
Japan's "Lost Generation" Today: From a Survey on 30s' Working Styles in Tokyo

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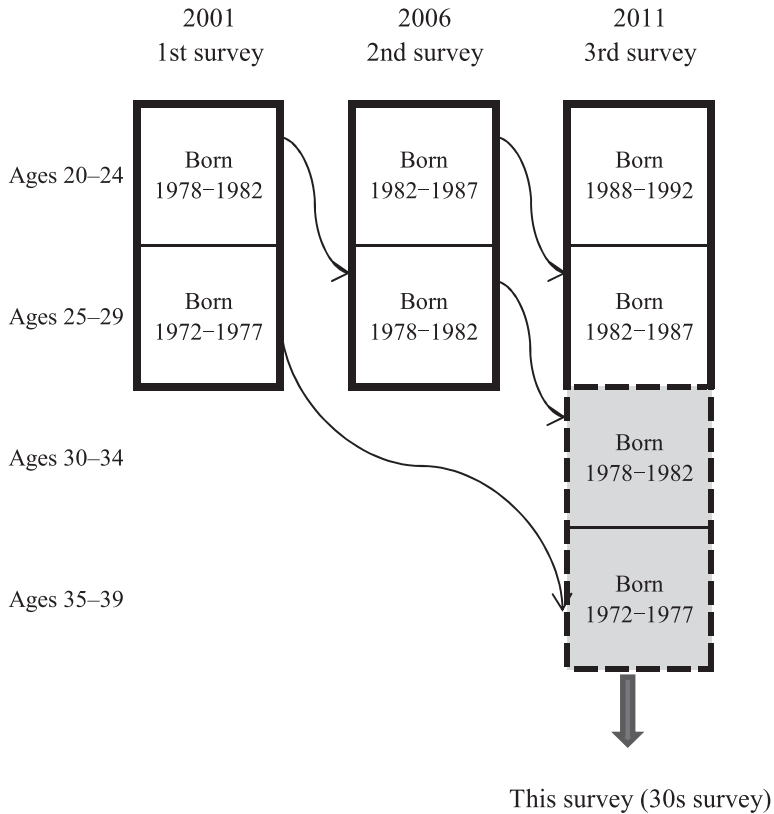
This paper attempts to clarify the present situation of a generation in which career transitions have become unstable, through a survey of people in their 30s in Tokyo. Originally, a tendency for increasingly unstable transitions from school to work appeared most conspicuously among senior high school graduates. Now that they are in their 30s, however, most of them have experienced working as regular employees at one time or another, even if they entered the labor market as non-regular employees. And although the transition was not smooth, the path to regular employment appears to have been open to them. In some careers, however, a tendency to revert to non-regular employment has been seen, even after the transition from non-regular to regular employment. Behind this lie differences in working conditions among regular employees; the fact that working conditions are worse for those who become regular employees later in life is seen as a factor behind job-leaving. Even for those who were not in employment or became non-regular employees after graduation, meanwhile, seeking advice from a schoolteacher (for females) and the very act of seeking advice someone (for males) was observed as a positive factor in the transition to regular employment later on.

I. Survey Background and Survey Design

The purpose of this paper is to clarify the situation now facing the generation known as the "lost generation" or the "employment ice-age generation"¹ in Japanese society. This will be done through a survey of career formation and awareness among people in their 30s in Tokyo.

From the second half of the 1990s onwards, the transition from school to work became unstable for young people in Japan, and they increasingly found it difficult to achieve this transition smoothly. The Japan Institute of Labour (forerunner of the Japan Institute for Labour Policy and Training, JILPT) was quick to focus on this phenomenon, and conducted surveys on it. Amid a series of research studies, quantitative surveys were conducted with around 2,000 randomly selected Tokyoites in their 20s in the 2001, 2006 and 2011 Survey on Young People's Working Styles (JIL 2001; JILPT 2006, 2012). These were not panel surveys tracking individuals, but were designed to accumulate fixed point observations on the realities of people in their 20s in Tokyo.

¹ Although phrases like "lost generation" and "employment ice-age generation" are often used in the media and have become household terms, there is no academic definition. This is often vaguely described as a generation of people who had difficulty in finding stable employment between the mid-1990s and the beginning of the 2000s, owing to the recession. For purposes of comparison with previous surveys, this paper will target those born between 1971 and 1981.



Note: In each survey, students and full-time housewives (househusbands) have been removed from the survey targets. However, workers on childcare leave and mature students are included.

Figure 1. Outline of Survey Design (Gray Shading Indicates Targets of This Study)

To summarize some of the chronological findings of these three surveys, it was observed that young people's employment situations were significantly regulated by the economic climate at the time of their graduation, and that the likelihood of breaking away from "freeters" to regular employees also depended on the state of the economy. Moreover, educational background had a bigger impact than the home background, and young people's awareness was becoming progressively "solid," amongst other findings. Meanwhile, since the surveys were limited to a large city, similar surveys were also conducted in two regions selected on the basis of labor market classifications, enabling the process of transition by young people in smaller cities to be studied (JILPT 2009).

As this research accumulated, the next area of concern was until what age changes in the transition process would continue. In the past, people in their 30s had more or less completed their period of career trial and error in the first half of their 20s, and had entered a period of career stability by their 30s.

Table 1. Changes in Survey Design (Heavy outline indicates this survey)

Survey year	Survey name	Region	Selection method	Survey targets	No. of survey targets
2001	1st Young People's Working Style Survey	Tokyo	Area sampling (Divided into 1,000 freeters, 1,000 non-freeters)	Ages 18-29	2000
2006	2nd Young People's Working Style Survey	Tokyo	Area sampling (No division)	Ages 18-29	2000
2011	3rd Young People's Working Style Survey	Tokyo	Area sampling (No division)	Ages 20-29	2058
2011	30s Working Style Survey	Tokyo	Area sampling (No division)	Ages 30-39	2000
2008	Hokkaido Young People's Working Style Survey	Hokkaido (Sapporo)	Area sampling (No division)	Ages 20-34	600
		Hokkaido (Kushiro)	Random selection	Ages 20-34	240 requested, 113 responded, collection rate 47.1%
2008	Nagano Young People's Working Style Survey	Nagano	Area sampling (No division)	Ages 20-34	500
		Suwa, Chino, Okaya	Area sampling (No division)	Ages 20-34	500

Note: The Working Style Surveys were not panel surveys, and each had different survey targets.

But how should “the 30s” be appraised in a generation where the transitional period has been lengthened? Does the period of unstable transition continue into the 30s, or do people enter stable situations in their 30s even if they were unstable in their 20s? In reality, few surveys have dealt with people in their 30s after the school-work transition became unstable.

Clarifying the present realities of today’s 30s generation as members of the “employment ice-age generation” is seen as a significant endeavor, in that it will also reveal what sort of transition process will be followed by those in their twenties from now on, i.e. those who have entered (or will enter) society after the transition became unstable.

For this paper, therefore, a survey was conducted of the 30s generation today, i.e. people who born between 1972 and 1981 who entered society after the transition became unstable (Figure 1). To make the survey comparable with previous surveys, the survey targets were limited to people in their 30s in Tokyo.

The survey was conducted from July to October 2011, with 2,000 targets selected via area sampling. The gender ratio was the same as that of Tokyoites in their 30s in the “Basic

Residents Register." The name of the survey was the "Thirties' Working Style Survey" (Table 1).

Below, aspects of the transition from school to work will be enumerated in section II, and the transition from non-regular to regular employees will be analyzed in section III. Social networks will be examined in section IV, while this paper will be summarized and its policy implications discussed in section V.

II. The Transition from School to Work

The generation targeted by this survey is one in which the transition from school to work suddenly became unstable compared to previous generations. This can be confirmed in detail in Figure 2, showing estimated ratios of those taking up employment as regular employees on graduating from school, classified by their year of birth, based on the "School Basic Survey."

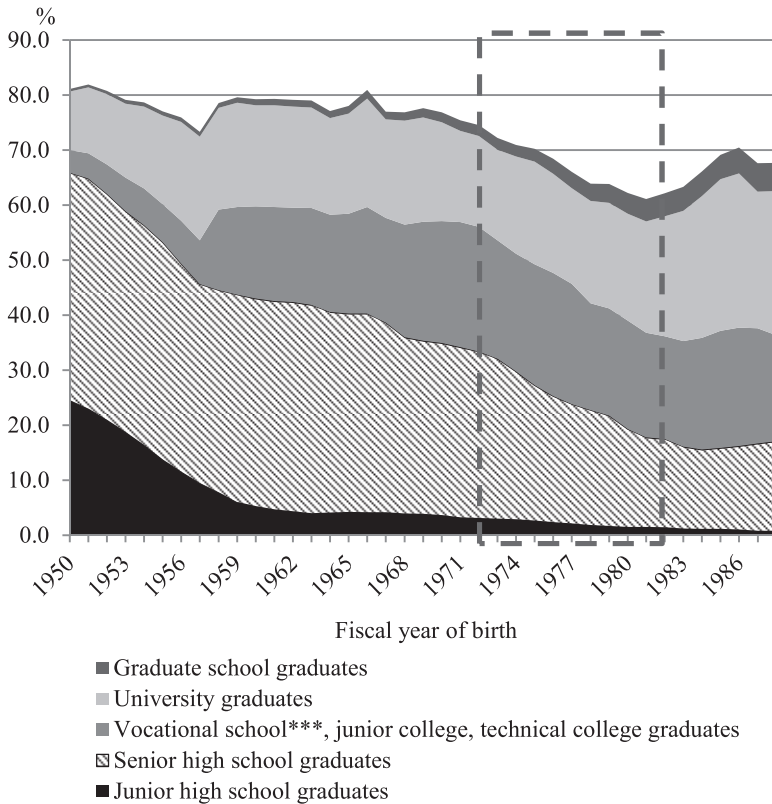
The part inside the rectangular box is the generation targeted by this survey. The sudden decrease in the ratio of regular employees is immediately clear to see.

In Japan, it is still mainstream practice for companies to conduct hiring activity in different markets for new graduates and mid-career recruits, and to hire new graduates en masse. Consequently, a person's employment status immediately after leaving school is strongly influenced by the person's educational background and the state of the economy on leaving education (while looking for jobs). It can thus be reaffirmed that the generation targeted by this survey has been directly affected by economic recession.

Next, Table 2 divides the target generation into gender, educational background, and year of leaving school, and examines the ratio of regular employees immediately after leaving school.

First, the situation with males. Here, the change is particularly pronounced amongst senior high school graduates. Up to 1993, the ratio was on the high side at 72.8%, but it fell to 64.7% in 1994-98 and 54.2% in 1999-2005. For females, too, the fall in the ratio of regular employees was largest amongst senior high school graduates, as it was for males. Here, however, the ratio of regular employees also declined among females advancing to higher education in general.

It may thus be observed that changes in the transition from school to work from the mid-1990s onwards were particularly pronounced among senior high school graduates.



Source: Created based on *School Basic Survey* (Ministry of Education / Ministry of Education, Culture, Sports, Science and Technology).

Notes: *Ratios of new graduates entering the labor market = (Junior high school graduates 15 years after X [year of birth] + Senior high school graduates 18 years after X + Junior college, technical college and vocational school graduates 20 years after X + University graduates 22 years after X + Masters course graduates 24 years after X + Ph.D. course graduates 27 years after X) / Junior high school graduates entering the labor market 15 years after X × 100, with partial estimates for numbers of graduate school graduates entering the labor market.

**Whole population by fiscal year of birth is based on the number of junior high school graduates.

***Figures for vocational school graduates start with those born in FY1958.

Figure 2. Ratios of New Graduates Entering the Labor Market as Regular Employee* Compared to Whole Population by Fiscal Year of Birth**

Table 2. Ratio of Regular Employees Immediately after Leaving School, by Gender, Educational Background, and Year of Leaving School

	Year of Leaving Education									
	Up to 1993		1994-1998		1999-2005		2006 onwards		Total	
	Ratio of regular employees	N	Ratio of regular employees	N	Ratio of regular employees	N	Ratio of regular employees	N	Ratio of regular employees	
Males										
Senior high school graduates	72.8%	92	64.7%	85	54.2%	24	-	0	65.7%	236
Vocational school, junior college, technical college graduates	76.7%	30	77.8%	90	63.3%	60	-	6	71.2%	219
University, Graduate school graduates	-	0	84.6%	149	78.7%	230	81.3%	16	81.1%	450
Junior high school graduates, Senior high school dropouts	32.3%	31	33.3%	21	-	1	-	0	29.8%	57
Higher education dropouts	-	6	6.7%	15	12.5%	24	-	1	15.7%	51
Total	62.9%	159	71.9%	360	69.3%	339	60.9%	23	68.8%	1,027
Females										
Senior high school graduates	76.5%	85	56.8%	95	45.0%	20	-	1	60.6%	241
Vocational school, junior college, technical college graduates	78.1%	73	71.4%	154	59.0%	105	-	7	68.0%	400
University, Graduate school graduates	-	1	80.8%	73	64.9%	131	41.7%	12	68.5%	251
Junior high school graduates, Senior high school dropouts	15.8%	19	12.5%	16	-	1	-	0	12.8%	39
Higher education dropouts	-	6	20.0%	10	-	5	-	0	24.0%	25
Total	69.6%	184	65.0%	349	59.9%	262	40.0%	20	62.6%	964
Total										
Senior high school graduates	74.6%	177	60.6%	180	50.0%	44	-	1	63.1%	477
Vocational school, junior college, technical college graduates	77.7%	103	73.8%	244	60.6%	165	15.4%	13	69.1%	619
University, Graduate school graduates	-	1	83.3%	222	73.7%	361	64.3%	28	76.6%	701
Junior high school graduates, Senior high school dropouts	26.0%	50	24.3%	37	-	2	-	0	22.9%	96
Higher education dropouts	16.7%	12	12.0%	25	13.8%	29	-	1	18.4%	76
Total	66.5%	343	68.5%	709	65.2%	601	51.2%	43	65.8%	1,991

Table 3. Rate of Transition to Regular Employees and Time Taken until Transition, by Year of Leaving School

	Year of Leaving Education	Ratio of employment as (transition to) regular employees or public servants		Transition ratio by time taken between leaving education and transition (%)				Component ratios of transition in 2003–2008 (%)
		(%)	N	Less than 3 years	3–5 years	6 years or more	Unknown	
Males	Up to 1993	64.3	42	26.2	31.0	4.8	2.4	0.0
	1994–1998	66.7	87	27.6	19.5	13.8	5.7	17.2
	1999–2005	81.7	93	35.5	26.9	12.9	6.5	69.7
Females	Up to 1993	41.3	46	26.1	10.9	2.2	2.2	0.0
	1994–1998	55.6	108	25.0	14.8	10.2	5.6	13.3
	1999–2005	48.5	97	22.7	15.5	7.2	3.1	57.4
Total	Up to 1993	52.3	88	26.1	20.5	3.4	2.3	0.0
	1994–1998	60.5	195	26.2	16.9	11.8	5.6	15.3
	1999–2005	64.7	190	28.9	21.1	10.0	4.7	65.0

III. The Transition to Regular Employment

As seen in the previous section, it became harder for some to enter the labor market as regular employees on leaving school. So how did their subsequent careers pan out?

Surprisingly, among those who had not been in employment or had taken up atypical or non-regular employment immediately after leaving school, about 70% of males and around half of females became regular employees in their 30s, at least for a time. As was confirmed in Table 2, the ratio of regular employees differs according to the year of leaving school. Table 3 shows the ratio of transition to regular employees by those who were not in employment or were non-regular employees immediately after leaving school.

For males, the transition ratio was highest for those leaving school in 1999–2005, when it was hardest to find regular employment, and moreover the length of time between leaving school and transition was also short. Furthermore, the ratio of transition was particularly high during the period of economic recovery from 2003 to 2008. Among graduates up to 1993, conversely, there were hardly any who made the transition between 2003 and 2008, suggesting that the positive factors of a strong economy do not work if ten or more years have elapsed since graduation. For females, however, the clear trend seen among males is not found.

Table 4 shows career types.

To classify careers with a focus on changes in the working style, “Established regular employee” accounted for 30% of males and around 10% of females. Although this type accounted for around 40% of both males and females in their 20s (1st survey), the “From

Table 4. Career Types

	Males	Females	Total
Established regular employee	28.3	12.1	20.5
Job-changing regular employee	21.4	5.3	13.6
From regular to non-regular employee	3.4	31.1	16.8
Regular employee, temporarily other formats	7.6	5.2	6.5
Non-regular employee only	3.4	14.2	8.6
Non-regular, temporarily regular employee	1.5	7.9	4.6
From other formats to regular employee	15.7	7.5	11.8
Self-employed, family business	15.4	14.7	15.1
Currently not in employment	1.8	1.5	1.7
Others, unknown	1.4	0.6	1.1
	100.0	100.0	100.0
Total	1,035	965	2,000

regular to non-regular employee" type has increased significantly amongst females. The "Non-regular employee only" type with no experience of regular employment accounted for 3.4% of males but a not insignificant 14.2% of females.

The focus of interest here is the fact that the "zigzag transition" type, switching to and fro between regular and non-regular employment, accounts for a sizeable proportion (males 15.9%, females [including married] 57.5%). This means that, even after becoming regular employees for a while, many revert back to being non-regular employees.

Among females this may be partly because they revert to non-regular employment in order to achieve a balance with family life. However, why this kind of zigzag pattern of transition should also be found among males is a puzzle. Unfortunately, respondents were not asked why they had returned to non-regular employment in the "30s Working Style Survey." This will now be studied by comparing the "Established regular employee" and "From other formats to regular employee" career types.

Table 5 shows "Working style characteristics of different regular employee careers," with focus on working conditions.

Comparing the "Established regular employee" type with the "From other formats to regular employee" type, the former often works for large corporations and therefore has a higher average monthly income, as well as higher rates of coverage by social insurance and labor union membership. The income disparity between career types was wider than found in the surveys of people in their 20s.

Table 6 shows levels of life satisfaction among regular employees in different careers.

In the 1st survey of respondents in their 20s, a tendency was seen for experience of non-regular employment to be valued by the "From other formats to regular employee" type.

Table 5. Working Style Characteristics of Different Regular Employee Careers:
Working Conditions

	Survey targets	Previous year's income (× ¥10,000)	Working hours per week (hour)	Hourly income (× ¥1,000)	Ratio of annual income to established regular employees	Ratio of hourly income to established regular employees	Years of service (year)
<u>Males</u>							
Established regular employee	274	570.2	51.5	2.13			12.3
Job-changing regular employee	201	496.0	52.7	1.81	87	85	5.9
From other formats to regular employee	156	424.3	52.8	1.55	74	73	6.7
<u>Females</u>							
Established regular employee	111	401.9	41.4	1.87			12.1
Job-changing regular employee	49	407.6	43.8	1.79	101	84	6.0
From other formats to regular employee	67	321.5	44.3	1.40	80	66	5.4

In this survey, however, in terms of the difference in “life satisfaction,” the “From other formats to regular employee” type was significantly lower. There are no few cases of employees returning to non-regular employment after being regular employees for a time, or switching repeatedly between the two. Though this suggests that the barrier between non-regular and regular employment is not so high, there is thought to be a barrier compared to regular employees who feel life satisfaction. Meanwhile, in the “From other formats to regular employee” type, a higher degree of satisfaction was seen among females.

Table 6. Life Satisfaction of Regular Employees in Different Careers
(Degree to which "satisfied with life at the moment" applies)

	Very much	Somewhat	Not much	Hardly at all	No response	Total (%)	N
<u>Males</u>							
Established regular employee	20.5	56.7	19.1	3.8	0.0	100	293
Job-changing regular employee	23.1	48.0	22.2	6.8	0.0	100	221
From other formats to regular employee	9.2	52.8	30.1	8.0	0.0	100	163
<u>Females</u>							
Established regular employee	25.6	57.3	16.2	0.0	0.9	100	117
Job-changing regular employee	11.8	70.6	17.6	0.0	0.0	100	51
From other formats to regular employee	20.8	43.1	29.2	6.9	0.0	100	72

IV. Characteristics of Job Orientation and Experience of Seeking Advice

In this section, the characteristics of job orientation and experience of seeking advice will be analyzed.

There used to be a strong "freeter² orientation" among males in the employment ice-age generation. These were characterized as being oriented towards "free working styles." Non-regular workers, meanwhile, sought means of making the transition from non-regular to regular employment, such as acquiring qualifications that would be useful in professional life or starting up a business.

However, as Figure 3 shows, today's male non-regular employees in their 20s have less wish to acquire qualifications or start businesses, even if hoping to become regular employees eventually. A divergence appears to have arisen between wishes and the means of fulfilling them, or a situation known as anomie in sociology. Moreover, although not shown in the figure, it could be seen as a characteristic of the employment ice-age generation that they are still oriented towards qualifications even after entering their 30s.

Next, Table 7 shows experience of seeking advice before graduating (dropping out), about life after graduating (dropping out). Although the sample size is small, certain trends can be discerned.

² "Freeter" is a neologism combining the English word "free" with the German word "Arbeiter" (worker). It was coined in the late 1980s to express a new and free working style, in which people pursued their dreams while working part-time.

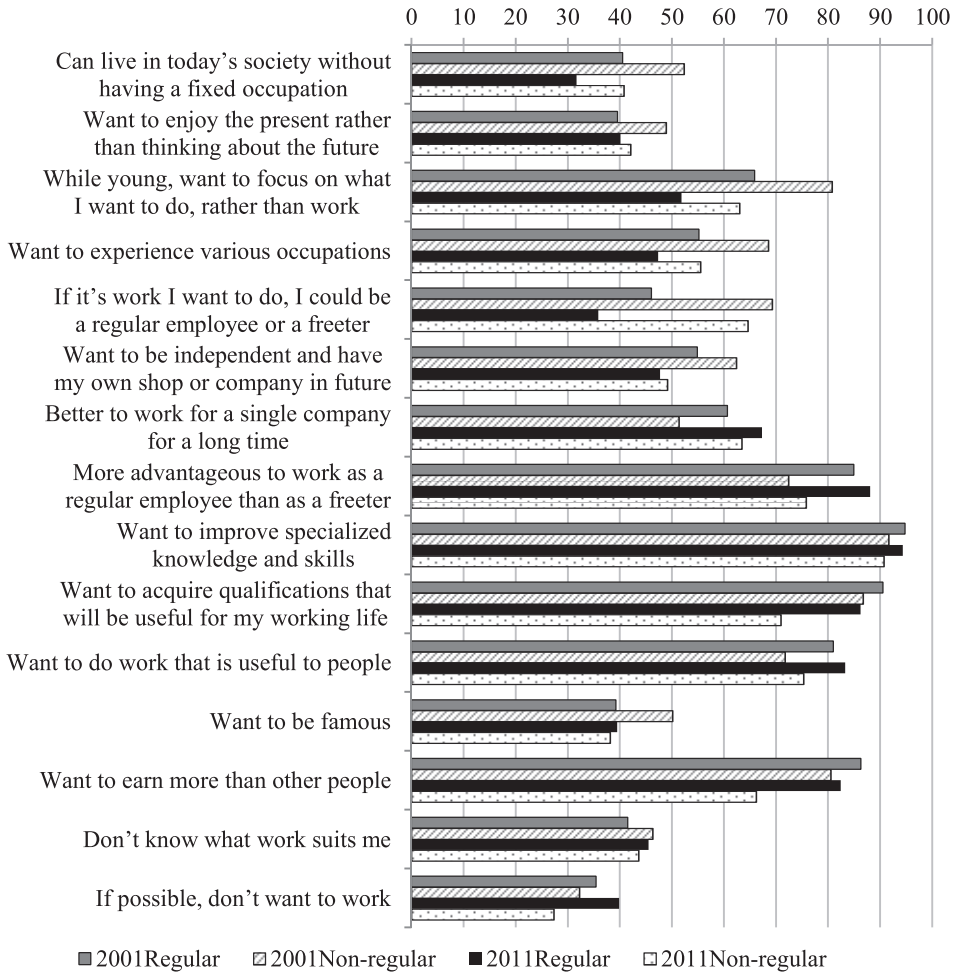


Figure 3. Changes in Vocational Awareness of Males in Their 20s
(2001: Today's 30s when in their 20s, 2011: Today's 20s)

Firstly, the upper table, giving data for females only, shows that those with experience of seeking advice from schoolteachers before graduating had a higher ratio of conversion to regular employees than those who did not seek advice, even if initially not in employment or in non-regular employment. Among males in the lower table, similarly, there is a higher rate of conversion to regular employees among those who sought advice before graduation.

Of course, these are merely cross-tabulations, and the possibility remains that the link is only partial or indirect. Nevertheless, a person's experience of seeking advice on their own future appears not only to have significance at that point in time, but rather has the potential to have certain sustained effects even after the passage of time.

Table 7. Whether or Not Advice Was Sought, and Subsequent Developments for Those in Non-Regular Employment

	Career types				Total	n (persons)
	Permanent non-regular	From other formats to regular employee	Self-employed, family business	Currently not in employment		
Sought advice from schoolteacher before graduating	50.0%	30.8%	11.5%	7.7%	100.0%	52
Did not seek advice from schoolteacher before graduating	60.7%	19.3%	19.3%	0.7%	100.0%	290

Note: Female responses only.

	Career types				Total	n (persons)
	Permanent non-regular	From other formats to regular employee	Self-employed, family business	Currently not in employment		
Sought someone's advice before graduating	11.9%	57.6%	28.1%	2.4%	100.0%	210
Did not have anyone to seek advice from before graduating	28.4%	46.6%	19.3%	5.7%	100.0%	88

Note: Male responses only.

V. Summary of This Paper and Policy Support

This paper has examined the present employment situation of the "employment ice-age generation" or "lost generation," now in their 30s, based on a survey conducted in a large city.

Although changes in the transition from school to work were sudden, the ones most directly impacted by this in the employment ice-age generation were senior high school graduates. The transition from senior high school to work in Japan used to be lauded (even internationally) for being extremely smooth, but this all changed dramatically in the mid-1990s.

According to the survey, however, about 70% of males and about half of females had had some experience of regular employment by their 30s, even if they were not in employment or were in non-regular employment immediately after leaving school. Of course, this could be a characteristic of Tokyo as a large city, but these figures are far higher than was

expected. The fact that the economy recovered after they entered the labor market is thought to have contributed to their conversion to regular employees.

Nevertheless, there are also cases of people reverting back to non-regular employment after being regular employees for a while, and the “zigzag type” of transition seems to have had a certain presence in Japan as well. One of the factors interpreted as lying behind this is that inferior conditions when converting to regular employment later in life led to them reverting to non-regular employment. For example, compared to those who had always been regular employees, those who became regular employees later in life are not only disadvantaged in terms of working conditions, but a disparity is also seen in their levels of satisfaction.

Meanwhile, as a characteristic of the “employment ice-age generation” compared to today’s 20s, the fact that they have a stronger orientation towards qualifications and business startups has been cited. Furthermore, the act of females seeking advice from their schoolteachers and males seeking advice in general, even when not in employment or in non-regular employment after graduating, was observed to have a positive effect on their subsequent transition to regular employees.

In light of the above, suggestions for policy support will now be given.

Firstly, since new recruit training by companies such as that given to today’s 20s cannot be expected, public-sector employment support including vocational ability formation for those in their 30s will be effective. The use of employment-based training (such as job card training) and schools as places for acquiring skills and qualifications could also be considered.

Secondly, opportunities for advice while in school could be enhanced (particularly for those starting non-regular employment on graduation). Those who had experience of receiving advice while in school, even if in non-regular employment on graduating, had richer social networks on entering their 30s, and they also had a higher proportion of transitions “From other formats to regular employee.” Of course, with such a small body of data, the possibility of a false correlation cannot be ruled out. Nevertheless, policy could be made to reflect the fact that giving young people opportunities to receive advice on “their own future” while still in school could have sustained effects, even later in life. Further enhancing support for those who cannot achieve stable transitions upon graduation, in particular, is expected to have a positive effect on their later careers, even if they initially entered non-regular employment on graduation.

Today’s 30-somethings are a generation that was exposed without planning to changes in the transitions in Japanese society. Through this survey, the path of initial transition from non-regular to regular employment, albeit delayed, has appeared open to a certain extent, particularly in the case of males.

Nevertheless, major issues in terms of “quality,” such as labor conditions and work motivation between “regular employees” are still found; various disparities have come to be observed between regular and non-regular employment, or between regular employees

themselves, once they reach their 30s. As well as the problem of non-regular employment, research on working styles as regular employees is required for the 30s generation of today. When doing so, consideration is expected to be given to how the "quality" of employment is measured, as well as the balance with lifestyles and human life in general.

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