

# Employment Behavior and Transition Process from School to Work in Japan\*

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## 1. Introduction

The purpose of this paper is to grasp the situation of young people's difficult transitions from school to work and related support systems in Japan.

Up until the early 1990s, young people successfully transit from school to work in Japanese society. Since the late 1990s, however, there was an increase in the number of young part-time workers ("*freeters*"), unemployed, and jobless (NEET: Not in Employment, Education or Training).

Japanese corporations, particularly big companies, only hire new graduates. Major corporations most often hire, from among college/high school seniors, the required number of employees as determined by a review of their outlook for the following fiscal year. The hiring is based on the potential ability of the applicants, and job rotation and human resource investment are used to train the new employees. Mid-career recruiting is rare in large companies (Tanaka 1980). Thus students usually begin job search before graduation. There is no interval between school and work in Japan, people's career depend on getting regular job when leaving school.

Issues deriving from failure to get regular job are easily found in economic context as proven by the income disparity between different employment types as displayed in Table 1.

The hourly income gap between these groups grows larger as age increases. The annual number of working days for *freeters* and temporary workers exceeds 200 days per year, and the average number of hours worked per week is relatively less than that of regular employees. Nonetheless, this average exceeds 40 hours during their early 30s, indicating that they work as much as regular employees without overtime. However, their annual incomes, as well as their hourly pay, are lower than those of regular employees. Using an indicator in which the hourly income of regular employees is set at 100, estimating the

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\* This paper is a revision of *The Situation of Transitions from School to Work and Related Support Systems in Japan*, which was submitted to the JILPT International Workshop.

**Table 1. Income disparities among different employment types (status)**

	Employment Type(Status)	Work Days Per Year (Unit: Days) ②	Average Work Hours Per Week (Unit: Hours) ②	Annual Income (Unit: 10,000 yen) ②	Hourly Income (Unit: yen) ③	Difference from Regular Employee Income ④
Male	15-19 Years Old Freeters	201.2	36.9	120.2	664.4	80
	Temporary Employees	219.8	43.4	177.2	830.6	100
	Regular Employees	229.6	47.2	197.4	833.2	100
	20-24 Years Old Freeters	208.5	38.3	147.6	780.3	73
	Temporary Employees	221.6	43.8	210.9	979.6	91
	Regular Employees	232.9	47.7	256.2	1072.4	100
	25-29 Years Old Freeters	209.0	39.1	166.7	850.2	62
	Temporary Employees	223.8	44.8	253.4	1134.0	83
	Regular Employees	233.9	48.4	332.4	1367.0	100
	30-34 Years Old Freeters	212.1	40.4	178.1	903.6	53
	Temporary Employees	225.0	45.5	297.9	1300.1	77
	Regular Employees	234.2	48.7	415.4	1694.3	100
Female	15-19 Years Old Freeters	197.5	32.4	106.0	660.1	85
	Temporary Employees	217.5	40.8	141.9	694.6	89
	Regular Employees	230.1	44.7	173.5	778.5	100
	20-24 Years Old Freeters	207.6	35.3	126.4	726.4	72
	Temporary Employees	220.1	40.4	178.9	886.9	87
	Regular Employees	231.3	44.8	227.9	1015.7	100
	25-29 Years Old Freeters	209.1	35.0	135.1	783.8	63
	Temporary Employees	217.2	39.2	199.5	1015.1	82
	Regular Employees	231.9	44.1	275.9	1238.7	100
	30-34 Years Old Freeters	208.9	34.1	131.9	798.0	55
	Temporary Employees	212.5	37.4	196.9	1054.5	73
	Regular Employees	231.0	43.2	315.0	1445.3	100

Note: ①The survey was conducted on those working 200 days or more or 199 days or less, and claiming to work "regularly in general."  
 ②These figures were obtained by calculating the arithmetic average when the median of the category data (lowest value in largest category) was made the case value.  
 ③These figures were determined by dividing "Annual Income" by the product of "Work Hours Per Week" multiplied by 52 weeks.  
 ④The per hour income for freeters and temporary workers were converted to a scale in which the per hour income of regular employees was set at 100.

Source: JILPT (2006).

disparity between *freeter* and regular employee income reveals that the income gap between *freeters* and regular employees grows larger as age increases; it is not significant among teenagers, but it increases among older age groups.

Annual income and employment type correlate closely with family marriage. Among male employees, higher annual salaries are associated with a rising percentage of married employees, and the percentage of married *freeters* is lower than that of regular employees within the same age group (JILPT 2004). Non-regular employee are characterized by limited opportunities for career-related skill development and fewer career prospects. Furthermore, the social network for *freeters* is homogeneous and limited compared to that of regular employees (JILPT 2006).

Of course, being a regular employee can be an excessive burden on one's life, as evinced by in the long work hours. Nonetheless, failure to secure full-time employment is a definitive factor in the formation of difficulties affecting various aspects of one's life in Japan.

This paper examines how young people's transitions to work have changed amidst this social context. Section 2 provides an outline of the education system and the status of transitions in Japan. Section 3 discusses the abandonment of unstable employment. Section 4 summarizes support systems for the transitions witnessed in recent years and Section 5 provides our conclusion.

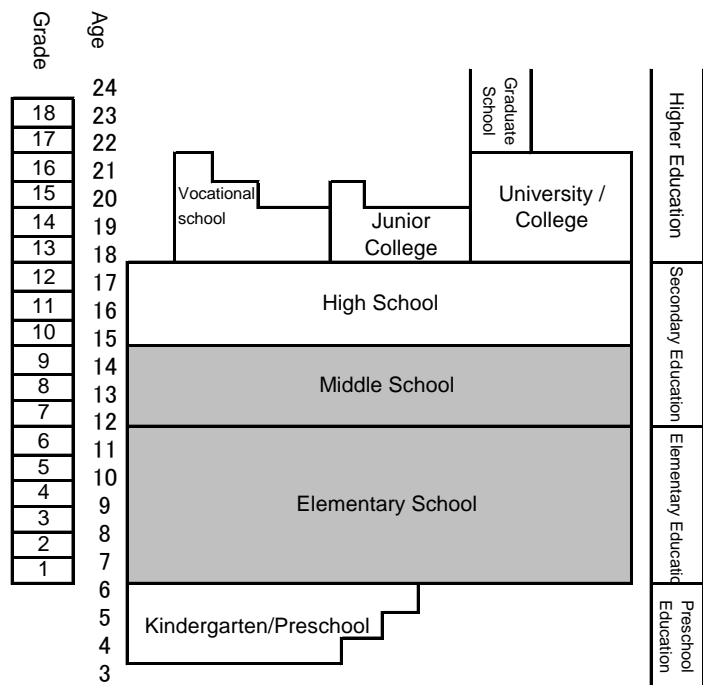
## **2. Overview of Education System and Transitions**

### **(1) Education System**

Figure 1 shows the education system that most Japanese youth experience. Compulsory education lasts for nine years; six years in elementary school and three years in middle school. The future of Japanese youngsters is determined at the age of 15 by high-school entrance exams.

The Japanese education system is single-track, but a young person's future and social status largely depend on the high school to which they gain admittance (Iwaki and Mimizuka, 1981). High schools are ranked in a hierarchy according to the number of students sent to elite universities. While high school is not compulsory, the percentage of students attending high school is more than 96 %, and the drop-out rate is as low as two to three percent. Because research and support systems are still lacking, the true picture of high-school drop-outs is not clear. 70 % of junior high school graduates beginning full-time employment will leave their job within three years by voluntary reason. As there is no further

**Figure 1. Japanese education system (partially abbreviated)**



Note: This data is based on the School Basic Survey by the Ministry of Education, Culture, Sports, Science and Technology. The author made a partial revision to the original data.

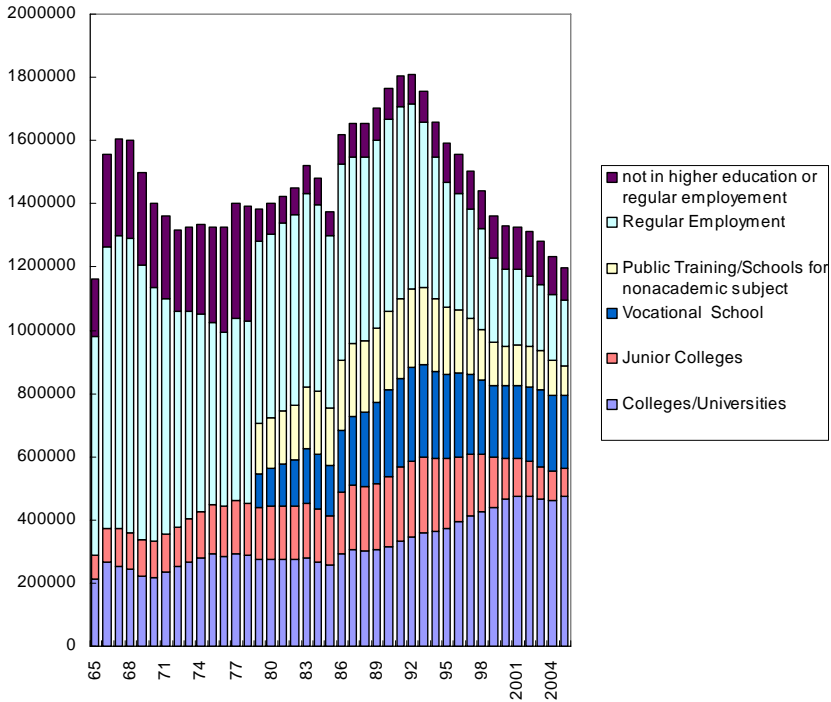
extensive research regarding the career of this population either, this paper will focus mainly on those with a high school diploma.

**(2) Transitions from High School to Work**

Japanese high school students' school-to-work transitions changed dramatically in the 1990s (Figure 2). The changes can be summarized by the following three points.

The first change is marked by an increase in the percentage of those attending a university/college/junior college/vocational technical school. Presently, 70 % or more of high school graduates pursue higher education.

The percentage of high school graduates attending university, college, or junior college was around 30 % in the mid 1970s to 1980s. Increases appeared in the 1990s and the percentage climbed to approximately 50 % at present.

**Figure 2. Transition of high school graduates**

Source: School Basic Survey (For Multiple Years).

Note: Before 1980, those who went to public training/miscellaneous schools and technical vocational school special programs were included in jobless and others.

Universities in Japan number more than 700, and most of these are private institutions.

Vocational school is another option for high school graduates. Vocational school is a private school offering a practical education within two to four academic years. Less public support and control is provided for this type of school, thus it is often cited as a “no support, no control” school. The number of such schools expanded in the 1980s when attending college was difficult, and they became popular in the 1990s’ recession since they provided an easier means to obtain employment. Though it has become less difficult to go to college and the number of students attending vocational schools has decreased, the total percentage of high school graduates going to these schools still hovers

20 % or less.

The second change is represented by a dramatic decline in the employment rate of high-school graduates. This rate was 35 % in the 1990s, but is currently less than 20 %. The employers tend to be smaller companies and working condition will be worse.

The third change is evinced by an increase of those not in higher education or regular employment. In the past, high school students decided their career/education path before graduation. Currently, however, the number of high school graduates (mainly in urban areas) choosing neither to study nor work has risen to ten percent.

On the other hand, public training schools are primarily provided by polytechnic schools (established by prefectural and city governments) and polytechnic colleges (established by the Employment and Human Resources Development Organization of Japan). The number of graduates is only 30 thousand. Schools for nonacademic is private schools without certification from the Ministry of Education, Culture, Sports, Science and Technology, presumably account for the majority. Therefore, public vocational training for young people in Japan is extremely limited.

Changes in the transitions of Japanese high school graduates were caused by various factors, but the main reasons were decline in the young labor market, changes in school placement service for high school students, and changes in high-school student culture.

#### **a. Decline in the Young Labor Market**

In the 1990s, Japan experienced not only a recession but also corporate personnel management make the best use of non-regular employees. According to the Annual Report on the Labour Economy, the percentage of non-regular employees in the 15-24 age group (only male, excluding students) was 9.2 % in 1995, increased to 19.3 % in 2000 and then to 28.5 % in 2005. In the 25-34 age group, the percentage increased from 2.9 % to 5.6 % and then to 13.2 %, respectively (Ministry of Health, Labour and Welfare 2006).

Non-regular workers did not increase in all of the younger population. Let us first examine *freeters*, which are part-time employees,<sup>1</sup> using the Employment

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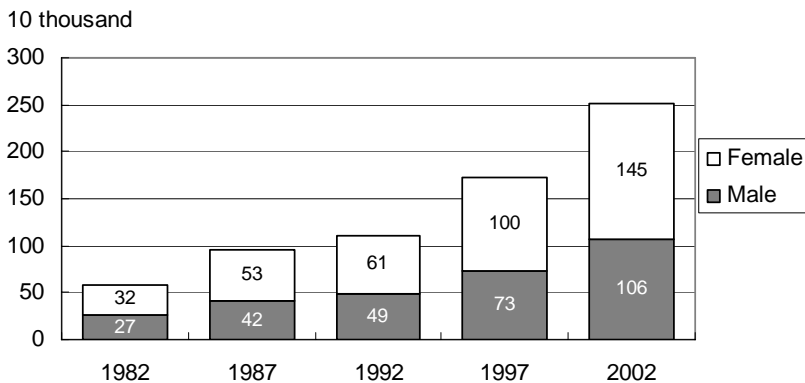
<sup>1</sup> *Freeters* here refers to 15-34 year olds that are not students. In the case of women, they must also be unmarried. Furthermore, they must either be a) working as employees

Status Survey.<sup>2</sup> The word “*freeters*” is an abbreviated form of “free *albeit* employees.” In Japanese, “*albeit* employees” refers to young part-time employees. The term *freeters* originally was used as a general reference to those young people choosing to follow their dreams and work irregularly during the “bubble” economy, but it now refers generally to those young people working as part-time employees.

Figure 3 illustrates the increase of *freeters* (now employed and want to be employed as part-timers) over time. The number of *freeters* was approximately 590 thousand in 1982, and this figure increased to 2.51 million in 2002. Currently, 2.25 million, or 90 % of them are employed *freeters*.

The percentage of male *freeters* in the population increased from 2.4 % in 1982 to 9.3 % in 2002, and female *freeters* from 7.3 % to 21.9 % in the same time period (Figure 4 and 5).

**Figure 3. Number of Freeters**



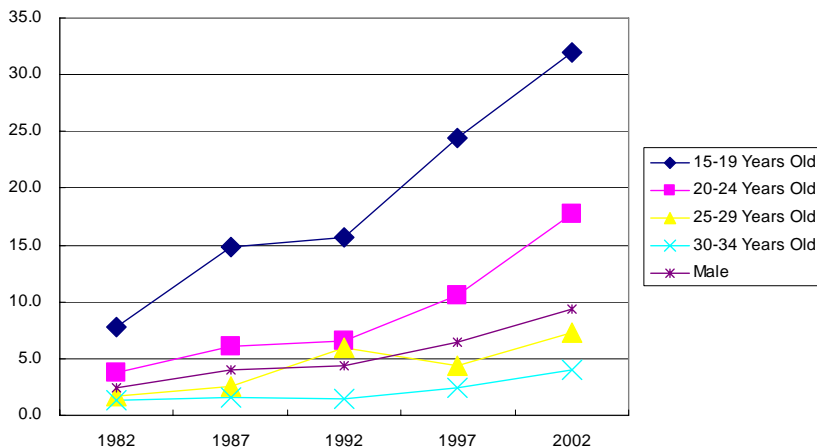
Source: Ministry of Internal and Communications, Employment Status Survey.

Note: 2007 is the next survey year.

called part-time workers or “*albeit* workers,” or b) seeking a job as part-time, *albeit*, or temporary workers but not attending school or helping with housework. Population parameters for calculating the *freeter* percentage is limited to those who are 15-34 years old, non-students, unmarried in the event they are female, and they are a) employees (though not managers), or b) non-employed but seeking a job with income.

<sup>2</sup> The Employment Status Survey is conducted every 5 years. The latest survey was conducted in 2002, and the data is rather old for examination in 2006. Nonetheless, this survey is a large scale study with abundant information on workers across Japan, thus we will use this data in our discussion.

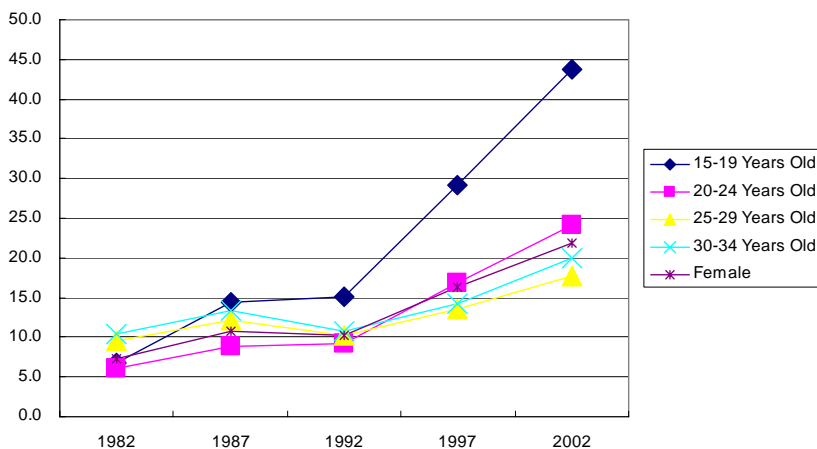
**Figure 4. Percentages of male *Freeters* across different age groups**



Source: Ministry of Internal and Communications, Employment Status Survey.

Note: 2007 is the next survey year.

**Figure 5. Percentages of female *Freeters* across different age groups**



Source: Ministry of Internal and Communications, Employment Status Survey.

Note: 2007 is the next survey year.

The above figures show that an increase in the percentage of *freeters* is remarkable in those in their teens compared to other age groups.

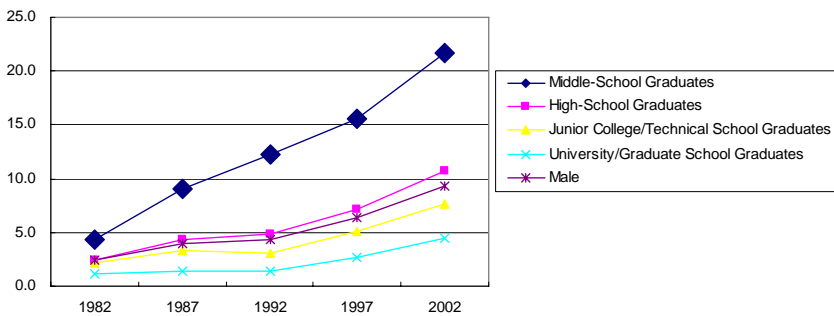
As for the percentage of *freeters* from different academic backgrounds (Figure 6 and 7), middle school graduates (including high-school drop-outs)



claim the highest percentage of *freeters*, while those with college or graduate level educations account for a lower percentage. In recent years, while the overall percentage of *freeters* has grown, the increase in the latter is not as remarkable as in the former; the gap between these groups is growing larger.

In short, during the 1990s, those who are young and with less education, such as high school graduates, tended to encounter more of the aforementioned issues. As the economy becomes more knowledge-driven, job demand for the less educated declines. This is observable not only in Japan, but in other countries

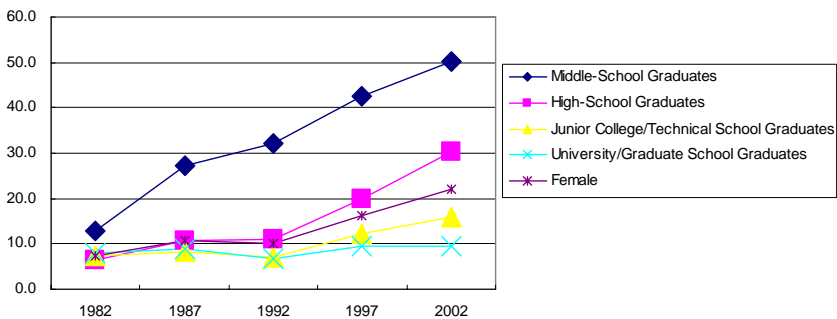
**Figure 6. Percentages of male *Freeters* across different academic backgrounds**



Source: Ministry of Internal and Communications, Employment Status Survey.

Note: 2007 is the next survey year.

**Figure 7. Percentages of female *Freeters* across different academic backgrounds**



Source: Ministry of Internal and Communications, Employment Status Survey.

Note: 2007 is the next survey year.

as well. In Japan, however, this is not the only reason why transitions have become difficult. Another factor driving this phenomenon is a change in high school placement service, and changes in high-school student culture.

#### **b. Changes in High School Placement Service and Changes in High-school Student Culture.**

High school placement service and high-school student culture. is cited as a major factor of what used to make smooth transitions from school to work possible for high school graduates. The employment system for high school graduates in Japan is very unique and there are no other countries possessing a similar system; most Japanese high school students secure employment by means of a school recommendation.

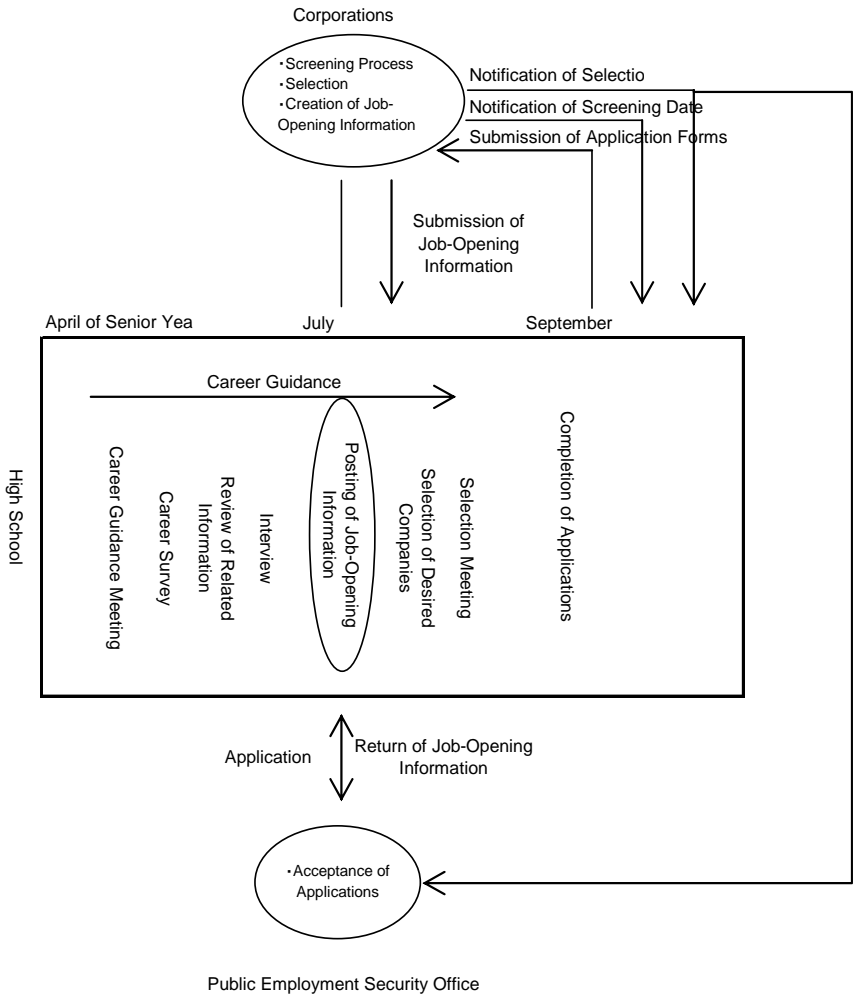
Figure 8 reflects the employment system of Japanese high school students. Employment Security Office first verifies the content of corporation offerings for high school students, and asks high schools that firms offer. Corporations' standards for choosing high schools are based on their past record of employment of students from those schools. Therefore, new high schools or non-technical schools with a lower percentage of employment have fewer job offerings.

Students choose only one company from job offers. If many students applying, their school placement service chooses students based on their grades and the employers accept them accordingly. Thus, high school teachers provide not only career guidance, but also job placement, acting as a liaison between education and employment.

This cooperative relationship between corporations and high schools is called *Jisseki-Kankei* and has afforded high school students with a smooth transition from school to work in Japan.

During the recession in the late 1990s, corporations abandoned the *Jisseki-Kankei* with high schools, and the number of Job Offer to applicant dramatically declined (Figure 9). Student culture also changed, and fewer students participated in job hunting for regular employment. Since high school placement service could not provide sufficient job openings for students, it became difficult to balance job placement and career guidance, thus losing its function. In 2006, due to the improvement in the economy and the retirement of baby boomers, employment for high-school students has drastically improved, but this is expected to last only temporarily.

**Figure 8. Employment system for Japanese high school students**

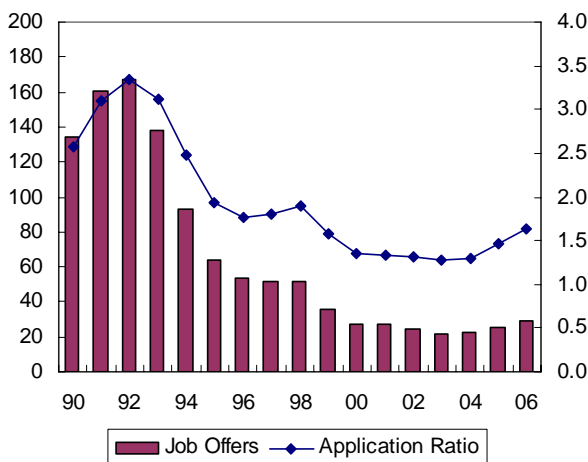


Source: The Japan Institute of Labour (1998).

On the other hand, while admission of higher education has become easier academically due to a decline in the population of 18 year-olds, one still needs to pay one million yen for application fee and first-year tuition. Scholarships are not sufficient to cover all costs, though the scholarship system is improving. Therefore, the number of high school graduates unable to go to higher education or become fully employed that end up “straying” in the labor market as

**Figure 9. Job offers and application ratio for high school students**

Unit: 10 thousand people



Source: Labor Market for New Graduates By the Ministry of Health, Labour and Welfare.

*freeters* or the unemployed (Mimizuka 2006).

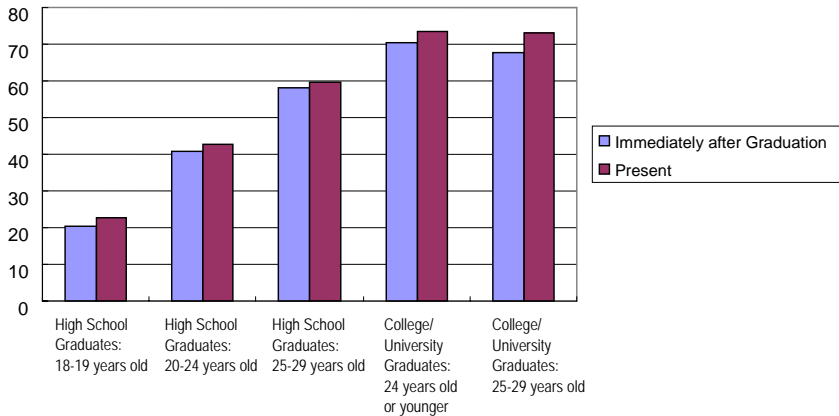
### 3. Abandonment of Unstable Employment

Let us examine whether young people can transit from *freeters* to regular employees. Our analysis is based on The Second Survey of Youth Work Styles by the JILPT in February 2006, a survey conducted upon two thousand young people in Tokyo Prefecture based on an area sampling.

First, the percentage of regular employees at the time of graduation and that of the survey were compared (Figure 10, female data is abbreviated). Due to space limitations in this paper, only the data for males will be examined and analysis of female data will be discussed in a separate paper. Hereafter, all of the tables and figures in this section will be cited from JILPT 2006.

Figure 10 shows no remarkable change in the percentage of regular employees between graduation and the present. There are a higher percentage of college/university graduates becoming fully employed immediately after graduation, and this trend continues to the present. High school graduates, on the other hand, tend not to secure full-time employment after graduation, and this trend continued till the time of the survey. Situations immediately after the

**Figure 10. Percentage of regular male employees at graduation and present  
(across different genders, age, and academic backgrounds)**



Source: JILPT (2006).

graduation still remain the same.

In order to examine in more detail, we added a question to gather data on whether those in non-regular employment became regular employees.<sup>3</sup> Thus transition types for males in their late 20s were developed (Table 2).<sup>4</sup> Data from the survey in 2001 is shown for comparison.<sup>5</sup>

In the high-school graduates group, there is little change in Only Regular Employment (no change job), which refers to those who became regular

<sup>3</sup> Non-regular employment in this paper refers to non-fulltime employment (non-fulltime employees including civil servants).

<sup>4</sup> Career types are determined based on whether respondents became regular employees (including civil servants) immediately after graduation, as well as their current form of employment. *Albeit*, part-time, contracted, and temporary employment are categorized as non-regular employment, and non-regular employment including self-employment and family business is defined as Other Forms of Employment. Non-regular Employment refers to those failing to secure regular employment at the time of graduation and currently doing a job categorized as non-regular employment. This includes those who temporarily worked as regular employees (56 respondents, 8 %) at one time.

<sup>5</sup> The 2001 survey was conducted on one thousand regular employees and one thousand *freeters*. The data was weighted back according to the Census and the Employment Status Survey. Therefore the percentage of regular employees may be higher than the actual number.

**Table 2. Types of transitions of 25-29 years old male**

	High School Graduates		College/University Graduates	
	2001	2006	2001	2006
Only Regular Employment (no change job)	21	21.6	61	↓ 47.6
Only Regular Employment (change job)	17	↓ 11.5	12	10.1
Regular to Non-regular Employment	3	8.9	2	4.8
Regular and Non-Regular Employment	13	9.5	6	3.7
Only Non-regular Employment	9	↑ 14.9	7	↑ 13.2
Non-Regular Employment to Regular Employment	24	↓ 16.9	8	11.6
Self-employment/Family Business	11	12.8	3	6.3
Unemployed/NEET	1	3.4	0	2.6
Others	1	0.7	1	0.0
Total	100	100.0	100	100.0
N	—	179	—	339

Note: The 2001 data is weighted back; actual numbers and fractional data are not presented.

Source: JILPT (2006).

employees immediately following graduation, have not changed their jobs since then, and are still employed at the time of the survey.

A dramatic decline was observed in the following types: Only Regular Employment (change Job) directly after graduation and later accepted regular employment elsewhere to present; Non-regular Employment to Regular Employment, or those who worked in other forms of employment after graduation but had transitioned to regular employment at the time of the survey. There was a substantial increase in Only Non-regular Employment, or those who from the point of graduation to the time of the survey were in non-regular employment, unemployed, jobless, self-employed, or working in a family business. In the college graduates group, the percentage of Only Regular Employment (no job change) dropped dramatically, while that of Only Non-regular Employment increased, though the expansion is not as remarkable as it was among the high-school graduates group.

Figure 10 and Table 2 demonstrate that transition patterns are determined at the time of graduation, and the ratio of movement between regular and non-regular employment is small. Not only did the percentage of those who were solely in non-regular employment increased, but also opportunities for high school graduates to become regular employees decreased, if they did not secure regular employment right after graduation.

Let us now examine forms of employment at the time of graduation to see if opportunities for becoming regular employees are limited by social stratification. We will use the parents' academic background and financial affluence as indicators for social stratification.<sup>6</sup>

In a survey conducted in 2001, there was a weak relationship between the respondents' form of employment and each family's financial affluence, though this was not confirmed in the overall data. In the younger group (18-19 years old) with a lower academic background, there was a relationship between the respondents' form of employment and the parents' academic background, the father's job, and the family's financial affluence. This means that young people with a lower academic background were affected more decidedly by social stratification (Mimizuka 2001).

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<sup>6</sup> There is some research regarding *freeter* percentages and those abandoning the *freeter* system. Taroumaru (2006) recently conducted a study on young people in the *Kansai* region. The study points to an influence by social stratification on the *freeter* ratio or remaining a *freeter* when the father's job is factored as a stratification indicator.

In a survey conducted in 2006, influence of social stratification was not observed (Kosugi 2006), but there was a weak relationship between the respondents' form of employment and the family's financial affluence. In the younger population, however, the higher the parents' academic background, the lower the percentage of regular employees became, showing no negative influence from social stratification.<sup>7</sup> This indicates that the academic background of the respondents themselves has a clear influence on their form of employment.

Based on a survey conducted by the Cabinet Office in 2005, Iwaki (2006) stated that labor markets for regular and non-regular employees are well separated with a very narrow path running between them. The author also discussed that those who will remain in a stable career (i.e. have only worked as regular employees, including at the time of the survey) are already selected before they enter the labor market, indicating that being in a stable career is more readily influenced by factors related to the worker's academic background than factors of social stratification.

If we are to add our findings to this, this trend of "selection" intensified during 2001 to 2006, and workers' academic background became more influential than social stratification. This does not mean that only academic background influences transition. Social stratification is translated into the workers' academic background, determining their forms of employment (Kosugi 2006). In other words, the parents' finances are becoming an effective resource for transition only when it is transformed as the workers' academic background.

Let us look at *freeters*, who account for the majority of non-regular employment.<sup>8</sup> The percentage of those with experience as a *freeter* (those who have worked as a part-time or *albeit* worker excluding the period in which they were a student) was approximately 35 % in 2001 and increased to 50 % in 2006, particularly in the group with a high school diploma or less (related tables and figures are not shown here).

Let us examine the relationship between experience as a *freeter* and social stratification (Table 3). In those with a high school education diploma or less, the experience of being a *freeter* is high when the father's academic background

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<sup>7</sup> The father's job is not examined since it was not included as a survey item.

<sup>8</sup> Non-regular employees other than *freeters*, such as contracted and temporary workers, should be discussed separately.



is low.

Among those possessing a certificate, diploma, or academic degree of higher education, when the father's academic background is high, the *freeter* percentage is higher. In the former group, when the mothers have a certificate, diploma, or academic degree of higher education, the *freeter* ratio is high. In the latter group, when the mothers have a high school diploma or less, the ratio is also high. On the other hand, regardless of the respondents' academic background, if their family is not wealthy, the *freeter* ratio becomes high, indicating a relationship to social stratification. Either way, it is clear that the workers' academic background has a significant effect.

The percentage of trying to become a regular employee from Freeters (hereafter called quitting *freeters*) (Table 4) decreased in 2006 regardless of age group.<sup>9</sup> As for the respondents' academic background, the percentage of quitting *freeters* was high among those with high school diplomas or lower in the 2001 survey, while in the 2006 survey, the percentage was high among those with certificates, diplomas, or academic degrees of higher education in the early 20s group, and also among those with high school diplomas or lower in the late 20s group. This indicates that there is no consistent trend for academic background.

Next, the percentage of those successfully securing regular employment was examined. Though the sample was small, there were no differences resulting from varying academic backgrounds among those in their early 20s. Among those in their late 20s, those with a high school diploma or lower displayed a higher percentage of success in securing regular employment than those with a certificate, diploma, or academic degree of higher education. In short, becoming a *freeter* largely depends on one's academic background; however, once one has become a *freeter*, the effects resulting from low academic background no longer impact on securing regular employment.<sup>10</sup> This is probably due to a unique characteristic of the Japanese labor market in which

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<sup>9</sup> The comments of the respondents show that many wish to become regular employees, in many cases, at the company in which they are employed as *albeit* workers. Such desires, which are not put into action, have been discussed in various studies, but these workers tend not to take any action. Refer to JILPT (2006).

<sup>10</sup> This can be confirmed by logistic regression analysis as well, though charts are abbreviated.

**Table 3. Experience of being a *Freeter* (male)**

Academic Background of the Respondents	Social Stratification Variable	Percentage of Freeters	N
High School Diploma or Lower	Father's Academic Background: High School Diploma or Lower	59.2	265
	Father's Academic Background: Certificate, diploma, or academic degree of higher education	67.6	136
Certificate, diploma, or academic degree of higher education	Father's Academic Background: High School Diploma or Lower	37.6	197
	Father's Academic Background: Certificate, diploma, or academic degree of higher education	33.8	314
High School Diploma or Lower	Mother's Academic Background: High School Diploma or Lower	60.0	285
	Mother's Academic Background: Certificate, diploma, or academic degree of higher education	66.9	124
Certificate, diploma, or academic degree of higher education	Mother's Academic Background: High School Diploma or Lower	38.8	255
	Mother's Academic Background: Certificate, diploma, or academic degree of higher education	31.1	254
High School Diploma or Lower	Wealthy	64.8	169
	Not Wealthy	61.5	227
Certificate, diploma, or academic degree of higher education	Wealthy	49.0	293
	Not Wealthy	30.0	196

Source: JILPT (2006).

Note: Data for "Not applicable/Unknown" is not shown.

#### 4. Changes in Japanese Selection Pattern

Let us extend our discussion to the selection and distribution system in Japanese society.

It has been pointed out that the Japanese economic success largely depended on the high quality of those with lower academic background. When compared with England and the U.S., where the level of aspiration varies by different class or race, the Japanese selection system has the characteristic of having people warm-up their aspirations to the mainstream of society and having them participate in competition. A system which included non-elites in competition and motivated them functioned well in post-war Japan (Kariya 1991).

The Japanese selection pattern is one of the most important factors of Japanese economic success. Rosenbaum, through empirical analysis, compared selections in the US to a tournament. A loser often does not get the chance to challenge the selections again. On the other hand, Japan is practicing a reshuffling type of selection norm, where tournaments enable a return-match, whether one has lost or won in the past (Takeuchi 1995). Thus, Japan used to be a society with a selection pattern in which non-elite aspiration was hard to be cooled-out.

As we discussed in the previous section, however, young people who did not become regular employees after leaving school now tend to stay in the labor market as *freeters*. This indicates that the system which enabled return-matches no longer function.

In other words, having those who once “lost” or did not become a regular employee challenge return matches, or enable them to win return matches is essential in order to maintain the energy of the Japanese society and the quality of human resources. Japanese society has begun to exclude them, who have mostly lower academic background, from the mainstream.

#### 5. Current Support Systems and Related Issues

Because Japanese society ensured smooth transitions from school to work for its youth, support for these transitions was once limited to the time of graduation. Currently, however, transition issues have called for social attention, and a plan for youth independence and challenge was temporarily established in 2004. The plan includes three main approaches: the Job Café, the Japanese Dual System, and the *Wakamono Jiritsu Juku* (school of youth independence).

Job Café is a one-stop service center which provides employment related

services to young people in order to help foster skills fulfilling local needs and to promote job-seekers' employment. There are forty-three Job Cafes in Japan. However, young people with a higher level of education tend to use Job Café (JILPT 2005). This is caused by disparities in understanding how to access information and services (Iwata 2006), and by the fact that public support, in particular, is often exclusively focused on those with a higher education. Thus, academic background affects not only the opportunity to become a regular employee, but also accessibility to support systems.

The Japanese Dual System is an training program modeled from a German program. It promotes learning while working; learning technical knowledge at school while doing OJT in corporations. The number of participants in 2004 was approximately 30 thousand people. The future plan and goal is to spread and establish a practical training system as a third option to employment or school. While about half of the participants achieve stable employment, it is difficult to obtain corporate assistance, and the cost to the participants is roughly a few hundred thousand yen.

*Wakamono Jiritsu Juku* is a three month camp where the participants experience various aspects of life and labor. They are located in 20 different locations in Japan and about 20 participants can join at one time. Current issues for this program include cost (about 300 thousand yen), lack of young participants, and the camps' short cycle.

On the other hand, student support taking the forms of career education or work experience have grown more common, but the effects are still unknown.

In short, though there are more support systems for young people facing unstable situations like employment as a *freeter*, the number of such systems is still small and the cost is high.

## 6. Conclusion

The diversification in transitions, beginning in the latter half of the 1990s and continuing till today, is mainly observed among those lacking education beyond a high school diploma. While more than 70 % of young people in Japan have a high school education, the buildup of problems for this group continues.

Young people's transition from school to work used to be smooth, since high school placement service, providing both counseling and job placement from an abundance of job offers, made such transitions for the students successful.

the path to stable employment is limited to the time of graduation.<sup>11</sup>

**Table 4. Percentage of males that have sought regular employment**

		2001	2006	N
20-24 Years Old	High School Diploma or Lower	70	43.4	122
	Certificate, diploma, or academic degree of higher education	65	49.4	85
	Total	68	45.9	207
25-29 Years Old	High School Diploma or Lower	88	70.7	92
	Certificate, diploma, or academic degree of higher education	83	65.3	121
	Total	85	67.3	213

Source: JILPT (2006).

Note: The 2001 data is weighted back; N and fractional data are not presented.

**Table 5. Percentage of males successfully finding regular employment**

		2001	2006	N
20-24 Years Old	High School Diploma or Lower	79	50.9	53
	Certificate, diploma, or academic degree of higher education	59	50.0	42
	Total	71	50.5	95
25-29 Years Old	High School Diploma or Lower	74	72.3	65
	Certificate, diploma, or academic degree of higher education	79	65.8	79
	Total	76	68.8	144

Source: JILPT (2006).

Note: The 2001 data is weighted back; N and fractional data are not presented.

<sup>11</sup> Takeuchi (1991) pointed out that academic background has an effect only in initial selection through analysis of promotion within an organization. Hamanaka and Kariya (2000) state that academic background affects not only initial employment but also job changing.

This type of career guidance, however, could no longer function effectively after the recession in the late 1990s. Therefore, high school graduates not pursuing higher education or securing employment enter the job market in an unstable state.

This group will remain in unstable state since full-time stable employment is available only immediately after graduation in Japan. Due to the dramatic differences between full-time and part-time employment, unstable part-time employment makes it difficult for workers to be independent or to have a family, with limited opportunities for career-related skill and career development.

Until recently, the smooth transition from school to work made the transition from adolescence to adulthood easy as well. Since transitions are now more difficult, this might affect not only the young, but also the entire Japanese society.

We cannot yet say that everyone believes in the necessity of supporting young people's transitions in Japan. Support has only just begun, not only at a policy level, but also at the research level. Yet, it is imperative that we continue to provide such support and conduct more research to provide empirical data.

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