Est-il possible de construire une société sans exclusion?

Perspectives franco-japonaises »

排除なき社会をつくることはできるか :

日本とフランスの視点

日本の若年労働市場の現状と課題

本田由紀 (東京大学)

Changement et problèmes sur le marché du travail des jeunes au Japon

Changes and Problems in the Youth Labor Market in Japan

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Abstract

This presentation aims to discuss the changes and problems in the youth labor market in Japan. There are four main points that are discussed here. First, the changes in the employment situation and working conditions of young people since the early 1990s are described. Second, the discourses about youth associated with these changes are examined. Third, the causes for the rapid change in the youth labor market in Japan are explained. Finally, some countermeasures necessary to improve the employment situation and working conditions of young people are proposed.

The recent youth labor market in Japan is characterized by its strong “dualism,” which refers to the great gap between regular and non-regular workers. Since the early 1990s, the number of regular workers has reduced while that of non-regular workers has remarkably increased among young people. This change has brought about the result that both regular and non-regular workers are experiencing ever-deteriorating working conditions.

The changing trend in young workers has been described through the keywords “freeter” and “NEET.” These keywords have served to blame young people for their own employment problems.

At least three causes of the rapid change in the Japanese youth labor market must be discerned: the “unfortunate coincidence” between economic fluctuation and uneven age composition of the population in Japan, the “irreversible global long-term changes” such as the transformation of industrial structures and the labor demands caused by the

globalization of the economy, and the “relationship between education and work peculiar to Japan.”

Several measures are indispensable to reduce the problems within the Japanese youth labor market, such as improving the vocational relevance of education, abolishing the convention of periodic blanket recruitment of new graduates, reducing the gap between regular and non-regular workers concerning wage and career opportunities, expanding opportunities for inexpensive public vocational training outside the companies, and opening up opportunities of vocational guidance and counseling to a wider range of young people including graduates.

Through such measures, the “dualism” within the Japanese youth labor market must be changed to a more flexible, fair, and open one. To leave the situation unattended will inflict major damage on the well-being of individuals and on the sustainability of the society.

Full Paper

Introduction

This presentation aims to discuss the changes and problems in the youth labor market in Japan. Four points are mainly discussed. First, the changes in the employment situation and working conditions of young people since the early 1990s are described. Second, the discourses about youth associated with these changes are examined. Third, the causes for the rapid change in the youth labor market in Japan are explained. Finally, some countermeasures necessary to improve the employment situation and working conditions of young people are proposed.

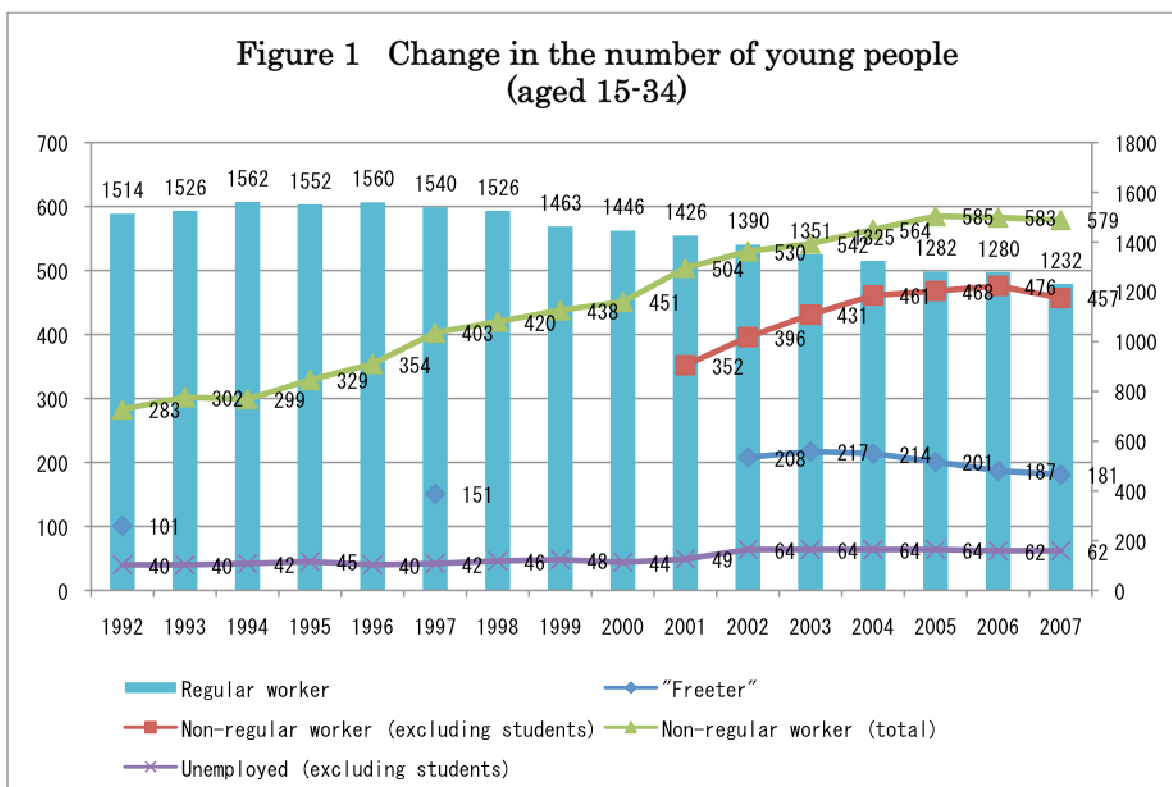
Changes in the Employment Situation and Working Conditions of Young People

The recent youth labor market in Japan is characterized by its strong “dualism,” which refers to the great gap between regular and non-regular workers (OECD 2009). “Regular workers” imply permanent, though not necessarily lifetime, full-time workers. “Non-regular workers” consist of part-time workers, temporary workers, contracted workers, and dispatched workers. Since the early 1990s, the number of regular workers has reduced while that of non-regular workers has remarkably increased among young people (Figure 1). In 2007, more than 30% of young workers aged 15–24 were in one of the various forms of non-regular work.

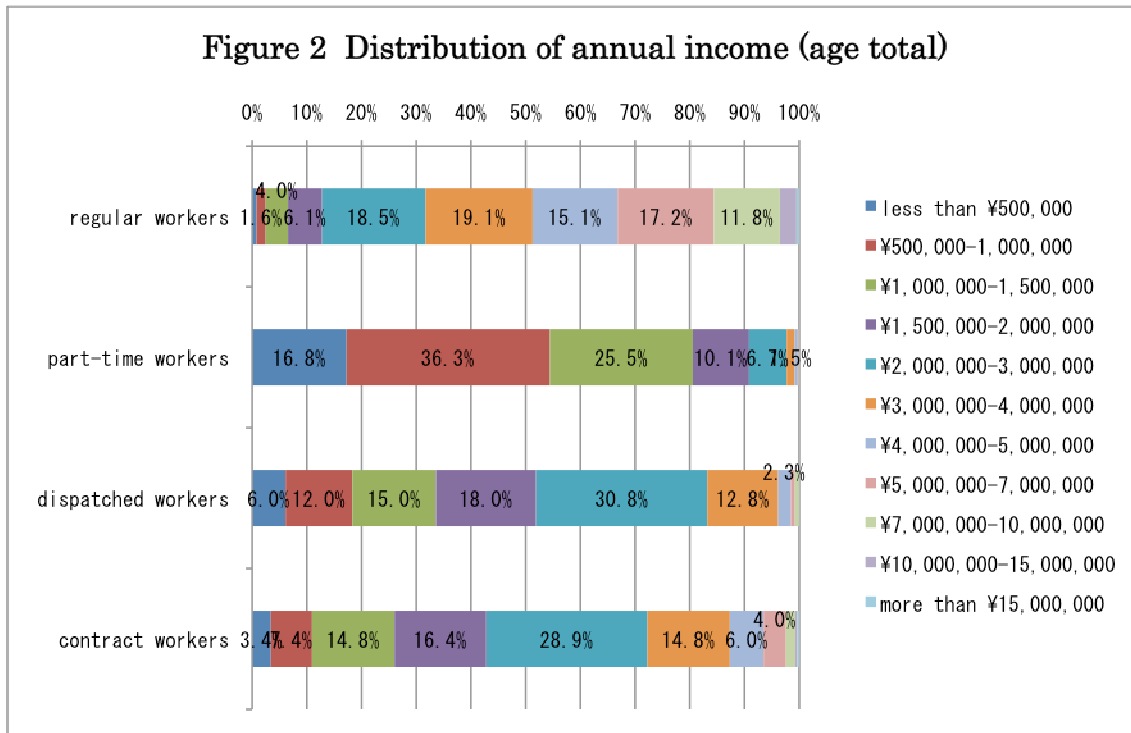
This change has brought about the result that both regular and non-regular workers are experiencing ever-deteriorating working conditions.

First, non-regular workers are subject to the obvious job insecurity and poverty. The fact

that the path leading from non-regular to regular employment opportunities is narrow has a negative effect on future prospects of young non-regular workers and increases anxiety and despair among them. Not only is their employment situation unstable, but their wage is also extremely low compared to regular workers (Figure 2), and most of them are assigned low-skill, dead-end jobs day after day. Moreover, they are constantly required to transfer from one workplace to another, which makes it difficult for them to build good relationships with colleagues.



Source: Labor Force Survey, Ministry of Internal Affairs and Communications



Source: 2008 White Paper, Ministry of Health, Labor and Welfare

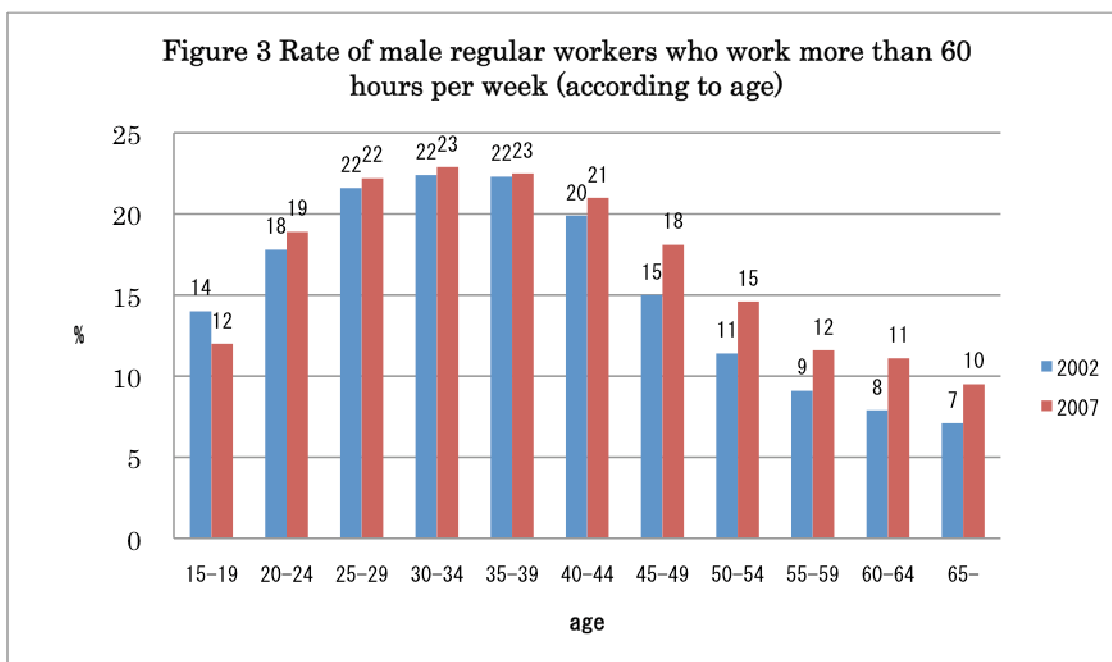
Although about one out of three young workers are faced with such difficult living conditions, the Japanese society as a whole seems to be rather peaceful compared to the case in France and Korea, where labor problems have led to riots. This is only because many young non-regular workers in Japan are able to rely on their parents' income and savings for the present. Seventy to eighty percent of young non-regular workers are living with their parents. Their parents' financial support temporarily buries the problems of non-regular workers; however, this situation will not prevail for long. In the next few decades, after their parents' demise, low-wage workers will no longer be able to sustain their living standards. It is estimated that a relatively large section of these workers will have no other way of earning a livelihood but to rely on public livelihood protection. The Japanese society will have to cope with this problem sooner or later. Even today, those who cannot rely on their parents due to their demise or strained relationships with them are already experiencing extreme hardships.

Non-regular jobs are so unstable that workers can easily lose their jobs in case they get sick and take a week's leave from work. This is particularly evident in the case of day laborers, who at any rate earn very little money; their absence for just a week could lead to their inability to pay rent. Consequently, he or she will lose that residence and become a young homeless person or a "net café refugee" or someone who sleeps at internet cafés every night.

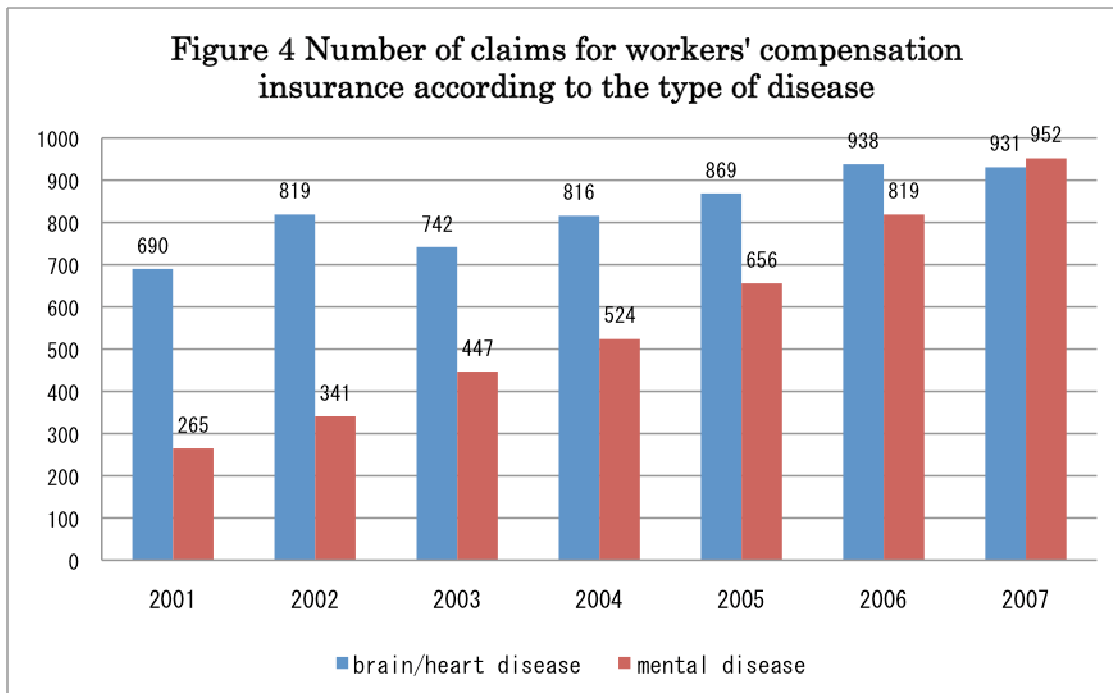
However, even regular workers are not as privileged as they used to be. The period 1993–2004 was a decade marked by severe cutbacks in the hiring of regular workers. As a result, the average workload for a regular worker has increased, and they are now required to even manage the increased number of non-regular workers. Although the working hours have increased along with the workload (Figure 3), they are no longer promised higher wages based on seniority, which is something that the previous generations had enjoyed.

Due to a number of issues, including the adoption of performance-based pay, the diversification of the workers' employment types in a workplace, and the reduced hiring of young people from the same age group, young regular workers find it increasingly difficult to feel a sense of camaraderie among their colleagues. Instead, with an increase in the number of antagonistic relationships, more workers have started facing mental health issues (Figure 4). There are, of course, differences among regular workers' statuses according to their respective company size and business policies.

This dual situation, in which both regular and non-regular young workers are suffering from the contrastive severity, can be metaphorically described as “the concurrence of the white hell and the black hell.” There is a paradoxical relation between regular and non-regular workers; non-regular workers are functioning as a “buffer” that maintains the employment security of regular workers, while, at the same time, the low wages and employment insecurity of the non-regular workers are deteriorating the working conditions of regular workers. Thus, the dualism within the youth labor market itself is the cause of a vicious circle.



Source: 2007 Basic Survey of Employment Structure, Ministry of Internal Affairs and Communications



Source: Ministry of Health, Labor and Welfare

The Changing Discourses on Young People

The second point of this presentation discusses the manner in which the discourses on young people have changed over the past few decades. The changing trend in young workers has been described using the keyword “freeter,” a term coined by an editor of a job advertisement magazine, which refers to a freelance, part-time worker (Honda 2005). When the term freeter emerged in the late 1980s, it had the connotation of “a vigorous and free youth.” By the late 1990s, however, freeter came to mean “a lazy and dependent youth.” Moreover, in the early 2000s, the meaning of this term changed again to “a young person who is pathologically going nowhere.” Because of such a changing image of the word freeter, young people were blamed for their own employment problems.

In addition, the term “NEET,” an acronym for young people who are “Not in Education, Employment, or Training,” has spread rapidly and widely throughout Japan since 2004 (Honda et al. 2006). The Japanese usage of the word NEET is different from that in Britain, where the term originated. In Japan, the official definition of NEET excluded the unemployed youth seeking a job. This provoked an image of NEET as “a young person lacking the motivation to work.” The common idea that most Japanese NEET are born in middle class families instead of working class or poor families has also exacerbated such a stereotype. NEET in Japan is also defined to include a broad age group from 15 to 34, the result of which is that the estimation of the NEET population amounted to a huge

number, namely, more than 800 thousand. This aggravated the gloomy view on youth around Japan.

The mass media played an important role in the process of the diffusion of the negative image of NEET in Japan. Five characteristics can be pointed out about the representations of NEET in the Japanese mass media. First, being NEET is regarded as a psychological problem of young people. Second, emphasis is placed on the commonality between NEET and “hikikomori,” a term referring to people who stay at home without going to school or work. Third, the responsibility of parents is often emphasized. Fourth, a NEET is stigmatized as a loser, and it has even assumed the character of a derogatory term. Last, causes and solutions to the situation are often asserted without scientific evidence.

As opposed to the negative term of NEET, “ningenryoku” or “human competence” is used to focus on the expected positive aspects of young people. From the late 1990s, human competence has been used frequently in the mass media and policy papers. The use of human competence is interconnected with the personal and emotional traits of a person, such as communication skills and problem solving capabilities. As a result, many people have come to believe that most problems of young people can be solved by nurturing their human competence.

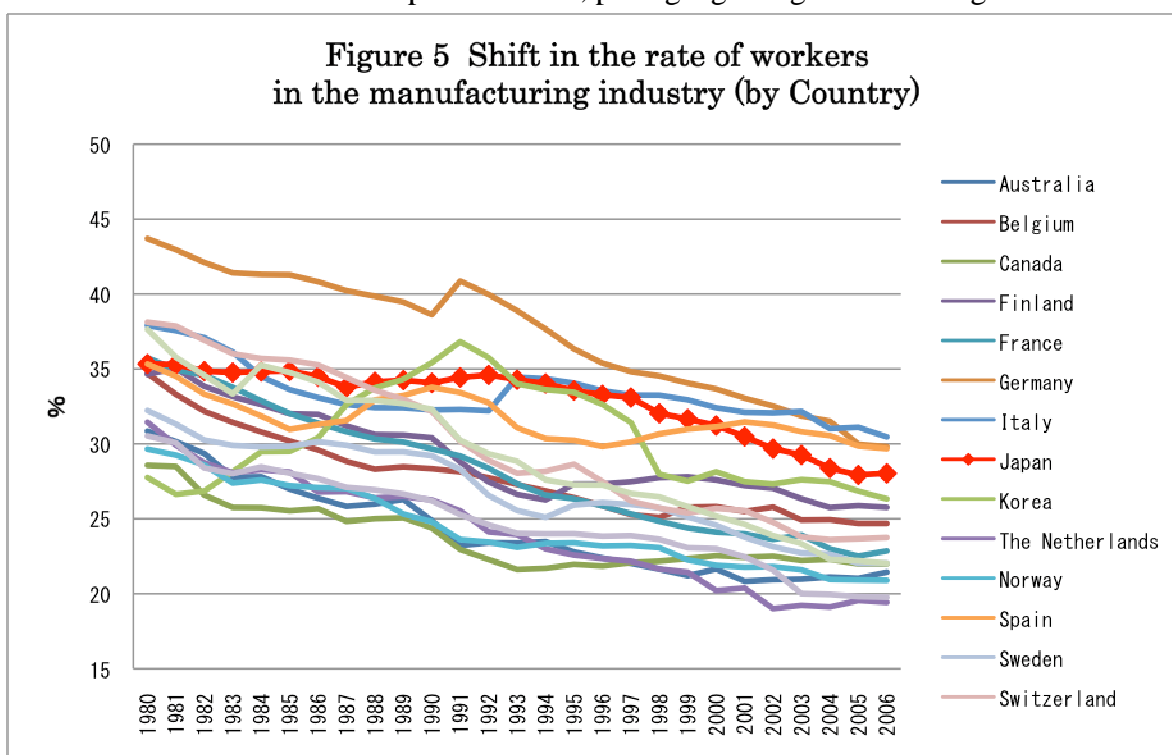
However, empirical data on NEET denies such popular understandings of young people. Data shows that the popular conception of NEET as only youths without the will to work is incorrect. Most NEETs are either willing to work or have no need to work immediately, engaging in various activities within or without their families. Although some NEETs are inactive, the reasons for this cannot be solely attributed to their mental problems but to social factors such as the experience of burring in schools and workplaces, experiences of school dropouts, loss of parents, etc. A major problem is that the word NEET is spreading a mistaken belief with regard to the current state of young people.

Causes of the Change in Youth Labor Market

The third point to be discussed in this presentation is the causes and origin of the rapid change in the Japanese youth labor market. In this regard, three causes must be discerned. One cause is the “unfortunate coincidence” between economic fluctuation and uneven age composition of the population in Japan. There are two huge age cohorts within the Japanese population: one is the first generation of baby boomers born in the late 1940s and the other is the second generation of baby boomers born in the early 1970s. Under the “bubble economy” around 1990, Japanese companies recruited a large number of second generation baby boomers as regular workers. After the burst of the “bubble,” they turned into heavy burdens for Japanese companies, who were prohibited from easy dismissals of regular workers by case laws. Moreover, during the 1990s, the first generation baby

boomers were reaching their 50s and the labor costs incurred on them were peaking. These double pressures on companies made them refrain from recruiting new young regular workers and rely on non-regular workers. Today, the age imbalance of the working population is gradually improving. However, the employment situation and the working conditions of the so-called “lost generation,” namely those born in the late 1970s and the 1980s, continue to be a critical issue.

Another reason for the change in working styles is the transformation of industrial structures and labor demands caused by the globalization of the economy; these are the “irreversible global long-term changes.” In every developed country, the industrial structure has been shifting from the manufacturing industry to the service industry (Figure 5). The manufacturing industry is not only shrinking in quantity but also transforming its quality from mass production to the small-lot multiple production. These industrial trends necessitate the growth of the demand for non-regular workers, which can be mobilized “just in time” with cheap labor costs. This continuously evolving transition is observed in almost all developed countries, posing a grave global challenge.

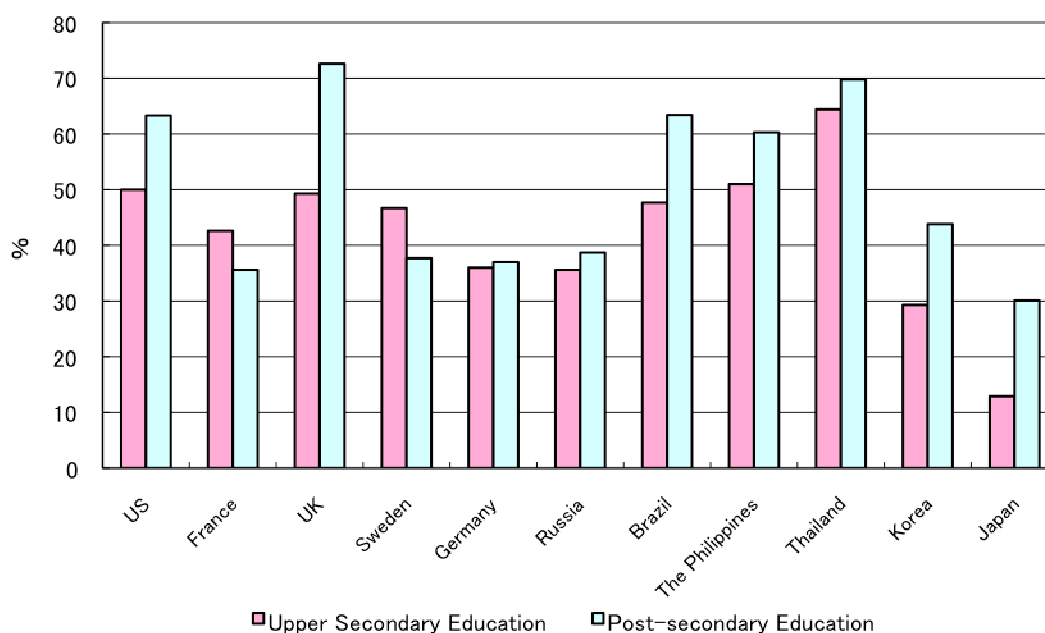


Source: OECD, Labor Force Statistics

The third factor, “the relationship between education and work peculiar to Japan” has been functioning to make the situation worse for young workers. Japanese schools have been reluctant to make their education match occupational demands (Figure 6), and the periodic blanket recruitment of new graduates is also a custom peculiar to Japan. The lack

of vocational relevance of school education deprive youth of both their market value and the power to make a bargain with employers. Because of the custom of the periodic blanket recruitment of new graduates, young people who cannot find jobs with their school or college graduation can hardly enter a favorable labor market later. I consider this “relationship between education and work that is peculiar to Japan” the most urgent point that must be and could be changed. This leads us to the last argument, that is, the measures we need to take to improve the employment situation and working conditions of young people in Japan.

Figure 6 Number of youth who feel that they acquired vocational skills through education (according to educational background)



Source: The 6th World Youth Survey, 1998, Cabinet Office

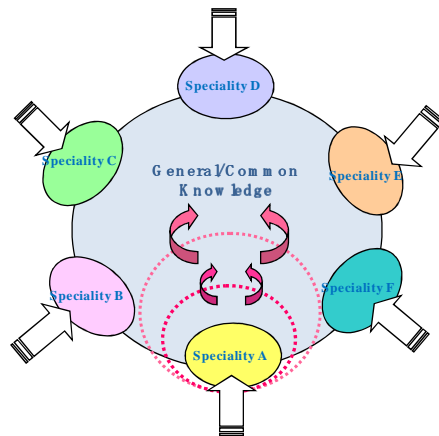
Necessary Measures

Several measures are indispensable to change “the relationship between education and work peculiar to Japan” and to improve the situation for the Japanese youth.

First, we need to make education match occupational demands from companies. In other words, the vocational relevance of the educational contents of schools and universities must be improved. In particular, the number of technical and professional high schools, which is too small in Japan, should be increased. In order to cope with the rapid change of technology and the global economic environment, the vocational relevance of educational contents should be designed to contain ample flexibility, at the same time maintaining the outlines of each specialized field. The concept “flexpeciality” will be

useful to depict the image of competence promoted through education (Figure 7). Second, the convention of the periodic blanket recruitment of new graduates should be opened up to those who continue job seeking and those who become non-regular workers after graduation. The opportunity to become a regular worker should be open to everyone who has the appropriate competence, experiences, and volitions. The current situation, where those who failed to get a regular job upon graduation are treated unfavorably, needs to be resolved.

Figure 7 Model of ‘Flexpeciality’



Third, the wage gap between regular and non-regular workers needs to be narrowed. The pay for non-regular workers should be adequately improved based on the principle of “equal pay for equal work” so that they can attain a certain standard of living. I propose that a transitional labor market, which bridges regular and non-regular workers, needs to be established; this includes, for instance, regular employment with shorter working hours and non-regular employment with more stable working conditions and an upward career ladder.

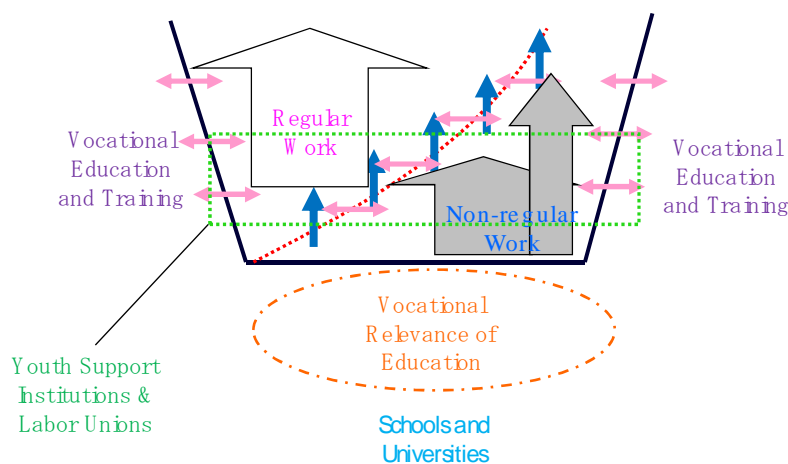
Fourth, greater opportunities for vocational training outside companies should be created. This is required because the budget for vocational training in companies is currently in decline. Even regular workers today are no longer guaranteed opportunities to improve one’s skill level. For non-regular workers, there are almost no opportunities for improving occupational skills. Therefore, many more inexpensive public training opportunities outside companies, which are very limited in present-day Japan, should be provided, preferably with trainees’ living expenses in case of unemployed people and

precarious workers.

Last, vocational guidance and counseling should be available to a wider range of young people. Until now, vocational guidance has been limited to students at school. However, today, with the increase of non-regular workers and jobless youth, opportunities of vocational guidance and counseling should be opened up to graduates as well. Youth support institutions, which provide various kinds of help and information as one-stop services, need to be increased. Labor unions are also expected to play a role in supporting and empowering young workers regardless of working styles.

Figure 8 is an envisaged model of the Japanese youth labor market. In order to tackle the problems of “dualism” within the labor market, this model seems to be the only credible solution. It is needless to say that the reform of the labor market is not an easy task, but the fact itself adds the urgency of determined efforts. To leave the situation unattended will inflict major damage on the well-being of individuals and on the sustainability of the society.

Figure 8 Envisaged model of youth labor market



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