# 1 Considering the Responses to Freeter and Jobless Youth Issues

## Freeters and Jobless Youth

Currently, the system for raising young people to become full-fledged working professionals or constituent members of society is extremely unstable. Particularly, due to these changing times, the numbers of "freeters" and "jobless youths," have risen dramatically. What is necessary now is to address these social issues head-on, and restructure the system such that it can raise young people to become full-fledged supporting members of society.

The first issue that needs to be addressed in the process of transition to working professionals is the freeters. According to the latest "White Paper on Labour Economy 2003," the number of freeters is 2.09 million. The number has doubled within the past ten years. Although in the "White Paper on the National Lifestyle 2003," there are different numbers, this is because of differences in the definition of "freeter." While the word "freeter" is actually quite vague, it is, for the most part, commonly understood to refer to young people working in arbeit (temporary jobs) or part-time jobs. In looking at the at the number of males and unmarried females of 15-34 years of age working in arbeit and part-time jobs in the 2002 "Labor Force Survey," they now constitute roughly 1.92 million people.

Rather than the freeters, who are working, it is the young unemployed persons, trying but unable to find work, who are in the greatest danger during this transition to working professional. In the same "Labor Force Survey," the number of completely unemployed persons between the ages of 15 and 34 was around 1.68 million. Furthermore, there are quite a large number of young people who have become detached from the labor force. While they are no different from the unemployed people in terms of not working, they are not searching for work. According to the same "Labor Force Survey," excluding the number of people in school or those who are involved in household affairs from the non-labor force, the number of young people who do nothing is 640,000.

Thus, the number of young people in danger during the transition to working professional is roughly estimated to be around 4.2 million. The recent increase in young people joining the lattermost "non-labor forces" is particularly striking. It can be said that because of the harsh job-hunting environment, the number of young people who appear to have lost their ambitions, has risen dramatically.

## Increasing Numbers of Freeters and Jobless Youth

### (1) Changes in Labor Force Demands

The first underlying cause for the increasing number of such young people is the narrowing down of the number of new-graduate recruitments by recruiters. From its peak of 1.67 million people (1992), the number of job offerings for high school students has now fallen to one-eighth or 220,000, for those graduating in March 2003. On the other hand, the number of job offers for college graduates decreased only to two-thirds of the highest year (2002, Works Institute. Recruit Co.). That is to say, there is a great difference in the decreased levels of job offers depending on academic background. In looking at trends in age and academic background of completely unemployed persons and freeters, a common trend which emerges is that the percentages increase with younger age or lower academic background. This indicates changes in the labor force qualifications required by the industrial sector.

The changes in labor force demands are not just occurring in Japan. Since the latter half of the 1970s, increases in unemployment rates of young people with low academic background levels can be seen occurring in many advanced nations. This has been due to the structural factor whereby in the globally expanding economic scale, the more advanced countries have tended to shift to industries with high added value, and concurrently demand has increased for labor with have added value. In other words, the

younger the age and lower the academic background of a person, the fewer skills and experiences he/she has, leading to limited working chances.

Against this background, Japan, as country providing a system for the smooth transition from school to work, has been receiving international praise for keeping unemployment rates low among young people (Ryan, 1996, OECD, 2000). This system is the recruitment and employment of new graduates, especially from high school where the responsibility for job placement lies on the school, placing many students with employment ambitions in jobs at once. The hiring companies conduct rigorous occupational skill development under the premise that the recruits will be employed long-term. This cooperation between school and company has allowed for young people in Japan to learn occupational skills, and has raised their motivation to do professional work. However, the number of young people dropping out of this system is now on the rise. With the changing employment practices of Japanese companies, it

seems that the all-too-common limited work opportunities of young people in advanced countries is rising to the forefront in Japan as well.

The changing employment practices are, on the one hand, connected with the rising employment through non-full-time employment styles, such as arbeit and part-time work. Already in the mid-1990s, the industrial sector indicated that future Japanese management would move in the direction of short-term employment through work performed by non-full time employees, in order to have some extent of flexibility, even for employment, so as to continue economic activity in a society that changes dramatically and with a future that is difficult to foresee (Japan Business Federation 1995). With the premise of limiting the recruitment of new graduates for long-term employment, the behavior of companies in increasing their employment of non-full-time employees has been a means of responding to the sluggish economy, as well as a reflection of the changes to these fundamental ideologies.

## 1-1    Freeter ratios by gender, age, and academic backgrounds

(%)

|  | 1982 | 1987 | 1992 | 1997 |
|---|---|---|---|---|
| Male totals | 2.4 | 4.0 | 4.4 | 6.4 |
| 15-19 years of age | 7.8 | 14.8 | 15.7 | 24.4 |
| 20-24 years of age | 3.8 | 6.1 | 6.6 | 10.6 |
| 25-29 years of age | 1.7 | 2.5 | 3.0 | 4.4 |
| 30-34 years of age | 1.3 | 1.6 | 1.5 | 2.4 |
| Junior high school | 4.3 | 9.1 | 12.3 | 15.6 |
| High school | 2.4 | 4.4 | 4.9 | 7.2 |
| Junior college/Technical college | 2.2 | 3.3 | 3.1 | 5.1 |
| College/Graduate school | 1.2 | 1.4 | 1.4 | 2.7 |
| Female totals | 7.3 | 10.8 | 10.2 | 16.3 |
| 15-19 years of age | 6.7 | 14.4 | 15.1 | 29.2 |
| 20-24 years of age | 6.1 | 8.9 | 9.2 | 16.9 |
| 25-29 years of age | 9.6 | 12.1 | 10.2 | 13.6 |
| 30-34 years of age | 10.5 | 13.4 | 10.8 | 14.3 |
| Junior high school | 12.9 | 27.2 | 32.1 | 42.4 |
| High school | 6.5 | 10.7 | 11.1 | 20.0 |
| Junior college/Technical college | 7.3 | 8.2 | 6.9 | 12.1 |
| College/Graduate school | 8.0 | 8.9 | 6.8 | 9.6 |

Source: "Labor Force Survey," Ministry of Internal Affairs and Communication

## 1-2　Unemployment rate by gender, age and academic backgrounds of young people

(10,000 people, % in bold)

| | Male | | | Female | | |
|---|---|---|---|---|---|---|
| | Working persons | Completely unemployed | **Unemploy-ment rate** | Working persons | Completely unemployed | **Unemploy-ment rate** |
| 15-24 years (excluding those in education) | 250 | 37 | **12.9** | 243 | 27 | **10.0** |
|     Junior high/High school | 172 | 29 | **14.4** | 125 | 17 | **12.0** |
|     Junior college/Technical college | 38 | 3 | **7.3** | 85 | 7 | **7.6** |
|     College/Graduate school | 40 | 4 | **9.1** | 33 | 2 | **5.7** |
| 25-34 years (excluding those in education) | 845 | 52 | **5.8** | 563 | 44 | **7.2** |
|     Junior high/High school | 430 | 33 | **7.1** | 245 | 23 | **8.6** |
|     Junior college/Technical college | 129 | 7 | **5.1** | 208 | 14 | **6.3** |
|     College/Graduate school | 287 | 12 | **4.0** | 111 | 7 | **5.9** |

Note: Unemployment rate = Number of completely unemployed /(Working numbers + Completely jobless numbers).
Source: 2002 average values from "Labor Force Survey (Detailed Tabulation)," Ministry of Internal Affairs and Communication.

These changes in company behavior can be said to be the largest contributing factor to the circumstances of rising numbers of young unemployed persons, decreasing numbers of full-time employees, and increasing numbers of non-full time employees.

### (2) Problems from the Supply Side of the Labor Force

At the same time, it has been pointed out that the problems also lie with the young people, such as trends among high school and university graduates who are not actively undertaking job-hunting activities, choosing to become freeters or jobless persons instead, as well as high turnover rates of young persons caused by many of them quitting voluntarily. It can be interpreted in a way such that changes in the awareness and behavior of young people have led to high unemployment rates and growing numbers of them becoming non-fulltime employees.

When looking at the kinds of processes high school students go through to become freeters, a survey targeting high school students in the Tokyo Metropolitan area (Japan Institute of Labor, 2000) shows that almost half the students who became freeters had employment ambitions at first, but quit at some stage during the process of looking for work. Amidst these circumstances, the first problem is the decrease in job offers, while the second problem is

the employment placement system for high school students. While each school individually strives to find job offerings for its students, recruiters distribute job offering information only to schools that they have targeted. As a consequence, some schools receive astonishingly few job offerings, especially general high schools and commercial schools in metropolitan areas, as they belong to the lower-rank in the high school hierarchy based on entrance exam difficulty. Additionally, as organized placement by the school is based on academic records or attendance status, the lower-ranking students will drop out of the job-hunting process at an early stage, and not seek out career guidance at school. Organized placement between the company and school was effective until the early 1990s as a supporting system for encouraging the smooth transition from school to work, since there were many job offers. However, this system acts in reverse today, having also become the factor for causing quite a number of students to shun school guidance and support.

The remaining half of those who chose to become freeters are students who have not thought about their careers, or were unable to make career decisions. Although high school career guidance bears the objectives of developing career outlook and career understanding or self-understanding among students from an early stage, this guidance was actually "exit

## 1-3   Reasons for becoming freeters (multiple answers)

（%, actual numbers in bold）

| | Overall | By gender | | By high school type | | |
|---|---|---|---|---|---|---|
| | | Male | Female | General high school | Commercial high school | Technical high school |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Actual numbers** | **773** | **296** | **432** | **567** | **133** | **73** |
| No good place for employment | 40.1 | 33.1 | 43.5 | 36.7 | 48.9 | 50.7 |
| Want income for now | 43.1 | 34.1 | 46.8 | 46.7 | 35.3 | 28.8 |
| Cannot become full-time employee | 12.4 | 9.5 | 13.9 | 11.8 | 13.5 | 15.1 |
| Academic record not good enough for further education | 26.8 | 35.1 | 20.6 | 28.2 | 18.0 | 31.5 |
| Further education impossible due to family circumstances | 22.5 | 19.9 | 23.1 | 23.3 | 21.1 | 19.2 |
| Expenses for further education expensive | 41.4 | 33.8 | 46.1 | 41.6 | 45.9 | 31.5 |
| I want to do other things | 33.8 | 38.9 | 30.6 | 33.0 | 34.6 | 38.4 |
| Income is good | 9.1 | 7.1 | 10.6 | 9.3 | 10.5 | 4.1 |
| Free time | 42.8 | 35.1 | 47.2 | 45.0 | 39.8 | 31.5 |
| Comfortable human relationships | 16.8 | 14.5 | 17.8 | 17.6 | 15.8 | 12.3 |
| Easy to change jobs | 18.6 | 14.5 | 19.9 | 20.6 | 11.3 | 16.4 |
| Will even become freeter in order to do work I like | 33.2 | 19.6 | 42.6 | 31.2 | 45.9 | 26.0 |
| Other freeters around | 9.2 | 8.4 | 8.3 | 8.8 | 9.8 | 11.0 |
| Don't know what work would be suitable for me | 38.3 | 37.8 | 37.5 | 38.8 | 40.6 | 30.1 |
| Don't want to receive higher education | 27.6 | 26.7 | 28.2 | 28.9 | 27.1 | 17.8 |
| Others | 4.7 | 5.1 | 4.9 | 4.8 | 3.8 | 5.5 |
| No response | 11.4 | 18.2 | 6.9 | 10.4 | 10.5 | 20.5 |

Note: Shadings in "Overall" are top five answers. Other shadings are at least five points above figures in "Overall."
Source: "Survey regarding career decisions of high school students," Japan Institute of Labor.

guidance" which focused on job placement at graduation. High school students could search for jobs even if they had not given any thought to their careers or their professional future, as long as they undertook this guidance. The system of high school recruitment was an excellent system for providing jobs at graduation, but tended to neglect the high school student's vocational development. These weaknesses in career guidance have become major problems with the recent transformation in the job offering environment.

Let us look at it from the high school student's perspective. According to the aforementioned survey, when high school students were asked to give the biggest factors for choosing to become freeters, "Don't know what work would be suitable for me," and "I want to do other things," came up the most often. Both answers show a focused awareness for "things I want to do" and are values which emphasize vocational self-fulfillment. However, multiple-answer formats show different trends, with "More free time than for full-time employees," and "Want income for now" coming up the most often. Furthermore, the people giving those two answers also tended to choose (based on factor analysis), "More comfortable human relationships than for full-time employees," and "Can change jobs more easily than full-time employees." In the end, the freeter mentality comes down to: "want to earn easy income in freedom and comfort".

Although the value for seeking vocational self-fulfillment should increase naturally when a society becomes prosperous, the choice for "freedom and comfort" is an orientation for avoiding roles and responsibilities as constituent members of society. Not being able to raise the sense of belonging to society is a significant problem for our society. The cen-

## 1-4　What was felt through freeter experiences by freeter types (multiple answers)

（%）

| | Those in pursuit of dreams | | Those who are immature | | Those forced to become freeters | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| Many various experiences | 65 | 76 | 47 | 59 | 55 | 65 |
| Free time | 53 | 58 | 40 | 54 | 36 | 36 |
| Work that I want to do | 14 | 19 | 10 | 12 | 10 | 13 |
| Low income | 33 | 37 | 39 | 33 | 40 | 43 |
| Concerns about the future | 24 | 34 | 44 | 17 | 30 | 35 |
| Unstable lifestyle | 33 | 21 | 40 | 17 | 33 | 21 |

tral issue, which has become wrapped up within the transition through a school-company cooperation, is not just the creation of professional skills or encouraging motivation for employment, but the determination of the student him/herself and giving the opportunity to become one of the constituent members of society as a "working professional".
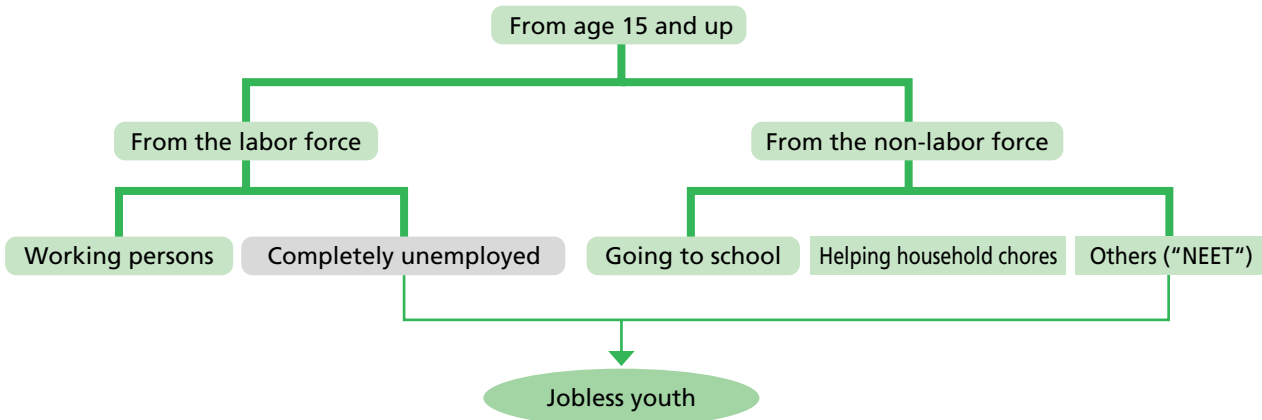
### (3) Freeter and Jobless Youth Issues

Based on these supply and demand circumstances, the numbers of young people graduating without jobs or not moving on to further education are growing, remaining either as unemployed/jobless or arbeit worker. What kinds of problems are there with new graduates not finding jobs and becoming freeters, or voluntarily remaining unemployed?

A system where one could receive an opportunity for long-term employment at graduation with no specific term limitations and never experiencing unemployment would be the ideal system for young people. One could carry a long-term vision for work, and securely acquire work skills from a stable base of employment. There could even be investment for capacity building from the company side. In addition, stabilized human relationships could be constructed, making it easier to establish oneself as a professional. One could expect increased income, create economic self-reliance, and design future lifestyles. However, the demerits would come from the fact that the system would enable many young people to become employed at once. Although mass recruitment is effective, the making of personal decisions among students would either be too lowly or too lightly

regarded, and would follow through without having the consensus of the students. The result would be a large mass of early turnovers even though they took the opportunities for stable employment. In addition, it would be easy for a company to manage employees uniformly by the year they joined. This would result in new ideas from young people not being taken up, allowing those ideas to easily die away. It might also take a 10 to 20-year wait until reaching a post with responsibility.

The opposite of the merits for finding employment are the demerits of not finding employment. First, vocational skills cannot be accumulated. Even the young people who get work on an arbeit or part-time basis mostly end up repeating temporary work not related to skill acquisition and thus, many of them result in wasting their youth, the best time for acquiring skills. The second is that there are no career prospects. Arbeit and part-time working experiences are usually not considered as a career when evaluating a person for a full-time job. Salary increases and promotions for those who continue working on an arbeit or part-time basis are extremely low compared to that of full-time workers. The third is that it is difficult to establish one's position in society. Psychological problems would not just be tied to the increasing sense of insecurities, but to identity crises as well. The fourth is the inability to have economic self-reliance, which leads to difficulty in planning a personal lifestyle. Wages would be low, with little possibility of a wage increase. Furthermore, it is not uncommon to drop out from the social security plan or the social security system.

## 1-5    Definitions used in "Labor Force Survey" and where "Jobless Youth" fall into

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                        From age 15 and up
                   ┌────────────────┴────────────────┐
          From the labor force              From the non-labor force
          ┌──────────┴──────────┐         ┌──────────┬──────────┐
   Working persons   Completely unemployed   Going to school   Helping household chores   Others ("NEET")
                          └──────────────────┬──────────────────────────────────┘
                                      Jobless youth
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### <Definition of "Freeter">

1. According to the "White Paper on the Labour Economy 2003" assessment, there were 2.09 million freeters in 2002 (940,000 males, 1.15 million females). These have been specially calculated from the Ministry of Internal Affairs and Communication's "Labor Force Survey (Detailed Tabulation)." No freeter percentages have been calculated.

*Definition of "Freeter"
Those between the ages of 15-34 who are not students, and for women, are unmarried 1) who are referred to as "arbeit worker or part-timer" at their places of employment, and are 2) unemployed persons who desire to work as "arbeit worker or part-timers," and are not helping household chores or are attending school.

2. Other definitions of "Freeter"
The "2003 White Paper on National Life" states, "Due to the reality of the many people who are forced to work as part-timers and arbeit workers even if they desire to become full-time employees,

we widely consider people who would like to work but cannot gain full-time employment jobs as freeter. Therefore, "freeter" has been defined as, "a young person between the ages of 15 to 34 (excluding students and housewives), who work in part-time or arbeit jobs (including dispatched works) and unemployed persons who wish to work."
Based on this definition, the "2003 White Paper on National Life" says that the number of freeters counted in the "Special Survey of the Labor Force Survey" in 2001 was 4.17 million people.

*There are two main differences in the definition of "freeter" which is used by JIL and the "White Paper on the Labour Economy."
1) The definition in the "White Paper on National Life" includes dispatched workers, and temporary workers.
2) The definition in the "White Paper on National Life" includes jobless persons who have employment ambitions for becoming full-time employees.

(Statistical Information Analysis Department)

Can the demerits of finding employment be solved by becoming a freeter? This depends on the individual. There are many people who choose to become a freeter with the intention of realizing or pursuing personal "things I want to do." However, there are actually only a few young people who can get close to what they want to do through their arbeit experiences. It depends on whether or not they have the willingness to strategically choose an arbeit to challenge their dreams. Although there are some young people who have started their own businesses,

only few young people are capable of creating a new idea or to working with a sense of responsibility.

The problems for the individual are also the problems for society. There are concerns that national technological skills would decline if there accumulates a large number of people continuing to lack sufficient professional skills. Not only would the accumulation of young people who cannot have hope for the future slow down the drive of society, it would also be a cause for social anxiety. Furthermore, the social security framework would not be sustainable,

with possible risks to societal reproduction. Or there could also be widening differential gaps or danger of its immobilization, with the current situation of young people with little academic background being the first to be excluded from stable employment opportunities.

## (4) Considering the Responses to these Issues

One important thing in addressing these issues is to consider them as a part of the fundamental issues of how to nurture the next generation for overall society. By acknowledging the reality that the system of nurturing the next generation (of professional workers), which Japanese society used to have, has come to perform less effectively, it is essential to reconstruct a framework which can supplement the past system.

The first response is the construction of a framework for the development of professional skills. In Japan, with the premise of Japanese-style life-time employment practices and the recruitment of new graduates corresponding with these practices, the role of the school is just to enable students to develop the most basic and fundamental skills. In the industrial sector, oftentimes only full-time employees are regarded as employees and are provided off-the-job training and reassignment based on career development. Of course, there are no such opportunities for the unemployed, and opportunities to develop professional skills are limited even among arbeit or part-time job workers. How can these be carried out, and where? The responsibilities of job-training and educational institutions will probably grow, and measures providing opportunities for training-type employment would also be effective, considering the efficiency of training occurring onsite. Or, should the labor demand be severely limited as it is today, development of professional skills could very well be considered through societal participation such as through work in nonprofit organizations or volunteering. These are important measures, especially for raising the employability of those who are young and do not have much academic background.

For the second response, it is necessary to provide counseling services in parallel to skill developments which focuses mainly on employment guidance/counseling, and provision of employment data. There is a need for evoking and sustaining motivation by helping people to design individual career plans, and creating programs that decide professional direction and methods of developing skills. Although it would be desirable for those roles to be borne by the school's career guidance during one's school career, it would be necessary for there to be a service provided outside of school as well, which could be utilized easily by both graduates and current students alike.

The third is a system for assessing professional skills. In the recruiting processes for those other than new graduates, namely mid-career recruitment, the major factor of evaluation oftentimes is past experience. Only experiences as a full-time employee are considered to be past experiences in those circumstances. The young people who have started working from non-full-time employee positions are excluded from the opportunities to become full-time employees because they have no experience. When discussing the diversification of professional forms, a system which can accurately appraise one's experiences and skills is necessary despite whatever form the profession may take. An employment management which reasonably appraises the work done through some other form than full-time employment, and develops those professional skills at the same time, is already being utilized at some companies which employ a high percentage of non-full-time employees. Even society-wide, it may be said that these measures must naturally also be taken up in order to raise overall efficiency, if the diversification of employment continues to grow.

In detail, establishment of professional qualifications which correspond even with beginning levels can be taken into account. Also, what has to be responded to even more quickly are job placement and counseling functions that connect both job seekers and recruiters. It is crucial to enhance the intermediary functions in order to aid the processes for the recruiter to post recruitment messages with required skills reinterpreted into competency level and for the job seeker to measure their experiences and skills and add what is not met according to such a level.

On the one hand, one of the things that will become an issue is career education from the time

one is still in school. During the period when almost all people who wanted employment were able to utilize the recruitment process for new graduates, it was possible to make a smooth transition into a profession, even if they had not the ability to think and decide their career paths. That ability has become important now, as the path of transition has diversified beyond the new-graduate recruitment today.

One effective measure here would be the provision of an opportunity to obtain a wide variety of experiences through cooperation with the industrial sector, such as experience-based work onsite. Those methods would vary with the situation of each pupil or student. Social experiences which encourage awareness as a member of society may be important for the elementary school level, while there may be steps for testing out the applicability of knowledge in real society in the course of professional education. For these kinds of education, cooperation with the industrial sector is necessary for success. As it is to raise the next constituent members of society, it is only natural that the industrial sector should also take up part of the responsibilities.

Coordinating the relationships between support for employment and the school is also another important problem. New measures must be dispensed in order to incorporate those who take time to undergo the transition from school to work into the framework for social work support. Although there has been employment support for young people through "Young Hello Work," a governmental job-placement office especially targeting young people, and other means until now, these have been used effectively only by young ambitious people, but have been unable to correspond with those not actively searching for work. With the collapsing of the prior transi-

tion framework, there are a large number of young people who have lost their ambition for employment. Finding an approach for those kinds of young people by creating a means of providing employment support from the time they are in school, as well as constructing dependable organizations and support from the young person's point of view, can be considered necessary.

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