

Conclusions

Employment types have diversified against a complex background of fierce market competition fuelled by globalization, the increasingly advanced structure of industry, the business strategies of enterprises adopting more flexible systems of production and supplying services, changes in the labor supply structure with population aging, changes in worker attitudes, and so on.

In order to continue to achieve sustained economic development now that the population has gone into decline and constraints on labor are tightening, it is vital to Japanese society that higher labor productivity be achieved by more fully utilizing each worker's abilities, and that the labor force participation rate be increased so that society can be supported by more people. The diversification of employment types is giving rise to differences in how each individual works, and it is becoming increasingly important that people's diverse individuality be actively utilized to provide the driving force for the sustained development of the economy and Japanese society as a whole. With this in mind, therefore, labor policy needs to address the three major challenges of (1) developing a labor environment that ensures fair treatment and allows everyone to work free from anxiety, (2) enhancing the development of vocational skills so that the wage gap does not become entrenched, and (3) providing social support for the young to help them to develop vocational independence. Japanese society now needs to develop an employment environment that allows individual workers to demonstrate their diverse individuality and be enthusiastic about their work, and the Japanese employment system has to respond to this need by giving rise to a new Japanese style of employment. Looking ahead, creating a new Japanese style of employment will depend in particular on the development of flexible employment systems that allow people with the motivation to take on new challenges again and again by enhancing opportunities for the development of vocational skills and cultivating meritocratic corporate cultures based on the fair evaluation of vocational skills.

Enabling each worker to demonstrate his or her individuality

Labor policy needs to actively address the following three key challenges.

Development of labor environment to ensure fair treatment and allow all to work free from anxiety

First and foremost, it is important to develop a labor environment that ensures fair treatment and allows everyone to work free from anxiety so that workers can be motivated about their work, no matter what style of work they choose to pursue. Enterprises need to take positive steps to develop a work environment that makes it easier to balance work and family and provide wider, more diverse, and more flexible employment opportunities based on the fair evaluation of individual workers' vocational skills. In order to ensure fair treatment and allow everyone to work free from anxiety according to these diverse styles of work, measures, including legal measures, need to be further pursued in order to ensure parity of treatment between different types of employment. Such measures should include the clarification of rules concerning fixed-term labor contracts, balanced

treatment of part-time workers compared with regular employees, and the expanded application of social insurance. On the side of employers, it is important that enterprises be encouraged to introduce short-time full-time employee systems and arrangements for switching from non-regular to regular employment, compensate non-regular employees according to the work that they actually perform, and enhance opportunities for non-regular employees to develop their vocational skills in order to respond actively to workers' needs and rectify the use of non-regular employees simply to cut wage costs. In conjunction with this, an important priority affecting workers as a whole is the promotion of styles of work that balance work and personal life by, for example, limiting long working hours.

Enhancement of development of vocational skills to avoid entrenchment of wage differential

Secondly, the diversification of employment types and emergence of differences in styles of work is forecast to give rise to a widening wage differential among workers, making it important that workers' development of their careers be further enhanced in order to ensure that such a gap does not become entrenched. If in the future vocational skill evaluation systems are improved, the wage differential inherent within them will act as an indicator of the gap in skill levels between workers, making it increasingly important that vocational skills development be enhanced in order to continuously motivate workers. Individual workers need to be enabled to recognize their own challenges in the course of their work and to correspondingly utilize diverse opportunities to develop their vocational skills. Because of the large gap between regular employees and non-regular employees in opportunities for developing vocational skills, it will therefore be necessary to enhance opportunities for vocational skills development for non-regular employees. While it will be important at such time to improve opportunities for self-development and development of vocational skills in the community in order to meet the diverse needs of individual workers, the already extensive use of human resources on a non-regular basis by enterprises makes it also necessary to actively expand internal training capabilities, such as OJT and other forms of training for human resources within the enterprise, so as to include non-regular as well as regular employees. Japanese enterprises' human resource training functions, evolved under the Japanese employment system, are an asset to Japanese society as a whole, and social mechanisms need to be enhanced to enable these functions to be provided to more people. Regarding the growing number of dispatched and subcontract workers, positive action needs to be taken by temporary employment agencies and contractors to develop workers' vocational skills, and providers of such labor need to collaborate with clients to support workers' acquisition of more advanced skills.

Social support for the young to help them develop vocational independence

Thirdly, because of the difficulties that the young face in transferring from non-regular to regular employment, and the not inconsiderable numbers of people who remain outside of employment due to lack of motivation about working, it is important that support be provided socially to help such

people to develop their vocational independence. The diversification of types of employment must be underpinned by the independent choices of workers. Many young people, however, enter non-regular employment without fully understanding the nature of their work or their future prospects, and few enterprises actively try to hire such young people as regular employees. Given hopes that continued economic recovery will open the door to hiring by enterprises, Japanese enterprises need to be encouraged (including by legal means) to adopt more flexible hiring and personnel systems, such as by developing mechanisms for taking into account freeter and volunteer experience when hiring, introducing so-called multi-track hiring, and raising the hiring age rather than limiting their intake to fresh graduates, in order to broaden hiring approaches to focus more on the person than on educational background and so encourage young people to move into regular employment. In addition, in order to help those who were employed during the employment ice age, those whose choice of occupation was made unwillingly, and the long-time freeters who repeatedly leave and change their jobs due to not being able to get the job that they want, it is important that provision of career advice and vocational skill assessments designed to give such people another shot at the job that they want be combined with internships in order to judge people's abilities, together with classroom-based skills training as appropriate. Schools, enterprises, communities, and society should also collaborate to promote broad-ranging support and action to deepen understanding of work and create a society in which young people can succeed professionally and become vocationally independent.

As types of employment diversify, young people need to be given the confidence in their careers to marry and have families by, among other things, ensuring parity of treatment between different kinds of employment, expanding opportunities for developing vocational skills, and creating more opportunities for regular employment. With the population now in decline, Japanese society will face increasing constraints on the supply of labor, making it important to develop an environment in which individual workers can give free rein to their individuality, and young people in particular can have hope in the future and boldly take on new challenges.

Creating a new Japanese style of employment utilizing employment stability and human resource training functions

Creating the conditions that allow workers to express their individuality and be motivated about their work has become an important priority for Japanese society, and the Japanese employment system needs to come up with a new Japanese style of employment in response to these needs.

The Japanese employment system has changed gradually in accordance with the needs of the times. Even today, however, the long-term employment that is one of its most distinctive features remains basically unchanged. Long-term employment revolves around enterprises' hiring and assigning, from a long-term perspective, workers who are then developed into high-quality human resources through continued assessment and development of their skills. Close communication in the workplace based on the long-term human relations thus formed enables smooth teamwork among workers, producing the results that have been prized to date. The Japanese employment system effectively utilizes

employment stability and human resource training functions through the flexible allocation of human resources within enterprises.

With Japanese society facing population decline and constraints on the supply of labor, labor productivity and the labor force participation rate have to be raised. The Japanese employment system provides outstanding employment stability and human resource training functions, and as Japanese society is transformed as it goes into demographic decline, it is hoped that these outstanding functions can continue to be effectively utilized in order to create a stable employment environment in which workers can feel secure and motivated about their jobs, and to properly assess and improve their vocational skills.

If, however, the relations of trust formed between people working together for a long time as a result of long-term employment are allowed to incline toward group solidarity, this can act as an obstacle to individuals displaying their individuality. With the growing emphasis on results and performance in wage systems, the improvement of vocational skills assessment systems should rectify the collectivist tendencies typically inherent in long-term employment. The new Japanese style of employment needs to create a fair order and discipline in response to the individualization of labor relations so as to enable each worker to demonstrate his or her individuality and be motivated about his or her work, while utilizing the employment stability and human resource training functions of the Japanese style employment system. As society ages, it will also be necessary to pursue greater flexibility in long-term employment so as to realize styles of work that balance work and personal life while responding to the changing and diversifying family situations of workers.

The improvement of vocational skills evaluation at enterprises will enable workers to freely demonstrate their abilities, while the fairer rating of mid-career hires' abilities is leading to the wider acceptance of ability-ism in society as a whole. In the future, too, developing flexible employment systems that give people with the motivation the opportunity to try again and again to achieve their career goals by cultivating a meritocratic corporate culture based on the fair evaluation of vocational skills, together with striving to enhance opportunities for the development of vocational skills, is expected to be particularly crucial to creating a new Japanese style of employment.