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## INTRODUCTION

### The Transition from School to Working Life Issues

The unemployment rate among Japanese young people (aged 15 – 24), exceeding 10 percent in 2003, reached and remained as high as the rates in many western countries. In the 1980s, the mechanism of transition from school to workplace in Japan enjoyed a high international reputation. Traditionally, graduates from upper secondary education – a majority of the young people who newly enter the labor market – had found jobs while they were at school via placement services provided on the initiative of the school, and started full-time, stable jobs, with no definite labor contract term, immediately after graduation. Business circles, seeing such young people who were about to graduate as labor that was cheap but with potential capability had been eager to hire them with a view to long-term employment.

Following the economic recession starting in the early 1990s, however, labor demand for new graduates (full-time employment with no definite contract term) shrunk substantially: the number of job openings for new graduates from upper secondary education decreased from 1.67 million in 1992 to 0.22 million, one eighth that figure, in 2004. On the other hand, the number of young people who take on unstable jobs with definite contract terms – many of them low-wage jobs – has sharply increased. And, at the same time, the number of those who do not enter the labor market after leaving school is also increasing.

Young people who take atypical employment have been named “freeters.” The Ministry of Health, Labour and Welfare, for statistical purposes, has defined them as *arubaito* or part-time workers, together with unemployed persons who wish to work as *arubaito* or part-time workers, between the ages of 15 and 34, excluding housewives and students. Under this definition, the number of freeters, which was around one million in 1992, exceeded two million in 2002.

On the other hand, young people who do not enter the labor market is now described as Japanese-style NEETs, an imported term originally invented in discussions in the U.K. It is generally believed that there are in all an estimated 520,000 Japanese-style NEET young people according to

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the definition used in a white paper of the Ministry of Health, Labour and Welfare – people between age of 15 and 34, not in labor force, unmarried and neither in education nor in housework.

What is behind the increase in the number of such young people? What kind of young people are apt to become freeters or NEETs? What are the problems and the solutions? In present-day Japan, numerous such problems have been attracting the attention of academics, policy-makers, and the mass media.

In light of this, this issue of Japan Labor Review features four academic papers investigating the issue from different points of view.

The paper by Honda claims that behind the increased number of freeters lies the fact that all three fundamental systems in Japanese society – that is, family, school and firms – as well as the interrelationship among the three systems, malfunction. Making use of macro data and micro data obtained in an interview survey addressed to individual freeters, her analysis clarifies the nature of the functional impairment and emphasizes a need for radical reorganization of the systems in order to vitalize the next generation.

Yukie Hori, seeing the social network as the key, analyzes the background affecting NEETs who do not participate in the labor market. Her thorough analysis of an interview survey aimed at individuals highlights some classes of NEET young people: males who have left school at an early stage in general fall in a group with a “limited” social network; many females who live in areas where there are few opportunities to find jobs belong to a “separated” social network; many males who have stayed in formal education for a long period fall in a group with a “separated” social network. And in these networks, school, public organizations and public employment play a significant role in complementing their inherent vulnerability.

Hara takes a look over future prospects in the dramatically changing labor market for new graduates from high school. The number of job openings for graduates from upper secondary education has, as stated above, considerably decreased. In this paper, a corporate survey has been carried out so as to identify the nature of companies which still continue hiring high school graduates, and the reasons for their undiminished labor demand. The paper emphasizes the importance, for any increase in job openings, of

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an improvement in the quality as labor of high school graduates, and the necessity for school and firms jointly to help improve that quality.

The paper by Michiko Miyamoto, viewing the youth problem as development occurring while the nature of the “transition to adulthood” is in a process of change, discusses the issue affecting the situation in Japan in comparison with the situation and measures taken in EU member states. The comparison underlines the presence of various structures and systems unique to Japan –for example, the tripartite structure of school, family and firms; the family system and culture, and the system of advanced education. The paper then sheds light on the fact that the distinctive young generation created by the combination of such unique elements, and social change, together with the uniqueness of the generation itself, have been shaking the foundations of Japanese society, then concludes that it is necessary to build a public system to assist young people to find jobs.

By offering the above four papers, this issue of Japan Labor Review is intended to draw a clear image of current tasks arising from the youth employment problem in Japan. .

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