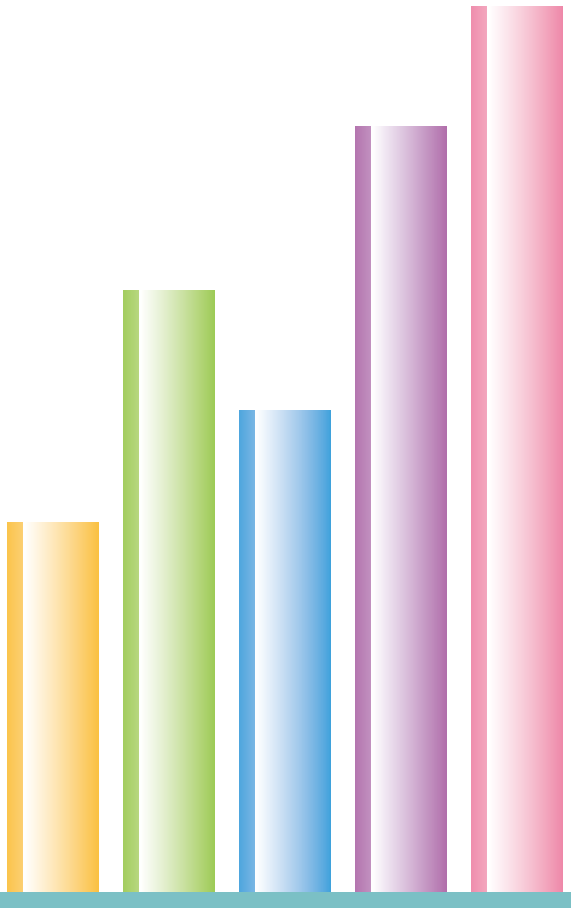
Labor Situation in Japan and Its Analysis:

Detailed Exposition

2016/2017



The Japan Institute for Labour Policy and Training

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The objective of the Japan Institute for Labour Policy and Training is to contribute to the planning of labor policies and work toward their effective and efficient implementation, as well as to promote the livelihood of workers and the development of the national economy by conducting comprehensive research projects regarding labor issues and policies, both domestically and internationally, and capitalize on the findings of such research by implementing training programs for administrative officials.
The Institute concentrates its efforts in the following areas.

1. Comprehensive Research on Labor Policies

The following research projects are now being conducted.
(1) Research on Strategic Labor/Employment Policies for Non-regular Workers
(2) Research on Employment/Labor in Response to Changes in Economic and Social Environments in Japan
(3) Research on Vocational Capability Development System in Response to Economic and Social Changes
(4) Research on Support for Lifetime Career Development and Promotion of Employment
(5) Research on Companies' Employment Systems and Personnel Strategies, Improvement of the Quality of Employment through Development of Employment Rules, and Realization of Decent Work
(6) Research on Mechanism for Establishing Terms and Conditions of Employment, Centering on Labor Management Relations

The Institute also engages in collection and coordination of information on labor policies, both domestically and internationally, and various statistical data in order to lay a solid basis for its research activities. We also carry out studies from an international perspective by building networks with overseas research institutions and individual researchers.

2. Training of Staff and Other Personnel Related to Labor Affairs

Using the results of the above mentioned research projects, the institute provides training for officials and others in charge of labor affairs at the Ministry of Health, Labour and Welfare. Simultaneously, through such training sessions, the Institute will be kept abreast of current issues in labor administration and the problems frontline officials in such positions face. The information so acquired will then be utilized in future research activities.

3. Dissemination of Research Results, Including Policy Proposals

The results of our research activities will be published quickly in research reports on labor policies, newsletters and on the web site with an eye to contributing to the planning and drafting of labor policies and the stimulation of policy discussions among different strata. At the same time, the Institute organizes and holds labor policy forums, workshops and other events to provide opportunities for open discussion on policies.

First published 2017

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Labor Situation in Japan and Its Analysis: Detailed Exposition 2016/2017

The Japan Institute for Labour Policy and Training

Foreword

The Japan Institute for Labour Policy and Training (JILPT) was established in October 2003 with the objective of contributing to the planning of labor policies and their effective and efficient implementation. In order to achieve this objective, the Institute works towards building a network with overseas research institutions and individual researchers, and is also engaged in the promotion of joint study from an international perspective.

This publication describes and analyzes the current status of labor issues in Japan. The authors are primarily JILPT researchers with assistance provided by officials at the relevant departments of the Ministry of Health, Labour and Welfare regarding explanations of concrete labor measures, and JILPT Research and Information Service Department is responsible for compilation and editing.

In principle, this publication is issued alternately as "General Overview" and "Detailed Exposition" editions. While the General Overview 2015/2016 edition issued in March 2016 provides an exhaustive range of basic information on the whole picture of labor issues and relevant labor policies in Japan, this Detailed Exposition 2016/2017 provides write-ups by JILPT researchers dealing mainly with contemporary important labor topics,

We hope that this publication will help its readers gain an understanding of the current labor situation in Japan.

February 2017

SUGENO Kazuo, President

The Japan Institute for Labour Policy and Training

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I The Work and Lives of Japanese Non-Regular Workers in the "Mid-Prime-Age" Bracket (Age 35–44)[1]

Since the 1990s, namely, following the collapse of Japan's bubble economy, Japan has seen a rising number of workers in non-regular employment, and improving the employment situations of such workers has become a key issue in the development of labor policy. While labor policy has traditionally concentrated on "housewife part-timers" (married female non-regular workers who work to supplement household finances) and "freeters" (non-regular workers aged 34 or under), here we focus on the increase in a different category of non-regular workers: male and spouseless female non-regular workers in the "mid-prime-age" bracket (age 35-44). We shed light on their current work and lifestyle situations, the reasons why they find themselves in non-regular employment in the mid-prime-age period, and the likelihood and results of them enhancing their careers.

Section 1: Introduction

1. Issues concerning the disparities between regular and non-regular employment in Japan

Workers in non- regular employment—or "non-regular workers"—refers to workers employed by a company or organization under different terms from those of so-called "regular employees" (*seishain*), who typically enjoy the benefits of lifetime employment contracts and seniority-oriented pay systems.[2] The results of the *Labour Force Survey* conducted by the Ministry of Internal Affairs and Communications show that while in 1990 non-regular workers accounted for 20.2% of the total number of employed workers, this percentage rose to 26.0% in 2000, 33.7% in 2010, and 37.5% in 2015.

Non-regular workers face significant disparities between their working conditions and those of regular employees. Firstly, many non-regular workers feel that their jobs are not secure. In the Ministry of Health, Labour and Welfare's *General Survey on Diversified Types of Employment* (2014), the percentage of non-regular workers who responded that they were "satisfied" or "somewhat satisfied" with the "security of their employment" was 42.6%, in comparison with 65.5% of regular employees.

Secondly, there is a significant disparity in wages. The results of the *Basic Survey on Wage Structure* (2015) by the Ministry of Health, Labour and Welfare reveal that while the average hourly wage of full-time regular employees who work for companies with ten employees or more is 1957.9 yen, the hourly wage for the non-regular workers of such companies is only 1258.3 yen.[3]

Thirdly, there is also a disparity in the opportunities for skills development. In the *Comprehensive Survey on the Employment Conditions of Japanese People FY 2009* conducted by the Japan Institute for Labour Policy and Training (JILPT), while 54.9% of regular employees responded that their current company or organization of employment offered "many

1 This paper is a revised and supplemented version of Takahashi (2015).

2 There is considerable difficulty involved in defining the term "regular employee" (*seishain*), and definitions do in fact differ from survey to survey and researcher to researcher. Unless otherwise specified, this paper uses "regular employees" to refer to employees who are described by their place of employment as "regular staff/employees" (*seiki no shokuin/jugyoin*) or with a similar term, and "non-regular workers" to refer to other employees, such as part-time workers (*pato*), side-job workers (*arubaito*), directly-employed full-time workers on fixed-term contracts (*keiyaku shain* ["contract employees"] or *shokutaku* ["entrusted employees," a term often used for workers who have been reemployed after reaching mandatory retirement age]) and temporary workers dispatched from agencies (*haken shain*).

3 The hourly wages given here are calculated by dividing the amount of salary paid for prescribed working hours by the prescribed number of actual working hours.

opportunities to expand the scope of [their] work and knowledge/experience," only 40.5% of non-regular workers gave the same response. Similarly, in the Ministry of Health, Labour and Welfare's *Basic Survey of Human Resources Development* (FY 2015), 44.1% of the regular employees who responded to the survey had "attended off-the-job training (Off-JT)," while the percentage of non-regular workers who had attended Off-JT was low, at only 20.9%.

2. The conventional categories of non-regular workers

It is important to note that, in terms of labor policy, non-regular workers in Japan have conventionally been considered to include two main categories.

The first of these categories is married women in non-regular employment.[4] The increase in the numbers of married women in non-regular employment dates back several decades to the 1970s. In the context of industrial restructuring in the aftermath of the 1973 oil crisis, Japanese companies began to employ housewives in part-time roles as a source of cheap labor (Osawa, 1993). There are currently as many as eight million of such women in part-time work, and even today they make up the largest group of non-regular workers (Honda, 2010). These women are generally referred to in Japan as "housewife part-timers" (*shufu pato*).

Many housewife part-timers do not wish to become regular employees because they have responsibilities such as housework and raising children. Instead, the major issue that housewife part-timers face is the disparity between their wages and those of regular employees. This is particularly the case in retail businesses, where although many housewife part-timers are being utilized as part of the core labor force of retail stores, their wage level is extremely low (Honda, 2010). At the same time, there is also the issue of the so-called "M-shaped curve" in female labor force participation in Japan, namely, the fact that many women leave employment when they marry or have children. This continues to be a strong trend in Japan, and is a significant factor behind the large numbers of women becoming housewife part-timers (JILPT, 2011). In response to these issues, policies are developed such that emphasis is placed on establishing equal and balanced treatment between part-time workers and regular employees, as well as encouraging women to remain in employment after marriage and childbirth and while raising children (Ministry of Health, Labour and Welfare, 2013).

The second major category of workers in non-regular employment is that of the non-regular workers in the "young to early-prime-age" bracket (age 34 and under). These workers are referred to in Japan as "freeters" (*furita*). The existence of freeters was first recognized at the peak of the bubble economy in the late 1980s, at which time it was not seen as a social problem. However, in the aftermath of the collapse of the bubble economy, and the subsequent long period in which companies decreased their intake of new graduate recruits—a period known in Japan as the "employment ice age"—the number of young graduates who began their professional careers as non-regular workers or as unemployed people increased rapidly, turning the trend into a social issue (The Japan Institute of Labour, 2000; Kosugi, 2003). There are various arguments regarding how freeters should be defined for the purpose of statistics, but the definition that is generally adopted is that provided in the Japanese Cabinet Office's "White Paper on the National Lifestyle 2003" (Cabinet Office, Government of Japan 2003): "Young people aged 15-34 (excluding students and housewives) who are in part-time work or side-jobs (including temporary agency workers, etc.), or who are not in work but wish to find work."

One of the greatest issues faced by freeters is that the opportunities available for them to develop their abilities are relatively scarce in comparison with regular employees, and they are therefore unable to build up sufficient vocational abilities (Sano, 2007). It has also been noted that people who are subject to disadvantageous conditions when they leave education, such as limited academic abilities or parents with a low income, are more likely to become freeters (Cabinet Office, Government of Japan, 2012).

4 Here "married women" refers to women who currently have a spouse.

Unlike housewife part-timers, who have other responsibilities such as housework and raising children, many freeters wish to become regular employees. For this reason, policies are developed with a focus on improving the support provided in schools to assist students in finding employment, as well as incorporating development schemes aimed at equipping young non-regular workers with the abilities they need to make the transition to regular employment, such as vocational and lifestyle training which helps participants to develop relevant personal skills (Ministry of Health, Labour and Welfare, 2012).

3. Non-regular workers in the "mid-prime-age" bracket (age 35-44)

The issues concerning freeters have already been the subject of attention for a significant period of time. At the same time, in recent years there has been a noted increase in the number of non-regular workers in an age bracket which is above the typical age range of freeters (age 34 and under). For example, by comparing the results of the Japanese Ministry of Internal Affairs and Communications' *Employment Status Survey* from 2002 and 2007, Osawa and Kim (2010, 110) observe that the increase in non-regular workers in the labor force—described in Japan as the "non-regularization" (*hiseikika*) of the labor force—has "somewhat eased" its effects on the younger population, while at the same time demonstrating "increasing" effects on the 35-44 age bracket.

Here it is helpful to establish the trends in the numbers and percentages of non-regular workers in the 25-34 and the 35-44 age brackets. Firstly, the upper half of Table I-1 shows that in the 25-34 age bracket the percentage of non-regular workers among the total number of employed workers has risen from 20.5% in 2002, to 27.3% in 2015. This confirms that the percentage of non-regular workers in the 25-34 age bracket has continued to increase in the 2000s.

At the same time, the lower half of Table I-1 shows that in the 35-44 age bracket the percentage of non-regular workers among the total employed workers has risen from 24.6% to 29.6% in the same period. In terms of the actual numbers of workers, this equates to a rise from 2.59 million to 3.93 million—a 51.7% increase. This is higher than the 7.8% increase in the number of non-regular workers in the 25-34 age bracket.

It is also important to note the fact that, as mentioned above, housewife part-timers have conventionally accounted for a significant majority of the total non-regular workers in the 35-44 age bracket. However, Table I-2 shows that there have been definite increases in the numbers and percentages of not only married women, but also men and "spouseless women" (never-married women, and divorced or

Table I-1 Trends in the Numbers and Percentages of Non-Regular Workers

(1,000s of people)

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2012	2013	2014	2015
Males and females age 25-34	(A) People in work	1,434.0	1,430.0	1,429.0	1,414.0	1,397.0	1,352.0	1,313.0	1,267.0	1,235.0	1,186.0	1,168.0	1,152.0	1,125.0
	(B) Employed workers	1,314.0	1,311.0	1,323.0	1,307.0	1,305.0	1,258.0	1,223.0	1,180.0	1,154.0	1,122.0	1,102.0	1,086.0	1,062.0
	(C) Non-regular workers	269.0	281.0	308.0	318.0	328.0	324.0	313.0	302.0	298.0	297.0	301.0	303.0	290.0
	(C)/(A)×100	18.8	19.7	21.6	22.5	23.5	24.0	23.8	23.8	24.1	25.0	25.8	26.3	25.8
	(C)/(B)×100	20.5	21.4	23.3	24.3	25.1	25.8	25.6	25.6	25.8	26.5	27.3	27.9	27.3
Males and females age 35-44	(A) People in work	1,251.0	1,276.0	1,294.0	1,323.0	1,360.0	1,399.0	1,427.0	1,436.0	1,451.0	1,509.0	1,516.0	1,514.0	1,498.0
	(B) Employed workers	1,052.0	1,082.0	1,102.0	1,128.0	1,167.0	1,214.0	1,238.0	1,254.0	1,272.0	1,337.0	1,344.0	1,341.0	1,329.0
	(C) Non-regular workers	259.0	274.0	289.0	301.0	318.0	329.0	344.0	338.0	348.0	370.0	389.0	397.0	393.0
	(C)/(A)×100	20.7	21.5	22.3	22.8	23.4	23.5	24.1	23.5	24.0	24.5	25.7	26.2	26.2
	(C)/(B)×100	24.6	25.3	26.2	26.7	27.2	27.1	27.8	27.0	27.4	27.7	28.9	29.6	29.6

Source: *Labour Force Survey* (Detailed Tabulation) conducted by the Ministry of Internal Affairs and Communications (MIC).
Note: "People in work" includes employed workers, and people who are self-employed or work for a business run by their family. "Employed workers" refers to people employed by a company or organization, etc.

widowed women)[5] in non-regular employment. More specifically, as shown in the upper half of Table I-2, the percentage of non-regular workers among male employed workers in the 35-44 age bracket rose from 5.6% in 2002 to 8.1% in 2012. The percentage of non-regular workers among never-married women in the 35-44 age bracket has also increased, from 24.2% to 33.9% in the same ten-year period, as shown in the lower half of Table I-2. The actual number of men and never-married women in non-regular employment in the 35-44 age bracket doubled over this ten-year period (2002-2012), from 510,000 to 1.04 million people.

The percentage of male non-regular workers in the 35-44 age bracket also continued to rise in 2013 and after, reaching 9.6% in 2015. Figures for female workers demonstrate a similar trend, with the figures for 2013 and after—which combine never-married women and divorced or widowed women as "spouseless women"—reaching as high as over 40%, even with a slight decrease in 2015. Many of these workers are people who graduated from school or university and started their working lives in the "employment ice age" that followed the collapse of the bubble economy.

In any event, by definition these male and spouseless female non-regular workers in the 35-44 age bracket do not fit in the categories of "housewife part-timers"—married female non-regular workers—and "freeters"—non-regular workers in the young to early-prime-age bracket, age 34 or under (excluding married women). The workers in this new category will be referred to in this paper as "mid-prime-age non-regular workers." Figure I-3 summarizes the terms adopted in this paper. In light of the increasing numbers of mid-prime-age non-regular workers, the JILPT has been conducting "Research on Working Styles and Work Consciousness of Prime-Age Workers in Non-Regular Employment" with a view to outlining what kinds of labor policy measures should be adopted in response, while taking into consideration the differences between mid-prime-age non-regular workers and freeters. More specifically, this paper draws on the insights gained in said research to shed light on the current work and lifestyle situations of mid-prime-age non-regular workers and the reasons why such workers find themselves in non-regular employment in the "mid-prime-age" period (age 35–44), and investigate the likelihood and results of career enhancement for such workers.

Table I-2 Trends in the Numbers and Percentages of Mid-Prime-Age (35–44) Non-Regular Workers (Excluding Married Women)

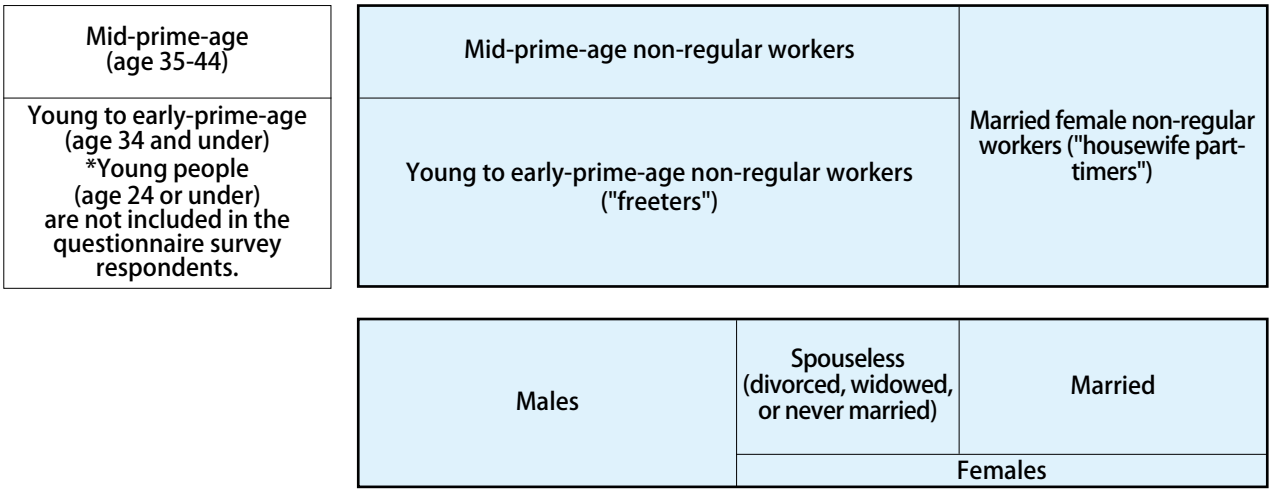
(1,000s of people)

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2012	2013	2014	2015
Males age 35-44	(A) People in work	744	757	767	778	797	816	834	835	843	870	862	856	841
	(B) Employed workers	624	638	650	656	675	699	713	718	728	753	747	740	728
	(C) Non-regular workers	35	35	43	45	48	53	59	53	57	61	68	71	71
	(C)/(A)×100	4.7	4.6	5.6	5.8	6.0	6.5	7.1	6.3	6.8	7.0	7.9	8.3	8.3
	(C)/(B)×100	5.6	5.5	6.6	6.9	7.1	7.6	8.3	7.4	7.8	8.1	9.1	9.6	9.6
Never-married females age 35-44 *Figures for 2013 onward include divorced and widowed women.	(A) People in work	71	78	82	93	97	112	112	121	123	134	203	201	205
	(B) Employed workers	66	72	75	86	91	105	105	113	116	127	191	188	190
	(C) Non-regular workers	16	19	24	24	28	34	34	37	38	43	77	81	79
	(C)/(A)×100	22.5	24.4	29.3	25.8	28.9	30.4	30.4	30.6	30.9	32.1	37.9	40.3	38.5
	(C)/(B)×100	24.2	26.4	32.0	27.9	30.8	32.4	32.4	32.7	32.8	33.9	40.3	43.1	41.6

Source: Special Tabulation of the *Labour Force Survey* (Detailed Tabulation). MIC.
Note: People in education at the time of the survey were not included in the figures.

5 In this paper, women who have never been married are referred to as "never-married women." Never-married women and divorced or widowed women are referred to here collectively as "spouseless women."

Figure I-3 Definitions of Terms



Source: Created by the author.
Note: These terms are adopted for the purpose of this paper, and are not necessarily the same as the terms used in labor administration and other labor research.

Section 2: Methods and Data

A questionnaire survey and an interview survey were conducted by the JILPT in pursuit of the objectives described above.

The questionnaire survey was implemented in 2013, under the title *Questionnaire Survey on Vocational Careers and Working Styles*.[6] The 10,000 subjects of the survey consisted of 3,000 men and women from across Japan in the 25-34 age bracket, which is referred to here as the "early-prime-age" bracket, and 7,000 men and women from across Japan in the 35-44 age bracket, which is referred to here as the "mid-prime-age" bracket. The Basic Resident Registers managed by municipal governments were used for sampling. The sampling was made by dividing the country into 65 region- and city-sized groups, assigning the number of survey locations for each group according to the size of the population, and adopting a systematic sampling method to sample in principle 6 people from the early-prime-age bracket and 14 people from the mid-prime-age bracket for each survey location.

The questionnaire survey was conducted through a combination of interviewing survey subjects using life history calendars and providing them with questionnaires to complete. More specifically, the survey was carried out by staff from a research company who visited the homes of the survey subjects and interviewed them on their vocational careers, filling in a life history calendar with details of the subject's education and work history. The staff conducting the survey then requested the subjects to fill in their own responses to the standard questions on the survey forms and collected the responses at a later date. The data filled in on the life history calendars and the responses on the standard question sheets were codified to allow them to be treated as statistics.

4,970 valid responses were received (a valid response rate of 49.7%). The respondents who provided valid responses consisted of 662 early-prime-age males, 782 early-prime-age females, 1,521 mid-prime-age males, and 2,005 mid-prime-age females.

The interview survey was conducted in 2012, prior to the questionnaire survey, with the aim of developing an in-depth understanding of the lives and

6 For a detailed overview of the survey design and the numbers of responses collected, etc. see JILPT (2015a).

vocational careers of mid-prime-age non-regular workers.[7] The subjects of the survey consisted of: (A) 15 non-regular workers from the mid-prime-age bracket (age 35–44) who had experienced non-regular employment for a total of approximately 10 years or more, and (B) 10 regular employees in the mid-prime-age bracket who had made the transition to regular employment at the age of 35 or older after experiencing non-regular employment for a total of approximately 10 years or more. The (A) subjects are mid-prime-age non-regular workers at the time of the survey, and the (B) subjects are former mid-prime-age non-regular workers in regular employment at the time of the survey, who shall also be referred to as "workers who transitioned to regular employment during mid-prime-age."[8]

The sample for the interview survey was created by conducting a survey to screen the registered panelists of an online survey company, and selecting those people who fulfilled certain conditions and were able to cooperate with the interview survey. As it is not a random sampling, and also a relatively small sample, there may be a limit to how representative the sample is of such workers as a whole. However, as one of the conditions adopted when selecting the sample was that subjects should have experienced non-regular employment for approximately 10 years or more, it is thought that (A) and (B) can provide meaningful insights as typical examples of mid-prime-age non-regular workers and workers who transitioned to regular employment during mid-prime-age respectively.

An individual interview record has been created by the JILPT (2013) for 23 of the total 25 subjects of the interview survey (the 15 [A] subjects and the 10 [B] subjects combined). This paper analyses 22 of those records: the records of 12 mid-prime-age non-regular workers and 10 workers who transitioned to regular employment during mid-prime-age (the other interview record was not included in this analysis as the subject was a married female and therefore outside of the scope of this analysis). In the pseudonyms given to the subjects, pseudonyms beginning with "X" indicate mid-prime-age non-regular workers and pseudonyms beginning with "Y" indicate workers who transitioned to regular employment during mid-prime-age.

Section 3: Current Working and Living Circumstances

This section uses the results of the questionnaire survey to demonstrate the current working and living circumstances of "mid-prime-age" (age 35-44) non-regular workers in comparison with "early-prime-age" (age 25-34) non-regular workers (not including married women in non-regular employment, who are excluded from this analysis). The survey sample analyzed consists of: 85 male early-prime-age non-regular workers, 123 spouseless female early-prime-age non-regular workers, 103 male mid-prime-age non-regular workers, and 153 spouseless female mid-prime-age workers.

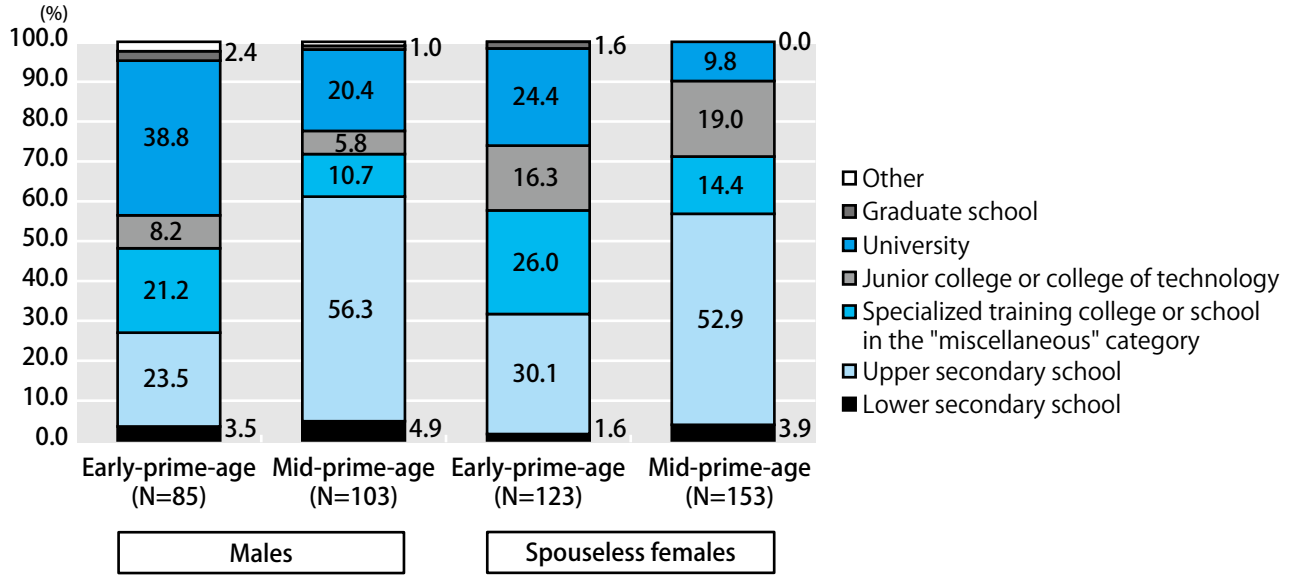
Firstly, the questionnaire survey results show that the academic background of mid-prime-age non-regular workers is lower than that of early-prime-age non-regular workers. In Figure I-4, the percentages of survey respondents for whom the highest level of education completed is "university" or "graduate school" are 41.2% for early-prime-age males and 21.4% for mid-prime-age males, and 26.0% for early-prime-age spouseless females, and 9.8% for mid-prime-age spouseless females. While it is conceivable that these figures are affected by the fact that the proportion of people who go on to higher education varies on the whole according to generation, it is still possible to suggest that mid-prime-age non-regular workers have a lower final academic background than that of early-prime-age non-regular workers.

Secondly, it is notable that many mid-prime-age non-regular workers are in non-regular employment involuntarily. Figure I-5 shows the percentages of early-prime-age non-regular workers and mid-prime-

7 For a detailed overview of the survey design and interview items, etc. see JILPT (2013).

8 Married women were included as survey subjects at the time the survey was implemented, but as noted below, they are not included in the analysis described in this paper.

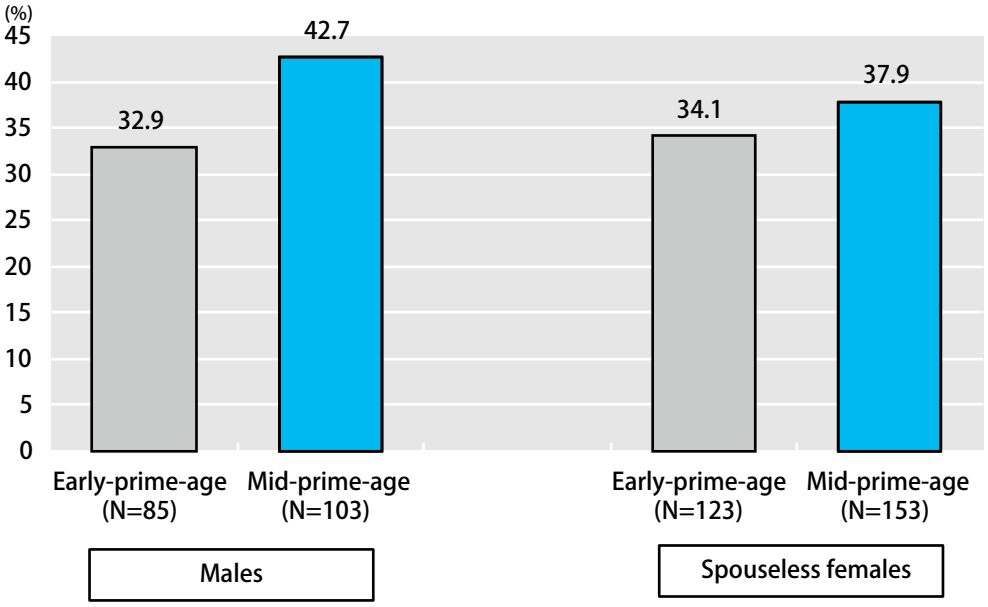
Figure I-4 Highest Level of Education of Non-Regular Workers



Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.

age non-regular workers who became non-regular workers involuntarily, with percentages given separately for males and females. This shows that in the case of males, 42.7% of mid-prime-age non-regular workers became non-regular workers involuntarily, in comparison with 32.9% of early-prime-age non-regular workers, and in the case of spouseless females, 37.9% of mid-prime-age non-regular workers became non-regular workers involuntarily, in comparison with 34.1% of early-prime-age non-regular workers.

Figure I-5 Percentages of "Involuntary Non-Regular Workers"



Source: *Questionnaire Survey on Vocational Careers and Working Styles*, conducted by the JILPT.
Note: This figure shows the percentages of non-regular workers who selected the response "There was no company where I could work as a regular employee" as the reason why they chose their current working style.

This demonstrates that for both males and females, the percentage of mid-prime-age non-regular workers who are in non-regular employment involuntarily, that is, who are so-called "involuntary non-regular workers," is higher than that of early-prime-age non-regular workers.

The survey results also demonstrate that mid-prime-age non-regular workers are engaging in different types of occupations to early-prime-age non-regular workers. Table I-6 shows that in the case of males, particularly common occupations for early-prime-age non-regular workers are occupations requiring advanced specialist knowledge or expertise, such as medical or welfare professions and engineering (referred to here as "specialist/technical occupations"), which account for 23.5%, roles in the service industry which do not require qualifications ("service occupations [qualifications not required]"), which account for 20.0%, and occupations involving practical operations such as skilled physical labor—including carpentry, mechanics, etc.—or work in manufacturing processes ("skilled labor/manufacturing process-related occupations"), which account for 18.8%, while particularly common occupations for male mid-prime-age non-regular workers are "specialist/technical occupations," which account for 26.2%, "skilled labor/manufacturing process-related occupations," which account for 19.4%, and occupations in transport and communications industries ("transport/communications occupations"), which account for 14.6%. At the same time, in the case of spouseless females, particularly common occupations for early-prime-age non-regular workers are "service occupations (qualifications not required)," which account for 27.6%, and office work and other such administrative roles ("administrative occupations"), which account for 21.1%, while particularly common occupations for spouseless female mid-prime-age non-regular workers are "administrative occupations," which account for 30.1%, and "service occupations (qualifications not required)," which account for 18.3%. Namely, among male mid-prime-age non-regular workers "skilled labor/ manufacturing process-related occupations" and "transport/communications occupations" have a relatively high ranking and percentage in comparison with the figures for male early-prime-age

Table I-6 Occupation Types of Non-Regular Workers

(%)

	Males		Spouseless females	
	Early-prime-age	Mid-prime-age	Early-prime-age	Mid-prime-age
Specialist/technical occupations	23.5	26.2	15.4	11.1
Managerial occupations	0.0	1.0	0.0	0.7
Administrative occupations	4.7	0.0	21.1	30.1
Sales and marketing occupations	3.5	2.9	1.6	1.3
Sales (in-store) occupations	15.3	5.8	15.4	9.2
Transport/communications occupations	3.5	14.6	1.6	2.0
Security-related occupations	1.2	1.0	0.0	0.0
Skilled labor/manufacturing process-related occupations	18.8	19.4	11.4	13.1
Agriculture, forestry, and fishery-related occupations	1.2	1.9	0.0	0.7
Service occupations (qualifications required)	2.4	5.8	2.4	5.9
Service occupations (qualifications not required)	20.0	11.7	27.6	18.3
Other occupations	2.4	8.7	3.3	7.8
No response	3.5	1.0	0.0	0.0
Total	100.0	100.0	100.0	100.0
N	85	103	123	153

Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.

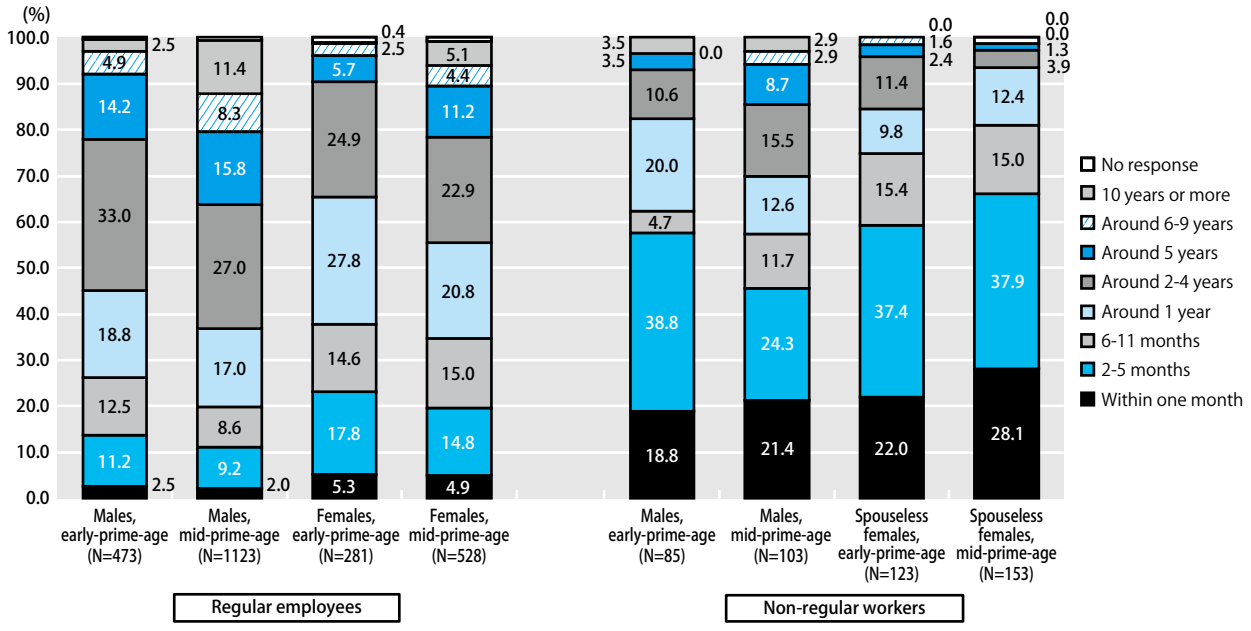
non-regular workers, and among spouseless female mid-prime-age non-regular workers "administrative occupations" have a relatively high ranking and percentage in comparison with the figures for spouseless female early-prime-age non-regular workers.

Another point highlighted by the survey results is the fact that in the case of mid-prime-age non-regular workers the level of difficulty entailed in their job duties (their "job-duty level") is far from high. Figure I-7 shows responses to the question "If a new employee with the same highest level of education as you were to engage in your job duties, approximately how long do you think it would take for them to become generally competent in those duties?" Here it is understood that the longer the period required, the higher the job-duty level. The results for regular employees are also given on the left-hand side as a reference.

The following points can be gathered from these results. Firstly, a comparison of the job-duty levels of non-regular workers with those of regular employees shows that the job-duty levels of non-regular workers are considerably low. It can also be seen that in the case of regular employees, job-duty levels increase substantially from early-prime-age to mid-prime-age, for both males and females. The job-duty levels of male non-regular workers also increase from early-prime-age to mid-prime-age, but they fall far short of those of regular employees. In the case of spouseless female non-regular workers, there is even a decrease in job-duty levels from early-prime-age to mid-prime-age. It is possible to suggest that the job-duty levels of mid-prime-age non-regular workers are, for the most part, not high.

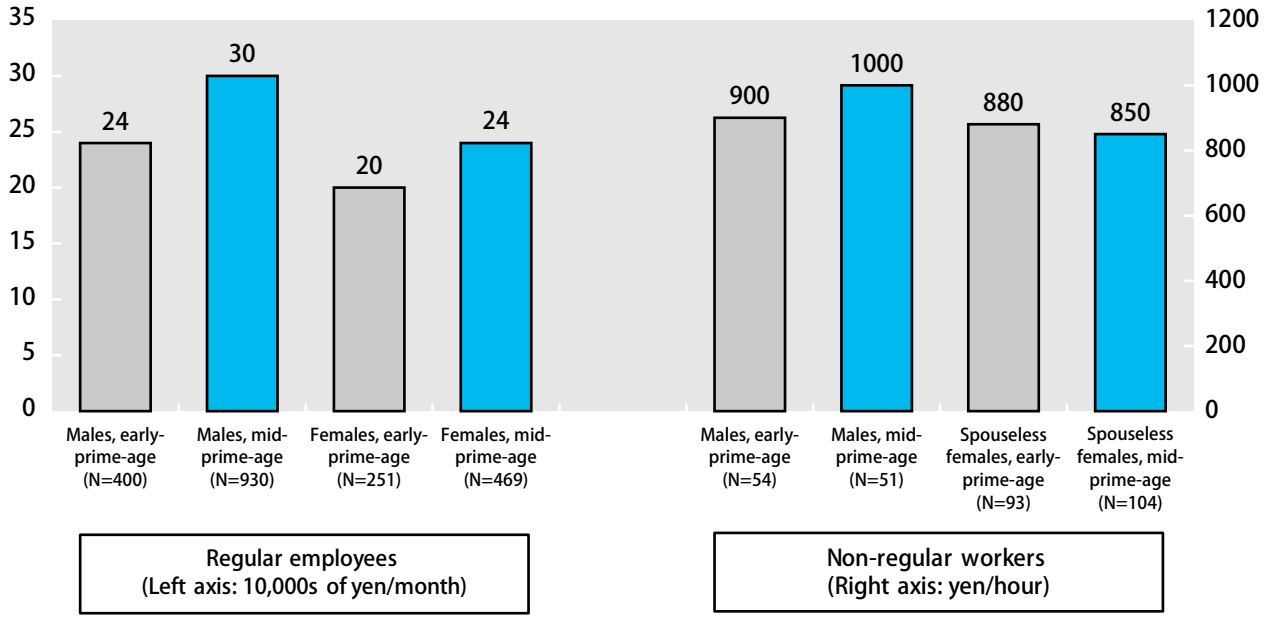
Partially due to their limited job-duty levels, mid-prime-age non-regular workers also receive relatively low wages. Figure I-8 shows the median wages of early-prime-age non-regular workers and mid-prime-age non-regular workers, with figures given separately for males and females. The median wages of regular employees are given on the left-hand side as a reference. Firstly, it can be seen that the median wages of regular employees increase significantly between the early-prime-age and the mid-prime-age brackets, for both males and females. On the other hand, in the case of non-regular workers, the hourly

Figure I-7 Job-duty Levels of Regular Employees and Non-Regular Workers



Source: *Questionnaire Survey on Vocational Careers and Working Styles,* JILPT.
Note: This figure shows responses to the question "If a new employee with the same highest level of education as you were to engage in your job duties, approximately how long do you think it would take for them to become generally competent in those duties?"

Figure I-8 The Median Wages of Regular Employees and Non-Regular Workers



Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.
Note: Regular employees who are not on a monthly wage plan and non-regular workers who are not on an hourly wage plan were omitted from the tabulation.

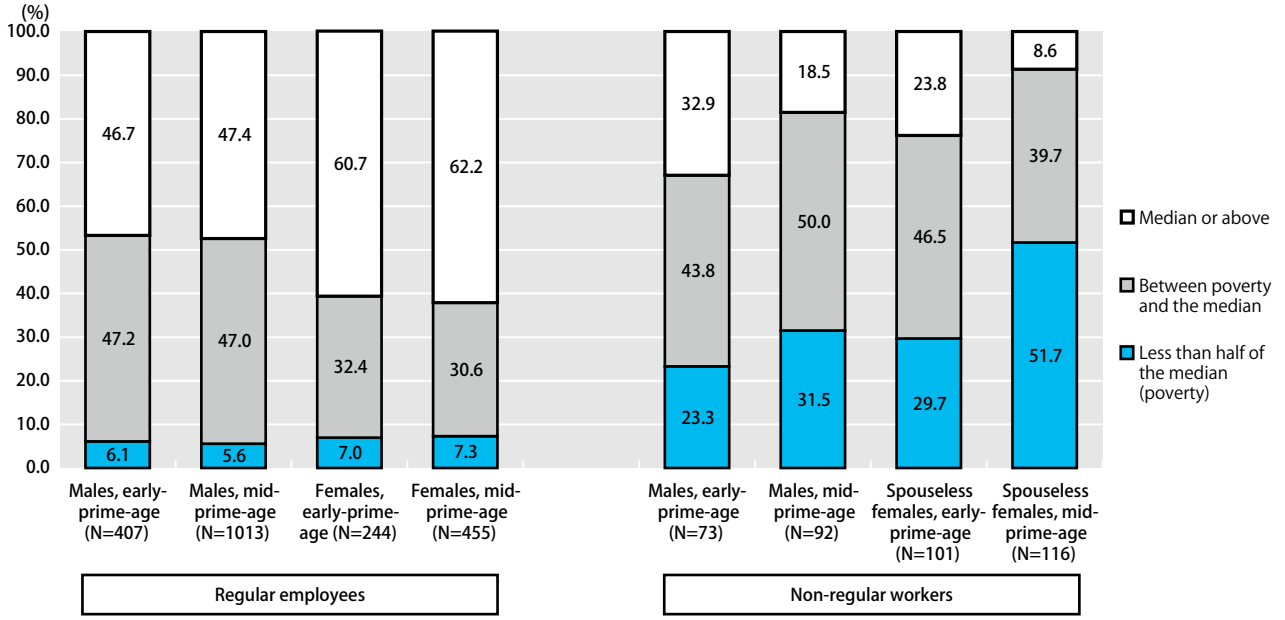
wages of male non-regular workers increase only slightly between the early-prime-age and the mid-prime-age brackets, from 900 yen to 1000 yen, while the hourly wages of spouseless female non-regular workers decrease slightly from 880 yen to 850 yen between the early-prime-age and the mid-prime-age brackets. This shows that, in contrast with regular employees, the wages of non-regular workers do not increase with age.

The low wages received by mid-prime-age non-regular workers may in turn be contributing to the fact that they also face tight household finances. Figure I-9 compares the probability of early-prime-age non-regular workers and mid-prime-age non-regular workers falling into poverty ("poverty" is defined here as less than half the median of the equivalent household income of employed workers).[9] The probability of regular employees falling into poverty is given on the left-hand side for reference. Firstly, this data shows that for regular employees, the probability of falling into poverty is less than 10%. On the other hand, for non-regular workers the probability of falling into poverty is high, at between around 20% and 50%. It is also important to note that for both males and spouseless females, non-regular workers in the mid-prime-age bracket are more likely to fall into poverty than those in the early-prime-age bracket. The specific figures are 31.5% of male mid-prime-age non-regular workers in comparison with 23.3% of male early-prime-age non-regular workers, and 51.7% of spouseless female mid-prime-age non-regular workers in comparison with 29.7% of spouseless female early-prime-age non-regular workers.

Mid-prime-age non-regular workers are also strongly dissatisfied with their lifestyles. Figure I-10 shows the levels of lifestyle satisfaction for early-prime-age non-regular workers and mid-prime-age

9 Equivalent household income was calculated by dividing the yearly income of a household by the square root of the number of household members.

Figure I-9 Probability of Regular Employees and Non-Regular Workers Falling into Poverty

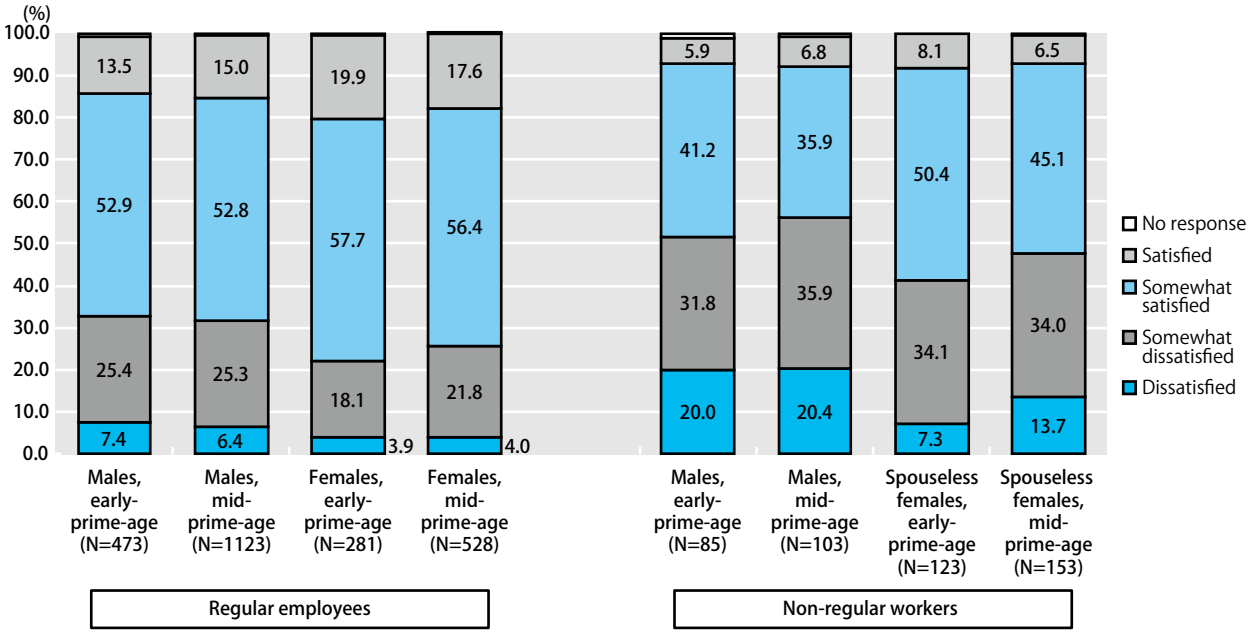


Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.
Notes: 1) The median of the equivalent household income of employed workers (regular employees and non-regular workers) was calculated, and workers with less than half of the median were defined as being in a state of "poverty."
2) Subjects who gave no response regarding yearly household income or number of household members were omitted from the tabulation.

non-regular workers, with figures given separately for males and females. The lifestyle satisfaction levels of regular employees are given on the left-hand side for reference. Firstly, in a comparison between regular employees and non-regular workers, the overall figures for non-regular workers show a higher total percentage of people who responded that they are "dissatisfied" or "somewhat dissatisfied" with their lifestyles. Among non-regular workers, a higher percentage of mid-prime-age non-regular workers in comparison with early-prime-age non-regular workers responded that they are "dissatisfied" or "somewhat dissatisfied," in the case of both males and spouseless females. More specifically, the percentage of respondents who responded "dissatisfied" or "somewhat dissatisfied" was, for males, 51.8% of early-prime-age non-regular workers and 56.3% of mid-prime-age non-regular workers and, for spouseless females, 41.4% of early-prime-age non-regular workers and 47.7% of mid-prime-age non-regular workers.

The above analysis can be summarized as follows. Firstly, mid-prime-age non-regular workers have a lower academic background than early-prime-age non-regular workers. There is also a stronger tendency among mid-prime-age non-regular workers than among early-prime-age non-regular workers to be engaged in non-regular employment involuntarily. Secondly, mid-prime-age non-regular workers also engage in different types of occupations from those of early-prime-age non-regular workers, with male mid-prime-age non-regular workers generally engaging in on-site operations work, and female mid-prime-age non-regular workers generally engaging in administrative work. Namely, mid-prime-age non-regular workers are working in a different labor market from that of early-prime-age non-regular workers. Thirdly, possibly due to the lack of increase in their job-duty levels, many non-regular workers find that their wages do not increase with age, and as a result the household finances of mid-prime-age non-regular workers are tighter than those of early-prime-age non-regular workers. Fourthly, this results in mid-prime-age non-regular workers having stronger feelings of dissatisfaction regarding their lifestyles than early-prime-age non-regular workers.

Figure I-10 Level of Lifestyle Satisfaction of Regular Employees and Non-Regular Workers



Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.
Note: This figure shows responses to the question "Are you satisfied with your current lifestyle?"

Section4: Factors Causing People to Become Non-Regular Workers in Mid-Prime-Age (Age 35-44)

This section draws on the results of both the questionnaire survey and the interview survey to investigate why mid-prime-age non-regular workers find themselves in non-regular employment in the mid-prime-age bracket (age 35–44).

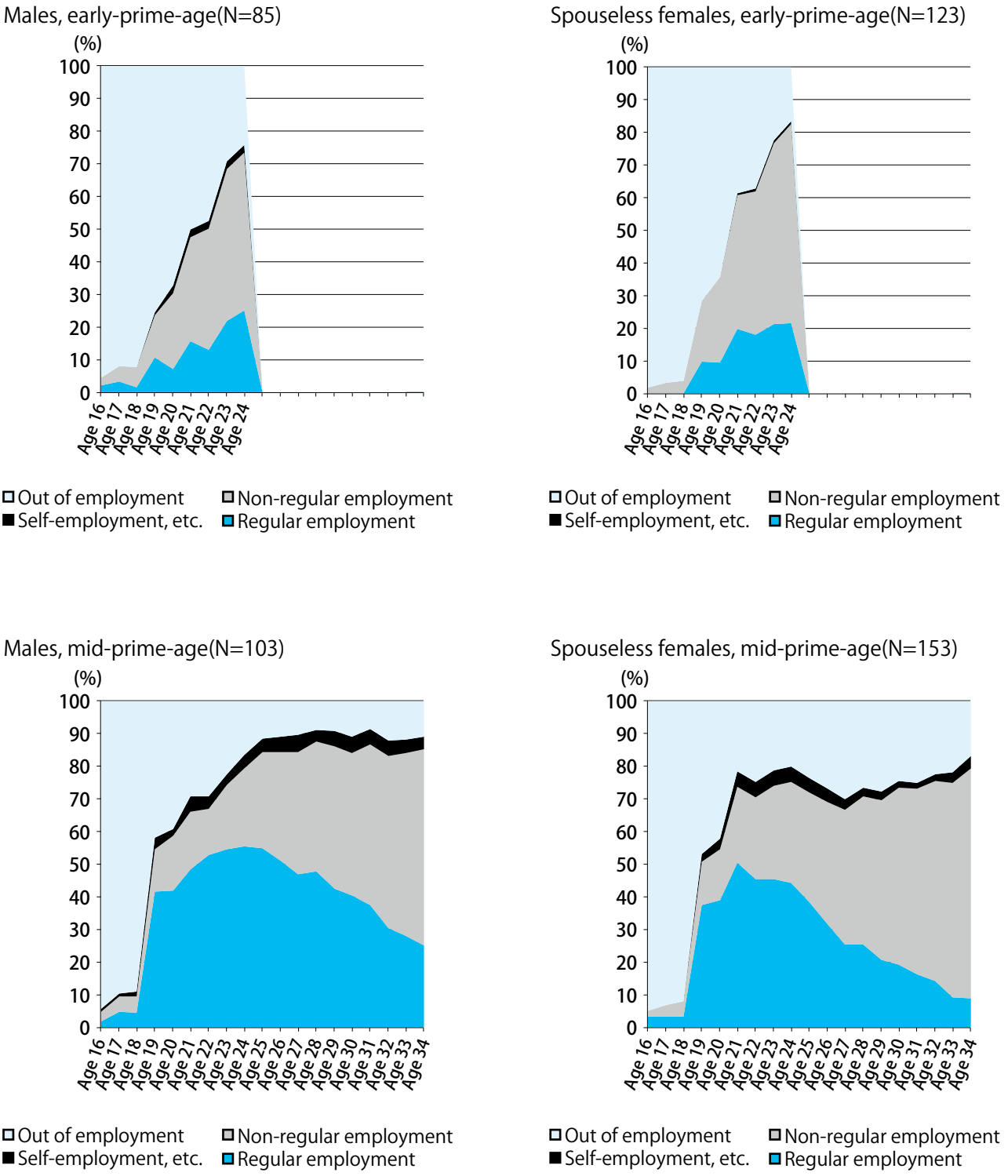
1. Considerable numbers of non-regular workers have experience of regular employment

Firstly, the survey results showed that the proportion of mid-prime-age non-regular workers who have consistently been in non-regular employment since a young age is not necessarily high. Figure I-11 shows the record of the types of employment status—out of employment, in self-employment, etc., in non-regular employment, or in regular employment—held by early-prime-age non-regular workers and mid-prime-age non-regular workers, with separate figures given for males and spouseless females, based on the findings of the questionnaire survey. This allows us to say that while around half of the early-prime-age non-regular workers were non-regular workers in their early twenties, in the case of mid-prime-age non-regular workers, nearly half were working as regular employees in their early- and mid-twenties. In other words, a significant number of mid-prime-age non-regular workers have experience of regular employment.

2. Regular employees leave employment due to long working hours and illegal personnel management

When looking at the grounds upon which mid-prime-age non-regular workers resigned from positions they formerly held as regular employees, it is interesting to note that there are cases in which workers leave regular employment due to being made to work long hours or under illegal personnel management practices. From the 22 individual interview records from the interview survey, Takahashi (2014) looks at 18 records and analyzes the grounds on which the respondents left their jobs as regular employees. The 18 records analyzed included the records

Figure I-11 The Employment Background of Non-Regular Workers



Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.

Notes 1) Part-time work during time as a student is not regarded as employment in principle.

2) "Out of employment" includes housewives, students, and other such people not engaged in work, and people who have lost their employment and/or who wish to work but are unable to find employment.

of 13 respondents who started their vocational careers as regular employees, and five of the nine respondents who began their vocational careers with non-regular employment. The latter five respondents all made the transition from working as non-regular workers to becoming regular employees, before later returning to non-regular employment. This analysis revealed that in fact five of the respondents (Mr. XD, Mr. YK, Mr. XR, Ms. XT, and Mr. YV) left their employment due to long working hours and illegal personnel management practices. The specific details of each case are described below.[10]

Mr. XD (male, 38 years old) began work as a regular employee of a factory after graduating from lower secondary school. However, he was constantly made to work late-night overtime, until as late as 11 or 12 p.m. Although his net wages were considerably high, Mr. XD left his employment with the factory after about two years of working there, due to the fact that the work was too strenuous and the issue of late-night overtime was not resolved. He then started work as a regular employee of a store selling general merchandise, but became unemployed around one year later when the store went out of business. All of the jobs that he has held since then have been non-regular employment.

Mr. YK (male, 40 years old) entered regular employment with a call center company directly after leaving university, having been recommended for the job by the career services department at his university. However, in addition to long working hours which often began at 8:30 a.m. and finished at 11 p.m., he frequently had to work on days off, and was also unable to take substitute days off to make up for the extra time worked. His dissatisfaction with the long-working hours was one of the factors which resulted in Mr. YK leaving his employment with the call center company after four and a half years, following which he remained in non-regular employment for a long period of time.

Mr. XR (male, 42 years old) worked as a non-regular employee until around the age of 30, after which he was hired by a renovation company as a regular employee in an administrative position. However, his working hours were as long as 13 hours per day and close to 80 hours per week. As he had been in non-regular employment for a number of years prior to being hired by the renovation company, Mr. XR initially took an earnest approach to his work, keen to "catch-up" on the career he had missed up until that point. However, after about three years in the job, he resigned due to the increasingly greater strain of the long working hours. Since then, he has been working at another company, where he initially engaged in outsourced work under contract, and was later hired as a temporary worker.

Ms. XT (female, 36 years old) was hired by a restaurant as a regular employee. However, consistent long hours, from 10 a.m. to just before the time of the last train of the day, caused her to develop "depression" and leave her employment. After recovering she started working at a different restaurant as a regular employee, but as it was necessary for her to work 11-hour night-shifts six days a week, she felt that it was "just the same as her previous job," and switched to employment as a part-time worker. Since then, she has continued to support herself by working on a part-time basis.

Mr. YV (male, 38 years old) worked part-time until his late twenties, after which he was employed by a musical instrument store as a regular employee. However, there were substantial problems with the personnel management of the company, such as employees not being paid for overtime work, and not being able to use their paid leave. Dissatisfied with the conditions, Mr. YV left his job with the musical instrument store and was then in non-regular employment for the following five years.

As demonstrated above, a significant number of non-regular workers have experience of regular employment. The above description also indicates that one of the causes for such people becoming non-regular workers during the mid-prime-age period (age 35-44) was that they were made to work long-hours or under illegal personal management practices

10 The summaries given here are as described in Takahashi (2014).

during their time in regular employment. In any event, prior research suggests that the likelihood of people in the young to early-prime-age bracket becoming non-regular workers is influenced by conditions they face *before* entering employment, such as the income of their parents or their own academic abilities. In contrast to this, it can be suggested that in the case of mid-prime-age non-regular workers, it is the circumstances that arise *after* entering employment that lead to them becoming non-regular workers.

Section 5: The Likelihood and Results of Career Enhancement

This section also draws on the findings of the questionnaire survey and interview survey as in the previous section, this time to set out the likelihood and results of mid-prime-age non-regular workers enhancing their careers.

1. The low probability of making the transition to regular employment

The harsh reality is that the older a non-regular worker is, the lower the probability that they will be able to make the transition to regular employment in the future. Figure I-12 shows people who were non-regular workers for six months or more of the year when they were aged 20, 25, or 30, and the employment types they then entered following non-regular employment. This shows that in the case of males, approximately 50% of those who were non-regular workers at the age of 20 made the transition to regular employment within the following five years. In comparison, the percentage of those who were non-regular workers at the age of 25 who made the transition to regular employment within the following five years was approximately 40%. This figure for those who were non-regular workers at the age of 30 was approximately 30%. While the data for never-married women is slightly distorted, it has the distinctive feature that the percentage of women who were non-regular workers at the age of 30 and then made the transition to regular employment within the following five years is remarkably low, at around just 10%. On the basis of this data, it can be suggested that there is a lower probability for mid-prime-age non-regular workers to make the transition to regular employment than for early-prime-age non-regular workers.[11]

2. Making the transition to regular employment by utilizing professional qualifications

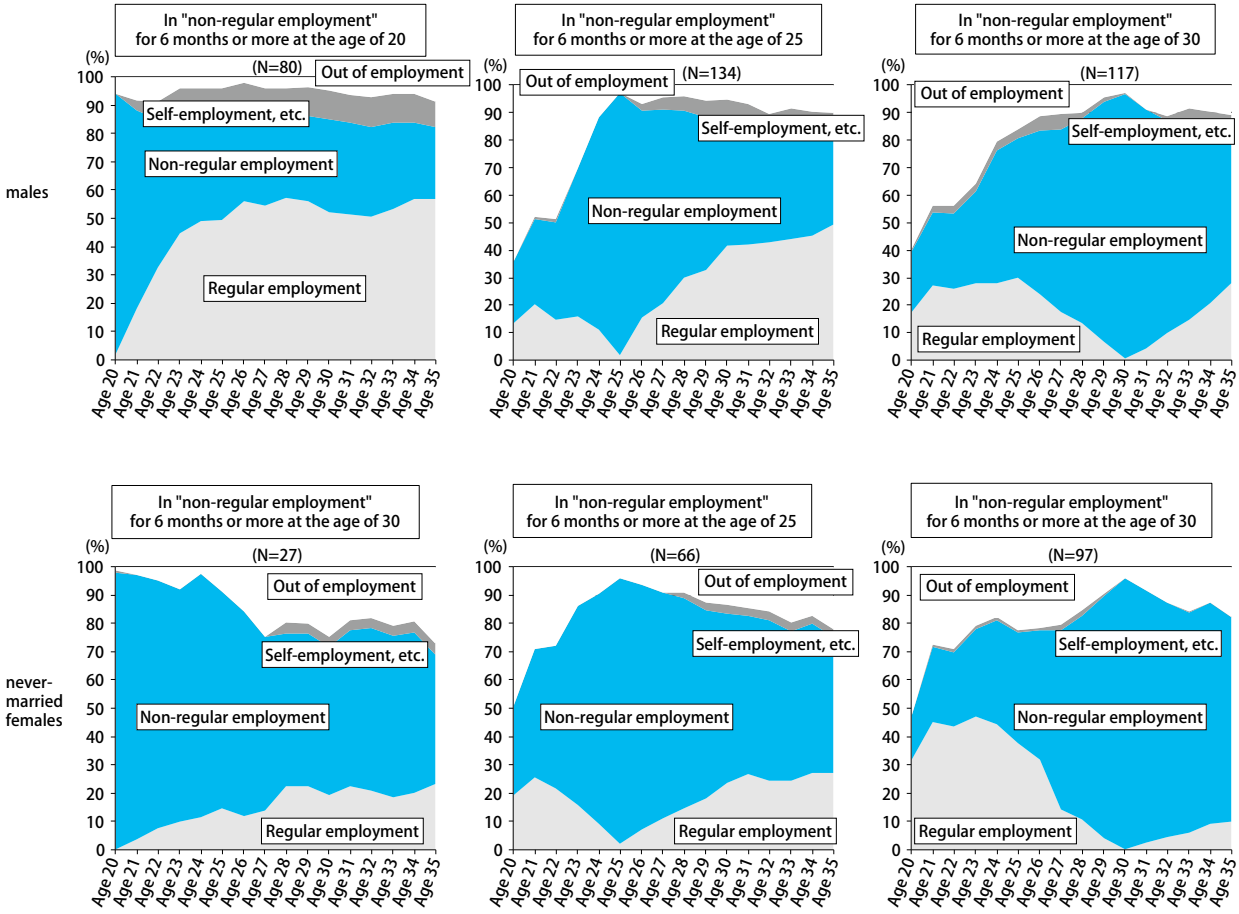
At the same time, there are non-regular workers who wish to make the transition to regular employment during the mid-prime-age period (age 35-44), and are able to actually do so. Analysis of the case records from the interview surveys of ten non-regular workers who made the transition to regular employment in the mid-prime-age period shows that in fact five people (Mr. YO, Ms. YP, Mr. YV, Ms. YX, and Ms. YY) made use of professional qualifications to make the transition to regular employment. The specific details of their cases are described below.[12]

Mr. YO (male, 43 years old) accumulated experience through training at various architecture-related companies after graduating from upper secondary school. He then helped at an architecture-related store owned by his father, during which time he acquired a qualification as a registered *kenchikushi* (architect and building engineer) with a license known as "second-class *kenchikushi*." When the store went bankrupt shortly after, he was unemployed for about six months, after which he began work as a regular employee for a housing renovation company. His qualification as a second-class *kenchikushi* was apparently recognized as a valuable asset when he was being considered for the position.

11 Here it is interesting to note that the percentage of mid-prime-age non-regular workers who wish to make the transition to regular employment is by no means low. The results of the questionnaire survey show that the percentages of non-regular workers who responded "yes" to the question "Do you currently feel that you would like to become a regular employee (not necessarily at your current place of employment)?" were 64.7% for early-prime-age males, 68.9% for mid-prime-age males, 54.5% for early-prime-age spouseless females, and 52.9% for mid-prime-age spouseless females.

12 The summaries given here are as described in Takahashi (2014).

Figure I-12 Careers after Non-Regular Employment (Upper row: males; Lower row: never-married females)



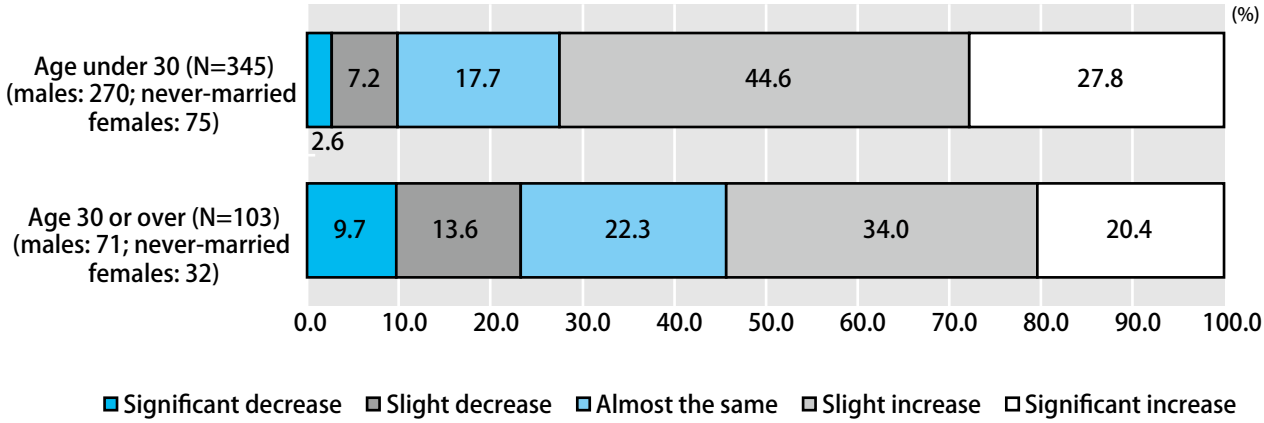
Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.
Note: Part-time work during time as a student is not regarded as employment in principle.

Ms. YP (female, 44 years old) had no experience working as a regular employee from the age of 20 onward. She attended a professional training college for two years on a program through which she received benefits to cover living expenses under a system to support single mothers to acquire qualifications, and received a qualification as a certified care worker. With this qualification, she was able to find work as a regular employee at a private residential nursing home for the elderly.

After quitting his job as a regular employee at a musical instrument store, Mr. YV (male, 38 years old) obtained a qualification recognized in the IT industry (not national certification) by attending a vocational training school, while receiving a 120,000-130,000 yen monthly benefit to cover living expenses. Although understandably he was not able to find work as a regular employee immediately after receiving his qualification, after he acquired practical experience in the field by working as a temporary agency worker, he was hired as a regular employee at a software maintenance and support services company.

Ms. YX (female, 43 years old) has a qualification as a childcare worker. When she first began looking for a new job, she was applying for jobs that were not related to her qualification, such as reception work at a hotel, work in a long-established confectionary shop, and work as a caddy at a golf course. However,

Figure I-13 Changes in Income due to Transition to Regular Employment



Source: *Questionnaire Survey on Vocational Careers and Working Styles,* JILPT.
Note: The tabulation covers all males and never-married females who have experience of making the transition from non-regular worker to regular employee.

she persevered in looking for a suitable position, and came across a job vacancy for regular employment as an assistant nurse at a hospital. She immediately applied and was called to an interview, and her qualification as a childcare worker apparently helped her to get the job.

Ms. YY (female, 44 years old) held various jobs between graduating from upper secondary school and her mid-thirties, all of which were forms of non-regular employment. In her mid-thirties she took a distance learning course using a system to support single-mothers, through which she completed training as a certified home caregiver, receiving the qualification "second-class home helper." After acquiring her qualification she worked part-time at a home nursing care provider and a home for the elderly, following which she began work as a regular employee of a different home for the elderly.

3. The results of transition to regular employment

The interview survey results set out above demonstrate that acquiring professional qualifications can help non-regular workers to secure opportunities to make the transition to regular employment, but there remains the question of what results ensue after the transition to regular employment. Based on responses from the questionnaire survey, Figure I-13 shows how and to what extent the monthly income of non-regular workers changed when they made the transition to regular employment, with results tabulated in two age groups ("under 30" and "30 or over") based on the age of respondents at the time of making the transition to regular employment. A comparison of the two age groups shows that a lower percentage of workers who made the transition to regular employment at age 30 or over saw an increase in income, while a higher percentage of said workers saw a decrease in income. It can be suggested that even if they make the transition to regular employment, mid-prime-age non-regular workers cannot expect a significant increase in income.

However, this is not to suggest that it is meaningless for non-regular workers to make the transition to regular employment at age 30 or over. As shown in Table I-14, a method known as the discrete-time logit model was used to analyze data regarding to what extent males and never-married females who have made the transition to regular employment leave their job after making the transition. While the details of the method will not be described here, it should be noted that these results show that the coefficient for age at the time of making the transition to regular employment is negative and significant. This suggests that non-regular workers who make the transition to regular employment at age 30 or over have a greater

Table I-14 Factors Contributing to Leaving a Job after Transition to Regular Employment (Discrete-time logit model)

Explained variable=Leaving job (changing job or becoming "out of employment")	Model (1)			Model (2)		
	Coef.	Robust Std. Err.		Coef.	Robust Std. Err.	
Continued in regular employment less than 3 months	-0.865	0.379	*	-0.877	0.379	*
Continued in regular employment 4-6 months	-0.532	0.361		-0.540	0.361	
(Continued in regular employment 7-12 months)						
Continued in regular employment 13-24 months	-0.570	0.237	*	-0.539	0.237	*
Continued in regular employment 25-36 months	-0.258	0.236		-0.208	0.235	
Continued in regular employment 37-60 months	-0.694	0.238	**	-0.616	0.238	*
Continued in regular employment 61-84 months	-1.151	0.310	***	-1.055	0.311	**
Continued in regular employment 85-120 months	-1.127	0.307	***	-0.996	0.309	**
Continued in regular employment 121 months or more	-1.186	0.337	***	-0.986	0.344	**
2nd transition to regular employment	0.353	0.269		0.356	0.281	
Female dummy	0.532	0.145	***	0.590	0.149	***
Age at time of transition	-0.032	0.016	†	-0.043	0.017	*
Years of education	-0.051	0.040		-0.037	0.041	
Increase in income at time of transition (5 levels)				-0.225	0.067	**
Constant	-2.795	0.595		-1.879	0.658	
N		32306			32306	
Number of people		411 people	(448 cases)		411 people	(448 cases)
Event occurrence		226 cases			226 cases	
Log pseudolikelihood		-1309.330			-1303.67	
Wald chi-square		69.38	***		79.88	***
Pseudo R-square		0.028			0.032	

Source: *Questionnaire Survey on Vocational Careers and Working Styles*, JILPT.
Notes: 1) The subjects of analysis are males and never-married females.
2) †: p<0.1, *: p<0.05, **: p<0.01, ***: p<0.001.
3) Brackets are the reference groups.

tendency to remain in employment where they made the transition to regular employment. If we consider this in combination with the findings set out in Figure I-13, it can be seen that while mid-prime-age non-regular workers do not experience a significant increase in income even after making the transition to regular employment, there is a strong tendency for them to remain in employment where they made the transition to regular employment. This indicates that mid-prime-age non-regular workers have a greater desire for job stability than early-prime-age non-regular workers.

4. Mitigating dissatisfaction through indefinite employment

The above suggestion that mid-prime-age non-regular workers desire job stability is also supported by the results of research approached from a different angle. Analysis conducted by Yasutaka Fukui, a member of the JILPT research group, on the results of the questionnaire survey demonstrates that being in "indefinite employment"—that is, employment that is not limited to a specific period of time—can help to decrease the dissatisfaction that a mid-prime-age non-regular worker feels regarding their lifestyle.

Table I-15 shows the results of ordered logistic regression analysis with males and spouseless female non-regular workers as the analysis subjects and the

Table I-15 Factors Contributing to Lifestyle Dissatisfaction (Ordered logistic regression analysis)

	Coef	SE	
(Spouseless male)			
Married male	-0.147	0.342	
Spouseless female	-0.538	0.228	*
(Lower/upper secondary school, specialized training college, junior college, or college of technology graduate)			
University or graduate school graduate	0.216	0.252	
Equivalent household income	-0.002	0.001	**
(Early-prime-age: age 25-34)			
Mid-prime-age: age 35-44	0.460	0.269	†
(Fixed-term employment)			
Indefinite employment	0.282	0.311	
Mid-prime-age x Indefinite employment	-0.830	0.419	*
τ =1	-3.177	0.400	
τ =2	-0.662	0.346	
τ =3	1.164	0.352	
N	349		
McFadden's R^2	0.022		
AIC	852.002		

Source: Fukui (2014, 170)
Notes: 1) † p<.10, *p<.05, **p<.01
2) Brackets are the reference groups.

level of dissatisfaction respondents felt toward their lifestyles as the explained variable.[13] The results demonstrate that while being "mid-prime-age" sees an increase in dissatisfaction, the interaction terms "mid-prime-age" and "indefinite employment" decrease dissatisfaction. Even if mid-prime-age non-regular workers do not convert to regular employment, it is possible that by being in indefinite employment their dissatisfaction with their lifestyle may decrease.

As this section has shown, the probability of making the transition to regular employment is lower for mid-prime-age non-regular workers than it is for early-prime-age non-regular workers. However, there are examples of non-regular workers who made the transition to regular employment during the mid-prime-age period (age 35-44), and it is possible that the professional qualifications of these workers help them in securing such regular employment.

It has also been noted that while transition to regular employment at age 30 or over is not accompanied by a significant increase in income, workers in said age group who have made the transition to regular employment have a stronger tendency to remain in employment where they made the transition to regular employment than people who made the transition to regular employment at a younger age. This indicates that mid-prime-age non-regular workers have a desire for job stability. It is in fact possible that making the transition to indefinite employment may help decrease the dissatisfaction mid-prime-age non-regular workers feel regarding their lifestyles.

Section 6: Conclusion

Japan is experiencing an increase in the number of male and spouseless female non-regular workers in the "mid-prime-age" bracket (age 35-44). Many of these workers are people who graduated from school or university and started their working lives in the

13 The explained variable was a four-stage scale, in which 4 represents "dissatisfied," 3 represents "somewhat dissatisfied," 2 represents "somewhat satisfied," and 1 represents "satisfied."

"employment ice age" that followed the collapse of the bubble economy. Here we have set out to directly address this trend and outline measures that should be adopted as labor policy, while taking into consideration the differences between mid-prime-age non-regular workers and "freeters" (non-regular workers in the young to early-prime-age bracket [age 34 or under], excluding married women). In the context of these objectives, the analysis in this paper has produced the following conclusions.

In comparison with freeters, mid-prime-age non-regular workers face significant difficulties, particularly in their lifestyles. For example, mid-prime-age non-regular workers have a greater tendency to find themselves in a state of poverty, and they feel strong dissatisfaction with their lifestyles. The reason for this is that the level of difficulty of job duties ("job-duty levels") and wages of non-regular workers do not increase with age, in spite of the fact that they are more likely to become responsible for the household finances as they grow older.[14] Many mid-prime-age non-regular workers are also in non-regular employment involuntarily. While mid-prime-age non-regular workers are fewer in number than freeters, in light of the level of difficulty they face, and the fact that this is created by the disparities between regular and non-regular employment in the labor market, it is necessary for mid-prime-age non-regular workers to be given consideration in the development of labor policies in the same way as consideration is given to the issues concerning freeters.

The personnel management practices applied to regular workers are thought to be a significant factor behind why people become mid-prime-age non-regular workers. The analysis in this paper has demonstrated that there are a significant number of cases in which people who face long working hours and illegal personnel management practices leave their jobs as regular employees and find themselves in non-regular employment in the mid-prime-age period (age 35-44). While it is necessary to further develop this analysis to produce quantitative verification regarding the precise causal relationship between such factors and workers leaving their employment, it is possible that it will be important to ensure that personnel management of regular employees is conducted appropriately in order to prevent increases in the number of mid-prime-age non-regular workers.

An effective means of supporting mid-prime-age non-regular workers who wish to become regular employees may be to assist them in obtaining professional qualifications. Of the ten mid-prime-age regular employees who participated in the interview survey, five were able to successfully make the transition to regular employment by utilizing their professional qualifications. While it is necessary to also support this with quantitative verification, it is possible that, in contrast with the policies for freeters—who require training to develop personal skills—support to allow mid-prime-age non-regular workers to enhance their careers will need to be focused on developing concrete vocational skills and abilities that allow them to be immediately effective in a professional role.

Mid-prime-age non-regular workers are also thought to have a strong desire for job stability. It is therefore possible that even if mid-prime-age non-regular workers do not make the transition to regular employment, if they are able to make the transition to "indefinite employment" (employment with an unlimited term) their lifestyle may become more stable, and their dissatisfaction with their lifestyle may decrease. Under the amendments made to the Labor Contract Act in 2012, when a worker's fixed-term labor contract has been renewed for more than five years, it is possible for their employment type to be changed to indefinite employment at their request. Ensuring that the aims of this amendment are properly and fully adopted by businesses is another important task that needs to be addressed by labor administration.

14 The results of the questionnaire survey show that 27.4% of early-prime-age non-regular workers (males: 32.9%; females: 23.6%) and 58.2% of mid-prime-age non-regular workers (males: 58.3%; females: 58.2%) are personally responsible for their household finances.

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II Basic Issues of Labor Law under New Types of Work Organization: Japanese Case

Introduction

In individual labor relations that are conventional and typical in nature, there is always a "worker" who provides labor after being hired by an employer and who is paid a wage, and an "employer" who pays wages to the worker he or she hires. The regulation of the contractual relationship between the two parties and protection of the worker, who is placed in a weaker position in negotiations, has traditionally been the objective of labor contract laws, labor standards laws, and labor union laws.

In recent years, it has become possible to access the Internet from portable devices. Now employers can use online chat software and other resources to check on the working circumstances of workers anytime and anywhere and contact them instantly. Additionally, contractual rights and obligations and specific work procedures are now spelled out with more clarity and detail as a result of advancements in the technics used to prepare the contract documents and work manuals that are distributed to individual contractors. Moreover, business is being increasingly offshored as major companies enter overseas markets. Accompanying such changes are attempts by employers to change their contract relationship with workers, which they have traditionally hired based on an employment relationship, to another contract relationship—namely by changing the contract format from "employment" to "subcontracting"—and also to switch from direct employment to indirect employment. Under such circumstances, there is now room to reexamine various basic concepts pertaining to labor law. For example, how should the term "employment relationship" be defined? In the relationship with subcontracting, can the pursuit of "labor" in itself rather than the "results of labor" still be used to effectively draw a distinction between an employment relationship and contracting relationship? How should the supervisory relationship between an employer and a hired worker be recognized when contact can be achieved instantly from a remote location? How much responsibility should be placed on a person who is other than the employer specified in a worker's labor contract but who ultimately receives the results of labor provided by the worker and has a certain degree of say in the worker's labor conditions?

In the United States, the social phenomena described above have been given the collective name "the fissured workplace" by David Weil. Dr. Weil comprehensively analyzed their origin from the angles of sociology, legal studies, and economics in his book, *The Fissured Workplace*.

According to *The Fissured Workplace*, in recent years, vast quantities of capital have been concentrated in fund management companies, and the businesses in which they invest are expected to "produce more profit in less time." In response to this, "cutting off divisions not directly related to core competency" has emerged as a corporate strategy. Innovations in methods of communication technology as well as the management and monitoring of workers have made it possible to direct and supervise workers remotely, and a byzantine variety of contractual and relational arrangements has been used between business entities and their workforces within the same workplace.

In *The Fissured Workplace*, the above-mentioned changes in corporate strategy and innovation in worker management technologies lead to the involvement of multiple business entities as participants in labor relations, which in turn leads to uncertainty vis-à-vis the applicability of labor laws and the identity of actors that must bear responsibility as employers. The "typical" labor relationships entered into between workers and employers have become more complex due to the additional involvement of a third party (such as a contractor or a recipient firm that engages temporary staff dispatched from a dispatching firm) and the formation of contracting or delegation agreements instead of labor contracts. Accordingly there is an increasing number of cases in which no labor contract has been concluded, and of cases in which the entity

that demands the results of the labor provided is not the immediate employer. In many respects—such as job security, social insurance, and health and safety guarantees—workers who provide their labor in such a way are not being provided with the rights enjoyed by "typical workers." Particularly, as they are not provided with job security, such workers are constantly exposed to the risk of losing their jobs, their bargaining power becomes weaker than that of typical workers, and they become unable to assert their legitimate rights or demand an amount of wages that is commensurate with the labor that they provide.

Meanwhile, social phenomena similar to those seen in the United States have also emerged in the EU countries. Viewed as new developments concerning labor law that deserve attention, they are now the subject of a great deal of research.[1] However, in the EU's case, little basic research is taking place for the purpose of defining them as an overall field for study, as *The Fissured Workplace* attempts to do. Instead, research themes are compartmentalized into the emergence of new employment formats; substitution of labor contracts with subcontracting; promotion of cross-border supply chains and CSR; the legal character of Uber, Airbnb, crowdsourcing; and so on.

In Japan's case, several specific employment formats that embody what is called the "fissured workplace phenomenon" in the United States have been in wide use for many years. However, with the globalization of enterprises and arrival of new technologies in recent years, the scope and means of those formats' application have changed significantly, even if the categories to which they belong have not changed. Indeed, some formats have emerged that do not belong to any of the existing categories or can, depending on how they are viewed, be categorized in different categories. Thus, this paper will not employ the concept of the "fissured workplace phenomenon." Instead, it will refer to the various employment formats that are outside of the traditional employment relationship (i.e., in which a "labor contract" is concluded with the person who will receive labor) as what the author calls the "Atypical Work Organization." It will further categorize the specific employment formats that make up this organization in the following way: "old types," "types having undergone reformation," and "types newly formed." It will then study basic problems that they generate from the standpoint of labor laws.

Using "contracting" as an example for the purpose of explanation, under the post-Second World War labor law system, "contracting" has been clearly distinguished from an employment relationship, as it focuses only on the "results" of labor. However, a look at the actual circumstances of plant labor prior to the war shows that an employment format in which employment and contracting were intertwined—called the "foreman contracting system"—already existed. Even under the Labor Standards Act, which is the main worker protection law of the post-war era, the "worker" status of a craftsman as a single foreman in the construction industry, or of a subcontracting vehicle driver engaged in transport operations using his or her own truck, who provides manpower almost exclusively for a specific enterprise for the sole purpose of providing "results of work" under what is nominally an individual contract has often been questionable.

Meanwhile, a new change has emerged. With technological advancements and improvements in contract-preparation technics, the use of individual contractors has become increasingly conspicuous, even in operations that concern companies' core competencies. Moreover, in IT development and other such industries, employment formats that combine the characteristics of "employment" and "contracting" have emerged. An example is "telecommuting," in which wages are paid on a performance basis (i.e., number of completed projects multiplied by a rate) and workers are not under the workplace directions and supervision of the employer. Also emerging, are formats with still unclear legal character;

1 Degryse C.(2016), Digitalisation of the economy and its impact on labour markets. Working paper 2016.02, russels,ETUI. Eurofound (2015), New forms of employment, Publications Office of the European Union, Luxembourg.Jan Drahokoupil (2015), The outsourcing challenge: organizing workers across fragmented production networks.Working paper 2015.07, Brussels,ETUI, etc.

representative among them are Uber, Airbnb, and crowdsourcing.

Yet another important representation of the Atypical Work Organization is the insertion of an additional "layer" between workers and employers to create a three-party or multiple-party structure. Multilayered subcontracting relationships have been commonly used at construction sites and other workplaces in Japan since before the Second World War; thus, they are not new. Detailed regulations that clarify the industrial health and safety officers in those instances are already stipulated in the Industrial Safety and Health Act. The attribution of employers' responsibilities is also spelled out in specific legislation for other related employment formats, such as in-house subcontracting and worker dispatch.

Furthermore, as Japan's manufacturing industries move overseas, the reach of worker protection regulations in Japanese law does not extend to overseas manufacturing bases, and thus hard law-based regulation cannot be expected there. Given this, a new problem arises: What can be done to improve the labor conditions of overseas peripheral workers?

As the above discussion shows, the Atypical Work Organization has existed in Japan for years, and, to a certain degree at least, there is a legal system in place that corresponds to it. Precisely because of this, efforts to deal with employment formats that have newly emerged in recent years as well as those whose application has undergone significant change tend to take place on a case-by-case basis under the existing legal system. As a consequence, there has been no fundamental reexamination of the legal system in its entirety.

In this paper, the author will first arrange the current circumstances of the "Atypical Work Organization" for the purpose of encouraging a fundamental reexamination of the various labor law-related problems that have emerged as a result of it.

Although specific formats come in an infinite variety, an "employment relationship" always has two parties; a worker and an employer. Indeed, the existence of "worker status" and "employer status" among the parties becomes an important criterion when determining whether or not a relationship is an employment relationship. Given this, the author will arrange pertinent regulations in current Japanese law and then focus on the discussion surrounding the concept of "employer" and "worker."

When determining the existence of "employer status," the most important point is whether the party has "rights" in terms of providing direction and supervision for the labor process and receiving the results of labor and, simultaneously, whether the party has "obligations" in terms of paying wages; complying with legal standards concerning working hours, holidays, and vacation; and bearing responsibility for workers' compensation. With regard to this point, a phenomenon has emerged whereby a "third party" in the form of a contractor (in the case of business process contracting) or dispatching firm (in the case of worker dispatch) comes in between the worker and the employer and is given responsibilities and obligations in the labor contract. On top of this, the emergence of multilayered contracting, the offshoring of supply chains, and other developments are further complicating the task of pinning down employer responsibility.

Accordingly, the author will give particular focus to the following problems when presenting the "employer" concept. Specifically, the author will examine the judicial and legislative extension of employer's responsibility due to the involvement of a third party, and the criteria for evaluating eligibility as a worker due to the increasing number of contract formats other than the labor contract, in which only the outcome of the labor is demanded.

On the other hand, when presenting the "worker" concept within an environment in which the labor process is not directly directed and supervised and only the supply of its results is stressed, the author will put primary focus on drawing a sharp distinction between workers and executives, individual business owners, and specialists.

Finally, as a summary, the author will present new labor law challenges that are arising as the Atypical Work Organization changes how specific employment formats are utilized and expands their scope of application.

Ⅰ. Overview of the Atypical Work Organization in Legislation and Case Law

Ⅰ-1. Old types

Ⅰ-1-1. The foreman contracting system

Under current labor laws, even if both involve the use of manpower, an "employment relationship" and a "contracting relationship" are clearly distinguished as a relationship involving the provision of labor under instructions and orders and a relationship that is focused solely on the "results" of labor. However, a look at the actual circumstances of plant labor prior to the Second World War shows that employment and contracting were intertwined under an employment format called the "foreman contracting system." Accordingly, the dichotomy did not have practical viability, as the foremen who undertook work from a factory owner distributed it to factory workers under their control. Those workers were all factory workers deployed by the factory owner, and their work was based on contracting relationships rather than employment relationships. In light of such practices, under the Factory Act,[2] Japan's first full-scale labor legislation prior to the Second World War, if a person was engaged in labor at a factory and his operations were, by nature, the work of a factory worker, the worker would be handled as a factory worker employed by the factory owner, regardless of whether a direct employment relationship existed between the factory owner and the factory worker or a foreman (contractor).[3] Thus, restrictions on the employment of minors, restrictions on the working hours of minors and women, and obligation on the part of the business operator to provide compensation to workers or survivors with regard to work-related accidents were administered to be applicable regardless of whether workers worked under a contract for labor or under a contracting relationship so long as those workers were involved in operations at the factory.[4]

After the Second World War, the Factory Act was fundamentally reformed into the Labor Standards Act, which was applied to all industries and all business categories, including manufacturing plants. Under this new legislation, whether or not a person could be described as a "worker" under an employment contract became established as a determining criteria when making judgments concerning the applicability of labor standards.

Ⅰ-1-2. Multilayered subcontracting relationships in the construction industry, etc.

In the construction industry, even since before the Second World War, a practice has existed whereby several subcontracting businesses cooperate with each other by dividing up the work of a single construction site in a multilayered fashion. Thus, the Workers' Compensation Act of 1931 imposed responsibility for workers' accident compensation on the prime contractor, which stood at the top of this kind of multilayered subcontracting framework. This responsibility applied even to industrial accidents suffered by subcontractors' workers when accidents occurred at the prime contractor's construction site. This stipulation was succeeded by Article 87 of the Labor Standards Act after World War II, and continues to be applied to construction sites.

Also under industrial safety and health regulation, it has long been the responsibility of the prime contractor of a construction project to take safety measures to prevent industrial accidents when engaging in operations in which the prime contractor and subcontractors work together at the same worksite.

Ⅰ-1-3. Business process contracting in the workplaces of ordering companies (in-house subcontracting)

The practice by which a company, in order to

2 Promulgated in 1911 and executed in 1916.

3 This case is a kind of "Atypical Work Organization" because the worker is in an employment relationship with a contractor who has entered into a subcontracting contract with the business operator.

4 For more on this topic, see Minoru Oka, "*Kōjō Hō Ron*" (Theory of the Factory Act) [3rd Edition] (Yuhikaku, 1917) p.287 and thereafter.

execute its business, contracts another business operator to handle a portion of its processes (i.e., outsourcing) has been commonly used for many years. In such business process contracting, the contractor itself frequently supplies the labor; however, it is also often the case that the contractor hires employees to engage in the performance of the work. Thus "business process contracting"—whereby ordering companies and contracting companies enter into a business process contracting agreement and then workers employed by the contracting company execute the contracted process under the instructions and orders of the contracting company at the work site of the ordering company—takes place under a typical contract for "subcontracting" in the Civil Code. So long as business process contracting is practiced in line with the manner stated in the agreement, responsibility as the employer rests solely with the contracting company in terms of the labor contract as well as the Labor Standards Act. In principle, no employer obligations are attributed to the ordering company.

However, in Japan, labor supply undertakings that have workers engage in labor under the instructions and orders of another person based on a supply contract had been strictly regulated under the Employment Placement Act from before the Second World War. It later became completely prohibited by the newly enacted Employment Security Act of 1947 amid reforms for democratization following the war.[5] Accordingly, business process contracting became subject to Article 4 of the Ordinance for the Enforcement of the Employment Security Act, which stipulates that a person who supplies a worker to work for another person based on a contracting-out agreement is regarded as being engaged in a labor supply undertaking prohibited by the Act, unless all of the following four requirements are satisfied.

1) The person assumes all responsibilities and liabilities, both financially and legally as a business operator;
2) The person gives directions to and provides supervision of the worker;
3) The person bears all employer's responsibilities provided by law; and
4) The work contracted out does not merely involve the execution of physical labor.

If the business process contracting meets all four of these requirements, no employer obligations are attributed to the ordering company. However, even in such cases, if the contracting company exclusively undertakes work for a particular ordering company, and if all wages of workers employed by the contracting company are covered by contract fees provided by the ordering company, the contracting company and its employees are, in actuality, placed in an extremely weak position in their negotiations with the ordering company. This is particularly so in the case of in-house subcontracting, where contracted work is executed in the workplace of the ordering company. In this case, the ordering company may lower the subcontract price or even cancel its order with the subcontracting company when another business that will accept work at a lower price exists. If such a case occurs, the workers of the subcontracting company (or their union) may request negotiations with the ordering company asking for consideration vis-à-vis the subcontract price or continuation of the order. In such cases, the question arises whether or not the ordering company cannot be deemed to be an employer that is obligated to engage in collective bargaining with the union of subcontracted workers under Article 7 of the Labor Union Act. Such a question has frequently been discussed in Labour Relations Commission (LRC) orders and judicial precedents.

I-2. Types having undergone reformation

I-2-1. Individual contracting

Since the Labor Standards Act's enactment in 1947, it has always been contested whether workers such as foremen individually participating in construction projects or truck drivers engaged in transport operations for a specific company using their own truck fall under "workers" to be protected by the Act, as they tended to be under the arrangements of

5 Article 44 or the Employment Security Act. It should be noted that worker dispatch was established as being outside the scope of labor supply when worker dispatch was made legal by the 1985 act to be mentioned later.

independent contractors. Labor inspection offices and the court have been dealing with such cases by examining the substance of work relationships, and there are two Supreme Court precedents, both of which denied worker status for a truck driver[6] and a foreman carpenter[7] in the context of the cases.

In recent years, use of individual contractors has increased for services associated with companies' core competencies, giving rise to cases in Labour Relations Commissions regarding the refusal of collective bargaining by an ordering firm vis-à-vis a union organizing such contractors. Disputed were the status of "worker" under the Trade Union Act in regard to technicians that engage in repair work on household water-use equipment in kitchens, bathrooms and toilets;[8] workers that provide express courier service by bicycle or motorbike;[9] and technicians that visit sites to repair audio equipment.[10]

Three rulings by the Supreme Court in 2011 and 2012[11] may be cited to provide a framework for the actual scope of workers under the Labor Union Act. According to these rulings, basic elements for judgment are (1) whether the persons are incorporated, as a labor force, in a business organization of the enterprise for which they are supplying labor; (2) whether they are subject to unilateral and routine decisions on the contents of contractual relations; and (3) whether remuneration for their services has the aspect of compensation for their labor. Supplementary elements for judgment are (4) whether they are in practice obligated to respond to work requests, and (5) whether they provide labor under direction and supervision in the broad sense, and whether and to what extent they are under constraints in the location and time of work. A final element that works negatively on worker status is (6) the existence of entrepreneurship aspects such as the ownership of machines and other equipment, and the discretion to make profits or losses of their own.[12] In the cases of individual contractors mentioned above, the "worker" status was recognized by the Labour Relations Commissions, the decisions of which were supported by the Supreme Court in the above stated rulings.

Contracting has been used for many years mainly as a means to avoid employer's responsibilities under protective labor law and social security systems. However, the active use of individual contractors for services that concern companies' core competencies appears to be a very recent phenomenon that may be understood in the following context.

When a task in which a contractor is to be engaged is closer to a company's core operations, that contractor must possess a higher work standard and maintain tighter collaboration with the company. However, because providing direction and supervision in the contractor's execution of the work from a remote location in real time was difficult, which thus also made it difficult to ensure a high work standard, entrusting core tasks to contractors was virtually impossible. However, recent advancements in information and communication technologies and the preparation of detailed work processing manuals have made it possible to control workers in remote locations in real time and, by extension, to utilize

6 Chief of Yokohama Minami Labor Standards Office Case, First Petty Bench 11/28/1996, *Rohan* No. 714, p. 14.

7 Chief of Fujisawa Labor Standards Office Case, First Petty Bench 6/28/2007, *Rohan* No. 940, p. 11.

8 The State and CLRC (INAX Maintenance) Case, Third Petty Bench 4/12/2011, *Rohan* No. 1026, p. 27.

9 Sokuhai Case, Tokyo District Court 4/28/2010, *Rohan* No. 1010, p. 25.

10 The State and CLRC (Victor) Case, Third Petty Bench 2/21/2012, *Minshu* Vol. 66 No. 3, p. 955.

11 The State and CLRC (New National Theatre Foundation) Case, Third Petty Bench 4/12/2011, *Minshū* Vol.65 No.3 p.943; the State and CLRC (INAX Maintenance) Case, Third Petty Bench 4/12/2011, *Rōdō Hanrei* No.1026 p.27; and the State and CLRC (Victor) Case, Third Petty Bench 2/21/2012, *Minshū* Vol. 66 No.3 p.955.

12 See Ministry of Health, Labour and Welfare, "Labor Relations Research Group Report (On the Criteria for Judging Worker Status under the Labor Union Act)" (http://www.mhlw.go.jp/stf/houdou/2r9852000001juuf-att/2r9852000001jx2l.pdf), p.10 ff.

contractors for core tasks.

I-2-2. Subcontracting alliance ("*Keiretsu*") and offshoring

As was mentioned previously, subcontracting has been used in Japan since before the Second World War, and it has served as a buffer during a great number of international economic fluctuations. Particularly in the case of manufacturing, it has been pointed out that an important characteristic of Japan's manufacturing industry is the lowness of its ratio of in-house production compared to that of the United States.[13]

In a number of manufacturing sectors, of which the automobile manufacturing industry is representative, a division of labor-based approach through subcontracting relationships extending over multiple stages and levels was used for the production and processing of components and fittings that are not made in-house. Specifically, production and processing tasks are divided up among subcontractors at the primary, secondary, tertiary, and even quaternary levels. The large enterprise standing at the top of this subcontracting system mainly devotes itself to final assembly.

Within this kind of subcontracting system, some large enterprises standing at the top of the division of labor have become oligopolistic. They engage in long-term business with a number of small and medium-sized subcontractors (exclusive subcontractors) that mainly make their parts, thus creating a relationship resembling a "one-to-many" pyramid. While doing business with several subcontractors that make the same parts, lead companies have constantly reorganized their subcontracting in order to reinforce their own competitiveness. Among other steps, this has involved strengthening their relationship (building an alliance) with prominent subcontractors and cutting ties with subcontractors that have difficulty with responding.

This "*Keiretsu*" or subcontracting alliance system has advantages for parent companies in that it conserves fixed capital and labor, makes it possible to procure parts below the external labor market price, and allows flexible adjustment of the internal-external manufacturing ratio. For subcontractors, however, it exposes them to fierce competition with other subcontractors and pressure from the parent company to engage in in-house production. It also requires them to be as flexible as possible in responding to various demands from the parent company so that they may continue doing business with the parent company. Consequently, companies nearer to the bottom of this layered subcontracted production structure pay lower wages. This produces a structure of hierarchal wage disparities.

Previously, the mechanism that moderated wage disparities between large enterprises and subcontractors was the spring wage negotiations ("*Shunto*") that take place between March and April of each year. Although actual wage negotiations themselves take place at the employer-company union level, these *Shunto* negotiations have been coordinated and linked across industries through the setting of wage increase targets within an industry or throughout all industries by industrial union federations or trade union national centers as well as the setting of negotiation schedules within or among industries on the union side, and through the coordinated setting of negotiation schedules between or among industries on the management side. Additionally, the wages paid by major enterprises within each industry made their influence felt in company wage negotiations through the industry hierarchy. The *Shunto* wage-increase patterns thus spread to small and medium-sized enterprises to a significant extent, boosted by a shortage of labor in the overall national economy.

The *Shunto* system was extremely successful as a mechanism for extending wage increases across industries and firms during Japan's period of high economic growth. However, following the collapse of the "bubble economy" and the advent of intensified globalized competition, the mechanism's effectiveness to spread wage increases across firms and industries weakened significantly due to differences between winning and losing firms as well as deterioration of the labor market for job-seekers.

In recent years, much of the production and

13 Solow, M. and John C. Scott, Made in America, Cambridge, Mass., MIT Press. 1989.

processing of components and fittings that traditionally took place in Japan has moved to overseas manufacturing bases as Japanese manufacturing expands internationally. As a result, the supply chain for Japan's industry now crosses international borders. Many subcontractors that became exposed to fierce competition with overseas rivals as a result now do business with multiple parent companies to secure the volume of orders they need. Consequently, rather than manufacturing narrowly defined parts mainly for a single company, they now provide specialized technical assistance to end-product manufacturers to meet a variety of purposes. Subcontracting companies that successfully made this switch in roles have become "specialized processing companies" possessing a number of clients and gained the ability to do business with large enterprises on an equal footing. At the same time, the corporate relationship between specialized processing companies and client companies has also shifted from a pyramid-type relationship with large enterprises at the top to a network-type industrial organization with horizontal and equal links. As a result, the subordinate relationships that subcontracting companies had with large enterprises are weakening and new interdependent relationships as equal business partners are emerging.[14]

As companies move low-added-value parts manufacturing and assembly offshore to low-wage developing countries, the labor conditions of workers working at overseas production sites that are now part of the supply chain have also become a matter of concern. However, unless there are exceptional circumstances, Japanese labor laws are not applicable to labor issues in foreign countries. As an example, there was a case in which the union of an overseas local subsidiary of a Japanese company joined an industrial union in Japan in connection with a labor dispute in the office of that subsidiary. The industrial union then approached the Japanese headquarters company with a request to engage in collective bargaining to settle the dispute but was refused. The industrial union responded by filing a complaint against the Japanese company claiming that its refusal to engage in collective bargaining constituted an unfair labor practice. However, the Central Labour Relations Commission ruled that the case essentially concerned labor relations in a foreign country in which Japan's Labor Union Act did not apply and, therefore, that the case was outside of the CLRC's jurisdiction.[15] The ruling was subsequently endorsed by the court in its judicial review.[16]

I-3. Types newly formed

I-3-1. Worker dispatch

Until the Worker Dispatching Act was enacted in 1985, worker dispatching by temporary employment agencies was uniformly prohibited as a form of labor supply business under Article 44 of the Employment Security Act. In practice, however, there was a sharp increase in worker dispatch businesses from the mid-1970s into the 1980s after the first Oil Crisis of 1973. This increase occurred in the operation of information equipment, cleaning and maintenance of buildings, and other services requiring special skills amid expanding efforts by companies to enhance outsourcing in order to reduce payroll costs. It was also the result of female workers' seeking of employment opportunities compatible with their family responsibilities.

Although worker dispatching before the 1985 Act was mostly conducted in the form of business process subcontracting, ordering companies that received dispatched workers in their undertakings tended to provide a certain direction or supervision to those workers in the execution of subcontracted work. Thus, questions arose frequently regarding whether or not such worker dispatching practices violated the ban on labor supply businesses. Moreover, there was the problem of uncertainty regarding where legal

14 For more on this topic, see Gendai Kigyo Kenkyukai (ed.), "*Nihon no Kigyo-kan Kankei: Sono Riron to Jittai*" (inter-corporate relations in Japan: theory and reality) (Chuokeizai-sha, 1994) p. 175 and thereafter; and Kenichi Imai and Ryutaro Komiya, "*Nihon no Kigyo*" (Japanese enterprises) (University of Tokyo Press, 1989) p. 163 and thereafter.

15 Toyota Philippines Case, CLRC 12/6/2006, *Meireishu* 136, p. 1258.

16 Tokyo High Court 12/26/2007, *Rokeisoku* No. 2063, p. 3.

responsibility under labor protection laws should rest, since the receiving companies that actually used the labor were not employers in terms of labor contracts.

The Worker Dispatching Act of 1985 was enacted, accordingly, under the principle of revising the policy of uniformly banning labor supply business and of permitting worker dispatch businesses for limited types of work (jobs) while at the same time placing those newly permitted businesses under appropriate regulation. On the one hand, the Act placed strict regulations on "temporary employment-type" dispatch businesses whereby each time a business operator dispatches workers who are registered as desiring dispatch employment, the operator hires those workers for the required dispatch period only and then dispatches them to other companies. In light of the instability of dispatch employment under this type, the Act required such dispatch businesses to obtain a "license" from the Minister of Labour (currently the Minister of Health, Labour and Welfare) enumerating reasons for the disqualification of business operators (Article 6 of the Worker Dispatching Act). On the other hand, in the case of "stable employment-type" dispatching whereby only workers employed under non-fixed-term contracts or for periods in excess of one year are dispatched, dispatch business operators were merely obligated to notify the Minister of Health, Labour and Welfare that they will engage in such dispatch business.

Thus, although worker dispatch is, in terms of its characteristics, the supply of workers to another, it was expressly excluded from "labor supply," which is banned by the Employment Security Act, in terms of its definition. On the other hand, purposefully, repeatedly, and continuously having a person under one's own control provide manpower to a third party under the instructions and orders of that party in a form that does not fall under the definition of "worker dispatch" continued to be prohibited as "labor supply business."

The Worker Dispatching Act initially adopted a "positive list" method, whereby the types of work for which dispatch is permitted were specifically listed. However, the types of work were in principle liberalized with progressing deregulation in the 1990s, and a 1999 revision of the act shifted to a "negative list method" whereby only prohibited types were listed. Moreover, manufacturing industries, which had been suffering from competition with their Asian counterparts using less expensive manpower, demanded that manufacturing dispatching, a practice that had been banned, be allowed. Their demand became reality in 2003. Such deregulation led to a dramatic increase in the use of dispatching; however, it was those dispatched workers who were hit first by employment adjustment in the wake of the global recession that was sparked by Lehman Brothers' collapse in the autumn of 2008. At that time, enterprises using dispatched workers first cancelled their worker dispatch contracts with dispatching firms and removed dispatched workers from their production sites. Many dispatched workers were then dismissed by the dispatching firms and became unemployed, even though their labor contracts with those firms had not yet concluded. Such actions—known as *haken-giri* ("cutting off dispatched workers")—were widely reported in the media. Claims that deregulation had gone too far mounted in the media, coupled with criticism of increasing use of the practice of day worker dispatching. As a result, the Worker Dispatching Act was revised in 2012 to tighten regulation in the following respects:

- Dispatches on a daily basis or for periods of less than two months (so-called "day worker dispatching") are prohibited.
- Dispatching of workers inside group enterprise shall not exceed 80% of dispatches performed by a particular dispatch operator.
- In cases of illegal dispatch, it shall be deemed that the firm receiving the dispatched worker offered direct employment to the dispatched worker under the labor conditions provided by the dispatching firm.[17]

A further revision of the Worker Dispatching Act was made on September 30, 2015, to strengthen protection

17 The regulation concerning the deeming of illegal dispatch as an offer of direct employment was executed on October 1, 2015; the other revisions were executed on October 1, 2012.

of dispatched workers in the following respects:

- All worker dispatching undertakings are placed under the license system, regardless of whether they engage in temporary employment-type or stable employment-type dispatching.
- The period during which a worker can be dispatched to the same establishment is redefined to three years, in principle.
- Dispatching firms must see to it that dispatched workers are directly employed by the recipient firm or continue employment with the dispatching firm as a dispatched worker after the dispatch to the firm concludes due to the expiration of the three-year limitation stated above ("employment security measures").
- Dispatching firms are obligated to execute career development measures, such as provision of education and training and career consulting, to the dispatched workers they employ.
- Dispatching firms and firms receiving dispatched workers must see to it that dispatched workers receive working conditions in balance with those of workers who engage in similar work at the receiving firm.

As will be discussed in II-5-2, it should be noted that several judicial precedents and Central Labour Relations Commission (CLRC) orders of recent years have recognized employer status under the Labor Union Act for firms that receive dispatched workers.

I-3-2. Franchising

In Japan, the franchise industry has largely shown continuous strong growth as a new form of business since the 1990s. The growth of convenience stores is receiving particular attention within this trend.

In the case of the United States, inferior labor conditions of workers employed by franchisees compared to workers in directly managed stores is seen as a problem. On the other hand, in Japan, workers who are hired based on the authority of the store manager are ordinarily part-time workers, regardless of whether the store is directly-managed or operated by a franchisee. Given this, the problem of lower labor conditions for peripheral workers under the organizational format of "franchising" is largely seen as a problem of part-time workers. Additionally, because regulations that guarantee labor conditions, including minimum wages, extend to workers who are employed by franchisees, the problem of lower labor conditions based on the specific circumstance of "franchising" has not been viewed as one of great importance.

However, recently, the labor conditions of convenience store managers who are given the contractual status of "franchisee" have come into the spotlight. The reason for this is that convenience store managers are told by their companies that they are not "workers" because they signed a service agreement, despite the fact that in reality they work in the same way as ordinary workers. As a result, there are many cases in which managers are made to work under harsh conditions. Against this backdrop, there has been a trend whereby such convenience store managers join small local unions in their regions to demand better conditions. On March 20, 2014, a Labour Relations Commission order was issued stating that convenience store managers are workers in terms of the Labor Union Act.[18] Relying on criteria established by the Central Labour Relations Commission and Supreme Court, specifically, the Commission studied the following elements individually and in detail, and ruled that despite being business operators in a location separate from the company, member store managers have weak bargaining power that should be protected under collective bargaining laws and thus correspond to "workers" under the Labor Union Act.

Incorporation into a business organization

(1) Standardized content of contractual relations unilaterally decided by the franchiser (inequality in bargaining power)
(2) Nature of remuneration as compensation for labor
(3) Obligation to respond to work requests
(4) Provision of labor under direction and supervision in the broad sense, and the existence of

18 Okayama Prefecture Labour Relations Commission 2010 (Fu) No. 2 Unfair Labor Practice Relief Petition Case Order http://www.pref.okayama.jp/uploaded/attachment/182426.pdf.

certain constraints in the location and time of work

(5) The lack of clear entrepreneurship aspects

Compared to individual and multilayered subcontracting, franchising appears to be a relatively new form of business. The reason for this is that maintaining a brand's overall image makes it necessary to maintain a working standard among workers who work under franchisees. The creation of detailed work training manuals to achieve this as well as the preparation of agreements that spell out responsibilities if a problem occurs require a high level of technical capability. Meeting such requirements has only become possible recently.

In relation to franchising, in Japan, there is another type of commercial arrangement by which multiple retail stores do business within the same store building. Such a facility is called a "cooperative department store." Maintaining brand image is an important consideration in the franchise industry; however, in the case of a cooperative department store, the companies that open stores have their brands and the department store providing the place and facilities also has its own brand. In such cases, the workers who work at the stores are obligated to abide by the regulations of both the company that operates the store and the department store, and there are times when the assignment of worker status and employer's responsibility becomes problematic. To illustrate as an example, say Brand C store opens stores in Brand A department store and Brand B department store. However, Brand A department store declares that it will open for business on January 1, while Brand B department store says it will begin sales on January 3. In this case, despite working for the same Brand C store, workers assigned to Brand A department store will be obligated to work beginning on January 1, while those assigned to Brand B department store will begin work on January 3. In this sense, cooperative department stores can decide, even if only partially, the labor conditions of workers who are employed by the stores that do business in them.

I-3-3. Other new types in the Atypical Work Organization

In the cases of worker dispatch and franchising, the legal character and regulatory methods of those practices have already been the subjects of considerable study, and both are regulated by legislation and judicially created doctrine. On the other hand, for new employment formats like those mentioned at the beginning of this paper—of which telecommuting, Uber, Airbnb, and crowdsourcing are representative—there has been little concrete discussion in line with each format in terms of the worker status of people employed under those formats and the assignment of employer's responsibilities to persons who use them and acquire the results of labor provided through them, to say nothing of their statute-based regulation. Judgments concerning the validity of "employment relationships" within those formats and of the applicability of worker protection laws to the people who work under them are left to conceptual demarcations of "worker" and "employer" within the conventional legal framework.

Against this backdrop, the author will next present criteria for judging how the concepts of "employer" and "worker," which are the parties of a labor relationship, are demarcated in the Atypical Work Organization in Japan.

II. Extension of Employer's Responsibility in the Atypical Work Organization

As described above, the main problems within the Atypical Work Organization in Japan are the concept of "worker" (which will be discussed later), the concept of "employer," and the extension of employer's responsibilities in the area of industrial health and safety. The following will present the concept of "employer" in terms of labor contracts and in terms of the Labor Union Act, with emphasis on the concept and its extension. It will then present legal principles for expanding employer's responsibilities beyond the scope of judicial personality.

II-1. The issue of extending employer's responsibility under individual labor relations

The most basic concept of "employer" under individual labor relations law is that of the employer in a labor contract. The definition given in Article 2

paragraph 2 of the Labor Contract Act is as follows: "The term 'employer' as used in this Act means a person who pays wages to the workers he/she employs."

In this regard, the employer status of someone who is not formally one of the parties to a contract sometimes causes problems. Specifically, such instances include cases of tripartite labor relationship, such as the acceptance of dispatched workers, or subcontracting relationship, in which a third party to the labor contract appears to be exhibiting employer-like functions but escaping from employer's responsibilities. Similarly, there are cases where, as in a parent-subsidiary relationship, a subsidiary company is a direct contractual employer but controlled by another corporation, creating a situation in which the other corporation influences the subsidiary's labor relations.

II -2. Statutory extension of employer's responsibility under individual labor relations

It should first be mentioned that there have been a few statutory responses to the need to extend employer's responsibility under a labor contract to an employer-like third party.

The first is the imposition of quasi-employer responsibilities under the Industrial Safety and Health Act. The Labor Standards Act originally included provisions in Chapter 5 "Safety and Health," imposing several obligations and systems of safety and health management on employers. In the process of high-level economic growth from 1955 onwards, however, major changes occurred in the labor environment in terms of the innovation of machinery and equipment, intensification of work, and handling of new hazardous substances. This led to an increase in both the risk of industrial accidents and accident victims. To address this situation, the Industrial Safety and Health Act was enacted in 1972 as a comprehensive law aimed at preventing work-related accidents. Characteristic among the provisions of the new Act is that the obligation to take certain measures to prevent accidents or health impairment in the workplace is imposed not only on employers under labor contracts, but also on the manufacturers, orderers and leasers of hazardous machines or equipment, or harmful materials. Especially remarkable in the Atypical Work Organization is a special regulation to prevent hazards in the workplace involving multilayered subcontracting. Namely, the prime contractor must give necessary guidance so that related subcontractors do not violate the Industrial Health and Safety Act. The prime contractor in construction and shipbuilding projects, in particular, must take various measures to prevent industrial accidents that could occur as a result of workers of the prime contractor and subcontractors working together in the same workplace (Articles 29 to 34 of said Act).[19]

The second is a special arrangement concerning the employer's responsibility for industrial accident compensation in construction projects. Article 87 of the Labor Standards Act prescribes that, in construction projects executed with multilayered subcontracting, the prime contractor shall be deemed to be the employer responsible for compensating for work-related accidents occurring during a project. The Act further states that the prime contractor may conclude a written agreement with one of the subcontractors to assume responsibility for compensation. In such a case, the Act stipulates that both the prime contractor and the subcontractor assume joint responsibility for compensation.

The third is a partial extension of the employer's responsibilities under protective labor legislation to recipient firms in a worker dispatch setting. As previously explained, under the Worker Dispatch Act, the dispatching firm in principle assumes the employer's responsibilities under the Labor Standards Act, the Industrial Safety and Health Act, and other laws in relation to the dispatched workers. The reason is, of course, that it is not the recipient firm but the dispatching firm that is the employer under the labor contract with dispatched workers. Nevertheless, the

19 Such measures include the establishment and administration of a consultative organization for carrying out liaison and adjustment between related operations, conducting inspection tours of places of operation, and providing guidance and assistance regarding education conducted by related subcontractors for the safety and health of workers.

Act imposes certain regulations in the Labor Standards Act and other laws solely or cumulatively on the accepting firm as responsibilities when the firm actually uses the manpower of dispatched workers under its direction and supervision. For example, the employer's responsibilities to abide by limits on daily and weekly working hours and to provide daily rest periods and weekly rest days are imposed solely on the recipient enterprise. The responsibility to give equal treatment to workers in terms of working conditions, irrespective of their nationality, religion, creed, and social origin, and to men and women in terms of wages are imposed on both the dispatching and recipient enterprises.

II -3. Extension of employer's responsibility under the doctrine of denying the legal entity of the direct employer

In the triangular settings of business process contracting or parent-subsidiary relationships, there are cases in which the business management and labor relations of the contractor or subsidiary company are so greatly dominated by the client or parent company that the contractor or subsidiary company appears to be part of the corporate organization of the client or parent company. In such a situation, one can argue for the doctrine of denying the legal entity of the contractor or subsidiary company vis-à-vis the client or parent company, thereby deeming workers employed by the former company to be those employed by the latter company.

More concretely, in parent-subsidiary relationships, there are cases in which the parent company completely dominates the decisions of the subsidiary company and comprehensively controls its operations. In this context, the employment relationships and working conditions of workers in the subsidiary would be completely dominated by the parent company. In such a situation, if the workers of the subsidiary find that the subsidiary, as their direct employer, has been dissolved by the parent company and that wages for work already done are not yet paid or workers are subjected to economic dismissal, they may wish to pursue liability for unpaid wages or unfair dismissal against the parent company.

According to established case law of the Supreme Court, the status of a corporation as an independent legal entity can be denied when the substance of the corporate organization is a mere shell as a legal entity, or when the corporate organization is abusing the legal entity for unlawful purposes. Applying this general doctrine, when a subsidiary corporation is placed under the parent corporation's comprehensive and complete control through the latter's holding of all of the subsidiary's shares, dispatching of officers to run the subsidiary, and maintenance of an exclusive business relationship with the subsidiary, and the parent exercises tight control over the subsidiary's decisions on wages, working conditions, and other personnel matters, the employees may argue that the legal entity of the subsidiary company is a mere shell vis-à-vis the parent company, and, therefore, that the subsidiary company should be deemed to be a business branch of the parent company. By so arguing, they can contend that they should legally be deemed to be in a labor contract relationship with the parent company. They may thus be able to claim unpaid wages against or employment relations with the parent corporation.

In the setting of business process contracting, on the other hand, there are also cases in which a contractor company is wholly dependent on the client company as its exclusive contractor. The contractor company is doing nothing but the businesses contracted out by the client company, solely within the facilities of the latter company. Contractual conditions are unilaterally decided by the client company, which frequently puts pressure on the contractor company to reduce its workers' wages and thus lower contracting costs. The client company can also make contracting workers perform their work together with its own employees, and can issue directions to the contracting workers. In such a situation, if the client company decides to replace the contractor company with another firm proposing less expensive and more efficient contracting, the workers may lose their jobs due to the termination of business process contracting. The workers of the contractor company may claim labor contract relations with the client company by relying on the doctrine of denying legal entity. Generally speaking, however, it is difficult to apply the doctrine to contractual relations unless the client

company is at the same time the parent company of the contractor company.

II-4. Extension of employer's responsibility under the theory of the implied labor contract

The next theory that is useful for extending the employer's responsibility under a labor contract is the theory of implied labor contracts. According to case law, implied labor contract relations can be recognized between an enterprise and a worker who, although not in an explicit labor contract relationship, are in fact in a relationship in which the worker is providing labor for the enterprise and the enterprise is paying wages to the worker as remuneration for that labor. According to case law, to ascertain an implied labor contract relationship, it is not sufficient that a worker is providing labor under the direction and supervision of an enterprise. The worker has to identify the enterprise directing and supervising his or her labor as the employer who is paying wages in return for that labor.

In parent-subsidiary relations, for example, this theory can be workable in cases when there is almost no independence of the subsidiary in business operations as well as in personnel management, and, accordingly, the subsidiary could be recognized merely as a part of the parent's business organization. In such cases, the workers of the subsidiary may consider that they are actually working for the parent company and that the wages they are receiving are paid by the parent company as remuneration for their work for the parent company. These are also cases in which one can rely on the doctrine of denying the legal entity of the subsidiary company. In the parent-subsidiary setting, workers of the subsidiary more often resort to the doctrine of denying legal entity than the theory of implied labor contract relations.

The theory of implied labor contract relations is also referred to in cases of worker dispatch and business process contracting. Namely, when dispatched workers lose their jobs due to the termination of a worker dispatch agreement between dispatching and recipient enterprises, they may criticize the callous attitude of the recipient enterprise and may even claim the existence of labor contract relations with the recipient company. Such an attempt will not be successful unless the dispatching company can be regarded as not in fact an independent business entity but rather as a mere manpower office of the recipient company performing recruitment of workers on its behalf.

The above-mentioned workers of a contractor company who lose their jobs due to the termination of an exclusive contractual relationship between the client (recipient) company and the contractor company may also contend that real labor contract relations exist between them and the client company in accordance with the theory of implied labor contract. Here again, such a contention will not be persuasive unless the contractor company can be recognized not as an independent business entity but rather as a mere branch office of the client company that performs personnel management on the client company's behalf.

II-5. Extension of employer's responsibilities under the Labor Union Act

II-5-1. Extension in the cases of parent-subsidiary and subcontracting relations

Article 7 of the Labor Union Act prohibits certain acts by employers that are not permissible in collective labor relations institutionalized by the Act; these acts are known as unfair labor practices. When a violation occurs, an administrative committee called a Labour Relations Commission issues an administrative relief order, the aim being to restore and secure proper order in collective labor relations.

Article 7 mentioned above prescribes that the "employer shall not commit" the listed unfair labor practices. Here, the problem lies in what "the employer" refers to as the actor of unfair labor practices. It goes without saying that the employer should be identified as one party to a labor contract who receives the labor of and pays wages to the other party. Here, however, we shall question whether some legal entity other than this employer based on a labor contract could be regarded as an employer.

The combined efforts of labor law academics and the courts have established a doctrine of extending employer status to the third party in a labor contract who dominates and controls the working conditions

of workers in the labor contract. This doctrine has been formed with regard to cases of parent-subsidiary relations and subcontracting relations in the following way.

If a parent company controls a subsidiary company's operations and the treatment of the latter's workers, this could work toward affirming the employer status of the parent company pursuant to Article 7 of the Labor Union Act. Thus, if the parent company, through its stock ownership, dispatch of officials, subcontracting relations and the like, places the subsidiary company under its control, and it has actual and concrete managerial authority with respect to the working conditions of the latter's employees, the parent will have employer status in collective bargaining, along with the subsidiary, with regard to those employees' working conditions.[20]

Also, when an enterprise subcontracts some of its work to another enterprise and provides its own employees to that other enterprise, the recipient enterprise may acquire the status of an "employer" for purposes of Article 7 toward those employees of the subcontractor enterprise. Thus, where the recipient company has actual and concrete control over the working conditions and treatment of such workers working in its place of business, it is deemed to possess the status of the employer towards those workers. According to a Supreme Court precedent,[21] even where the recipient company does not control working conditions in the contractor company comprehensively, it should still be deemed "a partial employer" if it has "substantial and concrete domination" over partial but significant working conditions in the latter company.[22]

II-5-2. Extension of employer status in the Atypical Work Organization

Applying the theories explained above, a typical legal issue arising in multilayered subcontracting relationships is whether a client company that contracts out part of its work to a subcontractor should be viewed as an employer under the Labor Union Law vis-à-vis the workers who are employed by the bottom-level subcontractor and received in the place of business of the contracting-out company. According to the theory of extending employer status mentioned above, the basic criterion is the extent to which the client (recipient) company has "substantial and concrete domination" over the working conditions of the subcontractor's workers.

As shown in Fig. 1, let us assume that Company D is one of Company A's subcontractor companies, and that Company A is a subcontractor company of Company Y. If Company Y has substantial and concrete domination over Company D not only in terms of Company D's business operation but also in a partial yet substantial portion of the working conditions of Company D's Worker X, who is engaged in the subcontracted work, Company Y would be viewed as the employer of Worker X, even though the worker is directly employed by Subcontractor D.

The same approach is used when the Labour Relations Commissions ascertain the existence or non-existence of employer status on the part of firms that receive workers dispatched by temporary agencies within their establishments and, in practice, direct and supervise them.

A similar extension of employer status could be applied to the multilayered parent-subsidiary relationship. For example, as shown in Fig. 2, let us assume that Company D is a subsidiary company of Company A, and Company A is a subsidiary company of Company Y. If Company Y has substantial and concrete domination over Company D not only in its business operation but also in the management of a partial yet significant portion of working conditions, Company Y would be viewed as the employer of Worker X, even though the worker is directly employed by Subsidiary D. The point is that the doctrine of extending employer status under the Labor Union

20 Kazuo Sugeno, Japanese Employment and Labor Law, North Carolina Academic Press 2002, p.699.

21 Asahi Hōsō Case, Supreme Court 3rd Petty Bench Decision, February 28, 1995.

22 Sugeno 2002, p.700.

Figure II-1 Extention of Employer Status in Multilayered Subcontracting Relationship

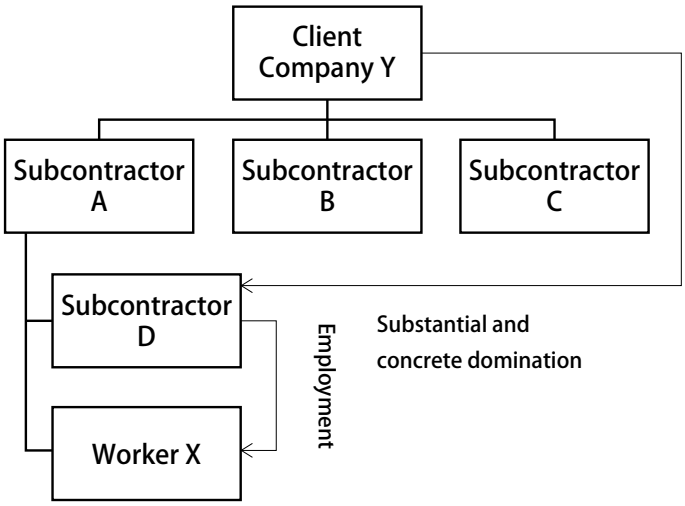
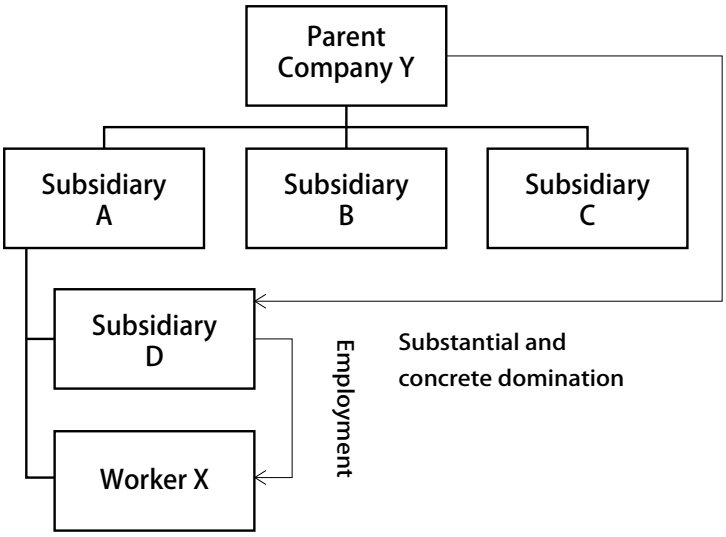


Figure II-2 Extention of Employer Status in Parent-Subsidiary Relationship



Act can be applied to tripartite business relations, such as a parent, subsidiary, and subsidiary's employees, or a subcontractor, subcontractor's employees, and recipient, regardless of whether these be simple tripartite relations or more complex multilayered tripartite relations. It should be added that the doctrine would be usable even for other tripartite relations, such as that of a franchiser, franchisee, and franchisee's employees, or a dispatcher, dispatcher's employees, and recipient, regardless of whether these be simple or a multilayered relations.

Ⅲ. Evaluation of Eligibility as a Worker in Japanese Labor Law

This section begins by introducing the definitions of the concept of "worker" in Japanese labor law and the general criteria for evaluating eligibility as a worker, and then builds on this by describing several specific issues related to evaluating whether or not a person is eligible as a worker.

III-1. The definition of "worker" in the Labor Contract Act and the Labor Standards Act

The Labor Contract Act defines "worker"—namely, a person to whom the act is applied—as "a person who works by being employed by an employer and to whom wages are paid" (Article 2, Paragraph 1). The elements of employment and wage payment are common elements to define the definitions of "employer" (Article 2, Paragraph 2) and "the establishment of a labor contract" (Article 6). In comparison, the Labor Standards Act defines the "worker" it seeks to protect as a person "who is employed at an enterprise or office and receives wages therefrom" (Article 9). This can be interpreted as being essentially identical to the definition set out in the Labor Contract Act, but with the additional restriction that the person shall be employed by a business (enterprise).

Given these definitions of "worker," when determining whether or not the Labor Contract Act, the Labor Standards Act, or other additional or related legal provisions should be applied, the fundamental question is whether or not the subject can be described as someone who "works by being employed and receives wages." Here we discuss the concept of "worker" defined in the Labor Standards Act.

III-2. Criteria for evaluating eligibility as a worker

The definition of "worker" in Article 9 of the Labor Standards Act states that a workers shall be (1) employed at a business and (2) receive wages therefrom. However, as the meaning of "employed" and the definition of "wages" (Labor Standards Act, Article 11) are broad and abstract, it is not possible to clarify the scope of workers directly from the provisions of this act. It is therefore necessary to clarify the interpretations of the criteria used for evaluating eligibility as a worker.

A report published by the Japanese Ministry of Health, Labour and Welfare's Labor Standards Act Study Group (*Rōdōkijunhō kenkyūkai*)—entitled "Criteria for Defining 'Workers' in the Labor Standards Act" (December 19, 1985)—which is understood to be widely accepted at present, asserts that evaluation of eligibility as a worker should be conducted on the basis of practical terms, regardless of the format of the contract, such as employment contract or contractor agreement. It then seeks to clarify a means of evaluating whether or not a person falls under the category of "worker" under the Labor Standards Act by demonstrating that the existence (or not) of "subordination to an employer" can be used as a basic framework for evaluation, and by identifying specific criteria for determining "subordination to an employer" and other factors that can be used to support evaluations of eligibility as a worker. Being "subordinate to an employer" is defined as cases in which the person in question is (1) working under the direction and supervision of an employer and (2) receiving remuneration that is compensation for their labor.

Firstly, the question of whether or not work is conducted under direction or supervision is evaluated according to criteria such as the following: whether or not the person in question receives (specific) requests to engage in work; whether or not they have the freedom to accept or refuse instructions, etc., on engaging in work (if no such freedom exists, they are assumed to be under direction and supervision); whether or not they are directed or supervised in the process of carrying out tasks (if they receive specific instructions or orders regarding work content or means of carrying it out, it is easy to acknowledge that they are under direction and supervision); whether or not there are restrictions on the workplace or working hours (it may be difficult to ascertain whether such restrictions inevitably arise due to the nature of the work, or whether they are due to instructions or orders from the employer); and whether or not the person is "substitutable" (if another person can provide labor on behalf of the original one, or, if a supporting person can be used to carry out the work; this is a factor that suggests that the person is *not* under direction and supervision).

Secondly, when evaluating the nature of the remunerations, factors such as the calculation of remunerations on the basis of an hourly salary, etc., as opposed to remunerations that vary significantly according to the results of the labor; deductions from remunerations in the event of absence; and allowances paid for

overtime work indicate that the person in question is receiving remuneration that is compensation for providing labor for fixed amounts of time. In this case, it reinforces the suggestion that the person is "subordinate to an employer."

For cases in which it is not possible to make an evaluation on the basis of the two points described above, the report also lists a third set of factors that may be used to support evaluations of eligibility as a worker. Among them are factors related to whether or not the person in question can be classified as a business owner (bearing expenses for machinery and equipment, amount of remuneration, responsibility for damages, use of a trade name, etc.) and the extent to which work is conducted exclusively for a certain company or organization.

Ⅲ-3. Specific evaluation of eligibility as a worker

With the growing prominence of the service industry, increasing globalization, and advances in information technology, ways of working are becoming ever more diverse, and companies are adopting measures to reduce costs. Such developments have in turn made the question of whether or not people are "workers" a greater and more complex problem. Here we look at some more specific issues that are involved.

Ⅲ-3-1. Distinguishing between "executives" and "workers"

When considering whether or not a person is a "worker," the first question is where to draw the line between "workers" and those who are involved in the executive management of a company (company officers) as opposed to being employed by the company.

Representative of people involved in executive corporate management are "directors" in stock companies. The Companies Act states that in the case of directors (people involved in the executive management of a stock company), appointments, dismissals, and decisions on their remunerations shall be voted on at shareholders' meetings; terms of appointment shall not exceed a certain period; and such persons shall be delegated authority by the company and take on various obligations and responsibilities. In other words, directors are not classed as "workers" because they are prescribed under the Companies Act as having different statuses and responsibilities to people who are employed by a company and receive wages therefrom (i.e., workers). "Auditors," who have the task of auditing directors' performance of duty, are also not included under the category of "worker" because they are likewise legally prescribed special statuses and responsibilities under the Companies Act. The same applies to "executive officers" in companies with committees.

The officers of organizations such as general incorporated associations, general incorporated foundations, public interest incorporated associations, and public interest incorporated foundations (chairpersons and inspectors) are also elected by the general meetings of those organizations; delegated their roles by those organizations; subject to legally prescribed rules regarding their appointment, dismissal, and responsibilities; and engage in executive management. They are therefore also distinguished from workers who are under a labor contract with the organization.

There is in fact also a considerable number of cases of "worker directors"—that is, directors who have been assigned the status of director but also have the status of a worker—and this generates various problems. It is also difficult to determine whether family workers and co-workers in individually-owned businesses are joint managers of the business or workers who are "employed and receive wages."

Ⅲ-3-2. Distinguishing between "individual business owners" and "workers"

People such as sales representatives (for brokerage firms or insurance companies), customer engineers, entertainers, and people who work at home engage in work under "delegation" or "contracting" agreements rather than "employment" contracts. In addition to the fact that their guaranteed remunerations are low, the working conditions of people under such contracts may include such factors as being paid proportionate to the results they produce (under systems such as commission or performance-based pay), little restrictions on working hours or place of work, not being subject to formal rules of employment, and not being entered into the labor insurance scheme by another

party. People such as construction industry craftsmen who work for themselves, subcontracted drivers who use their own truck to engage in transportation for a specific company, and managers of franchises may also be engaged under "delegation" or "contracting" agreements as individual business owners; however, if they essentially provide labor exclusively for a specific company, it may be necessary to address the question of whether or not they are "workers."

Whether or not such people who supply labor through contracting or delegation agreements are "workers" is not determined by the format (wording) of their contract. Instead, they can be described as "workers" if it is recognized that the actual conditions of the labor relationship that they work under forms a labor contract relationship in which they are "employed" by a business and paid wages. This is because, regardless of how their contract is set out as a "delegation" or a "contracting" agreement, if it is recognized that under the practical conditions of their labor relationship the person in question is employed by a business and paid wages therefrom, it is not possible to avoid the strict regulations applying to such a labor relationship.[23]

When considering the meanings of the criteria "employed" and "wages" as they are used in the definitions of "worker" in the Labor Contract Act and the Labor Standards Act (Article 2, Paragraph 1 of the Labor Contract Act and Article 9 of the Labor Standards Act), "employed" is interpreted as providing labor under instructions or orders, and "wages" is defined as "all kinds of payment made from employer to worker as remuneration for labor" (Labor Standards Act, Article 11). These two criteria are abstract and at the same time closely linked. The established evaluation method that has been adopted in government supervision and court precedents regarding labor standards is to combine and summarize both criteria as "subordination to an employer," and then closely examine and combine various factors of the labor relationship to determine whether or not the person in question is a worker as defined in the relevant articles. As noted above, the 1985 report of the Labor Standards Act Study Group sets the main factors used for this evaluation as (1) whether or not the person in question has the freedom to refuse requests to engage in work, (2) whether or not they receive direction or supervision when performing work, (3) the level of restrictions on time or place, (4) whether or not the person is "substitutable," and (5) the methods of calculating and paying remunerations. The report also suggests supplementary factors for evaluation, such as (1) whether or not the person can be defined as a business owner due to factors such as bearing expenses for machinery or equipment or amount of remunerations, etc., and (2) the extent to which the work is provided exclusively to a certain company or organization. These factors have been used since the report was published.

Cases in which a person is classified as being "employed" are typically those in which actual working conditions include not having the freedom to accept or refuse requests to engage in work, receiving instructions or orders about the content of work and the way in which one should conduct it, having a regulated working location and working hours, and engaging in work that cannot be carried out by a substitute. Whether or not remuneration can be referred to as wages is then determined based on whether or not such conditions exist, as well as whether or not the remuneration has the same qualities as wages of an employee in terms of its amount, method of calculation, and form of payment, or whether or not it is payment for contracted work carried out by a small business owner. Factors such as whether or not the remuneration has taxes deducted at the source (as in the case of salary income), and whether or not insurance premiums such as employment insurance, employees' pension insurance, or health insurance premiums are collected are also used to determine if remunerations can be classified as "wages." Even if the person in question engages exclusively in work

23 In a 2009 questionnaire survey by the Ministry of Health, Labour and Welfare's Fixed-term Labor Contract Study Group (*Yūki rōdō keiyaku kenkyūkai*) of around 5,000 people under fixed-term labor contracts, just over 10% of respondents responded that they were working under outsourcing or contracting contracts.

for the relevant company, and even in cases where the person's business is small, they are not recognized as a worker if there are factors that suggest that they are running a business in terms of providing capital and organizing accounts (possession of facilities and machinery, bearing of costs of equipment and expenses, earning of surplus funds, undertaking of risk or responsibility, or employment of other people, etc.). In contrast, if it is recognized that such factors barely exist, and the person is simply employed by another person and receives compensation for their labor, they can be classified as workers.

In Supreme Court precedents regarding a subcontracted driver engaging exclusively in work for a specific company[24] and a foreman carpenter working for himself[25] the court determined in both cases that the persons in question did not fall under the definition of "worker" as set out in the Labor Standards Act. In recent years, the questions of eligibility as a worker and what constitutes a labor contract have been addressed by the lower courts with regard to various kinds of outsourcing contracts, and there are both precedents for eligibility as a worker being recognized[26] and precedents for eligibility as a worker not being recognized.[27]

III-3-3. People who engage in specialist work under semi-flexible working systems

Doctors, lawyers, first-class architects (*ikkyū kenchikushi*), or other people who have advanced specialist skills, qualifications, or knowledge and who are engaged in the work of a business exclusively for a specific business operator, but who supply their labor independently without receiving specific instructions or orders in the actual pursuit of their work, may also be classified as workers if they work in accordance with fundamental instructions or orders set out by their employer regarding the content or quality and quantity of their work and receive remuneration for said work.[28] It is also possible that those who provide labor in the process of receiving training to develop such advanced specialist vocational skills may also be classified as workers. In a Supreme Court precedent regarding a medical intern who had passed the National Examination for Medical Practitioners and was engaging in clinical training at a university hospital, it was determined that the intern should be regarded as a "worker" who should be paid a minimum wage due to the fact that his activities not only involved training to improve his qualities as a doctor but also included providing labor to the hospital, and that he was engaged in medical practice in accordance

24 Chief of the Yokohama Minami Labour Standards Office Case, First Petty Bench of the Supreme Court 11/28/1996, *Rohan* No. 714, p. 14.
The court determined that the driver was not a "worker" due to the fact that he owned the truck used for the work and bore the expenses of gasoline costs, repair costs, and expressway tolls himself; he did not receive instructions or orders on how to conduct the transportation work beyond necessary instructions; he had only loose restrictions on time and place of work, and his remuneration was performance-based payment and declared as business income, among other factors.

25 Chief of the Fujisawa Labour Standards Office Case, First Petty Bench of the Supreme Court 6/28/2007, *Rohan* No. 940, p.11.
The court determined that the carpenter in question was not a "worker" due to the fact that there was nothing to suggest that he received instructions or orders from a construction firm, his remuneration was paid for completed work, and he provided his own tools for the work, among other factors.

26 Examples of cases in which the person's eligibility as a worker was recognized include a member of a brass band, a camera operator in film production, a promotion staff member distributing pamphlets for a prefectural mutual aid scheme, a club hostess, a lifestyle support staff member living in a housing complex for older people and providing assistance to residents, a person seeking to become a media personality with an entertainment agency, the manager of a computer skills school, a person delivering/checking the safety of gas cylinders, a regional staff member of the Japan Broadcasting Corporation (NHK), and an insurance salesperson of an insurance broker.

27 Examples of cases in which the person's eligibility as a worker was not recognized include a door-to-door salesperson for a brokerage firm, a television reception fee collector, the manager of a shop selling bread under a franchise contract, a freelance reporter for a newspaper firm, a motorcycle racer, a driver providing his own truck, a professional sumo wrestler in the Japan Sumo Association, and a live-in helper in a dormitory for people with mental disabilities.

28 Case of Company B (legal experts), Tokyo District Court 12/24/2009, *Rohan* No. 1007, p.67, is an example of a court precedent in which the relationship between an in-house lawyer and a company was recognized as a labor contract.

with the instructions of the advising doctor at the dates and times and in the locations determined by the hospital, and was receiving a payment in return for such labor in the form of a scholarship, etc.[29]

Conclusion

Globalization, the application of new information technologies, and other factors have produced a situation whereby the receipt of the results of labor receives more attention than direct command and supervision of the labor process. Not only has this led to the emergence of various new employment formats that replace the traditional "employment relationship," it has also brought major changes to the scope and methods for applying previously existing employment formats. In the United States, this social phenomenon was given the name "the fissured workplace" by David Weil, who refers to it as "a new form of fundamental restructuring of business organizations." A similar social phenomenon is also appearing in the EU nations, although basic research to grasp it in its entirety is still limited. Instead, considerable attention is being given to research associated with new employment formats and related themes, such as cross-border supply chains. However, employment formats that resemble these new formats have existed in Japan for years, as have legal norms that regulate them. Focusing attention on similarities with previously existing formats, the author studied those formats that underwent change in terms of their scope and method of application as well as new formats by referring to them as the "Atypical Work Organization." This study revealed that, when it comes to such formats, it is not just the "old types" but also "types having undergone reformation" that are handled largely on a case-by-case basis within the conventional legal framework.

However, as is seen in some cases of individual contracting, there are cases in which a contracted worker's contract remains the same in terms of type but has its scope of application extended to fields connected with a firm's core competencies. As a result, the actual labor situations of the worker come to resemble those of the firm's regular employees to such a degree that drawing a distinction between them becomes difficult. Additionally, as is seen in subcontracting alliances, there are cases in which it becomes difficult to assign hard law-based employer's responsibilities following the overseas relocation of manufacturing plants. In such cases, the drawing out of valid conclusions becomes impossible when pertinent regulations are applied as they existed prior to the manifestation of the significant changes mentioned above.

On the other hand, for new employment formats—of which telecommuting, Uber, Airbnb, and crowdsourcing are representative—there has yet to be much discussion on the worker status of people employed under those formats and the assignment of employer's responsibilities to persons who use them and acquire the results of labor provided through them, to say nothing of special statute-based regulation. Judgments concerning the validity of "employment relationships" within those formats and of the applicability of worker protection laws to the people who work under them are left to conceptual demarcations of "worker" and "employer" within the conventional legal framework.

In labor law study to take place going forward, it will first be important to examine realities in the application of newly emerging employment formats, and then to consider the necessity of applying worker protection regulations to them as well as the forms those regulations should take. Then, for conventional employment formats, it will be important to consider whether major changes have occurred in their application and whether relevant laws and regulations should be reexamined to address those changes.

Moreover, as individual responses to existing specific employment formats are reevaluated, criteria pertaining to the applicability of "worker" and "employer" statuses within the Atypical Work Organization must also be reconsidered. Suitable criteria for "worker" status and "employer" status will serve as the foundation for considering whether or not to

29 Case of Kansai Medical University, Second Petty Bench of the Supreme Court 6/3/2005, *Minshu* Vol. 59, No. 5, p. 938.

apply labor protection laws and the type and extent of protection required whenever additional new employment formats appear.

III Actual Circumstances of Job-Placement Support at University Career Centers and Responses to Students with Difficulty in Employment

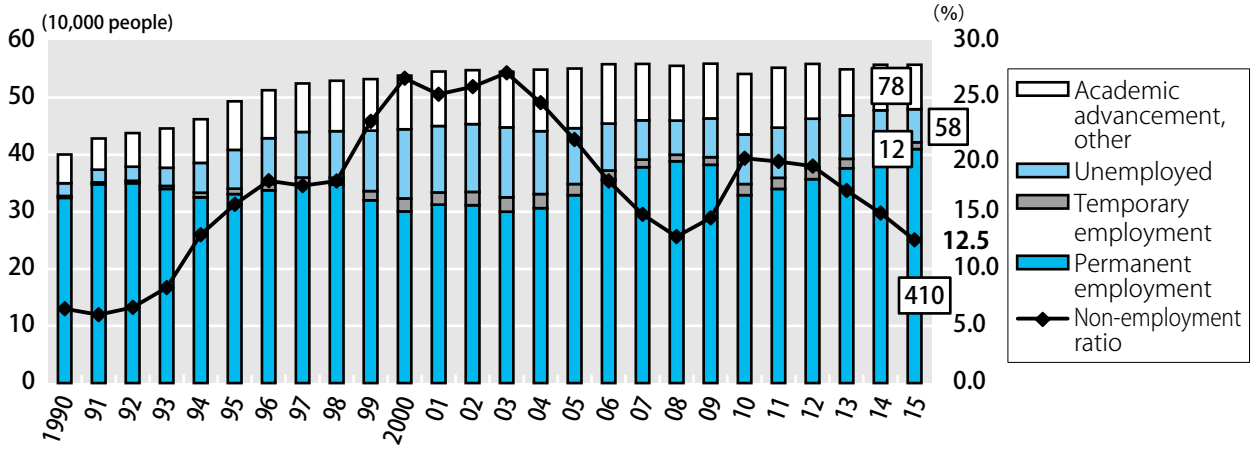
1. Background and Issues

This paper reports results obtained from two types of survey, a questionnaire survey and interview survey, concerning the actual circumstances of job-placement support provided to students by university career centers and of support for students who have difficulty finding employment.

In Japan, it is still customary for graduates of universities and other schools to enter employment, primarily as regular workers, immediately following their graduation, without taking any time off in the interim. This custom remains firmly rooted in Japan though advancing economic globalization and accompanying changes has a considerable negative impact on the existence of Japanese-style employment system, namely long-term employment of regular workers. Accordingly, the standard social mindset is that a student will engage in job-hunting activities and obtain an informal job offer from a company prior to graduation, become employed as a regular worker by that company immediately upon graduation, and then work continuously for that company for a long period of time.

Against this backdrop, there is a growing segment of students who cannot find employment as regular workers after graduation. Looking solely at new graduates, beginning particularly in the mid-1990s, the career paths of new graduates became more diversified amid a long-term economic slowdown in Japan. This was marked by growing percentages of young people who temporarily took unstable jobs after graduation, those who became non-regular workers, and the unemployed youth. Even when temporary economic recoveries occurred, those recoveries did not lead to significant increases or improvements in the percentage of those employed as regular workers. Instead, the diversification of career paths has tended to become even more established (Figure III-1). According to Figure III-1, new graduates who found employment as regular workers in 2015 numbered 410,000, while those who took temporary jobs numbered 12,000 and those who were unemployed numbered 58,000. Although the percentage rate of those who did not find work among all graduates has improved compared to previous highs, it is still high at 12.5%.

Figure III-1 Paths Taken by New University Graduates



Source: *School Basic Survey* conducted by the Ministry of Education, Culture, Sports, Science and Technology (MEXT).

For this reason, more career centers of universities and other final educational institutions have been focusing on job-placement support in recent years, in addition to efforts to enhance specialized education, which is primary duty for educational institutions. This is designed to help all students find work as regular workers following their graduation. Additionally, the Ministry of Education, Culture, Sports, Science and Technology (MEXT) revised its criteria for university establishment in 2010, requiring universities and junior colleges to include career guidance in their curricula beginning in 2011. Meanwhile, there are a growing number of instances in which academic staffs and clerical staffs in career centers are cooperating to provide career education that helps students set their future paths within regular coursework.

When new university graduates seek employment, the items that are emphasized are character and behavioral characteristics that are evaluated through interactions during job interviews together with a certain level of basic academic skill. Under such circumstances, those students who are not skillful in the improvised interactions that take place during interviews have difficulty scoring highly in terms of their character evaluation. This reduces their chance of passing employment exams and, ultimately, makes it difficult for them to finalize their employment. Moreover, if a student has a developmental disorder or characteristics that resemble such a disorder, for example, and thus has difficulty communicating with people, he or she will have even more difficulty getting passed the interview stage. In other words, given that companies emphasize personal character evaluations in their hiring, job-seekers who communicate poorly in interviews and other situations are always facing at the danger that they will end up having difficulty finding employment. In some cases, providing simulated interviews or basic communication training can be effective for students who have such difficulties. This kind of training is often provided as part of ordinary support menus at youth employment support organizations (Japan Institute for Labour Policy and Training, 2013), and in recent years it has also come to be provided by university career centers.

As this demonstrates, while supporting certain students who require special assistance on the one hand, a recent characteristic of university career centers is that their activities now cover a broad range, such as providing employment guidance for all students and supporting career education in regular coursework on the other. However, generally speaking, the number of staff members assigned to career centers is not necessarily large, and thus centers are forced to provide highly efficient support with limited resources.

For the purpose of this paper, the author conducted surveys of two types to grasp the actual circumstances in university career centers and report the results. First, the author conducted a large-scale questionnaire survey of career centers to get a picture of the various job-placement support services they currently provide, recent student trends, the challenges that career centers face, and other matters. The author also conducted an interview survey to get a clear understanding of students who have difficulty finding employment and the actual circumstances of support for them. Here, the author selected a number of career centers based on certain conditions and paid particular attention to support for students who have difficulty finding employment.

2. Questionnaire Survey

2-1 Survey outline

■ Survey objectives

This survey was planned and executed for the purpose of gaining a concrete picture of the actual circumstances of job-placement support provided at universities, junior colleges, colleges of technology, and vocational schools. The questions were mainly established in five categories, namely (1) Attributes of the responding school, (2) Details of job-placement support, (3) Use of/need for assessments and tools to identify the aptitude of students, (4) Students' understanding of jobs and vocation, and methods/needs concerning supply of job-opening information and support, and (5) Current initiatives, challenges, and systems of career centers. The content of this paper focuses primarily on categories (1), (2), and (5).

Survey results were received through responses from four school types: universities, junior colleges, colleges of technologies, and vocational schools.

Detailed results are provided in the original report (*JILPT Research Series* No. 116). Because this paper's purpose is to give particular attention to the actual circumstances of support provided by university career centers, sections beginning with the following section will report with focus on results received from universities and junior colleges. For universities, specifically, the paper will explain differences in three groupings to be formed based on the size of the percentage of those recent graduates who remain undecided about their career path (hereinafter "undecided graduates").

■ Survey method

The questionnaire was sent by post to all targeted schools. Responses were received either by post or through entries made on a webpage.

A complete survey was conducted for universities and for junior colleges. When several campuses belonged to the same incorporated educational institution, questionnaires were sent to each campus. Consequently, the total number of questionnaires sent was 1,071 for universities and 370 for junior colleges.

■ Response rates

The total number of responses received (postal service and webpage) was 636. In many cases, responses from incorporated educational institutions having multiple campuses were received as a single compiled response. Thus, a calculation of the number of responses against the actual number of schools ultimately produced a response rate of 63.5% for universities and 51.2% for junior colleges (Table III-2).

■ Basic attributes of responding schools

Looking at bodies that established the responding schools (i.e., in terms of whether they are national schools, public schools, or private schools), of the responding universities, private universities accounted for the largest share with 71.9% (330 schools). Following were national universities with 15.3% (70 schools) and private universities with 12.9% (59 schools). For junior colleges, 91.5% (162 schools) were private schools, 8.5% (15 schools) were public schools, and none (0%; 0 school) was categorized in national schools.

In terms of the sizes of their student bodies, just

Table: III-2 Numbers of Responses and Response Rates

School type	Total questionnaires sent	Actual number of schools	Number of responses	Collection rate against number of questionnaires sent (%)	Collection rate against actual number of schools (%)
University	1,071	723	459	42.9	63.5
Jr. college	370	346	177	47.8	51.2

Table III-3 Sizes of Responding Schools

School type	Number of students	Fewer than 100	100 - 199	200 - 299	300 - 399	400 -499	500 - 599	600 - 699	700 - 799	800 - 899	900 - 999
University	Frequency	0	5	8	17	16	18	17	19	13	14
	%	0.0	1.1	1.8	3.8	3.5	4.0	3.8	4.2	2.9	3.1
Jr. college	Frequency	10	19	46	39	16	19	13	5	2	1
	%	5.7	10.8	26.1	22.2	9.1	10.8	7.4	2.8	1.1	0.6

School type	Number of students	1,000 - 1,999	2,000 - 2,999	3,000 - 3,999	4,000 - 4,999	5,000 - 5,999	6,000 - 6,999	7,000 - 7,999	8,000 - 8,999	9,000 - 9,999	10,000 or more	Total
University	Frequency	100	50	30	31	27	14	14	9	6	45	453
	%	22.1	11.0	6.6	6.8	6.0	3.1	3.1	2.0	1.3	9.9	100.0
Jr. college	Frequency	5	0	0	1	0	0	0	0	0	0	176
	%	2.8	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0

under 30% of responding universities had fewer than 1,000 students, while 70% had at least 1,000 students. On the other hand, schools with student bodies of fewer than 1,000 accounted for approximately 97% of responding junior colleges (Table III-3).

For circumstances of career path immediately after graduation, responses divided into five categories were received through the survey. These categories were (1) Graduates in permanent employment, (2) Graduates advancing to higher education, (3) Graduates in temporary employment, (4) Graduates other than (1) to (3) (i.e., neither employed nor advancing to higher education), and (5) Unknown or other. In the case of (3), the graduates being referred to are indeed employed, but only temporarily, and thus they are those to be in an unstable position from a social standpoint. The graduates being referred to in (4) are similarly in an unstable position, and regardless of whether it is in employment or higher education, they are people for whom it is desired that their post-graduation path will become clear as soon as possible. Category (5) refers to graduates whose status could not be ascertained by the school. From the standpoint of the schools, whose role is to send competent graduates out to activate the society positively, it is a category whose share should be made as small

Table III-4 Percentages of Recent Graduates Who Proceeded on a Path Other Than toward Full-Time Employment or Academic Advancement and of Graduates Whose Paths are Unknown

	Universities		Jr. colleges	
	Frequency	%	Frequency	%
Less than 1%	13	3.0	8	4.7
1% to less than 2%	6	1.4	7	4.1
2% to less than 4%	27	6.2	18	10.5
4% to less than 6%	21	4.8	16	9.4
6% to less than 8%	38	8.7	12	7.0
8% to less than 10%	37	8.5	16	9.4
10% to less than 12%	38	8.7	22	12.9
12% to less than 14%	26	5.9	6	3.5
14% to less than 16%	36	8.2	12	7.0
16% to less than 18%	26	5.9	9	5.3
18% to less than 20%	23	5.3	9	5.3
20% to less than 22%	24	5.5	8	4.7
22% to less than 24%	17	3.9	3	1.8
24% to less than 26%	17	3.9	8	4.7
26% to less than 28%	17	3.9	2	1.2
28% to less than 30%	11	2.5	3	1.8
30% to less than 32%	10	2.3	3	1.8
32% to less than 34%	9	2.1	0	0.0
34% to less than 36%	8	1.8	0	0.0
36% to less than 38%	5	1.1	4	2.3
38% to less than 40%	7	1.6	0	0.0
40% to less than 42%	4	0.9	0	0.0
42% to less than 44%	6	1.4	3	1.8
44% or higher	11	2.5	2	1.2
Total	437	100.0	171	100.0

as possible. Accordingly, low shares are desired for categories (3), (4), and (5). When the shares of (3), (4), and (5) were calculated (Table III-4), it became apparent that there was a broad variety of circumstances among all of the responding schools. Specifically, when a school had high shares for (3), (4), and (5), this indicates that it has many graduates who remain undecided about their career path. It is therefore thought that the way it provides career guidance must be improved in some way. On the other hand, when a school has low shares here, this suggests that the school has few undecided graduates and therefore the career guidance for the students works well to provide most graduates with definite career paths after graduation.

2-2 Results

In the following section, we will primarily examine the results of universities and junior colleges as general trends relating to job-placement support. We will then examine the results based on the percentages of undecided graduates in universities.

■ Overall trends relating to job-placement support

(1) Employment support schemes

To begin with, we arranged responses on the number of staffs working in career centers (Table III-5). The most common responses were two to three people in the case of junior colleges and four to five in the case of universities. Although some universities responded that they have "22 or more" staffs, those figures were arrived at by totaling the staffs of multiple campuses or came from the use of many part-time staffs.

When we asked whether or not there are any full-time staff members who had come to the center utilizing previous work experience in job-placement support

Table III-5 Number of Career Center Staff Members

		0 - 1	2 - 3	4 - 5	6 - 7	8 - 9	10 - 11	12 - 13	14 - 15	16 - 17	18 - 19	20 - 21	22 or more	School total
University	Frequency	20	84	121	71	46	37	18	16	10	8	7	12	450
	%	4.4	18.7	26.9	15.8	10.2	8.2	4.0	3.6	2.2	1.8	1.6	2.7	100.0
Jr. college	Frequency	13	52	44	34	12	6	5	3	2	1	3	0	175
	%	7.4	29.7	25.1	19.4	6.9	3.4	2.9	1.7	1.1	0.6	1.7	0.0	100.0

Table III-6 Current Duties of Full-Time Staff Members Who Joined the Center Utilizing Work Experience from a Previous Job

		Universities		Jr. colleges	
		Frequency	%	Frequency	%
1	Management of employment guidance-related activities (e.g., general manager or deputy manager of career center, etc.).	50	27.3	17	30.4
2	Consultant with professional qualification or job title related to career (e.g., career advisor, career consultant, etc.)	32	17.5	8	14.3
3	(General) Consultant for students about job-hunting	26	14.2	12	21.4
4	Clerical worker (including in management), staff member	23	12.6	6	10.7
5	Duties pertaining to job openings/companies (e.g., development of job openings, potential employers, etc.)	20	10.9	7	12.5
6	Duties pertaining to operation and planning of career center	9	4.9	1	1.8
7	Instruction-related duties, instructor	8	4.4	4	7.1
8	Non-regular staff member, associate staff member	5	2.7	0	0.0
9	Other	10	5.4	1	1.8
	Total	183	100.0	56	100.0

or personnel affairs (for example, those who came from the personnel departments of private enterprises), 44.0% (189 schools) of universities and 34.3% (57 schools) of junior colleges said "yes." When we asked schools to freely describe the current duties of such staff members, the most common response for both universities and junior colleges was management of employment guidance-related activities (e.g., general manager of career center etc.). The percentages here were, 27.3% (50 people) for universities and 30.4% (17 people) for junior colleges (Table III-6).

Next, we asked about the expertise of staffs involved in career support (Table III-7). When asked to indicate whether the statement "There are full-time staff members who possess a professional qualification, such as a career consultant" applies to their school, the responses of both universities and junior colleges were polarized around "applicable" and "inapplicable." While responses in the combined "applicable + somewhat applicable" group (53.7%) were more common than the "inapplicable + somewhat inapplicable" group (42.8%) in the case of universities, responses in the "inapplicable + somewhat inapplicable" group (54.7%) were more common in the case of junior colleges.

When asked to respond to the applicability of the statement "There are full-time staff members who conduct and interpret the results of vocational aptitude tests," responses from universities tended to be polarized around the "applicable + somewhat applicable" group (36.8%) and "inapplicable + somewhat inapplicable" group (46.1%). Of junior colleges, 55.2% of responses were in the "inapplicable + somewhat inapplicable" group.

(2) Specific methods and content of job-placement support

We asked schools about the implementation of individual job-placement support menus that career centers offer to students (Table III-8). Results show that both universities and junior colleges have high implementation rates for "1. General guidance for employment and job-hunting," "4. Seminar for writing job application forms," and "6. Practice for job interviews." Additionally, of all items mentioned, those with implementation rates of over 80% numbered seven in the case of universities and four in the case of junior colleges.

Next, we arranged "items handled with particular thoroughness and care" and "items that are difficult to handle" in individual consultations and individualized support that career centers offer to students (Table III-9). As a result, we found that the response trends of universities and junior colleges were similar. Responses for "items handled with particular thoroughness and care" included "16. Consultation for students failing to obtain job offers," "7. Guidance and consultation on writing job application forms," and "1. Consultation on job-hunting methods." The most common among responses for "items that are difficult to handle" were "15. "Mental health consultation," and "17. Consultation for students thought to have difficulty following the same job-hunting process used by ordinary students." Other responses that were received in large numbers were "14. Consultation concerning personal life and family matters" and "20. Encouragement for students who do not use job-placement support services."

Table III-7 Expertise of Career Center Staffs in Job-Placement Support

		Applicable		Somewhat applicable		Neither applicable nor inapplicable		Somewhat inapplicable		Inapplicable	
		Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
There are full-time staff members who possess a professional qualification, such as a career consultant	Universities	214	47.5	28	6.2	16	3.6	18	4.0	175	38.8
	Jr. colleges	60	34.5	9	5.2	10	5.8	6	3.5	89	51.2
There are full-time staff members who conduct and interpret the results of vocational aptitude tests	Universities	100	22.2	66	14.6	77	17.1	42	9.3	166	36.8
	Jr. colleges	25	14.4	26	14.9	27	15.5	20	11.5	76	43.7

(3) Philosophy vis-à-vis job-placement support and school policies

Next, we arranged results concerning schools' attitudes related to job-placement support and school policy (Table III-10).

Results obtained when schools were asked whether the statement "We review and update our support menu each year" is applicable to them indicate that most schools, regardless of type, tend to review their menus each year. Results indicate that 91.3% of universities and 90.2% of junior colleges responded that the statement is "applicable" or "somewhat applicable."

For the statement "Academic staffs actively participate in the career center's operation," junior colleges (59.8%) ranked above universities (57.6%) for the combined responses "applicable + somewhat applicable."

For the statement, "The school favorably supports efforts by staff members to raise their expertise in job-placement support," it was clear that cases in which schools favorably provide such support are limited.

For the statement "The percentage of services associated with planning and operation of job-placement support that are outsourced to external organizations has been rising in recent years," the highest share for universities was "Neither applicable nor inapplicable" (36.3%). Responses from junior colleges leaned slightly toward "inapplicable" and "somewhat inapplicable" (52.8% combined).

For the statement "Regarding students who are difficult to be supported by using ordinary guidance services, our policy is to take care of them at the career center until they find employment whenever possible, rather than referring them to other specialized organizations," the response "Neither applicable nor inapplicable" had significant shares. However, in the case of junior colleges, the combined responses "applicable" and "somewhat applicable" also had a significant share (40.6%), suggesting that a comparatively large number of schools have a policy of having their career center take care of such students on its own until their success to find employment.

We calculated the correlation coefficients among individual items for universities' responses pertaining to philosophy vis-à-vis job-placement support, the expertise of staff members, and school policy (Table III-11). A positive correlation was confirmed between

Table III-8 Content of Yearly Guidance Services for Mass Students (M. A.)

		Universities		Jr. colleges	
		Frequency	%	Frequency	%
1	General guidance for employment and job-hunting	444	98.2	171	97.7
2	Self-understanding and self-analysis (including conducting vocational aptitude tests)	390	86.3	140	80.0
3	Providing information on occupations and industries/companies; organizing company-led lectures and field tours	388	85.8	133	76.0
4	Seminar for writing job application forms	414	91.6	161	92.0
5	Courses on strategies for taking job-placement exams (paper-and-pencil tests, internet-based tests)	359	79.4	131	74.9
6	Practice for job interviews	402	88.9	161	92.0
7	Courses for business manners	372	82.3	137	78.3
8	Providing information on labor law etc.	194	42.9	81	46.3
9	Presentations and gatherings by graduates and students already obtaining job offers	354	78.3	128	73.1
10	Providing information to parents/guardians	291	64.4	109	62.3
11	Providing information on internships	368	81.4	91	52.0
12	Other	71	15.7	14	8.0

Note: Missing values occurred in seven instances for universities and two instances for junior colleges.

Table III-9 Content of Individualized Consultation and Support (M. A.)

		Universities				Jr. colleges			
		Item handled with particular thoroughness and care		Item that is difficult to handle		Item handled with particular thoroughness and care		Item that is difficult to handle	
		Frequency	%	Frequency	%	Frequency	%	Frequency	%
1	Consultations on job-hunting methods	347	76.1	23	5.0	140	79.1	11	6.2
2	Consultation on self-understanding and self-analysis (including conducting vocational aptitude tests)	289	63.4	59	12.9	94	53.1	32	18.1
3	Consultation on revaluating and reflecting on past experience	236	51.8	51	11.2	68	38.4	22	12.4
4	Provision of information on and consultation of occupations	230	50.4	34	7.5	103	58.2	9	5.1
5	Provision of information (including job openings) and consultation on industries/ companies	290	63.6	22	4.8	112	63.3	11	6.2
6	Guidance and consultation on internships	219	48.0	22	4.8	56	31.6	16	9.0
7	Guidance and consultation on writing job application forms	368	80.7	33	7.2	146	82.5	22	12.4
8	Guidance and consultation on job-placement exams (paper-and-pencil tests, internet-based tests)	172	37.7	52	11.4	66	37.3	14	7.9
9	Guidance and consultation on business manners and interviews	320	70.2	21	4.6	128	72.3	11	6.2
10	Consultation on future career design	213	46.7	71	15.6	68	38.4	30	17.0
11	Consultation on coursework	80	17.5	65	14.3	46	26.0	14	7.9
12	Consultation on acquirement of professional qualification	132	29.0	31	6.8	53	29.9	5	2.8
13	Consultation on interpersonal relationships	110	24.1	189	41.5	46	26.0	67	37.9
14	Consultation concerning personal life and family matters	116	25.4	211	46.3	45	25.4	82	46.3
15	Mental health consultation	134	29.4	304	66.7	43	24.3	101	57.1
16	Consultation for students failing to obtain job offers	397	87.1	93	20.4	147	83.1	40	22.6
17	Consultation for students thought to have difficulty following the same job-hunting process used by ordinary students	245	53.7	246	54.0	82	46.3	109	61.6
18	Follow-up for students already obtaining job offers	119	26.1	23	5.0	58	32.8	4	2.3
19	Provision of information and consultation for graduates	128	28.1	122	26.8	54	30.5	40	22.6
20	Reaching out to students who do not use job-placement support services (calling out, telephoning, etc.)	194	42.5	219	48.0	86	48.6	81	45.8
21	Other	9	2.0	11	2.4	4	2.3	2	1.1
22	Not applicable	5	1.1	32	7.0	2	1.1	7	4.0

Note: Missing values occurred in three instances for universities.

Table III-10 School Policies concerning Job-Placement Support

		Applicable		Somewhat applicable		Neither applicable nor inapplicable		Somewhat inapplicable		Inapplicable	
		Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
We review and update our support menu each year	Universities	278	61.6	134	29.7	23	5.1	8	1.8	8	1.8
	Jr. colleges	86	49.1	72	41.1	11	6.3	4	2.3	2	1.1
Academic staffs actively participate in the career center's operation	Universities	122	27.1	138	30.6	103	22.8	68	15.1	20	4.4
	Jr. colleges	68	38.9	54	30.9	33	18.9	15	8.6	5	2.9
The school favorably supports efforts by staff members to raise their expertise in job-placement support	Universities	72	15.9	81	17.9	132	29.2	75	16.6	92	20.4
	Jr. colleges	18	10.2	27	15.3	62	35.2	28	15.9	41	23.3
The percentage of services associated with planning and operation of job-placement support that are outsourced to external organizations has been rising in recent years	Universities	24	5.3	88	19.5	164	36.3	91	20.1	85	18.8
	Jr. colleges	11	6.3	29	16.5	43	24.4	46	26.1	47	26.7
Regarding students who are difficult to be supported by using ordinary guidance services, our policy is to take care of them at the career center until they find employment whenever possible, rather than referring them to other specialized organizations	Universities	36	8.0	83	18.4	186	41.2	98	21.7	49	10.8
	Jr. colleges	22	12.6	49	28.0	65	37.1	29	16.6	10	5.7

the response trend for "There are full-time staff members who possess a professional qualification, such as a career consultant" and the response trend for "There are full-time staff members who conduct and interpret the results of vocational aptitude tests" (r=.545, p<.01). When the university or junior college has full-time staff members possessing a professional qualification, response trends were also recognized for annual updates of support menus (r=.290, p<.01) and schools' favorable support for efforts by staff members to raise their expertise (r=.271, p<.01).

Next, we asked about the degree to which career center staff members are involved with career education as part of the regular coursework of universities and junior colleges.

For the level of involvement, in the case of universities, the largest share of responses indicated "very much involved," accounting for more than 30%. The share was under 30% for junior colleges. For universities, the shares of "very much involved" and "somewhat involved" combined exceeded 60%. For junior colleges, these combined shares accounted for roughly 50% (Table III-12).

We then asked those schools that responded "very much involved" in career education to freely describe the involvement in concrete terms. We compiled and arranged the results into categories of similar content (Table III-13). As is shown in Table III-13, 150 freely written descriptions of involvement were received from universities and 49 were received from junior colleges. We arranged the responses into the following categories: "taking charge of/participation in classroom lectures related to career education," "planning of career education course (preparation of curriculum and syllabi)," "collaboration with lecturers planning curriculum content and preparation of materials," "cooperation in conducting internship programs," "selection of/collaboration with lecturers," "implementation of career guidance and job-placement support," "participation in on-campus committees as a member," and "other." Responses concerning "taking charge of/participation in lectures related to career education" and "planning of career education course (preparation of curriculum and

Table III-11 Correlation between Philosophy vis-à-vis Job-Placement and School Policies

	1. We review and update our support menu each year	2. There are full-time staff members who possess a professional qualification, such as a career consultant	3. There are full-time staff members who conduct and interpret the results of vocational aptitude tests	4. Academic staffs actively participate in the career center's operation	5. The school favorably supports efforts by staff members to raise their expertise in job-placement support	6. The percentage of services associated with planning and operation of job-placement support that are outsourced to external organizations has been rising in recent years	7. Regarding students who are difficult to be supported by using ordinary guidance services, our policy is to take care of them at the career center until they find employment whenever possible, rather than referring them to other specialized organizations
1. We review and update our support menu each year	1	.290 **	.241 **	.157 **	.134 **	.087	.105 *
2. There are full-time staff members who possess a professional qualification, such as a career consultant		1	.545 **	.085	.271 **	-.045	-.005
3. There are full-time staff members who conduct and interpret the results of vocational aptitude tests			1	.017	.205 **	-.060	-.062
4. Academic staffs actively participate in the career center's operation				1	.281 **	.101 *	.127 **
5. The school favorably supports efforts by staff members to raise their expertise in job-placement support					1	.058	.022
6. The percentage of services associated with planning and operation of job-placement support that are outsourced to external organizations has been rising in recent years						1	.058
7. Regarding students who are difficult to be supported by using ordinary guidance services, our policy is to take care of them at the career center until they find employment whenever possible, rather than referring them to other specialized organizations							1

Note: ** p<.01, * p<.05

Table III-12 Degree of Involvement of Career Center Staffs in Career Education-related Classes

Degree of involvement	Universities		Jr. colleges	
	Frequency	%	Frequency	%
Very much involved	160	35.6	50	28.7
Somewhat involved	121	27.0	42	24.1
Not very much involved	101	22.5	52	29.9
Not involved at all	67	14.9	30	17.2

syllabi)" were numerous for both universities and junior colleges. This suggests that some practices related to career education frequently take place such as planning of career education programs by career centers, holding of classes by academic staffs affiliated with the centers or by the center (clerical) staffs, and supporting for class operation in cooperation with lecturers.

(4) Changes in and actual circumstances of students' motivation and attitude

Next, we arranged responses concerning changes in students' motivation and attitude over the past three to five years as well as the actual circumstances of their motivation and attitude (Table III-14).

For "attitude and learning motivation with respect to academic classes," the intermediate response values signifying "neither applicable nor inapplicable" (Response Value 3) were much larger than the other values. A comparison of the shares of responses

Table III-13 Details of Involvement in Career Education-related Classes (Free Descriptions)

	Universities	Jr. colleges
◆ Taking charge of/participation in lectures related to career education	45	21
・One of the center staffs is a full-time instructor who takes charge of career education and principally provides lectures of career education		
・Staff members in charge of career support serve as classroom lecturers or settle the flow of the lectures		
・Courses for job-placement are included within non-career education classes, and the career center cooperates with the lecturer in providing job-placement instruction		
◆ Planning of career education course(preparation of curriculum and syllabi)	49	13
◆ Collaboration with lecturers that plan curriculum content and preparation of materials	19	5
◆ Cooperation for conducting internship programs	14	2
・Administrative work (e.g., recognizing credits related to internships, etc.)		
・Instruction on pre- and post-internship support(manners, greetings, etc.)		
・Coordination with partner companies and selection of companies		
◆ Selection of/collaboration with lecturers	10	5
・Selection of external (contracted) lecturers; sharing of the goal and specifications of the lecture; meetings		
・Communication of university's requests for the lecture led by contracted lecturers and receiving regular reports about the lecture		
◆ Implementation of career guidance and job-placement support	8	1
・Yearly provision of career guidance for all students		
・Implementation of job-placement support in each academic department		
・Search for new internship partners		
・Personal guidance and training for job interviews		
・Support for job-matching between students and companies/graduates		
・Conducting of vocational aptitude tests		
◆ Participation in on-campus committees as a member	3	1
・Engagement in an on-campus "office for enhancement of employability"		
・Operation of a committee that formulates curricula		
・Participation in a "career support committee" and "career education working group" comprised of academic and clerical staffs		
◆ Other	2	1
・Taking charge of work as an executive office		
Total	150	49

indicating "has improved" (the total of Response Values 1 and 2) and "has worsened" (the total of Response Values 4 and 5) shows that "has improved" (22.4%) was higher than "has worsened" (16.3%) for universities. However, the situation is reversed for junior colleges, for which "has improved (16.5%) was lower than "has worsened" (25.6%).

For "awareness of future career design," intermediate responses (neither applicable nor inapplicable) again accounted for roughly 40 or 50% of the total. For universities, the share of responses indicating that awareness "has risen" (the total share of Response Values 1 and 2) was 34.7% and thus trended higher than the share for "has fallen" (the total share of Response Values 4 and 5), which was 15.4%. On the other hand, for junior colleges, the shares for "has risen" (22.7%) and "has fallen" (27.8%) trended at about the same level.

The response trends for "proactiveness in acquiring professional qualifications and taking courses" and "students' participation rate in job-placement support services as a whole" were similar. Responses were concentrated in the intermediate value (Response Value 3), accounting for roughly 40 to 50% for universities and junior colleges. Additionally, shares of responses indicating that proactiveness and the participation rate "has risen" tended to be higher than those for "has fallen." The response shares for "has risen" accounted for roughly 30 to 40% for universities and roughly 20 to 30% for junior colleges.

Looking at rising or falling trends in the "percentage of students who remain undecided about their career path in their final academic year," many schools responded with the intermediate value signifying "neither applicable nor inapplicable" (Response Value 3). Their shares were roughly 50% for both universities and junior colleges. The percentage of schools responding that their percentage of undecided students is falling was 37.3% for universities and 37.9% for junior colleges.

For increasing or decreasing trends in the "percentage of students thought to have difficulty in standard job-hunting activities," roughly 40 to 50% of responses indicated the intermediate value signifying "no change" (Response Value 3). Responses indicating "has increased" (the total of Response Values 4 and 5) trended higher than responses indicating "has decreased."

Regarding changes in the "percentage of dropouts," the majority of schools answered with Response Value 3 (no change). Their shares were at the 70% level for universities and the 60% level for junior colleges. Responses indicating "has increased" accounted slightly higher than 10%.

The following trends can be surmised based on the above results.

Looking at specific changes in students' behavior in terms of "proactiveness in acquiring professional qualifications and taking courses" and "participation rate in job-placement support services," many schools responded that there was no change; however, roughly 20 to 40% reported an improving trend. The same trend was seen in "attitude and learning motivation with respect to academic classes" and "awareness of career design," which concern staff members' daily perceptions. Moreover, improvement trends were clearly evident in proactiveness and participation rate. While it can be surmised that such improvements were influenced by schools' proactive initiatives of career support and curricula, this cannot be asserted with certainty based on these results alone.

The "percentage of students who remain undecided about their career path" and "percentage of dropouts" are items for which improvement can ultimately be expected as a result of career support initiatives. Looking at the responses, improvement trends were generally observed for both universities and junior colleges. However, one point that deserves bearing in mind with regard to the "percentage of students thought to have difficulty in standard job-hunting activities" is that, although many schools reported no change, many others reported that this percentage "has increased." It is possible that this kind of recent environmental change is strongly linked to schools' motivation to enhance and improve their career support services.

Next, we calculated correlation coefficients among individual items for responses received from universities. As a result, we found that, although varying in strength, a significant positive correlation existed between all items (Table III-15). As for main results, we found that, when students' "attitude and learning

motivation with respect to academic classes" is high, a positive correlation existed whereby "awareness of future career design" improved (r=.604, p<.01) and "proactiveness in acquiring professional qualifications and taking courses" rose (r=.388, p<.01). For "awareness of future career design," a positive correlation was found to exist with "proactiveness in acquiring certifications and taking courses" (r=.456, p<.01) and "students' participation rate in job-placement support services as a whole" (r=.457, p<.01). Thus, a mutually positive correlation of at least .3 was found among items for behavioral changes that are routinely sensed by staff members—namely, changes in students' motivation and attitude—who responded to the questionnaire. Additionally, although somewhat slight, significant positive correlations of around .1 and .2 were found between these items and the percentage of students who remain undecided about their career path, percentage of students with difficulty in employment, and percentage of dropouts, which are benchmarks for actual job-placement support. From these results, it is clear that though changes in "soft" aspects—namely changes in students' motivation and attitude—are not instantly linked to improvements in terms of specific indicators, such as a lower percentage of undecided students and lower number of dropouts, they do have a positive effect on numerical improvements.

(5) Priority issues tackled by career centers in the medium and long term

We asked career centers to indicate the issues they are prioritizing at the present time or from a medium- to long-term perspective. We asked them to select as many as are applicable from 17 options (Table III-16). In the case of universities, more than 70% indicated "building career awareness from early in collegiate studies" and "promoting use of the career center."

Table III-14 Changes in and Actual Circumstances of Students' Motivation and Attitude during the Past 3 to 5 Years

		Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
		Has improved ← 1		**2**		**3**		**4**		**→Has worsened 5**	
Attitude towards academic classes and learning motivation	Universities	14	3.2	85	19.2	272	61.4	70	15.8	2	0.5
	Jr. colleges	5	2.8	24	13.6	102	58.0	42	23.9	3	1.7
		Has risen ← 1		**2**		**3**		**4**		**→Has fallen 5**	
Awareness of future career design	Universities	18	4.0	138	30.7	224	49.9	66	14.7	3	0.7
	Jr. colleges	5	2.8	35	19.9	87	49.4	45	25.6	4	2.3
Proactiveness in acquiring professional qualifications and taking courses	Universities	18	4.0	130	28.8	228	50.6	65	14.4	10	2.2
	Jr. colleges	5	2.8	41	23.3	96	54.6	28	15.9	6	3.4
Students' participation rate in employment support services as a whole	Universities	25	5.6	160	35.6	185	41.1	70	15.6	10	2.2
	Jr. colleges	12	6.9	47	26.9	89	50.9	22	12.6	5	2.9
		Has decreased ← 1		**2**		**3**		**4**		**→Has increased 5**	
Percentage of students who remain undecided about their career path in their final academic year	Universities	39	8.7	128	28.6	227	50.7	51	11.4	3	0.7
	Jr. colleges	19	10.7	48	27.1	86	48.6	23	13.0	1	0.6
Percentage of students thought to have difficulty in standard job-hunting activities	Universities	7	1.6	28	6.2	253	56.4	140	31.2	21	4.7
	Jr. colleges	4	2.3	15	8.5	89	50.6	58	33.0	10	5.7
Percentage of dropouts	Universities	11	2.5	29	6.5	343	76.9	61	13.7	2	0.5
	Jr. colleges	10	5.7	19	10.9	112	64.0	31	17.7	3	1.7

Table III-15 Correlations between Changes in and Actual Circumstances of Students' Motivation and Attitude

	1. Attitude towards academic classes and learning motivation	2. Awareness of future career design	3. Proactiveness in acquiring professional qualifications and taking courses	4. Students' participation rate in employment support services as a whole	5. Declining trend in the "percentage of students who remain undecided about their career path in their final academic year"	6. Declining trend in the "percentage of students thought to have difficulty in standard job-hunting activities"	7. Declining trend in the "percentage of dropouts"
Attitude towards academic classes and learning motivation	1	.604 **	.388 **	.320 **	.246 **	.225 **	.249 **
Awareness of future career design		1	.456 **	.457 **	.194 **	.219 **	.161 **
Proactiveness in acquiring professional qualifications and taking courses			1	.412 **	.168 **	.224 **	.102 *
Students' participation rate in employment support services as a whole				1	.208 **	.164 **	.100 *
Declining trend in the "percentage of students who remain undecided about their career path in their final academic year"					1	.243 **	.185 **
Declining trend in the "percentage of students thought to have difficulty in standard job-hunting activities"						1	.258 **
Declining trend in the "percentage of dropouts"							1

Note: ** p<.01, * p<.05

Following were "reaching out to/approaching students with low employment motivation or difficulty in employment," "enhancing the personal consultation system," "improving job offer rate of final-year students," and "enhancing internships," which were selected by more than 50% of the responding universities.

Among junior colleges, more than 70% indicated "reaching out to/approaching students with low employment motivation or difficulty in employment" and "building career awareness from early in collegiate studies." More than 50% of junior colleges selected "promoting use of the career center," "enhancing the personal consultation system," and "improving job offer rate of final-year students." "Reaching out to/approaching students with low employment motivation or difficulty in employment" ranked third among responses selected by universities and at the top among those selected by junior colleges. Items with a selection rate of at least 50% among junior colleges matched the top items with a selection rate of at least 50% among universities.

■ Results based on the percentages of undecided graduates in universities

Next, for universities, we calculated the percentage of undecided recent graduates based on the career-path circumstances of final-year students of the previous school year at the time of the survey[1] and then classified those percentages into three groupings—low, middle, and high—so that roughly the same number of schools exists in each. After eliminating missing values, the low percentage grouping was comprised of 156 schools, the middle grouping of 135 schools, and the high grouping of 146 schools.

1 For students' career-path circumstances immediately after graduation, we asked about five categories ((1) "Graduates in permanent employment," (2) "Graduates advancing to higher education," (3) "Graduates in temporary employment," (4) "Graduates other than (1) to (3) (i.e., neither employed nor advancing to higher education)," and (5) "Unknown or other") and then established the total of (3), (4), and (5) as the "percentages of undecided graduates." In this survey, the boundary value between the low grouping and middle grouping was 10.00% and between the middle grouping and the high grouping was 20.00%.

Table III-16 Priority Issues Being Tackled Currently or from a Medium/Long-Term Perspective (M. A.)

		Universities		Jr. colleges	
		Frequency	%	Frequency	%
1	Promoting use of the career center	342	75.5	121	68.8
2	Building career awareness early in collegiate studies	357	78.8	124	70.5
3	Enhancing internships	256	56.5	56	31.8
4	Developing and enhancing career education program suitable for the school	170	37.5	47	26.7
5	Reaching out/approaching students with low employment motivation or difficulty in employment	308	68.0	127	72.2
6	Improving job offer rate of final-year students	271	59.8	92	52.3
7	Enhancing the personal consultation system	278	61.4	114	64.8
8	Developing and enhancing information services to graduates	135	29.8	48	27.3
9	Developing and enhancing information services to parents and guardians	143	31.6	45	25.6
10	Collaborating with/utilizing companies and businesses in the educational information industry	76	16.8	31	17.6
11	Establishing and enhancing networks with other universities, educational institutions, etc.	91	20.1	21	11.9
12	Networking and enhancing on-campus career support services	150	33.1	51	29.0
13	Integration of specialized education and career education	129	28.5	42	23.9
14	Enlightenment for academic staffs about the importance of career education	198	43.7	60	34.1
15	Arranging and organizing information on students helpful for career services	195	43.1	85	48.3
16	Upskilling of the center staffs	205	45.3	56	31.8
17	Other	16	3.5	1	0.6

(1) Details of guidance services for mass students and issues in personal consultations

We arranged the content of guidance services for mass students into three groupings depending on the percentage of undecided graduates. As a result, we found that there is tendency for the rate at which collective guidance services are held to be higher when the percentage of undecided graduates is higher. Large differences in this rate among the groupings were particularly evident with "10. Providing information to parents/guardians," "5. Courses on strategies for taking job-placement exams," "2. Self-understanding and self-analysis," and "11. Providing information on internships." On the other hand, the differences were comparatively small for "1. General guidance for employment and job-hunting" and "4. Seminar for writing job application forms," confirming that those seminars were held at many schools regardless of their percentage of undecided graduates (Table III-17).

Next, we arranged data on items that are handled with particular thoroughness and care in personal consultations and items that they find difficult to handle. For "items that are handled with particular thoroughness and care" in personal consultations, those that showed particularly large differences in terms of percentage of undecided graduates included "2. Consultation on self-understanding and self-analysis," "3. Consultation on revaluating and reflecting on past experience," "16. Consultation for students failing to obtain job offers," and "17. Consultation for students thought to have difficulty following the same job-hunting process used by ordinary students" (Table III-18). For those items, schools in the middle and

Table III-17 Content of Yearly Guidance Services for Mass Students (by Percentage of Graduates Remaining Undecided about Career Path in Universities) (M. A.)

		Low		Middle		High	
		Frequency	%	Frequency	%	Frequency	%
1	General guidance for employment and job-hunting	150	97.4	135	100.0	141	97.9
2	Self-understanding and self-analysis	115	74.7	126	93.3	132	91.7
3	Providing information on occupations and industries/ companies; organizing company-led lectures and field tours	123	79.9	122	90.4	128	88.9
4	Seminar for writing job application forms	136	88.3	126	93.3	135	93.8
5	Courses on strategies for taking employment exams	105	68.2	110	81.5	129	89.6
6	Practice for job interviews	127	82.5	126	93.3	131	91.0
7	Courses for business manners	118	76.6	116	85.9	125	86.8
8	Providing information on labor law etc.	59	38.3	55	40.7	71	49.3
9	Presentations and gatherings by graduates and students already obtaining job offers	111	72.1	111	82.2	120	83.3
10	Providing information to parents/guardians	80	51.9	89	65.9	111	77.1
11	Providing information on internships	111	72.1	117	86.7	123	85.4
12	Other	23	14.9	19	14.1	27	18.8

high groupings for the percentage of undecided graduates more often said that they are responding with thoroughness and care than schools with fewer undecided graduates (i.e., in the low grouping). However, a comparison of the middle grouping and high grouping reveals that schools in the high grouping did not necessarily answer with greater frequency that they respond with thoroughness and care. In fact, for consultations on "2. Self-understanding and self-analysis," "3. Revaluating past experience," and "16. students failing to obtain job offers," the middle grouping had higher rates of responses indicating "responding with thoroughness and care" than the higher grouping. Moreover, for other items, the middle grouping had the highest response rates of the three groupings; examples include "10. Consultation on future career design" and "19. Providing information and consultation for graduates." On the other hand, there were also some items for which the low grouping had the highest response frequency of the three groups. This was the case with "11. Consultation on coursework" and "13. Consultation on interpersonal relationships." However, the response rates were around 20% for all of the groupings and thus there was no conspicuous difference between the low grouping and the other groupings.

Looking next at "items that are difficult to handle" in personal consultations, those items having particularly large differences in terms of percentage of undecided graduates included "15. Consultation pertaining to mental health," "17. Consultation for students thought to have difficulty following the same job-hunting process used by ordinary students," and "10. Consultation on future career design" (Table III-19). For all three items, the middle grouping had the highest response rate. On the other hand, "20. Reaching out to students who do not use job-placement support services" was an item for which all of the groupings had relatively high response rates (in other words, they felt the item was difficult to handle) with little difference among them. Of them, the high grouping had the highest response rate. Similarly, in the cases of "13. Consultation on interpersonal relationships" and "14. Consultation concerning personal life and family matters," all three groupings had response rates of around 40 and 50%, with fairly insignificant differences among them. Thus, it is clear that many universities experience difficulty handling these

Table III-18 Content of Individualized Consultation and Support : Items Handled with Particular Thoroughness and Care (by Percentage of Graduates Remaining Undecided in Career Path in Universities) (M. A.)

		Low		Middle		High	
		Frequency	%	Frequency	%	Frequency	%
1	Consultations on job-hunting methods	107	68.6	106	78.5	118	81.4
2	Consultation on self-understanding and self-analysis	80	51.3	98	72.6	99	68.3
3	Consultation on revaluating and reflecting on past experience	69	44.2	85	63.0	74	51.0
4	Provision of information on and consultation of occupations	73	46.8	73	54.1	74	51.0
5	Provision of information and consultation on industries/ companies	93	59.6	85	63.0	98	67.6
6	Guidance and consultation on internships	72	46.2	64	47.4	72	49.7
7	Guidance and consultation on writing job application forms	117	75.0	111	82.2	124	85.5
8	Guidance and consultation on employment exams	50	32.1	52	38.5	62	42.8
9	Guidance and consultation on business manners and interviews	101	64.7	99	73.3	107	73.8
10	Consultation on future career design	68	43.6	67	49.6	67	46.2
11	Consultation on coursework	35	22.4	18	13.3	25	17.2
12	Consultation on acquirement of professional qualification	44	28.2	36	26.7	44	30.3
13	Consultation on interpersonal relationships	44	28.2	32	23.7	32	22.1
14	Consultation concerning personal life and family matters	43	27.6	37	27.4	35	24.1
15	Mental health consultation	51	32.7	40	29.6	40	27.6
16	Consultation for students failing to obtain job offers	121	77.6	130	96.3	130	89.7
17	Consultation for students thought to have difficulty following the same job-hunting process used by ordinary students	70	44.9	79	58.5	86	59.3
18	Follow-up for students already obtaining job offers	40	25.6	35	25.9	39	26.9
19	Provision of information and consultation for graduates	37	23.7	44	32.6	42	29.0
20	Reaching out to students who do not use job-placement support services	58	37.2	59	43.7	70	48.3
21	Other	4	2.6	1	0.7	3	2.1
22	Not applicable	2	1.3	0	0.0	1	0.7

items. It should be noted that, for "16. Consultation for students of failing to obtain job offers," we anticipated a high response rate for the high grouping. However, the results for all three groupings were around 20%, and no major difference among them could be confirmed.

Summarizing the results described above, as general trends, it is clear that universities of the low grouping for the percentage of undecided graduates marked fewer responses for "items that are handled with particular thoroughness and care" and "items that are hard to handle," while universities in the middle and high groupings marked more responses. Nonetheless, the high grouping did not always mark more responses on each item than the middle grouping, and there were several items for which the middle grouping marked more responses than the high grouping. In the case of the low grouping, there are some factors for the low percentage of undecided graduates. For example, some universities consist of

departments of specialized fields for which the career paths and directions of graduates is already determined at the time of students' enrollment. By their very nature, such universities would have low need for "thorough and careful treatment about general career guidance" and would therefore place low priority on it. It is natural to expect that this point would be a factor behind fewer responses on each item. On the other hand, the middle and high groupings must be investigated separately. Among the survey's results, there were some items for which universities in the middle grouping strive to make "thorough and careful treatments" at a level that equals or surpasses the high grouping, as well as items for which the middle group marked more responses for "items that are difficult to handle." In particular, looking at consultations for "2. self-understanding and self-analysis," "3. revaluating and reflecting on past experience," and "16. students failing to obtain job offers," the middle grouping marked more responses indicating they strive for a

Table III-19 Content of Individualized Consultation and Support : Items That Are Difficult to Handle (by Percentage of Graduates Remaining Undecided in Career Path in Universities) (M. A.)

		Low		Middle		High	
		Frequency	%	Frequency	%	Frequency	%
1	Consultations on job-hunting methods	8	5.1	5	3.7	10	6.9
2	Consultation on self-understanding and self-analysis	19	12.2	21	15.6	17	11.7
3	Consultation on revaluating and reflecting on past experience	11	7.1	17	12.6	22	15.2
4	Provision of information on and consultation of occupations	10	6.4	8	5.9	15	10.3
5	Provision of information and consultation on industries/ companies	11	7.1	4	3.0	7	4.8
6	Guidance and consultation on internships	6	3.8	7	5.2	9	6.2
7	Guidance and consultation on writing job application forms	12	7.7	11	8.1	10	6.9
8	Guidance and consultation on employment exams	14	9.0	15	11.1	21	14.5
9	Guidance and consultation on business manners and interviews	9	5.8	4	3.0	7	4.8
10	Consultation on future career design	13	8.3	28	20.7	27	18.6
11	Consultation on coursework	17	10.9	25	18.5	21	14.5
12	Consultation on acquirement of professional qualification	10	6.4	10	7.4	11	7.6
13	Consultation on interpersonal relationships	62	39.7	57	42.2	64	44.1
14	Consultation concerning personal life and family matters	68	43.6	66	48.9	69	47.6
15	Mental health consultation	92	59.0	100	74.1	103	71.0
16	Consultation for students failing to obtain job offers	28	17.9	32	23.7	32	22.1
17	Consultation for students thought to have difficulty following the same job-hunting process used by ordinary students	72	46.2	81	60.0	84	57.9
18	Follow-up for students already obtaining job offers	9	5.8	2	1.5	12	8.3
19	Provision of information and consultation for graduates	47	30.1	24	17.8	45	31.0
20	Reaching out to students who do not use job-placement support services	68	43.6	67	49.6	75	51.7
21	Other	2	1.3	5	3.7	4	2.8
22	Not applicable	19	12.2	2	1.5	7	4.8

thorough and careful treatment. It is thought that their initiatives here may be useful in holding down the percentage of undecided graduates.[2]

(2) Philosophy vis-à-vis job-placement support and school policy

Next, we tabulated data on schools' philosophy for job-placement support by percentage of undecided graduates (Table III-20). Items showing large

Table III-20 Philosophy vis-à-vis Job-Placement Support (by Percentage of Graduates Remaining Undecided in Career Path in Universities)

	Percentage of persons who remain undecided about their career path (low to high groupings)		Applicable		Somewhat applicable		Neither applicable nor inapplicable		Somewhat inapplicable		Inapplicable	
			Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
1	We review and update our support menu each year	Low	84	55.3	46	30.3	12	7.9	5	3.3	5	3.3
		Middle	99	73.3	31	23.0	3	2.2	2	1.5	0	0.0
		High	80	55.2	54	37.2	7	4.8	1	0.7	3	2.1
2	There are full-time staff members who possess a professional qualification, such as a career consultant	Low	61	39.9	4	2.6	2	1.3	8	5.2	78	51.0
		Middle	70	51.9	12	8.9	7	5.2	7	5.2	39	28.9
		High	74	51.4	10	6.9	7	4.9	3	2.1	50	34.7
3	There are full-time staff members who conduct and interpret the results of vocational aptitude tests	Low	26	17.0	14	9.2	25	16.3	13	8.5	75	49.0
		Middle	35	25.9	18	13.3	26	19.3	10	7.4	46	34.1
		High	36	25.0	28	19.4	22	15.3	18	12.5	40	27.8
4	Academic staffs actively participate in the career center's operation	Low	55	35.9	43	28.1	29	19.0	20	13.1	6	3.9
		Middle	37	27.4	43	31.9	32	23.7	19	14.1	4	3.0
		High	25	17.4	46	31.9	37	25.7	28	19.4	8	5.6
5	The school favorably supports efforts by staff members to raise their expertise in job-placement support	Low	17	11.1	30	19.6	45	29.4	33	21.6	28	18.3
		Middle	29	21.5	20	14.8	43	31.9	17	12.6	26	19.3
		High	22	15.2	29	20.0	40	27.6	23	15.9	31	21.4
6	The percentage of services associated with planning and operation of job-placement support that are outsourced to external organizations has been rising in recent years	Low	10	6.5	31	20.3	50	32.7	30	19.6	32	20.9
		Middle	7	5.2	27	20.0	49	36.3	28	20.7	24	17.8
		High	7	4.8	25	17.2	58	40.0	32	22.1	23	15.9
7	Regarding students who are difficult to be supported by using ordinary guidance services, our policy is to take care of them at the career center until they find employment whenever possible, rather than referring them to other specialized organizations	Low	15	9.8	26	17.0	68	44.4	26	17.0	18	11.8
		Middle	12	8.9	25	18.5	52	38.5	30	22.2	16	11.9
		High	8	5.5	26	17.9	58	40.0	38	26.2	15	10.3

2 However, the causal relationship here cannot be identified based on these results alone. Another possible reason is that middle-grouping schools have an environment in which job-placement support is not as serious a matter as in the high grouping, meaning that diverse requests for personal consultations from students (including occasional consultations having low seriousness) can be received and given higher priority. For example, "consultation on coursework" and "consultation on interpersonal relationships," which on the surface are not related to job-placement consultation, marked the most responses in terms of "thorough and careful handling" in the low grouping. A similar situation could be having an impact here.

differences in responses among the groupings were "2. There are full-time staff members who possess a professional qualification, such as a career consultant" and "3. There are full-time staff members who conduct and interpret the results of vocational aptitude tests." Looking at the combined response rate for "applicable" and "somewhat applicable," the low grouping of the percentage of undecided graduates was low in comparison with the middle and high groupings. In other words, more universities in the middle and high groupings had full-time staffs with professional qualifications or the skill to interpret vocational assessments.

Looking at specific characteristics, for "4. Academic staffs actively participate in the career center's operation," the grouping with the highest positive response rate ("applicable" + "somewhat applicable") was the low grouping (64.1%). The middle grouping (59.3%) and high grouping (49.3%) ranked lower. Similarly, for negative response rates ("inapplicable" + "somewhat inapplicable"), the high grouping was higher than the low and middle groupings. Although definite statements concerning the causal relationship cannot be made based on the survey, it is possible that the existence or nonexistence of academic staffs' favorable participation in career center operation has some effect on differences in universities' percentage of undecided graduates.

Looking at responses for other items, the middle group showed the highest degree of eagerness for "1. Annual reviews and updates of support menus" (total of "applicable" + "somewhat applicable" = 96.3%). For "5. The school favorably supports efforts by staff members to raise their expertise in job-placement support," although the high and middle groupings appeared to be slightly more active than the low grouping, responses in the spread from "applicable" to "inapplicable" were generally dispersed. Likewise, for support policies focused on having the career center handle students with difficulty in employment all by itself, although negative responses were slightly higher for the middle and high groupings, the responses were generally dispersed.

(3) Changes in and actual circumstances of students' motivation and attitude

Next, we tabulated data concerning changes in students' motivation and attitude over the past three to five years as well as the actual circumstances of their motivation and attitude by percentage of undecided graduates (Table III-21). In general, the results show conspicuous degrees of seriousness and deterioration for the high grouping of the percentage of undecided graduates. This is not simply a problem of numerical values for "5. Percentage of students who remain undecided about their career path," "6. Percentage of students with difficulty in employment," and "7. Percentage of dropouts," as many responses indicated deteriorating or declining trends with regard to changes in/circumstances of the university environment in terms of students' attitude and learning motivation with respect to academic classes, awareness of career design, proactiveness in acquiring professional qualifications, and participation rate in job-placement support services as a whole. Standing in contrast, however, were the high marks provided by the middle grouping. Particularly noteworthy here are "1. Attitude towards academic classes and learning motivation" and "4. Students' participation rate in job-placement support services as a whole," where responses indicating an improvement trend (share of Response Values 1 and 2 combined) had shares of 25.0% and 49.6%, respectively. These results were the highest in comparison with the other groupings. Similarly, the middle grouping had the highest improvement-trend response rates for "5. Percentage of students who remain undecided about their career path" and "7. Percentage of dropouts" (43.7% and 10.8%, respectively).

On the other hand, conspicuous among responses for these questions that indicated a deteriorating trend were those for "6. Percentage of students thought to have difficulty in standard job-hunting activities." Although the highest response rate belonged to the high grouping (47.2%), the middle grouping (36.6%) and the low grouping (24.8%) also had rates at a notable level. This suggests that, regardless of the number of graduates who remain undecided about their career, staff members' daily perception is that students who have difficulty in standard job-hunting activities are

Table III-21 Changes in and Actual Circumstances of Students' Motivation and Attitude during the Past 3 to 5 Years (by Percentage of Graduates Remaining Undecided in Career Path in Universities)

	Percentage of undecided persons (low to high groupings)	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
		Has improved← 1		2		3		4		→Has worsened 5	
1 Attitude towards academic classes and learning motivation	Low	4	2.6	24	15.8	94	61.8	30	19.7	0	0.0
	Middle	6	4.5	27	20.5	86	65.2	13	9.8	0	0.0
	High	4	2.8	28	19.9	84	59.6	23	16.3	2	1.4
		Has risen← 1		2		3		4		→Has fallen 5	
2 Awareness of future career design	Low	8	5.2	45	29.2	78	50.6	23	14.9	0	0.0
	Middle	5	3.8	39	29.3	74	55.6	15	11.3	0	0.0
	High	5	3.5	45	31.3	66	45.8	25	17.4	3	2.1
3 Proactiveness in acquiring professional qualifications and taking courses	Low	4	2.6	45	29.2	86	55.8	19	12.3	0	0.0
	Middle	8	6.0	34	25.4	70	52.2	20	14.9	2	1.5
	High	6	4.1	45	31.0	64	44.1	24	16.6	6	4.1
4 Students' participation rate in job-placement support services as a whole	Low	8	5.2	52	33.8	72	46.8	21	13.6	1	0.6
	Middle	9	6.8	57	42.9	46	34.6	16	12.0	5	3.8
	High	7	4.8	46	31.7	58	40.0	30	20.7	4	2.8
		Has decreased← 1		2		3		4		→Has increased 5	
5 Percentage of students who remain undecided about their career path in their final academic year	Low	14	9.1	36	23.4	93	60.4	10	6.5	1	0.6
	Middle	16	11.9	43	31.9	67	49.6	9	6.7	0	0.0
	High	7	4.9	45	31.5	60	42.0	29	20.3	2	1.4
6 Percentage of students thought to have difficulty in standard job-hunting activities	Low	6	3.9	10	6.5	99	64.7	38	24.8	0	0.0
	Middle	0	0.0	7	5.2	78	58.2	41	30.6	8	6.0
	High	1	0.7	10	6.9	65	45.1	56	38.9	12	8.3
7 Percentage of dropouts	Low	6	3.9	9	5.8	124	80.0	16	10.3	0	0.0
	Middle	3	2.3	11	8.5	106	81.5	10	7.7	0	0.0
	High	2	1.4	9	6.3	100	69.4	32	22.2	1	0.7

becoming conspicuous.

(4) Priority issues tackled by career centers in medium and long term

We calculated the selection rates of each grouping for the 17 options that were selected by universities as priority issues being tackled by their career centers from a medium- to long-term perspective (Table III-22).

In general, the middle and high groupings of the percentage of undecided graduates had high selection rates compared to the low grouping for nearly all of the items. The overall selection rate for universities was high for "2. Building career awareness from early in collegiate studies," "1. Promoting use of the career center," and "5. Reaching out to/approaching

Table III-22 Selection Rates for Priority Issues (by Percentage of University Students who Remain Undecided about their Career Path)

	Priority issues	Percentage of undecided persons (%)		
		Low	Middle	High
1	Promoting use of the career center	64.9	78.5	82.1
2	Building career awareness early in collegiate studies	72.7	79.3	82.8
3	Enhancing internships	49.4	61.5	59.3
4	Developing and enhancing career education program suitable for the school	34.4	34.8	42.1
5	Reaching out/approaching students with low employment motivation or difficulty in employment	57.1	77.8	67.6
6	Improving job offer rate of final-year students	42.2	71.1	69.7
7	Enhancing the personal consultation system	55.2	69.6	59.3
8	Developing and enhancing information services to graduates	27.9	37.8	26.2
9	Developing and enhancing information services to parents and guardians	26.0	32.6	35.2
10	Collaborating with/utilizing companies and businesses in the educational information industry	18.8	15.6	15.2
11	Establishing and enhancing networks with other universities, educational institutions, etc.	16.2	22.2	22.1
12	Networking and enhancing on-campus career support services	30.5	37.0	30.3
13	Integration of specialized education and career education	31.8	24.4	27.6
14	Enlightenment for academic staffs about the importance of career education	40.3	43.7	46.2
15	Arranging and organizing information on students helpful for career services	39.0	44.4	45.5
16	Upskilling of the center staffs	37.7	49.6	51.0
17	Other	5.8	2.2	2.1

students with low employment motivation or difficulty in employment"; the high and middle groupings had higher selection rates than the low grouping for all. Additionally, the middle and high groupings had higher selection rates compared to the low grouping for "6. Improving job offer rate of final-year students," "16. Upskilling of the center staffs," and "3. Enhancing internships." The middle group had higher selection rates than the low and high groupings for "7. Enhancing the personal consultation system," "8. Developing and enhancing information services to graduates," and "12. Networking and enhancing on-campus career support services." Among universities within the low grouping of the percentage of undecided graduates are some for which students' post-graduation career paths are already determined at the time of their enrollment. Because students' paths are already set in those cases, it is thought that there is less need to actively engage in various job-placement support activities compared to the middle and high groupings. Thus the results show that differences that are based on the percentage of undecided graduates are also reflected in the selection rate for priority issues.

2-3 Discussion

This survey produced results relating to the career center schemes of universities and junior colleges, the details of job-placement support, school job-placement support policies, changes in students' motivation and attitudes, and priority issues being tackled by career centers from medium- and long-term perspectives. In addition, we examined how differences in the attributes of universities where the students remain undecided about their career path (namely, whether the percentage of said students is high or low) are related to job-placement support.

Looking first at career centers schemes, it was

found that many centers have a staff of around four or five members in universities. It was further found that, in many cases, some staffs in career centers who had worked in the personnel department of a private enterprise or other similar organization used their experience to take a career center management position. As for the assignment of staff members with a professional qualification or expertise in career support, such assignments are comparatively common in universities but less common in junior colleges.

Looking at specific methods for job-placement support, in the area of collective-style guidance, the rates of general guidance for job-hunting, instruction on writing job application forms, and interview training had high tendencies. In the area of personal consultation, thorough and careful service was provided to students without obtaining job offers. As for consultation items that respondents feel are difficult to handle, commonly mentioned items included consultation on mental health and consultation for students thought to have difficulty in standard job-hunting activities.

Looking at school job-placement support policies, annual reviewing and updating of support menus was the predominant among most schools. Proactive participation of career centers' operation by academic staffs was particularly low in the case of universities, remaining below 60%. Career centers participated in career education in more than 60% of universities and roughly 50% of junior colleges. Specifically forms of participation included taking charge of lectures, participating in classes, and planning of curricula.

As for recent student circumstances as perceived by staff members, it was clear that a certain percentage of responding schools, both universities and junior colleges, specifically feel that the percentage of students thought to have difficulty in job-hunting activities has increased.

An analysis of results for universities in terms of the percentage of undecided graduates revealed that there was little difference in the rate at which collective seminars for mass students are conducted between the low grouping and the high grouping. On the other hand, a look at academic staffs' active involvement in career support showed that there was more earnestness for such participation in universities with a low percentage of undecided graduates.

We next decided to plan and execute an interview survey to ascertain in detail the situation in universities based on the above-mentioned outcomes. From the results of the above survey, we decided to address the following three points that deserve more in-depth study: 1) Understanding of a real picture of students who have difficulty in employment and how to support them; 2) Identification of specific support and cases in which career centers face difficulty and their methods for addressing them (e.g., how to handle students with mental health issues or disorders); and 3) Details in the cases of involvement by academic staffs.

3. Interview Survey

3-1 Survey outline

■ Survey objectives

This survey was planned and executed for the purpose of gathering qualitative information on the actual circumstances of job-placement support in university career centers based on the results of the above-mentioned questionnaire survey.

Because the number of schools that could be targeted in the interview survey was limited, consideration was necessary to ensure that no bias existed in their selection. The purpose of the survey was to clarify circumstances of job-placement support that are commonly observed in all targeted schools, while being mindful to select universities with diverse characteristics in terms of school size and percentage of undecided graduates.

■ Survey framework

A major difference between a university career center and a general youth employment support organization, such as "Hello Work" (public employment security office in Japan), is that while the latter handles only those people who visit it, the former has a responsibility to provide employment support to not only those students who visit it but also those who do not. Consequently, in addition to providing personal support to visiting students, a university career center has an obligation to organize seminars targeted for mass students and reach out to (i.e., encourage visits

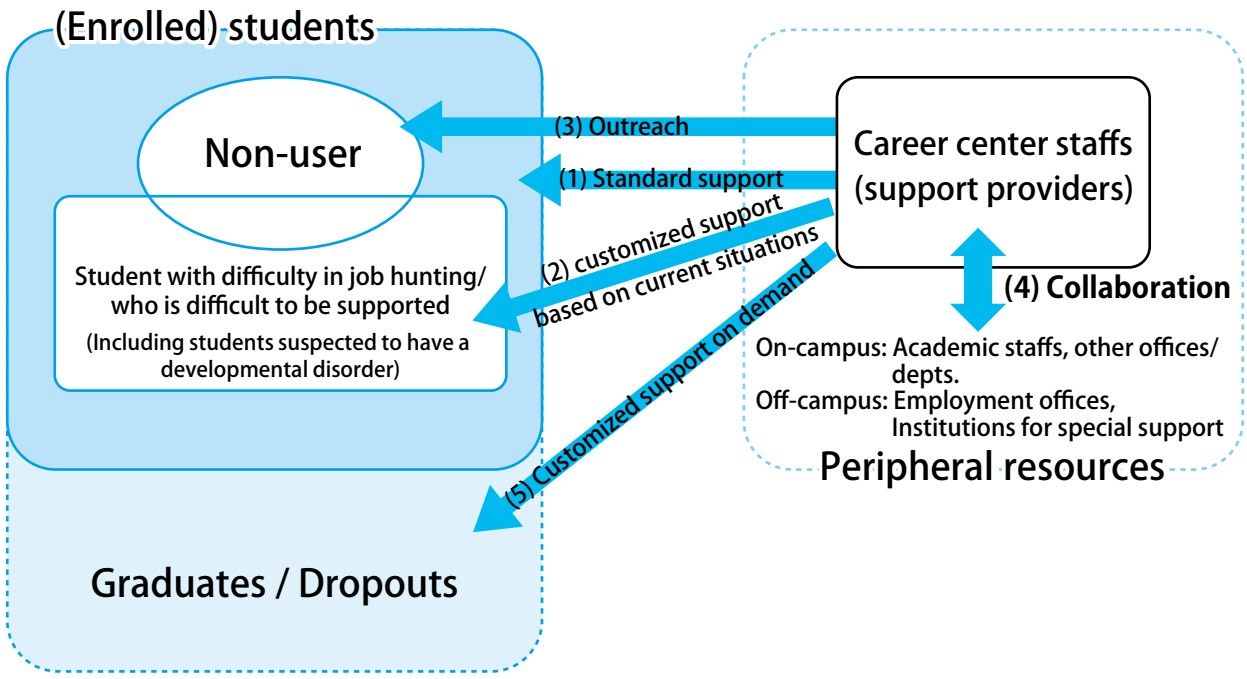
by) students who do not visit it. Furthermore, there are cases when a career center has difficulty providing job-placement support to students who may have a developmental or psychiatric disorder only with its own staffs' efforts and need appropriate cooperation from professionals in other fields. Accordingly, by nature, university career centers handle a more diverse variety of operations than general youth employment support organizations and must execute those operations with a limited number of staff members. Against this backdrop, this survey was designed with emphasis on examining how career centers handle students' various circumstances.

The survey primarily targeted the following six fields: (1) Methods for providing job-placement support to general students at the career center; (2) Current circumstances of and response to students thought to have difficulty in obtaining a job offer; (3) Communication with and response to students who do not use the career center; (4) Actual status of collaboration with resources outside the career center (on campus/off campus); (5) Support for unemployed graduates, graduates who leave jobs very early, and dropouts from university; and (6) Other (i.e., description of various episodes related to job-placement support in a career center) (Figure III-23).

■ Survey method

We selected the targeted schools based on the following standards in the interest of gathering case information from a diverse range of universities. From all of the responding schools of the previously mentioned questionnaire survey (459 schools), we selected universities that provided responses in the "free description" spaces (195 schools) and universities that responded that they have difficulty with "consultation for students thought to have difficulty following the same job-hunting process used by ordinary students" (246 schools) as primary targeted schools. Thus the targeted schools numbered 327 at this point. Given the possibility that the interview survey's results could be significantly distorted depending on the qualities of the targeted schools, we selected schools by ensuring diversity in terms of school size,

Figure III-23 Interview Survey Framework



percentage of undecided graduates, and region based on the results of the questionnaire survey.

We allocated primary targeted schools to all nine cells created by the three groupings based on school size (number of students; large, medium, and small)[3] multiplied by the three groupings for the percentage of undecided graduates (high, middle, low) of the questionnaire survey. We then selected two schools in each cell for interviews, with conditions for final selection being (1) the school is a private university (which accounted for more than 70% of the total of universities in the questionnaire survey), and (2) the school's faculties are necessarily comprised of or include humanities-oriented faculties, rather than those focused on specialized or well-defined career paths (e.g., the school only with medical, pharmacy or nursing-oriented or engineering-oriented faculties). With regard to (2), it is common in Japan for job seekers to go to companies that have no direct relationship with their university major, a situation that makes the relationship between academic major and employment field ambiguous. Given this, we reasoned that many students can encounter difficulty up until their employment has been settled. It was for this reason that we decided to make universities that meet this condition candidates for the targets of the survey.

We also sought to achieve a locational balance between urban and rural schools in addition to these conditions. This process ended in our selection of 18 schools (two schools in each cell) that were asked to participate in the survey. Ultimately we conducted the survey for a total of 17 schools, as our request was accepted by only one of the schools in the large grouping and in the grouping cell with low percentage of undecided graduates.

We used the following survey method. We first sent a paper questionnaire providing a simple survey outline to each university beforehand. We then asked them to respond to all presented topics during an interview to last between 90 and 150 minutes. All survey content was recorded. At a later date, we asked the interviewed people, both academic staffs (e.g. lecturers, professors) and career center (clerical) staffs to confirm and okay their statements. We then published the approved statements in a report (*JILPT Research Material Series* No. 156) in a form that kept school and personal names completely confidential.

■ Survey respondents and survey implementation period

We stated that we would be conducting interviews with clerical staffs that have a daily understanding of the support provided by university career centers and asked as many academic staffs as possible for interview. As a result, we obtained opportunities to conduct direct interviews with a total of 34 academic and clerical staffs from the 17 surveyed schools. In some cases, academic and clerical staffs were interviewed together, while in others they were interviewed individually. Some responses to certain items were received in written form.

The survey was conducted between September 2014 and January 2015.

3-2 Results

Detailed survey results are provided in the original report (*JILPT Research Material Series* No. 156). Here, we will focus particularly on the circumstances of support for students who have difficulty in employment and arrange results with primary attention given to items (2), (3), (4), and (5) of Figure III-23.

In addition, we will present characteristics that were commonly seen particularly among schools with low percentages of undecided graduates as an addendum at the end of this section. This survey was conducted in an interview style with a limited sample size. Thus, the conclusion drawn from the results should not be generalized excessively. However, we did hear about good initiatives of career support from some of the universities. Thus, in order to formulate some tentative hypotheses, we decided to compile characteristics that were seen in universities having a

3 Allocating from all responding universities based on student body size to achieve three groupings of nearly the same size produced a small school grouping of 151 schools (student body of no more than 1,136 students), a medium school grouping of 151 schools (between 1,137 and 3,782 students), and large school grouping of 151 schools (3,783 students or more).

low percentage of undecided graduates.

(1) Current circumstances of and response to students thought to have difficulty in employment

■ Characteristics of students with difficulty in employment as seen by support providers

We arranged in order commonly received responses concerning the characteristics of students thought to require time in job-hunting as seen from the standpoint of career center staffs (not including cases requiring special consideration, such as students thought to have developmental disorders or psychiatric disorders) (Table III-24). It should be noted, however, that in many cases the characteristics were described as appearing in a compound manner (i.e., with other characteristics) rather than as exclusive phenomena.

(i) Difficulty from students' own biased judgment

The most common response received involved cases in which students fall into difficulty when their job-hunting activities do not progress smoothly due to inappropriate "own-way" decisions (i.e., decisions not made in accordance with standard manner). A variety of patterns are included here.

Difficulty from inadequate self-understanding includes cases in which students repeatedly submit job applications that lack consistency in terms of business or occupational fields because they do not understand or notice which career direction suits for themselves. Difficulty from close-minded or narrow perspective includes cases in which students show a strong preference to a specific business or occupational field despite with insufficient knowledge in that field (e.g., the student will not accept any job offers except for the aviation industry) or strong desire for job offers in a particular region (e.g., the student's hometown). Difficulty from poor understanding of job-hunting methods includes cases in which students engage in job-hunting with unconventional or mistaken methods (for example, the student takes company recruitment exams at the beginning without attending any briefing sessions held by the company beforehand) and cases in which students write self-promotion application documents in their own style and without consideration for the reader in the employer. Difficulty from inadequate or mistaken understanding of work includes cases in which students find little incentive to engage in job-hunting to become a regular employee because they experienced earning more as a part-timer while a student than the graduates' starting salary. And difficulty from mistaken recognition of actual circumstances includes cases in which students tend to loosen their tensions to hunt jobs earnestly after hearing about the news that the job market for new graduates has been improved and are delayed in starting their job-hunting activities.

What is behind this kind of failure (or temporary difficulty) from "own-way" biased judgment in students' job-hunting? It is thought that there are two main possibilities here. In many cases, ordinary university students who went directly from high school graduation to university have no experience in the workforce and look for jobs for the first time. Thus, one possibility is that this inexperience leads to misjudgment about job-hunting activities (and that students are not even aware that they "lack experience" in job-hunting). The other possibility is that, within Japan's hiring system, in which new graduates are hired collectively, there is an irreversible aspect, as the period during which companies announce job openings and hire university graduates is largely established in annual planning. This means that if a student makes an error in judgment at some point during the job hunting process, the industry or company he or she desires to enter may have closed the recruitment of new graduates for the year, and that he or she may lose the opportunity even to take recruitment exams as a result. This employment practice can cause students to be at risk for leading to failure or difficulty in job hunting.

(ii) Difficulty from communication problems

The next most common response received involved communication-related problems. In many cases, responses referred to students' poor communication skills, impassive face without smiling, and inability to have conversation with or exchange greetings with people properly. It can be assumed in such cases that such students would struggle or have

Table III-24 Characteristics of Students with Difficulty in Employment as Seen by Support Providers

(i) Difficulty from students' own biased judgment

- ◆ Inadequacy of self-understanding; submission of various job applications incoherent in industris or fields due to lack of understanding of aptitude
- ◆ Close-minded or narrow perspective
- ◆ Poor understanding of job-hunting methods
- ◆ Inadequate or mistaken understanding of work
- ◆ False recognition of what he/she should do now (insensitivity of necessity for future preparation, incorrect self-image)

(ii) Communication problems

- ◆ Poor communication skills; inability to have conversation with or to exchange greetings with people properly
- ◆ Non-attention to people's advice; anti-open-minded/anti-accepting personality
- ◆ Impassive face without smiling; (supposedly) isolated life
- ◆ Awkward communication with people (consequently provoking unpleasant feelings)

(iii) Inactivity or apathy

A: Apathetic; slow-starting attitude (including moratorium)

- ◆ Hesitation to contact companies about job offers
- ◆ Unclear motive or intention (lack of seriousness) vis-à-vis job hunting

B: Behavior unascertainable due to non-use of services/long-term absence from school

- ◆ Non-use of the center or non-participation in job-placement support events
- ◆ Long-term absence from school (or research seminars); Out of contact with others

C: Weak connection with society

- ◆ Emotional acceptance of the current situation unambitious for the future (life with minimal consumption and connection to the outer world etc.)
- ◆ Little interest in connecting with the society (people, companies, etc.)

(iv) Difficulty from parent-child relationship or parents' attitude

A: Too susceptible to parent's values to make child's own decisions at will

- ◆ Too strong wishes by parents (e.g., wishes for large-scale companies, nearby companies from parents' home)
- ◆ Parents' refusal to accept child's decision (compulsion to withdraw job offers unfavorite for parents)

B: Negative impact of parents' attitudes on child's job hunting (e.g., apathy for child's actual situation, etc.)

- ◆ Parents' restraint of talks with child about employment (because of hesitative feeling)
- ◆ Parents' tolerative attitude about child's failure to hunt jobs (because of no urgent desire for child's independence)

(v) Dependent tendency or lack of self-initiative towards job hunting

- ◆ Unclear purpose or insufficient motivation for enrollment of university
- ◆ Indecisive attitude vis-à-vis their own future
- ◆ Emotionally dependent attitude upon center staffs (lack of self-initiative to write up resumes or documents, unreasonable blame on staffs about students' own troubles, inactive attitude as if suitable job offers came up spontaneously)

(vi) Insufficient social experiences

- ◆ None of experiences in on- or off-campus activities (group activities, part-time jobs, etc.)
- ◆ Few or no experiences of activities to keep up in some periods of time (frequent changes of part-time jobs in a short time)
- ◆ Unusual part-time job experiences (i.e., jobs done all alone without others' help)

(vii) Few or no important advantages of themselves (that can be mentioned in application documents)

- ◆ Lack of experiences worthy of special mention (special skills, activities kept over long periods, etc.)
- ◆ None of outstanding academic successes worthy of special mention in application documents

(viii) Lack of self-confidence or inferiority complex

- ◆ Lack of self-confidence or negative attitude for the future
- ◆ Feeling of inferiority when preparing self-promotion documents

(ix) Poor academic performance

- ◆ Delay in starting of job hunting due to insufficient graduation credits

(x) Other

- ◆ Little time left for job hunting because of students' indispensability of part-time jobs in long hours
- ◆ Suspected developmental disorder (e.g., poor comprehension of staffs' advice, etc.)

difficulty in employment interviews, where first impression is important. However, some responses also indicated that if students receive long-term trainings in university classes and other settings that require frequent communication, the effects finally come up and the difficult situation can be gradually improved.

On the other hand, some responses mentioned cases in which communication is too difficult to achieve fruits in personal consultation, as students are emotionally unable to accept staffs' advice due to personality-rooted problems (such as strong obsessiveness to a particular idea). In such cases, it is possible that the student will refuse to visit the career center. In addition, it is also possible that the student will be unable to access or receive the job-placement support fundamentally essential to him or her.

(iii) Difficulty from inactivity or apathy

Difficulty from inactivity or apathy can be largely arranged into the following three student groupings. The first is comprised of students who have no clear perspective vis-à-vis their own career and thus are generally slow to start job-hunting. The second consists of students whom the career center loses the track of because they tend to be absent from classes or decline to participate in job-placement support events. Such students appear to be apathetic as a result. It is possible that those students will explore job-hunting all by themselves regardless of whether or not they are approached by the career center. However, if the student tends to be absent and is difficult for the professor in his or her research seminar to reach, it is also highly possible that the student is apathetic. The third grouping is comprised of students who are attending school but with little interest in having contact with the outer world. They cannot keep up with job-hunting activities even at the right time many active approaches to companies should be needed and tend to procrastinate their job-hunting activities.

(iv) Difficulty from parent-child relationship or parents' attitude

Some respondents reported employment difficulty that arises from students' relationship with their parents or the attitude of the parents. Such difficulty can be largely classified into two types.

The first involves cases in which a parent has extremely strong values or intentions and the child cannot go against them. Determining one's own future career is one of the important decision-making situations in the student's life. However, there is a tendency for students to be unable to go against their parents' wishes (for example, for a large-scale company or a nearby company from parents' home) and to end up feeling that it looks pointless for the students in opposing their parents' will and pushing forward to their own wishes. Another factor thought to be relevant here is children's lack of emotional independence from their parents. There are also cases in which a big trouble arises when children who live apart from the parents to attend university later encounter fierce opposition from their parents when they report to the parents that they have obtained an informal job offer unsatisfying the parents' real wishes.

The second involves cases in which parents do not encourage their child in job-hunting (and in some cases even discourage the child). In some cases, the parents leave job-hunting activities entirely to the child and restrain talking with the child about employment because of hesitative feelings to child. In other cases, the child has difficulty in getting serious about job-hunting after their parents have told the child that they don't care even if the child does not immediately find a job offer, possibly because the parents don't want urgent independence of the child in their real mind. The latter in particular can easily lead to the difficulty from apathy mentioned in (iii) above.

(v) Difficulty from dependent tendency or lack of self-initiative towards job hunting

Difficulty from dependent tendency or lack of self-initiative runs in two directions. One is manifested in lack of initiative in determining one's own path forward (including university enrollment) so far at the present moment, and the other involves interpersonal dependency on people who provide job-placement support.

For the former, responses indicated, for example, that when students' purpose for enrolling in university is ambiguous or poorly developed, their

post-graduation career path also tends to become unclear. This situation can consequently lead to difficulty in employment. Additionally, some university reported the cases in which students lack the ability to make their own decisions (i.e., they cannot select the best offer for themselves among the multiple informal job offers they obtained) .

As for the latter, responses indicated a tendency for students to have a wrong idea towards the well-prepared job-placement support services provided by the career center, which leads them to emotionally depend on staff members such as to help them to fill out the job application forms or take an inactive attitude as if suitable job offers came up before their eyes spontaneously. They also showed an undesirable attitude to blame on the staffs or others (i.e., companies) unreasonably because they fail to get a job offer. Pursuing a post-graduation career path and job-hunting activities for it should be led by the students themselves based on their own initiative. It was reported that the students who do not understand who should take the leading role on their own job-hunting activities turned out to experience difficulty in job-hunting activities.

(vi) Difficulty from insufficient social experiences

Responses indicated that students who lack the kinds of social experience that most university students possess—for example, they have never joined an on- or off-campus group activity or had a part-time job—they tend to have difficulty in finding employment. Responses further indicated that even if students have part-time job experiences, they tended to have insufficient social interaction when, for example, they have not experienced working in a particular job over the long term and changes jobs frequently in a short period or had a job that they could complete alone without any coworkers' help and therefore had almost no interaction with people.

(vii) Difficulty from a lack of self-promotion resources

This item is related to (vi) above, as a lack of social experience (e.g., through peer group activities or a part-time job) leads to a lack of self-promotion resources when preparing for job application documents. Responses indicated that when students do not have a special skill, have never engaged in an activity kept over the long period, or have not achieved academic successes worthy of special mention, they can have difficulty in preparing for job application documents and thus experience difficulty in job-hunting.

(viii) Difficulty from self-confidence or inferiority complex

Some responses indicated students can experience difficulty in job-hunting if they suffer a lack of self-confidence and this causes their diffident attitude and appearance. It was reported that a lack of self-confidence not only makes a student less proactive in job-hunting but also leads to self-disapproval or feelings of inferiority—reflecting a feeling that the student has never done anything valuable for the society—when preparing for self-promotion job application documents, and that such a mental condition may cause difficulty in propelling job-hunting activities.

(ix) Difficulty from poor academic performance

We also received reports indicating that students who lack the credits needed for graduation due to poor academic performance and are thus delayed in starting job-hunting also lead to difficulty in job-hunting activities. We also heard of bewildering instances in which students were proved to have insufficient credits for graduation on the eve of succeeding in obtaining an informal job offer after substantial efforts by staff members.

(x) Difficulty from other causes

Among other reported cases were those involving students who could not make time for job-hunting because they were forced to work long hours at a part-time job for their daily living. Others involved suspected development disorders or other tendencies for which job-placement support did not proceed well because students could not comprehend the meanings of the staffs' advice or persisted in talking about the things irrelevant to job hunting.

■ Consideration and response

Specific methods for considering and responding to the various characteristics and circumstances of

students with difficulty in employment that were reported through the survey largely centered on the following three (Table III-25).

The first is attentive listening. This involves listening carefully to what students tries to talk about and accepting their viewpoint as a general rule, working with them to get an organized picture for them, and then formulating an approach for assisting them. An approach involving not only listening attentively but also avoiding communicating in an authoritative tone was also reported.

Secondly, universities reported that they use a "low-hurdle approach" that makes it easier to visit the career center and facilitates communication. For example, some responses indicated that when students have particular problems with communication, a staff tries to facilitate it by selecting easy topics or adjusting how to ask questions. Others indicated that when students have not completed yet their assignments in time (e.g., finishing of a resume or an application form etc.) and may hesitate to visit the center as a result, the center takes steps to ease their concerns and encourage them to visit.

And thirdly, universities responded that they take steps to encourage students' own awareness of their strengths or problems. They reported that rather than giving direct instructions, they took steps to help students realize their attitude necessary to be improved on their own. Some universities responded that they help students become aware of personal strengths that they remain unaware of by attentively explaining them from the standpoint of a support provider.

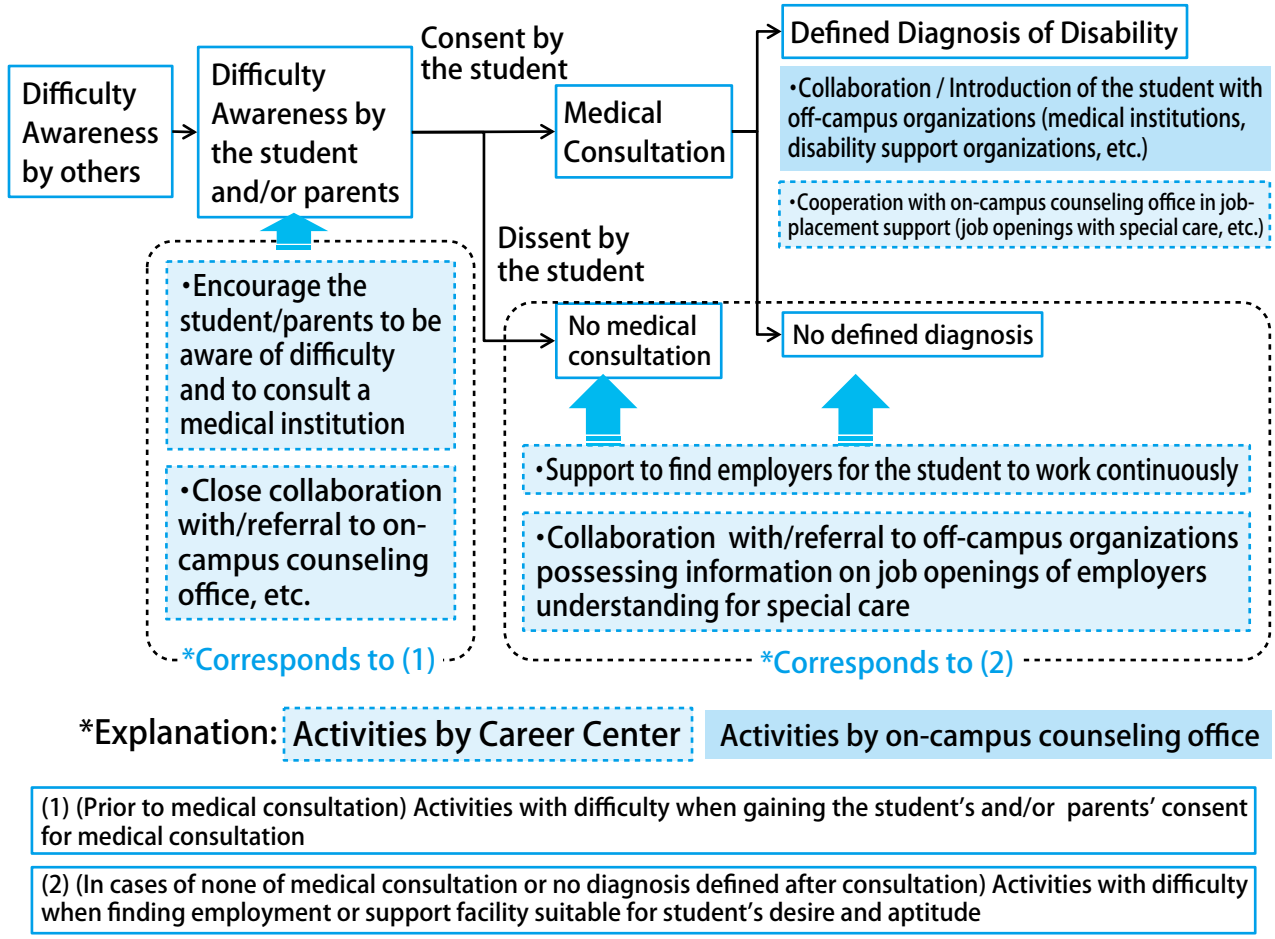
■ Arrangement of issues concerning job-placement support for students with traits resembling disability

Next, Figure III-26 arranges responses to students with traits resembling disability (e.g., a developmental or psychiatric disorder), as seen from the standpoint of career centers. In general, career centers don't have professional staffs that are capable of judging the level of disability of the visiting students. Thus, they need to cooperate with an appropriate facility, such as on-campus counseling office for students, on-campus health office, or off-campus organizations that support people with disabilities. Cases in which career centers experience difficulty when providing job-placement support can largely be arranged into two categories. The first is difficulty in recommending a medical consultation to the student by the career center because people around the student (professors, friends, etc.) have become aware of the traits to be treated carefully but the student him/herself and the parents have never. The survey's results show that some universities collaborate smoothly with on-campus counseling office or health office on that situation but that others have not always done well. The other category is difficulty when finding appropriate

Table III-25 Details of Consideration and Supportive Attitude for Students with Difficulty in Employment

(i) Attentive listening
◆ Listen carefully to what the student tries to talk about and sort out noteworthy points from what he/she said.
◆ Accept the student's story unconditionnally.
(ii) "Low-hurdle approach" to promote frequent visits and communications
◆ Ease stutents' minds by starting with daily conversation irrelevant to job hunting topics to get them to be open-minded.
◆ Accept in ways that make it easier for the student to start talking willingly.
◆ Avoid offering too many demands or assignments. (Let the student feel easy in visiting the center.)
◆ Avoid being too direct in getting to the heart of the matter.
◆ Counsel in the ways the student recognizes the center is on his/her side.
(iii) Encourage the student to become aware of his/her strengths or problems
◆ Help the student become aware of his/her own strengths in free talking.
◆ Encourage his/her self-awareness of attitude necessary to be improved (i.e., close-minded or anti-accepting attitude).
◆ Raise the student's correct awareness of current situation by attentive explanation and advice.

Figure III-26 Support Flowchart of Students with Difficulty from the Standpoint of Career Centers (Students with Traits Resembling Disability)



employers or training organizations that fit for the student's desires. In some cases the student and his/her parents did not consent with having a medical consultation, while in others the student had no significant diagnosis for his/her traits after the medical consultation. In still other cases, the career center took charge of finding a job offer with special care for the student with a defined medical diagnosis for his/her disability following a request from on-campus counseling office.

(2) Communication with and response to students who do not use the career center

When asked about the time when students first use the career center, many universities reported that it is when third-year students register their desired career path. Accordingly, career centers begin using various means to reach out to students who have not yet visited around this time. This has two purposes: to ascertain students' progress in developing their career path ("registration of prospective career path or plan after graduation" in the case of third-year students and "report of nearest career path after graduation" in the case of graduating students) and to provide career support to students. We organized the responses concerning actual methods universities used to contact students in order beginning with the most common (Table III-27).

The most common response was direct communication with the student (mobile telephone or e-mail). Although communicating by e-mail is easy, some

Table III-27 Means of Communication with Students Who Do Not Use the Career Center (from all 17 Schools)

(number of responses)

◆ Phone calls to the student's mobile phones	16
◆ E-mails to the student (by mass e-mails, or specific delivery to the student)	15
◆ Phone calls to the parents/guardians (as a last resort)	11
◆ Communications through the professor of research seminar	9
◆ Letters/postcards (sent together with other enclosed items, etc.)	4
◆ Communications through friends	4
◆ Other (e.g., bulletin boards, direct contact to the student after the class ends, etc.)	

universities reported the problem of frequently being unable to contact students who quickly change their e-mail address, and others reported that e-mail becomes a one-way form of communication because it is impossible to confirm whether or not messages were actually read. Consequently calling to mobile telephones is also used. However, this method is accompanied by various problems that a majority of universities reported struggling with. In addition to the fact that assigning the work of phone calls among a limited number of staff members increases considerable workload to normal duties, problems include students' not answering the phone (because they don't want to answer the call from an unknown number), inability to leave a message because the message recording service has not been switched on, and an extremely low call-back rate even when a call record exists. Additionally, some universities stated that, rather than simply to communicate to the students, the center should demonstrate an attitude for heart-warmingly assisting the students by using frequent e-mails or phone calls.

When students cannot be contacted personally, many universities indicated that they next contact parents or guardians or reach the students through academic staffs (professors, lecturers etc.) of the research seminar. However, many also responded that they make calls to parents' homes only as a last resort, as such calls tend to be taken very seriously. At universities where career center staffs and academic staffs work together on a daily basis, students' circumstances were ascertained by the seminar professor's prompt contact to them. However, some universities reported that contacting students can be difficult, as contacting via professors is not available when the students do not belong to any research seminar or have been absent for a long periods of time.

Additionally, some schools reported contacting students with letters or postcards, or through friends.

It should be noted that career centers must contact all students (including those with informal job offers) prior to their graduation in order to ascertain their post-graduation career paths. Ordinarily universities have a system in place whereby students take the step of reporting their post-graduation career path to the career center. However, when students do not make this report of their own, many universities responded that, as a last resort, they have those students report their post-graduation path when submitting their graduation thesis or in exchange for their diploma at the graduation ceremony. Additionally, universities indicated that they notify students whose employment situation remains unsettled at graduation that the career center can continue to support them even after graduation.

■ Issues concerning respect for students' autonomy and schools' career support stance

Career centers attempt to communicate with students with which they have no contact through various means. However, several universities responded by expressing thoughts and concerns about their stance as educational institutions. On the one hand, in the ways described above, they make campus-wide efforts toward the ideal of providing high-quality job-placement support through sensitive and attentive services that are adjusted to students' characteristics. However, on the other hand, they wondered how far a career center, as a single office in a university, should go in terms of approaching students and intruding into their autonomy and decision-making.

At the same time, there were responses that

presented concerns regarding another challenge for career centers—specifically, that the types of students who are capable of job-hunting at their own initiative and students who are incapable of doing so look polarized more and more, and as a result a certain percentage of students who have difficulty finding employment will be left behind. Although career centers use various means of calling out to students who have difficulty settling their employment situation, some universities expressed the opinion that the persistence of just calling out the student itself is meaningless for anybody. Some career center staffs mentioned an actual example of a university in which the center staffs take the extra step of going to students' houses directly to collect career path reports. There were also universities that responded that they are hesitant to pay excessive attention to students, and that they wrestle with the questions of where to draw the line in terms of respecting students' autonomy and providing guidance and support.

(3) Status of collaboration with resources outside of the career center (on campus/off campus)

In many cases, the key to success in supporting students' employment is the utilization of resources that are outside of the career center. Here we will report on the personnel and organizations with which career centers collaborate by separating them into "on campus" and "off campus" groupings.

■ On-campus collaboration

On-campus collaboration can be largely categorized into (i) collaboration with academic staffs and (ii) collaboration with a counseling office for students, a health office, etc.

(i) Collaboration with academic staffs

A very commonly mentioned example of collaboration with academic staffs involved research seminar professors' working with the career center to ascertain students' current progress of job hunting regardless of the professors' field of research. Other examples included cases in which academic staffs specializing in clinical psychology or support for people with disabilities stepped outside of their responsibilities to students in their own research seminars to provide consultation or supervise counselors at the on-campus counseling office.

We arranged specific responses concerning collaboration with academic staffs into groupings in their order of commonality (Table III-28). The most commonly received grouping was academic staffs' urging of students to use the career center. Worthy of particular mention here is the fact that giving guidance on job-hunting in detail to the seminar students is a difficult task for academic staffs who have never had work experiences at a company. Thus there were many cases in which academic staffs who encounter students having difficulty here have a rational idea to entrust the guidance to the specialist in the career center. The second grouping involved academic staffs' serving to make direct contact with students and urge them to visit the career center. In general contact was made as follows: The career center prepares a list of students who are necessary to be contacted by the center and provides it to academic staffs. Then, they try to contact directly those students on the list who are in their seminars.

Third grouping was academic staffs' taking the role of identifying which students require support and then sharing that information in faculty meetings or with the career center. By communicating with students in their seminars, academic staffs can obtain up-to-date information on students' job-hunting status (e.g., whether or not they have received an informal job offer). Collaboration among staffs has been promoted, for example, when the academic staffs share this information in faculty meetings or report it to the career center. They also share information on students with poor academic performance or poor attendance records. Other responses indicated cases in which a graduate that leaves a job soon after graduation personally contacts their seminar professor, rather than visits the career center, and reports on their circumstances. When the graduate wanted to consult the professor about the graduate's job change, the professor sent that information to the career center and asked it to help him/her.

For the fourth grouping, universities reported cases in which academic staffs take charge of some activities that are similar to the job-placement support

handled by the career center. For example, some universities indicated that they provide job-placement support with a process through which academic staffs first conduct personal interviews with students (third-year) about their future career and then hand over the information of the students to the career center. In other reported examples, career center staffs provide job-placement guidance to students by using time and venue of research seminar. There were also examples in which academic staffs who have working experience at the business world give lectures of job-hunting activities based on the professor's personal experiences to the students and examine students' job application forms and instruct how to write them properly. Additionally, some universities indicated that academic staffs handle to collect students' career status reports immediately after the graduation at the presentation date of graduation thesis, while others said that academic staffs who specialized in a field with a practical qualification manage to find employers suitable for some students who need special care.

The fifth grouping included cases in which academic staffs cooperate in making a significant linkage between career education and all other courses or subjects. One example was the inclusion of information in syllabi on how particular courses cultivate basic abilities for entering the workforce, allowing students to see visually grasp how coursework will help develop their abilities by using figures of students' achieved abilities. Though not directly linked to job-placement support, this implied one of the examples of academic staffs' active involvements in career education.

The degree of collaboration between academic staffs and the career center tends to be influenced by the degree to which job-placement support environment has been developed in the university. Responses indicating a "difference in willingness" vis-à-vis job-placement support among academic staffs were particularly numerous. Some universities indicated that they lack a consensus concerning how cooperation in job-placement support should be provided on campus, and as a result some academic staffs are cooperative while others expect students to handle the

Table III-28 Specific Examples of Job-Placement Support-related Activities Conducted by Academic Staffs

(i) Promoting students' use of the career center
◆ Encouraging students to use consultation services at the center during the research seminar
◆ Introducing students directly into the center
(ii) Contacting/reaching out to students (of research seminar)
◆ Frequent communications (e-mail, telephone, etc.) with students
◆ Receiving a list of students who have been lost track of by the center in order to manage to contact them via the research seminar
(iii) Identification of students requiring specific supports and sharing such information in all campus
◆ Inquring directly for seminar students' current progress of job hunting (number of obtained informal job offers etc.) and reporting the results to faculty meeting or the career center
◆ Sharing information on students with insufficient credits or frequent absences
◆ Reporting to the center about information on graduates who are supposed to need career support partly because of leaving a job early
(iv) Taking charge of some part of job-placement support duties
◆ Holding career-related interviews of seminar students, or attending at the students' interviews held by the center
◆ Allowing the center staff to use time and venue of research seminar for job-placement guidance for seminar students
◆ Giving lectures of job-hunting activities based on the professor's own experience (when the professor has some working experiences at the business world)
◆ Examining students' job application forms and instructing how to write them
◆ Collecting students' career status reports immediately after the graduation (at presentation date of graduation theses)
◆ Finding employers for students requiring special assistance (in the case of specialized courses)
(v) Cooperating in efforts to make a significant linkage between career education and all other courses or subjects
◆ Specification of the skills and abilities to be obtained through coursework in syllabi

matter on their own. Meanwhile other universities indicated that academic staffs in the humanities (and particularly in disciplines of weak linkage to occupations in the real world) are generally unskilled in job-placement support. Some responses noted that young academic staffs are often cooperative in job-placement support, while older academic staffs are becoming more cooperative as they recognize that times have changed and collaborate with the university to foster the students together as valuable human resources in the world.

We also received several responses indicating that a campus-wide cooperative scheme to support students' employment was still in place. Some reports even noted that the university president's leadership had a major influence on the scheme's creation. One university that was previously a junior college but is now a four-year university stated that it had a tradition of providing well-designed job-placement support as a junior college, and that even now a university culture that embraces job-placement support remains unchanged. Another university that has many specialist job-oriented courses through which students seek to achieve professional qualifications stated that its academic staffs also come from specialist backgrounds and have personal experience benefitting from earnest job-placement support, and as a result a cooperative scheme for students' job-placement support emerged naturally. Yet another university indicated that a career support committee comprised of academic staffs and an administrative body (i.e., the career center) is functioning well together based on a strong cooperative framework. On the other hand, there was also a university that said a clear division of roles exists—specifically, academic staffs should handle specialized fields of study and career center staffs should handle job-placement support—and that although academic staffs cooperate in job-placement support to a certain extent, the university's policy (and culture) is that, as a general rule, they should not be directly involved in job-placement support.

(ii) Collaboration with a students' counseling office, health office, etc.

Settings of collaboration with a students' counseling office, health office, or other offices are generally divided into two situations. The first involves cases in which a student suspected to have a developmental or psychological disorder visits the career center and is then referred to the counseling office or health office because specialized support is required. And the second involves cases in which the students' counseling office or health office referred to the career center to ask for job-placement support consultation of its client student. However, some career centers indicated that collaboration in itself can be difficult, as even if a student who is thought to benefit from giving special care of the student counseling office or health office visits the career center, telling the fact before the student's face can be embarrassing. Conversely, however, there were universities where collaboration proceeds smoothly. Some universities with experience in collaboration responded that they utilize a team-based support scheme, whereby they pursue collaboration for students requiring special consideration with not only the students' counseling office and health center but also other on-campus offices (e.g., instruction department, educational affairs department, etc.).

In cases of collaboration, it is essential that information on students to be helped be shared among the collaborating offices. However, information obtained through consultation often contains sensitive details. Students' counseling offices, in particular, are under a strict obligation to maintain confidentiality in specialized consultation; this obligation prevents them from sharing information easily. Some universities mentioned that such difficulty in sharing the information required for student assistance presents a challenge to be solved. On the other hand, other universities reported that they had achieved a certain level of consensus on job-placement support for students who face difficulty, and that they were attempting to proceed with some information sharing while also abiding by confidentiality obligations. It is anticipated that if a certain level of consensus on support can be cultivated—e.g., by making it a goal to ensure that as many students as possible can achieve prospective future careers—some sharing of the information that tends to be shut up in individual offices will become available.

■ Off-campus collaboration

Looking at off-campus job-placement support resources used by career centers, the most common was "Hello Work" offices (public employment security offices). With the exception of one university, 16 of the universities targeted in the survey said that they receive so-called "job supporters (consultants for supporting job search)" dispatched from Hello Work offices onto their grounds and utilize them primarily to offer job information in personal consultations. Some universities responded that there are benefits to having students contact job openings with various skill levels through Hello Work when some of the students do not always meet the requirements of job openings coming directly into the university. Some universities stated the experience of using the disability support division of the local Hello Work office; however, some also reported that, in such cases, the career center did not approach such division directly but rather through the students' counseling office or health office.

Additionally, a number of universities reported that they use Regional Support Station for Youth, which is one of youth employment support organizations governed and outsourced by the ministry. However, some universities reported that when the nearest support station was inconveniently located, students have difficulty in going all the way there on their own, which shows another challenge to be solved in terms of easy access. Additionally, collaboration between disability support organizations and non-disability support organizations was also reported.

(4) Support for unemployed graduates, graduates who left jobs very early, and dropouts

When we asked about their support for unemployed graduates and graduates who left jobs very early, all of the surveyed universities responded that they accept requests for personal consultations in exactly the same manner for graduates as for currently enrolled students. The fact that continuing support is available is publicized on websites and at graduation ceremonies. Many responses stated that no particular time limits are set on availability. On the other hand, some responses pointed out that students who did not use the career center frequently during their enrollment ultimately remained hesitant to contact after graduation. Some universities reported that they provide matching services to unemployed graduates and graduates who left jobs very early with the job openings that have been sent to the university and are still available to graduates and with the notices of emergency recruitment offers coming from companies. However, some universities reported that they do not receive information on job offers that are suitable for graduates who have been out of school for two or three years. They stated that, while they will accept requests for consultation from such graduates, they generally recommend that the graduates use a Hello Work office to find job openings.

As for factors leading up to early turnover from employment, in some cases graduates did not sufficiently examine the information on their company during their job-hunting activities during enrollment, and in other cases the graduates happened to obtain an informal job offer from a company which new graduates have been hired easily because of personnel shortage but later found that the company was not where they wanted to work. Some universities reported that if a graduate leaves his or her company on the first day of work or within a few days of the first day, a career center staff member visits the company to apologize for early turnover as soon as the center learns of this fact. In many cases, it is difficult for a career center to ascertain the individual facts of graduates' early turnovers. Although career centers want graduates to contact them to receive consultation before leaving employment, in actuality many graduates leave employment without notifying the center. Some universities reported that they can learn about graduates' turnovers through research seminar professors.

When we asked about support for dropouts, in the sense of receiving requests for consultations from students who have already left university or students who intend to leave university, 14 of the 17 universities responded that they had never received such a request at the career centers. Thus, many universities viewed those students as being removed from those eligible for career center support. Although some universities responded that they are prepared to accept requests for consultations from dropouts should they

want them, the reality is that current career centers are in an environment that makes it difficult to provide career support to dropouts and students who plan to drop out. The biggest reason for this is that the job offers that come into university career centers require students to be eligible for university graduation, and thus the students who plan to drop out cannot apply for them. On the other hand, some responses suggested that students who drop out want to take another career path. Their mental familiarity with the university becomes lower and it is unlikely that they will want to keep a relationship with the career center. Another possible reason is the fact that no opportunities exist for direct contact between students who plan to drop out and the career center within the process for settling withdrawals from enrollment in most universities. Because dropping out implies "discontinuing studies," it is handled by such offices as the instruction department, university affairs department, or students' affairs office and becomes a process whereby the final decision on whether withdrawal will be accepted or denied is entrusted to the faculty or dean. Given this, there is little room to consider support for post-withdrawal living (particularly in terms of employment). On the other hand, a number of universities said that their career center has received requests for consultation from students who are considering dropping out. Accordingly, it is thought that, at present, it is difficult for career centers to provide consultation on withdrawal from enrollment or post-withdrawal living unless the student personally brings up the subject.

(5) Addendum: Characteristics seen in universities with a low percentage of undecided graduates

Finally, as an addendum, we gathered characteristics that were commonly seen in the universities with a low percentage of undecided graduates (five universities in total) from among all the universities we surveyed. We conducted the survey for the purpose of exploring common characteristics among all of the targeted universities, not for the purpose of comparing their percentages of undecided graduates or their university size. However, among the various initiatives and examples that we heard about, there were some excellent ones that we believe were definitely possible because the universities have low percentages of undecided graduates. For this reason, we decided to gather characteristics that, despite being still only hypothetical in nature, were commonly seen in the five universities here as an addendum.

■ Influence of students' temperament, job-placement support scheme in university, and "university tradition"

Students' temperament in the mentioned universities seems helpful for keeping the good quality of the services provided by the career center. They described students as "compliant," "quiet," "of a good disposition," "earnest," and "accepting of advice." This suggests that, from the standpoint of support providers, the mentioned universities have many students likely to be supported by the career center and to be encouraged to use it.

Another characteristic was that the job-placement support scheme in university was cooperative and proactive and very much reflected the intentions of the president. Some of the universities had an environment founded on a tradition that made it easy to build a job-placement support scheme for students. For example, there were universities that emphasize matching functions—specifically, by sending students who had been preselected on the basis of the university's own standard and instructed such as business manners etc. by the career center to specific companies—and that make great efforts to develop relationships with companies that will offer jobs to such students. At a university that offers specialist job-oriented courses, academic staffs have personal experiences benefitting from earnest job-placement support. Thus the university had a tradition whereby providing earnest job-placement support is simply a matter of course.

Another university mentioned that it has an on-campus scheme that provides impeded support for students who have difficulty in employment. The scheme has a close collaborative relationship with concerned university departments, which offers the advantages of making full support for students with difficulties possible while simultaneously allowing the career center to also focus on job-placement support

for ordinary students.

■ Characteristics of faculty composition and location

Second, there is the possibility that the characteristics of faculty composition lead to the successful result of students' obtaining job offers. For example, at a university with faculties focused on specialized fields, many students enter with a clear picture of their post-graduation career path and a strong sense of purpose. This allows the career center to provide careful and personal job-placement support only to those students who cannot obtain job offers on their own. Additionally, one university in a certain specialized field responded that students with developmental disorders tend not to want to study in that field. Consequently, the university has not had the opportunity to provide special job-placement support for students with such disorders and has thus never experienced struggling to provide them with support.

There was also a university that responded that it has a locational advantage. Specifically, a lack of other four-year universities in the neighborhood means that it leads to no or few competition to obtain job offers for university graduates. As a result, only few students are left without a specific career path forward at the time of graduation.

3-3 Discussion

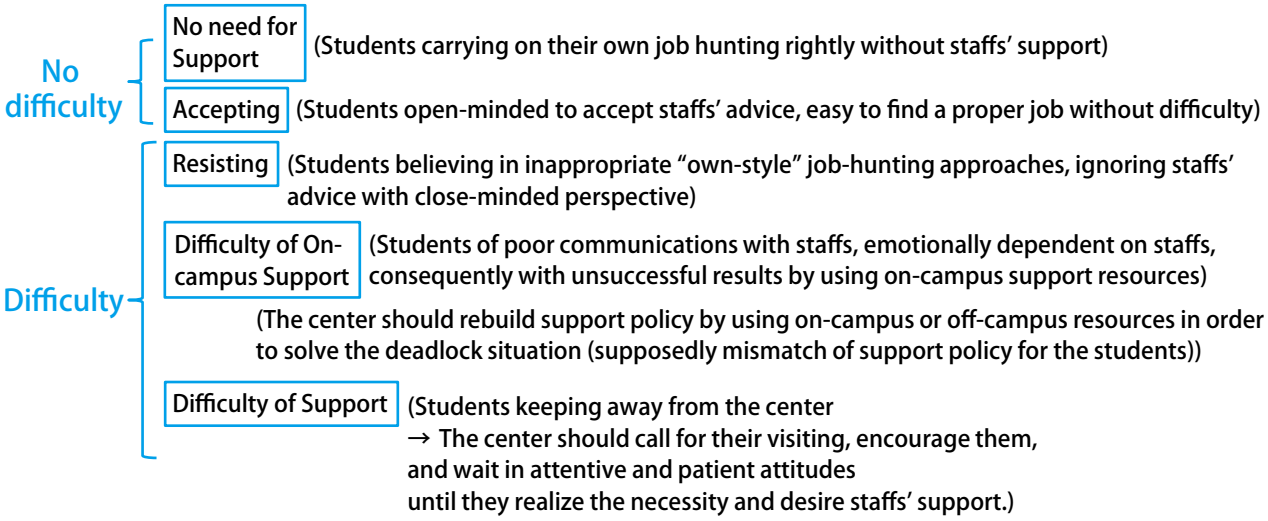
(1) Classification of students targeted for support at university career centers

Using the details of the survey described above as a basis, the author attempted to classify students who are targeted for support by university career centers in accordance with the degrees of difficulty based on support providers' experiences.

Figure III-29 shows our classification of students who do not have salient symptoms or traits resembling developmental disability on the basis of support difficulty. The upper two types are groupings of students who show little difficulty in terms of job-hunting activities and job-placement support. The first is the "no need for support" grouping. It is comprised of students who can carry on their own job-hunting activities rightly and then obtain informal job offers successfully. In general, the job-hunting activities of these students will be settled without the career center's support. The other is the "accepting" grouping. It is comprised of students who are open-minded to accept the career center's support or advice with earnestness, conducting smooth job-hunting activities, and consequently obtaining informal job offers successfully.

On the other hand, the lower three types of Figure III-29 are groupings of students who present more difficulty in terms of job-hunting activities and job-placement support. One is the "resisting" grouping. In contrast to the "accepting" grouping, students here intentionally do not accept staff members' advice, engage in job-hunting in their own way, and do not attempt to make corrections even if going in the wrong direction. However, these students are using the career center, and thus the difficulty they present is not as high as that of the remaining two types. In fact, the possibility exists that the students will overcome their difficulty by gaining a lot of job-hunting experience and recognizing desirable behaviors or attitudes for the immediate success in the job-hunting activities. Next is the "Difficulty of on-campus support" grouping. The students in this grouping do visit the career center. However, they do not communicate well with the staffs (in some cases due to malfunction in interpersonal relations) and do not fully comprehend their advice. As a result, support enters a stagnated state because, among other reasons, the staffs have no choice but to wait until the student gets matured mentally and recognizes the desire to solve the current problem. This grouping also includes students who tend to become dependent excessively on staffs. It is thought that students within it can receive only limited benefit through the current support scheme alone, and that improving the support's effectiveness will be difficult unless some sort of off-campus support or stimulation comes into play. The "Difficulty of support" grouping includes students who do not respond to various approaches from the career center, such as telephone calls and e-mail. Even if they do not use the career center, some part of the students may not be a major problem if they can engage in job-hunting and obtain informal job offers on their own. On the other hand, when students demonstrate little intention to search jobs earnestly even as

Figure III-29 Classifications of Students Targeted for Support from the Standpoint of Support Providers (Ordinary Students)



graduation approaches and do not feel a need to receive support from the career center, the career center's only option is to continue using various means to approach and encourage them. In such cases the connection between students and the career center tends to terminate after graduation. When students in this grouping graduate without employment, they fall into the category of young people who have difficulty in finding employment, which implies one of the targets to be handled in labor policy.

(2) Future challenges

Through this survey, we investigated the actual circumstances of job-placement support provided by universities having various characteristics. Looking at the present situation, it is clear that many universities have a cooperative scheme for job-placement support, that academic staffs' understanding of support has progressed, and that the quality of support is improving as a whole. Here, however, we wish to present some challenges that were revealed through the survey.

First, there is the possibility that support for students who have difficulty in job-hunting activities can be further advanced by utilizing approaches from off-campus organizations (for example, Hello Work offices). For students of the "Difficulty of on-campus support" grouping whose on-campus support situation has become stagnated, it is possible that outside stimulation—in the form of involvement by job supporters (consultants for supporting job search) or counselors from Hello Work offices or outside organizations, for instance—will improve things in a positive direction. The same methods can apply to support for students who have traits resembling developmental disability. Even when there are scarce resources inside universities to provide proper support for such students about job hunting activities, they can overcome the difficult situation by gaining the support of personnel from outside organizations who have plenty of experience supporting job-hunting activities of such people. Additionally, the personnel of outside organizations that visit the university can play a role as interpersonal "hubs" that can refer the university to other experts in the community. Thus they can integrate the human resources of experts that work in various offices individually throughout the area and, as a result, make job-placement support resources in the university and its surroundings more abundant.

Secondly, it will be important to further promote the sharing of job-placement support-related information within the university. Among the universities that were surveyed, there were cases in which a campus-wide scheme exists to support students who have

difficulty in university enrollment (or job-hunting activities), regardless of defined diagnosis of disability, by providing team support based on the sharing of some information with multiple offices in the university. Such an approach could be applied not only to university enrollment but also to job-placement support. A problem that arises here is the sharing of sensitive information; namely, consultation records. Consultation records are subject to confidentiality obligations, and naturally those obligations must be observed. On the other hand, however, should every single piece of information in consultation records be treated as confidential? This is almost certainly not the case. As a means of resolving problems associated with success in obtaining a proper job offer, it would probably be more advantageous for students to have a framework in place whereby only the information needed for job-placement support is carefully extracted from consultation records, with students' cooperation and consent, and then utilized to tighten collaboration within the university. Proactive approaches from the university president are the most effective way of improving the current situation of sharing information among offices and departments. However, it is also likely that simply sharing awareness of the current situation among concerned offices and departments in the university will be able to work well. To make the job-placement support in universities well-designed in the future, proactive sharing information that is based on full consideration for the issues involved must be promoted.

4. General Consideration

In this paper, we have reported on the actual circumstance of job-placement support provided to students by career centers and the current status of support for students who have difficulty in job-hunting activities, with primary focus on universities. The reports' content is based on results that we obtained from a large-scale questionnaire survey and an interview survey of some university samples.

University career centers have a responsibility to help all students affiliated with the university find employment. We found that career centers provide collective-style guidance for all students and, at the same time, provide careful individualized guidance—ranging from invitation to the center to interview training—to certain students who grapple with difficulties in finding employment. They make full use of their limited personnel resources to provide distinctive support derived from their university's unique characteristics. On the other hand, there were many instances in which the degree to which services can be made is limited within the on-campus career center framework. Overcoming such limitation requires unimpeded collaboration among academic staffs, the student counseling office, and Hello Work and other external employment support organizations. However, it became clear that the degree to which multiple local resources have been integrated depends on the earnestness for employment support shared among them or on the geographical local area where the individual resources are likely to gather and collaborate. Among the surveyed universities, there were some for which improvement in this area should lead to achieving even higher quality of job-placement support.

Although employment as a regular worker remains the main career path taken by new university graduates, an irreversible trend exists whereby a certain percentage of graduates enter the workforce as non-regular workers. Amid this social trend, the question of how career centers will support students' lifelong career development as their "starting point" has gained importance, and it is believed that the roles of career centers will become even more significant going forward. If career centers are to provide job-placement support services of even higher quality, achieving unimpeded collaboration with human resources in their periphery (specifically, academic staffs, the on-campus counseling office, and outside employment support organizations) will hold the key, as there is a limit to what can be achieved by merely expanding their functions quantitatively; for example, by increasing their staff numbers. Political support from the national government should improve the career centers' capabilities and, by extension, increase the number of young people capable of playing useful roles in society.

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Ⅳ Labor Supply and Demand Estimates – Calculations by Prefecture Based on New National Estimates (2015) –

Section 1 Introduction

This study uses an economic model to simulate changes in the labor force and the number of persons in employment up to the year 2030, in line with projected market scale in growth sectors as well as measures to promote women's employment and other employment policies envisioned in the "Japan Revitalization Strategy Amendment 2015," the government's growth strategy (decided by the Cabinet on June 30, 2015). Simulations are based on "Population Projections for Japan" by the National Institute of Population and Social Security Research in Japan (IPSS) in January 2012 (Medium Fertility and Mortality Projections), and are designed to contribute to the planning and proposal of future employment policies. Simulations were conducted by gender and age group, as well as by industry for employed persons. They also assume a scenario in which the market scale, women's employment promotion measures and others envisioned in the "Japan Revitalization Strategy" are not achieved. In addition, as initiatives aimed at local creativity in regional areas take firm shape, the labor force and numbers of employed persons by prefecture are estimated on the assumption of the prefectural populations in the IPSS "Population Projection by Prefecture (March 2013 estimate)," based on the results of the aforementioned simulations.

The Japan Institute for Labour Policy and Training (JILPT) has conducted similar simulations several times since 2004. The last one was based on the "Japan Revitalization Strategy" (decided by the Cabinet on June 14, 2013), the results being published in JILPT Research Material Series No. 129 "Labor Supply and Demand Estimates – Policy Simulations Based on the Labor Supply and Demand Model (FY2013)." This time, the latest actual data have been incorporated in simulations based on the government's revised growth strategy.

This study is part of "Research on Labor Supply and Demand Estimates," a subtheme of the JILPT Project Research "Survey Research on Directions for Employment and Labor in Response to Changes in Japan's Economic and Social Environments." It was conducted in response to a request from the Employment Policy Division of the Employment Security Bureau, Ministry of Health, Labour and Welfare (MHLW).

Section 2 Labor Supply and Demand Model

1. Estimates of national labor supply and demand

In this study, simulations based on the attainment targets of the "Japan Revitalization Strategy Amendment 2015" (decided by the Cabinet on June 30, 2015) are used to estimate the labor force by gender and age group, the number of employees by gender and age group, and the number of employees by industry, up to the year 2030. Simulations are conducted using an economic model (the Labor Supply and Demand Model) consisting of a labor demand block, a labor supply block and a labor supply and demand adjustment block. The relationship between the blocks is shown in the flowchart in Figure IV-1.

To obtain labor demand in the labor demand block, the nominal output, hourly wage and working hours in a given industry are substituted into a labor demand function based on an error correction model estimated for each industry. Of these, the nominal output is calculated by exogenously multiplying the economic growth rate, the item composition of final demand and composition of goods and services by item, inverse coefficient of input-output tables, and the output deflator. Working hours are calculated by applying the rate of change in all industry working hours (calculated from full- and part-time working hours and future projections of the part-time worker ratio) to each industry. Hourly wages are calculated by applying rates of change estimated in each labor

supply and demand adjustment block to each industry. The labor demand function used in the estimation is as follows.

$$\Delta \ln L(t) = const. + a\,\Delta \ln Z(t) + b \ln Z(t-1) + c \ln L(t-1) + \varepsilon\,(t)$$

where, L: employed persons, $Z = \frac{pX}{wH}$ (p: output deflator, X: real output, w: hourly wage and H: total actual working hours), and ε : error term.

In the labor supply block, the labor force ratio is sought by substituting the educational advancement rate, fertility rate, part-time worker ratio, nursery and kindergarten enrollment rate, the ratio of companies offering all employees employment to age 65, and other factors thought to contribute to the labor force ratio, into the labor force ratio function estimated by gender and age group. For females, these are further divided into two subcategories ("with spouse" and "without spouse and others") depending on the spousal situation. Next, the size of the labor force is calculated by multiplying the obtained labor force ratio by the projected future population. Factors determining the labor force ratio vary by gender and age group. Future projections for these are given exogenously, with the exception of the unemployment rate and real wages. The unemployment rate is the rate estimated in the previous term. Real wages are taken as one of the determinants for the labor force ratio of females without spouse and others, but their value is calculated using the rate of change in wages determined in the labor supply and demand adjustment block. The labor force ratio function used for the estimation is as follows.

$$r\,(t) = const. + \sum_{i=1} d_i V_i\,(t) + \varepsilon\,(t)$$

where, $r = \ln\,(R/(100-R))$ (R: labor force ratio (%)), V: explanatory variable of behavioral factors, policy factors and others determining the labor force ratio, and ε : error term.

In the labor supply and demand adjustment block, the rationale of the Phillips curve is applied to calculate the rate of rise in wages from the active job openings-to-applicants ratio, the rate of change in the consumer price index, and terms of trade (the ratio of the export price index to the import price index). Meanwhile, the conversion equation for calculating the unemployment rate by gender and age group from the active job openings-to-applicants ratio is estimated based on past performance, and the unemployment rate by gender and age group thus obtained. The active job openings-to-applicants ratio is obtained by using a conversion equation estimated from past performance to convert the total labor demand for each industry, calculated in the labor demand block, and the total labor force for each gender and age group, calculated in the labor supply block (labor supply and demand multiple). The rate of change in the consumer price index and terms of trade are given exogenously.

The rate of change in wages in the labor supply and demand adjustment block is calculated from the labor demand and labor force calculated in the labor demand and labor supply blocks. This is fed back to the labor demand and labor supply blocks (the future rate of change in wages by industry is collectively based on the industry total), and the labor demand and labor force are calculated using a new wage standard. The figures before and after feeding back are compared, and the model calculation is judged complete (labor demand, labor force and various other estimates determined) at the point when the rates of change in wages appear to converge. Numbers of employed persons by gender and age group are calculated from the unemployment rate and labor force at the point of convergence. Next, the gender and age group totals for these employed persons are divided by industry, based on the industry composition of labor demand, and the resultant figure is taken as the number of employees by industry.

2. Estimates of prefectural labor supply and demand

Prefectural data are estimated using the following method, to ensure consistency with the future national labor force and the number of persons in employment by gender and age group, and the number of persons in employment by industry.

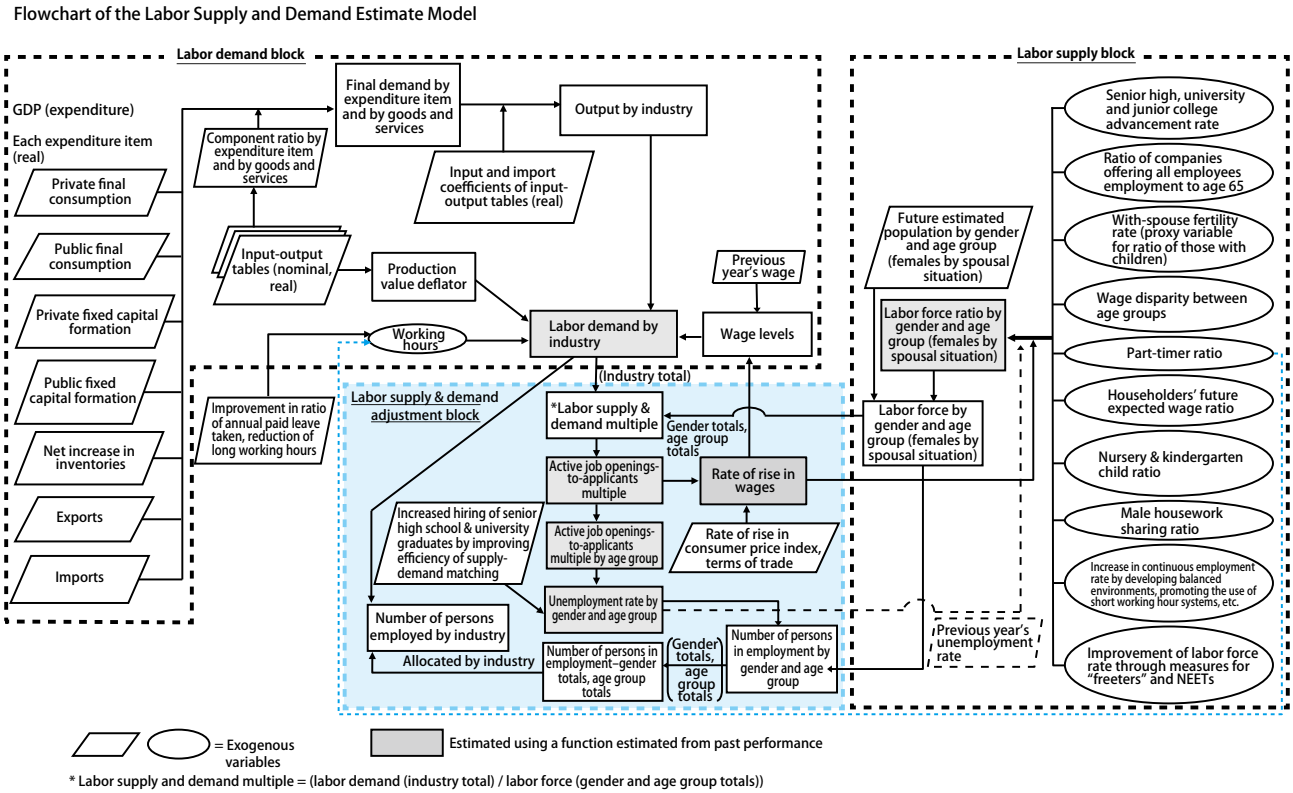
Prefectural component ratios of the future number of persons in employment by industry are estimated

in line with trends over the past 10 years in prefectural component ratios of the number of persons in employment ("persons engaged in work") by industry in the Ministry of Internal Affairs and Communications (MIC) "Employment Status Survey." The future national number of persons in employment by industry is then allocated by prefecture ("tentative prefectural number of persons in employment by industry"). The future prefectural component ratios of the number of persons in employment in medical, health care and welfare are besed on a simple estimate of prefectures' future medical and nursing care costs. The estimate is made by multiplying the per capita medical and nursing care costs calculated from the Ministry of Health, Labour and Welfare (MHLW) "*Iryo Kyufu Jittai Chosa* [Medical Benefits Survey]" and "Survey of Long-term Care Benefit Expenditures" by the estimated future population.

The future prefectural labor force ratios by gender and age group are estimated by applying the national growth in labor force ratios by gender and age group across all prefectures. Then, the labor force is obtained by multiplying these by the projected future population.

The prefectural unemployment rate by gender and age group is estimated via the active job openings-to-applicants ratio, by calculating the ratios of industry totals for the number of persons in employment (tentative) and gender and age group totals in the labor force in each prefecture, using the equations used in national estimates. The number of persons in employment by gender and age group is calculated from the labor force by gender and age group and the unemployment rate by gender and age group. The "tentative prefectural number of persons in employment by industry" is set as the initial value, and the RAS method is used to reach the definitive prefectural number of persons in employment by industry, to ensure consistency with the prefectural gender and age group totals of the number of persons in employment

Figure IV-1 Flowchart of the Labor Supply and Demand Model



Note: Of the exogenous variables, those shown in parallelograms are mainly related to the labor demand block and the supply and demand adjustment block, while those in the ellipsoids mainly involve the labor supply block.

and the national number of persons in employment by industry.

Section 3 Simulation Scenarios

1. Outline of scenarios

In this study, simulations will be made to show how the future image of labor supply and demand would appear until the year 2030 if economic and employment policies indicated in the "Japan Revitalization Strategy Amendment 2015" and elsewhere are properly implemented and the economic growth rate targets cited in the "Japan Revitalization Strategy Amendment 2015" are met. In this study, this shall be called the "economic revival / progressive labor participation scenario". The "Japan Revitalization Strategy Amendment 2015" not only specifies numerical targets for new market scale in sectors where growth is anticipated in future, but also sets the aim of medium- to long-term growth of about 2% in real terms. These points are incorporated in the assumption of labor demand in the economic revival / progressive labor participation scenario. On the other hand, to achieve a real growth rate of around 2%, demand for goods would have to be stimulated, participation in the labor market promoted and constraints on the supply of goods eased. Thus, the case in which economic and employment policies are properly implemented and participation in the labor market progresses will be projected as the economic revival / progressive labor participation scenario on the labor supply side.

To compare and contrast with this scenario, in which economic and employment policies are properly implemented, i.e. the economic revival / progressive labor participation scenario, the following scenarios have been prepared in this study. The first is a scenario in which the necessary economic and employment policies are not implemented and risks of a downturn materialize, causing an economic situation close to zero growth in real terms (lower than the average growth rate over the last ten years or so) to be projected, while participation in the labor market does not improve from present levels (2014). In this study, this will be called the "zero growth / unchanged labor participation scenario." The other is a reference scenario prepared by JILPT from an independent standpoint, in which economic and employment policies projected in the economic revival / progressive labor participation scenario are partially implemented, a real growth rate of about 1% is achieved (i.e. about half the growth rate target stated in the "Japan Revitalization Strategy"), and labor market participation progresses to a degree. In this study, this will be called the "baseline / gradual labor participation scenario."

The characteristics of the economic revival / progressive labor participation, zero growth / unchanged labor participation and baseline / gradual labor participation scenarios are as follows. Assumptions on the labor demand side will be called the economic revival scenario, the zero growth scenario, and the baseline scenario, respectively. Meanwhile, assumptions regarding labor market participation on the labor supply side will be called the progressive labor participation case, the unchanged labor participation case, and the gradual labor participation case, respectively.

(1) The economic revival / progressive labor participation scenario

In this scenario, economic growth and labor market participation by young people, women, the elderly and others progress through proper implementation of various economic and employment policies (the case in which economic growth and labor participation progress properly).

1 Annual economic growth of around 2% in real terms is achieved (in the "Japan Revitalization Strategy," the target is real growth of around 2% in the medium to long term).
2 Additional demand based on growth sector attainment targets in the "Japan Revitalization Strategy Amendment 2015 is taken into account.
3 Medical and nursing care costs after reforms in "Revised Future Estimate of Costs Related to Social Security" (March 2012) are taken into account.
4 The labor force ratio and employment rate of young people are raised through measures for freeters and NEETs, as well as improved matching efficiency for senior high school and university graduate employment rates.

5 Labor market participation by young people progresses by reducing wage disparity among young people compared to the all-age average.
6 The ratio of companies offering all employees employment to age 65 rises to 100% by 2025, and working environments for the elderly are developed.
7 Nursery and kindergarten enrollment rates rise, and female participation in the labor market progresses.
8 The continuous employment rate for women is improved by developing the WLB environment.
9 The continuous employment rate for the elderly is improved by promoting the use of short working hour systems, among other measures.
10 The ratio of housework sharing by men increases.
11 While the part-time worker ratio rises as channels for diverse forms of employment are developed, average working hours decrease with the reduction of long working hours, etc.

(2) The zero growth / unchanged labor participation scenario

In this scenario, economic growth is posited close to zero growth, and the labor force ratios by gender and age group remain at the same level as at present (2014) (the case in which economic growth and labor participation do not progress properly).

1 An economic situation close to zero growth is projected (same economic growth rate as in the reference / gradual labor participation scenario until 2015, zero growth from 2016 onwards).
2 Additional demand based on growth sector attainment targets in the "Japan Revitalization Strategy Amendment 2015" is not taken into account.
3 Medical and nursing care costs after reforms in "Revised Future Estimate of Costs Related to Social Security" are taken into account in line with an economic situation close to zero growth.
4 Current (2014) labor force ratios by gender and age group do not change in future. This means that the current labor force ratio is applied to the estimated future population. The female labor force ratio is seen in terms of the spousal situation (i.e. with spouse or without spouse).

Reference) The baseline / gradual labor participation scenario

In this scenario, economic growth and labor market participation by young people, women, the elderly and others progress to a degree through partial implementation of various economic and employment policies (the case in which economic growth and labor participation progress to a degree).

1 Annual economic growth of around 1% in real terms is achieved (about half the growth rate targeted in the "Japan Revitalization Strategy").
2 About half the additional demand based on growth sector attainment targets in the "Japan Revitalization Strategy Amendment 2015" is taken into account.
3 Medical and nursing care costs after reforms in "Revised Future Estimate of Costs Related to Social Security" are taken into account.
4 Shrinkage of wage disparity among age groups is about half that in the economic revival / progressive labor participation scenario.
5 The ratio of companies offering all employees employment to age 65 rises to 100% by 2025, and working environments for the elderly are developed.
6 Nursery and kindergarten enrollment rates grow by about half compared to those in the economic revival / progressive labor participation scenario.

2. Assumptions in the labor demand block

(1) Numbers of employees

Numbers of employees by industry are defined by taking data from the MIC "Labour Force Survey" and recombining them into the industrial category notation used for the Labor Supply and Demand Model. Basically, industrial categories are recombined using simple aggregation, but for recombinations up to 2002, the "National Census" is used. In the Labor Supply and Demand Model, meanwhile, dispatched workers from temporary labor agencies are classified under "Miscellaneous business services," the industry to which the agencies belong; they are not included in other industries. The rate of change in numbers of employees is obtained and future values determined using the labor demand function.

(2) Real output

Future real output by industry are estimated using the input-output model. That is, an inverse matrix is calculated from the future input and import coefficients assumed in e. below, and this is multiplied by the final demand estimated in a. to d. to obtain the real output by industry for each scenario.

a. Assumptions of macroeconomic growth rate and rate of change in commodity prices

The macroeconomic growth rate and rate of change in commodity prices are assumed for each scenario (divided into the two periods 2014-2017 and 2017-2023, annual average values applied for each period). The assumptions use estimates for the real economic growth rate, the rate of change in the corporate goods price index and the rate of change in the consumer price index in the economic revival and baseline scenario of the Cabinet Office "Calculations concerning Medium- to Long-Term Economic and Fiscal Administration" (submitted by the Council on Economic and Fiscal Policy, July 22nd, 2015), as shown in Table IV-2.[1,2]

As Cabinet Office calculations for both economic revival and the baseline scenario cover the period until FY2023, figures from 2024 are assumptions by this study. As for the macroeconomic growth rate for 2024-2030, it is assumed that the per capita economic growth rate (annual average) in 2019-2023 based on Cabinet Office calculations for 2024-2030 will be maintained, and that the macroeconomic growth rate (annual average) will only decrease to the extent of population decline, compared to that for 2019-2023. On the rate of change in consumer prices in 2024-2030, it is assumed that the annual average rate of change for 2019-2023 based on Cabinet Office calculations will also be maintained in 2024-2030.

Finally, the zero growth scenario is a assumption unique to this study. In anticipation of reconstruction demand, the same macroeconomic growth rate as in the baseline scenario is assumed until 2015, but the growth rate in 2016-2020 will be around the same as the annual average fiscal scale in "Scale and Funding Sources for Recovery and Reconstruction Work during the Reconstruction Period including the Five-Year Period Starting in FY2016" (decided by the Cabinet on June 30, 2015). From 2021 on, meanwhile, the macroeconomic growth rate is assumed to be zero. Moreover, the rate of change in consumer prices is set to be zero from 2017 onwards, under the same assumptions as in the baseline scenario up to 2017, taking account of consumption tax hikes.

b. Assumptions of final demand component ratio by expenditure item

Although results for the macroeconomic growth rate are shown in the Cabinet Office calculations, the final demand composition by expenditure item is not published. Therefore, the annual average rate of change in estimates for 2005-2020 and 2020-2025 in the Japan Center for Economic Research (March 2015) "41st Medium-Term Economic Forecast" is used for the final demand composition by GDP expenditure item (expenditure side), and real values converted from the 2007 "SNA Input-Output Tables" are extended to obtain figures for this.

c. Assumptions of the final demand composition of goods and services by expenditure item

On the future final demand composition of goods and services by expenditure item, as with the final demand composition by GDP expenditure item (expenditure side), the average rate of change in estimates until 2025 in the Japan Center for Economic Research (March 2013) "41st Medium-Term Economic Forecast" is used, and real values converted from the 2007 "SNA Input-Output Tables" are extended to obtain figures for this.

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1 The real economic growth rate is based on the chain-linking method.

2 The Cabinet Office calculations are based on fiscal years, but in this study, fiscal years are replaced by calendar years. Also, the growth rate in fiscal year t in the Cabinet Office calculations is projected as the growth rate from year $t-1$ to year t in this study. As such, the average growth rate for FY2015-2023 in the Cabinet Office calculations is projected as the annual average growth rate for 2014-2023 in this study.

d. Additional demand in growth sectors in the "Japan Revitalization Strategy" and medical and nursing care costs in "Revised Future Estimate of Costs Related to Social Security"

In this study, to obtain the final demand, real GDP assumed for each scenario in a. is divided by the final demand composition of GDP (expenditure side) calculated from the Japan Center for Economic Research "Medium-Term Economic Forecast" in b., and this further divided by goods and services, using the composition of final demand by expenditure item and by goods and services in c. By adding in additional demand by growth sector to this final demand, the final demand corresponding to attainment targets in the

Table IV-2 Assumptions of Macroeconomic Growth Rate & Rate of Change in Consumer Prices

Real economic growth rate (%, annual average)

	Actual	Period covered by Cabinet Office calculations				JILPT assumption	2014-20	2020-30	2014-30
	2005-14	2014-17		2017-23	2019-23	2023-30			
		2014-15	2015-17						
Economic revival scenario	0.4	1.3		2.3	2.3	2.2	1.8	2.2	2.1
Zero growth scenario		1.1	0.5	0.1	0.1	0.0	0.5	0.0	0.2
(Reference) Baseline scenario		1.1		0.9	0.9	0.8	1.0	0.8	0.9

Per capita real economic growth rate (%, annual average)

	Actual	Period covered by Cabinet Office calculations				JILPT assumption	2014-20	2020-30	2014-30
	2005-14	2014-17		2017-23	2019-23	2023-30			
		2014-15	2015-17						
Economic revival scenario	0.5	1.6		2.8	2.9	2.9	2.2	2.9	2.6
Zero growth scenario		1.4	0.8	0.6	0.6	0.7	0.8	0.6	0.7
(Reference) Baseline scenario		1.4		1.4	1.5	1.5	1.4	1.5	1.4

Rate of change in consumer price index (%, annual average)

	Actual	Period covered by Cabinet Office calculations			JILPT assumption	2014-20	2020-30	2014-30
	2005-14	2014-17		2019-23	2023-30			
Economic revival scenario	0.3	1.8	2.0	2.0	2.0	1.9	2.0	2.0
Zero growth scenario		1.6	0.0	0.0	0.0	0.8	0.0	0.3
(Reference) Baseline scenario			1.2	1.2	1.2	1.4	1.2	1.3

Rate of change in corporate goods price index (%, annual average)

	Actual	Period covered by Cabinet Office calculations			JILPT assumption	2014-20	2020-30	2014-30
	2005-14	2014-17	2017-23	2019-23	2023-30			
Economic revival scenario	0.8	1.0	1.1	1.2	1.2	1.1	1.2	1.1
Zero growth scenario		0.9	0.0	0.0	0.0	0.4	0.0	0.2
(Reference) Baseline scenario			0.4	0.5	0.5	0.6	0.5	0.5

Note: Actual values (in 2014, value calculated by the Cabinet Office) and Cabinet Office calculations (economic revival / baseline scenario) are computed from the Cabinet Office "Calculations concerning Medium- to Long-Term Economic and Fiscal Administration" (submitted by the Council on Economic and Fiscal Policy, July 22, 2015), the MIC "Population Estimates", and the IPSS "Population Projections for Japan (January 2012 Medium Fertility and Mortality Projections)". For 2024 onwards, it is assumed that the per capita real economic growth rate, the rate of change in the consumer price index and the rate of change in the corporate goods price index in 2019-2023 will all trend in accordance with their annual average values. The zero growth scenario presents figures assumed for this study.

"Japan Revitalization Strategy" and medical and nursing care costs in "Revised Future Estimate of Costs Related to Social Security" is produced.

In the main text of the "Japan Revitalization Strategy," attainment targets for each main policy are indicated in I. Overview 5. Examples of Necessary Key Measures in Line with the "Roadmap to Growth." As attainment targets related to future market scale by industry, the following will be used in this study:

Of "(1) Unleashing the power of the private sector to the fullest extent," the figures included in "4. Creating and developing a good health and longevity industry," "5. Turning agriculture, forestry and fishery industries into growth industries" and "6. Developing the energy industry and acquiring global market share"; and of "(3) Creating new frontiers," those included in "3. Through public-private sector joint efforts, capturing a share of the world's infrastructure market that is expected to grow" and "4. Promoting globalization by advancing Cool Japan and increasing the number of foreign visitors to Japan and encouraging foreign direct investment in Japan.[3]"

In the debate on comprehensive reform of tax and social security, the "Future Estimate of Costs Related to Social Security" has been revised (March 2012) and estimates of social security costs estimated using new assumptions. Assumptions of additional medical and nursing care costs will be based on these estimates.

The attainment targets in the "Japan Revitalization Strategy" and medical and nursing care costs taken into account in this study are as follows[4] (below, in the case of the economic revival scenario).

1 Expand markets for health promotion, preventive care and living assistance industries to 10 trillion yen by 2020 (6 trillion yen up from 2011).

2 Expand markets for pharmaceuticals, medical devices, and regenerative medicine-related industries to 16 trillion yen by 2020 (4 trillion yen up from 2011).

3 Japanese companies to capture domestic and international market shares of energy-related industries amounting to 26 trillion yen by 2020 (18 trillion yen up from 2012). Of which, domestic share 10 trillion yen (6 trillion yen up from 2012), overseas share 16 trillion yen (12 trillion yen up from 2012). Domestic market scale 11 trillion yen in 2030 (7 trillion yen up from 2012).

4 Expand overseas orders for infrastructure sales to 19.5 trillion yen by 2020 (13.6 trillion yen up from 2010). Of which, orders in the medical sector 1.5 trillion yen (1 trillion yen up from 2010). Moreover, orders in the medical sector 5 trillion yen in 2030. Domestic market scale 16 trillion yen in 2020 (14 trillion yen up from 2010), 33 trillion yen in 2030 (31 trillion yen up from 2010).

5 Expand markets for "6th industries" to 10 trillion yen by 2020 (9 trillion yen up from 2010), 3 trillion yen by 2015 (2 trillion yen up from 2010).

6 Expand total exports by agricultural and food manufacturing industries to 1 trillion yen by2020, to a total of 5 trillion yen by 2030.

7 Achieve 20 million foreign visitors to Japan by 2017 and 30 million or more by 2028. Increase total travel expenditure to 4 trillion yen at the point when foreign visitors to Japan reach 20 million.

8 Increase total medical and nursing care costs borne by households and government contributions to 57.1 trillion yen after reform by 2015, 69.9 trillion yen after reform by 2020, and 83.1 trillion yen after reform by 2025.[5]

*1 As detailed attainment targets for 2030 are

3 In "(1) Unleashing the power of the private sector to the fullest extent," the attainment target of expanding the PPP/PFI program scale from the current 4.1 trillion yen to 12 trillion yen over the next 10 years is stated in "7. Establishing, managing, and updating social infrastructure by making use of private funds and know-how (PPP/PFI)." In this study, however, this is seen as a means of attaining targets in other sectors (such as stimulating infrastructure investment markets), and is not directly included in the calculation of final demand.

4 Although the "Japan Revitalization Strategy" sets specific targets, it should be noted that some sectors have no targets in this study. For example, by promoting "Cool Japan," overseas sales of broadcast contents are to be tripled from the current level (6.3 billion yen) by 2018. Such targets are not explicitly mentioned in this study, as it would have been difficult to estimate the portion of additional demand arising from policy implementation.

5 Medical and nursing care costs are calculated by combining amounts in the Future Estimate of Costs Related to Social Security with individual contributions.

not necessarily shown by sector, some are estimated.

*2 Overseas orders for infrastructure sales in 2020 consist of the target of 30 trillion yen minus amounts for energy and medical costs.

e. Assumptions of input and import coefficients

The future industry and technology composition (input coefficient) and import ratio (import coefficient) are assumed as constants, based on real converted values in the 2007 "SNA Input-Output Tables." This means that the 2007 industry and technology composition and import coefficient will also be projected in future. However, the import coefficient is adjusted to be consistent with the gross import value, obtained by dividing the real GDP assumed for each scenario by the final demand composition of GDP (expenditure side) calculated from the Japan Center for Economic Research "Medium-Term Economic Forecast."

(3) Output deflator

The future value of the output deflator by industry is basically obtained by means of an extended estimate based on trends using the 2000-2007 "SNA Input-Output Tables."

(4) Wages and working hours

Working hours by industry are based on total actual working hours, obtained by adding the actual number of scheduled hours worked by ordinary workers in the MHLW "Basic Survey on Wage Structure" to the actual number of overtime hours worked. Wages by industry are obtained by dividing the contractual cash earnings of ordinary workers in the MHLW "Basic Survey on Wage Structure" by total actual working hours. In both cases, the figures refer to private businesses with 10 or more workers. As no data for agriculture, forestry and fisheries can be obtained from the "Basic Survey on Wage Structure," industry total figures are used for these. Again, no data can be obtained for "government" and "industries unable to classify," and so figures for other service industries are used for government, compound services, and industries unable to classify.

Future values for wages by industry are sought by multiplying the rate of rise in wages determined in the labor supply and demand adjustment block for each industry (the rate of rise in wages function estimated from the rate of change in hourly wages, obtained by dividing the contractual cash earnings (monthly) of ordinary workers (industry total) by working hours (monthly)) by the previous term's hourly wage. For each industry, the weighted average (industry total) of full-time workers and part-time workers is used, and working hours are assumed for each case in line with the degree of future labor market participation. Future estimates of working hours in the progressive labor participation case take account of reduction due to improvement in the ratio of annual paid leave taken and reduction of long working hours, based on the rising ratio of part-time workers and policy targets deliberated by the working groups of the Labour Policy Council.

3. Assumptions in the labor supply block

(1) 3 cases in line with progress in labor market participation

Future assumptions of explanatory variables for the labor force ratio function are divided into the following three cases, depending on the degree of progress in labor market participation. Future projections of each explanatory variable in the progressive labor participation case and the gradual labor participation case are as shown in Table IV-3. The labor force ratio in the unchanged labor participation case is unchanged from the situation in 2014.

(a) Progressive labor participation case: Various employment policies are properly implemented and labor market participation progresses (the case in which labor market participation progresses).

(b) Unchanged labor participation case: The 2014 labor force ratios by gender and age group remain constant in future (the case in which labor market participation does not progress).

(Reference) Gradual labor participation case: Various employment policies are partially implemented and labor market participation progresses to a degree (the case in which labor

market participation progresses to a degree).

Of the explanatory variables, the previous term's unemployment rate and real wages are not included in Table IV-3, but these are determined endogenously within the model. Future values for real wages (contractual cash earnings (industry total, ordinary workers) / consumer price index (General Index)) are obtained from the rate of change in ordinary workers' contractual cash earnings (male-female total), as determined in the labor supply and demand adjustment block. However, the consumer price index as the denominator of real wages is based on the assumptions in Table IV-2.

(2) Labor force ratio and population aged 15 and over

The source for the labor force ratio by age group (labor force / population aged 15 and over) is the MIC "Labour Force Survey" (for both the labor force and the population aged 15 and over). However, data by spousal situation for the over 65s are not published in the Labour Force Survey, and so figures obtained by estimating in this study are used as actual figures.[6] Meanwhile, figures for 2005-2010 are compatible time-series data based on the (revised) Census-based population for 2010 in the "Labour Force Survey," while those for 2011 are supplementary estimates affected by the Great East Japan Earthquake (based on the (revised) Census-based population for 2010). For those aged 70 and over in 2005-2011, similarly, no Census-based population figures have been published. Instead, this study uses figures obtained in reference to the method of interpolation correction accompanying the switch in the basis for benchmark population by the Ministry of Internal Affairs and Communications. As for the data by spousal situation, for which supplementary estimates have not been published, figures obtained by dividing the post-supplement data for females based on the pre-supplement component ratio by spousal situation are used.

Future values for the labor force ratio are obtained using the labor force ratio function, but there are exceptions in some age groups. That is, for males aged 70 and over, females (with spouse) aged 60 and over, and females (without spouse and others) aged 55 and over, estimates are not made using the labor force ratio function, but future estimates are made on the assumption that they will trend in accordance with a fixed survival rate (cohort[7] survival rate) from the closest age group.[8] Specifically, the labor force ratio for each relevant age group is estimated from the 2014 actual figure for the rate at which it decreased from the labor force ratio for the age group 5 years younger at a point 5 years previously (1 – survival rate), or from the average of actual figures for 2010-2014. Also, since the absolute number of "females (with spouse)" aged 15-19 in the labor force is small and the 2014 labor force ratio would be calculated as zero, the average labor force ratio for 2000-2012 is adopted. For the "females (with spouse)" 20-24 age group, similarly, the absolute number of the labor force is small, and so the 2014

6 Concerning the elderly portion of the female population, information on the labor force ratio by 5-year age groups cannot be obtained by spousal situation from the "Labour Force Survey." Instead, the population aged 15 and over and the labor force composition by 5-year age group and by spousal situation obtained from the "National Census" are taken as initial values, and the RAS method is used to estimate the population aged 15 and over and the labor force by 5-year age group and by spousal situation. This is to ensure consistency with the population aged 15 and over and labor force by 5-year age group and the population aged 15 and over and labor force by spousal situation in the "Labour Force Survey." The labor force ratio is calculated from the estimated population aged 15 and over as well as the labor force by 5-year age group and by spousal situation.

7 A cohort (age group population) is a single collection of people belonging to a given age group at a given point in time.

8 According to the 2010 National Census, non-marriage accounted for a higher ratio than widowhood among women (no spouse and others) in age groups up to 55-59 compared to the population of each age group, but the opposite was true in age groups 60-64 or higher. Therefore, changes in the labor force ratio in ages 60-64 and over are thought to be impacted relatively strongly not only by the same cohort but also by the change from females (with spouse). Because of this, no survival rate by spousal situation is projected for women aged 60 and over, but the total female survival rate is used equally for those with spouse, without spouse and others.

Table IV-3 Settings in Cases of Labor Market Participation

			Progressive labor participation	(Reference) Gradual labor participation	Unchanged labor participation
			Case in which participation in the labor market progresses	Case in which participation in the labor market progresses to a degree	Case in which participation in the labor market does not progress (2014 labor force ratio fixed case)
Basic trend change variables	Senior high school advancement rate (males)		Logistic curve applied to extend until 2030		
	Senior high school advancement rate (females)				
	University and junior college advancement rate (males)				
	University and junior college advancement rate (females)				
	With-spouse fertility rate		For 2014 onwards, the fertility rate (medium, 5-yearly) in the IPSS "Population Projections for Japan (January 2012 Estimates)" is used (linear interpolation for intermediate years).		
Measures for young persons	Improvement of labor force ratio by freeter measures and employment or other career decisions by NEETs		On the assumption that labor market participation by younger age groups will be encouraged by freeter measures and employment or other career decisions by NEETs, the labor force ratio for males and females aged 15-19, 20-24, 25-29, and 30-34 is projected to be 0.01-0.17 points higher in 2020 (linear interpolation for intermediate years; from 2021 onwards, linear extrapolated estimates).	None	
	Increase in senior high school & university graduate employment rates by improving the efficiency of supply-demand matching		On the assumption that employment in younger age groups will be encouraged by the improvement in supply and demand matching efficiency, the employment rate for the 15-19 age group is projected to rise by 0.35 points (males) and 0.47 points (females) in 2020 and by 0.35 points (males) and 0.42 points (females) in 2030. The employment rate for the 20-24 age group is projected to rise by 0.62 points (males) and 0.74 points (females) in 2020 and by 0.62 points (males) and 0.78 points (females) in 2030.	None	
M-curve measures for women	Improvement of continuous employment rate by developing WLB environment		On the assumption that job leaving on grounds of childbirth and childcare will decrease with the development of the WLB environment, a rise in the continuous employment rate is projected to result in the labor force ratio of females (with spouse) aged 30-34 rising by 2.0 points in 2020 and 1.5 points in 2030.	None	
	Ratio of housework sharing by men		With an increase in the share of housework by men due to a reduction of working hours, wives' conversion to regular employment, changes in husbands' awareness, and other factors, the share of housework by men is set to rise from 13.2% in 2011 to around 37.2% in 2030 via linear interpolation. By contrast, the wife's share of housework is projected to decrease commensurately with this effect.	Fixed at the 2014 estimate value (14.5%) in the projection for the progressive labor participation case	
	Nursery and kindergarten enrollment rate		Trend extension from 54.2% in 2014 (65.2% in 2030), taking account of the reduction in waiting lists by expanding childcare arrangements until 2017.	Set at about half the rate of increase from the actual figure in 2014 to the progressive labor participation case in 2030	
Measures for the elderly	Improvement of continuous employment rate by promoting the use of short working hour systems, etc.		The labor force ratio for both males and females aged 65-69 is projected to rise by 0.8 points (males) and 0.4 points (females) in 2030, due to promoting the use of short working hour systems, among others (linear interpolation for intermediate years).	None	
	Ratio of companies offering employment to age 65		Extended at a constant rate until the ratio of companies rises to 100% in 2025.	As on left	
Work-life balance related measures and other explanatory variables	Average working hours	Weighted average of full- and part-time workers	To decrease from 154.9 hours per month in 2014 to 150.0 hours in 2030.	Remains fixed in future at the 2014 monthly figure of 154.9 hours	As on left
		Full-time	To decrease from 177 hours per month in 2014 to 175.5 hours in 2020 and 171.9 hours in 2030 (linear interpolation for intermediate years).	Fixed at the 2014 monthly figure of 177 hours	As on left
		Part-time	To increase from 88.5 hours per month in 2014 to 110.6 hours in 2030 (linear interpolation for intermediate years).	Fixed in future at the 2014 monthly figure of 88.5 hours	As on left
	Part-time worker ratio		To reach 40.3% (obtained by applying a logistic curve to the part-time worker ratio) in 2030 by linear interpolation.	Fixed at the 2014 part-time worker ratio (29.8%)	As on left
	Reduction of age group wage disparity (in relation to age group totals) by conversion to regular employment, etc.		Disparity to shrink to 10% by 2030 for ages 15-19, 20-24, 25-29 and 30-34, by year-on-year linear interpolation.	Disparity to shrink to 10% by 2030 for ages 15-19 and by 5% for ages 20-24, 25-29 and 30-34, by year-on-year linear interpolation.	
	Householders' future expected wage ratio (male age 45-49 wage / male age 20-24 wage)		Fixed at 2014 value (1.870).	As on left	

Notes: 1. In the progressive labor participation case, the improvement of the labor force ratio through measures for freeters and NEETs takes account of targets in the "Japan Revitalization Strategy" (decided by the Cabinet on June 14, 2013) and policy targets deliberated by working groups of the Labour Policy Council. There are to be 1.24 million young freeters by 2020. The number of NEETs who will decide their career paths with help from the Local Youth-Support Station Project is to be 16,000 per year by 2020 (in the estimates, about 83% of these "career path deciders" are assumed to actually find employment).

2. In the progressive labor participation case, improvement of the continuous employment rate by developing the WLB environment takes account of the target stated in the "Japan Revitalization Strategy" of increasing the rate of continuous employment before and after the birth of the first child to 55%.

3. In the progressive labor participation case, the nursery and kindergarten enrollment rate takes account of the target stated in the "Japan Revitalization Strategy" of providing additional childcare arrangements for about 200,000 children in FY2013 and FY2014, and for about 400,000 and more in FY2013-2017.

4. In the progressive labor participation case, the reduction of average working hours takes account of policy targets deliberated by working groups of the Labour Policy Council. The ratio of annual paid leave taken is to be increased to 70% by 2020 (ratio projected by JILPT to reach 100% by 2030). The ratio of workers working 60 or more hours per week is to be cut to half the 2008 figure by 2020 (in 2008, 10%).

labor force ratio is simply extended.

Future values for the population aged 15 and over are obtained from "Population Projections for Japan (January 2012 Medium Fertility and Mortality Projections)" by the National Institute of Population and Social Security Research in Japan (IPSS). As future values for the population aged 15 and over by spousal situation, ratios by spousal situation are calculated from "Household Projections for Japan (Whole Country Estimate) (January 2013 Estimate)," and the future values are obtained by multiplying these by the population in "Population Projections for Japan (January 2012 Estimate)."

(3) Explanatory variables in the labor force ratio function

a. Assumptions of senior high school, university and junior college advancement rates

As those enrolled in education have a lower labor force ratio than those not enrolled in education, the educational advancement rate is seen as a factor that reduces the labor force ratio. Although the university and junior college advancement rate is an explanatory variable of the labor force ratio function in the 20-24 age group, data going back two years are used, as advancement usually takes place at around age 18. In other words, the rise in the university and junior college advancement rate 2 terms previously (2 years previously) is seen as reducing the labor force ratio in the 20-24 age group in the term in question (year in question). Data are sourced from the Ministry of Education, Culture, Sports, Science and Technology (MEXT) "School Basic Survey." The senior high school advancement rate in 2014 was 96.1% for males and 96.9% for females, while the university and junior college advancement rate was 51.6% for males and 56.2% for females.

Future estimates of the advancement rate are based on trends over the past 20 years or so. Since the high rate of increase in recent years is thought unlikely to continue in future, future assumptions are basically estimated in accordance with a logistic curve based on past trends. Moreover, this assumption applies equally to the progressive labor participation and gradual labor participation cases.

b. Assumptions of the with-spouse fertility rate

The birth of a child is seen as a factor that reduces the labor force ratio until the start of compulsory education, in that it increases women's burden of childcare. Sources for the with-spouse fertility rate (fertility rate of same cohort 5 years previously (per thousand female population) / with-spouse ratio of same cohort 5 years previously = number of births / population of females with spouse for same cohort 5 years previously) are the MHLW "Vital Statistics" and the MIC "Labour Force Survey." The with-spouse fertility rate in 2013 was 238.2 in ages 25-29 and 162.4 in ages 30-34.

The fertility rate, as a numerator of the future with-spouse fertility rate, is based on estimates in the IPSS "Population Projection for Japan" (January 2012 Medium Fertility and Mortality Projections). However, since the fertility rate is published every 5 years, interpolation estimates are made linearly for the intermediate years. Meanwhile, a value calculated from the IPSS "Household Projections for Japan (Whole Country Estimates) (January 2013 Estimates)" is used for the denominator, i.e. the with-spouse female ratio. This assumption also applies equally to the progressive labor participation and gradual labor participation cases.

c. Assumptions of the ratio of housework sharing by men

An increase in housework hours by men is seen as a factor that raises the labor force ratio, in that it reduces women's burden of housework and increases the female labor force. The source for the ratio of housework sharing by men (total average weekly hours spent on housework, caring and nursing, childcare and shopping by husbands as a whole, divided by the total average weekly hours spent on housework, caring and nursing, childcare and shopping by husbands as a whole and wives as a whole) is the MIC "Survey on Time Use and Leisure Activities," with the intermediate years between surveys estimated by linear interpolation. The ratio of housework sharing by men in 2011 was 13.2%.

In the progressive labor participation case, the ratio of housework sharing by men is projected to rise as a result of reduced working hours, wives'

conversion to regular employment, changes in husbands' awareness, etc. The assumed value for the ratio of housework sharing by men in 2030 is taken as 37.2%. This assumption is at the same level as Sweden (37.7%), as found by an international comparison of the ratio of housework sharing by men in "International Comparison of the Social Environment regarding Declining Birthrates and Gender Equality" by the Special Committee on the Declining Birthrate and Gender Equality of the Council for Gender Equality (2005). This figure for the ratio of housework sharing by men in Sweden (calculated from housework and childcare hours by wives in full-time employment and total housework and childcare hours by husbands in couples with children under the age of 5) is from 1991.[9]

d. Assumptions of the nursery and kindergarten enrollment rate

If the ratio of children enrolled in nurseries and kindergartens increases, it leads to a reduced burden of childcare for women, and is therefore seen as a factor that raises the labor force ratio. Sources for the nursery and kindergarten enrollment rate (nursery and kindergarten enrollees / population aged 0-6) are, for nursery enrollees, the MHLW "Report on Social Welfare Administration and Services," and for kindergarten enrollees, the MEXT "School Basic Survey." The population aged 0-6 is from the MIC "Population Estimates." The nursery and kindergarten enrollment rate in 2014 was 54.2% (numbers of nursery enrollees are approximate).

The nursery and kindergarten enrollment rate in the progressive labor participation case is estimated on the basis of trends over the past 15 years or so, etc., on the assumption that nurseries and kindergartens will be developed. However, in the "Japan Revitalization Strategy," the stated target is to provide additional childcare arrangements for about 200,000 children in FY2013 and FY2014, and for about 400,000 more in FY2013-2017. As such, until 2017 the numerator of the nursery and kindergarten enrollment rate is only increased to the extent that waiting lists are reduced. Taking the reduction in waiting lists into account, the level of a simple trend extension estimate will be surpassed as of 2030. As a result, the nursery and kindergarten enrollment rate for 2030 in the progressive labor participation case is 65.2%. In the gradual labor participation case, the rate of rise in the fixed rate estimate is assumed to be half that in the progressive labor participation case.

e. Assumptions of the ratio of companies offering all employees employment to age 65

An increase in companies guaranteeing employment until age 65 leads to factors that expand the labor force, and is therefore seen as a factor that will raise the labor force ratio. The ratio of companies offering all employees employment to age 65 is in fact the total of three ratios: (1) the ratio of companies with no specified retirement age system, (2) the ratio of companies specifying a fixed retirement age of 65 and above, and (3) of companies specifying a fixed retirement age of less than 65, the ratio of those that have an employment extension system or re-employment system for those aged 65 and over or with no specified age, and which in principle offer these systems to all employees. Data are sourced from ratios of companies with a scale of 31 (or 30) or more employees in the MHLW "Status of Employment of Elderly Persons," "Survey on Employment Management" and "General Survey on Working Conditions." For years with no published data, however, the estimates in this study are used. In 2014, the ratio of companies offering all employees employment to age 65 was 71.0%.

The 2000 Amendment to the Employees Pension Insurance Act provides that, over the space of 12 years from FY2013 (i.e. by FY2025), the starting age

9 A direct comparison is not possible as the figures and subjects are different. However, according to the "Swedish Time Use Survey 2010/2011" by Statistics Sweden, among married males and females aged 20-64 with children aged less than 7, the husband's share of housework was 38.8% in 1990/91 but had risen to 44.7% in 2010/11 (whole week, participant average, from September to the following May).

for receiving old-age employees' pension (earnings-related component) is to be raised from 60 to 65, with an increase of one year every three years.[10] In 2004, the Act on Stabilization of Employment of Elderly Persons was amended in response to this, and the age for obligatory measures to guarantee employment for the elderly (raising the fixed retirement age, introducing systems of continuous employment (although, when standards have been specified by labor-management agreements, this need not be offered to all employees), and abolishing stipulations of a fixed retirement age) was to be raised to 65 from FY2013. Further, in the 2012 Amendment of the same Act, the arrangement allowing elderly persons subject to continuous employment systems to be limited based on standards specified by labor-management agreements was abolished. However, the transitional period in which standards may continue to be applied to those who have already reached the starting age for receiving old-age employees' pension (earnings-related component) is set at 12 years (until April 1st, 2025). Based on these trends in legal amendments, the ratio of companies offering all employees employment to age 65 is assumed to reach 100% in 2025. For intermediate years, the rate is estimated to grow at a fixed rate from the actual figure in 2014 (71.0%) until it reaches 100%. This assumption also applies equally to the progressive labor participation and gradual labor participation cases.

f. Assumptions of the rate of reduction in age group wage disparity

A relative rise in wages for males in a given age group compared to total wages for males in that age group could be expected to cause an increase in the labor force. As such, this is seen as a factor that increases the labor force ratio in young male age groups. The source for data on age group wage disparity (wages for males in a given age group / total wages for males in that age group) is the MHLW "Basic Survey on Wage Structure." Here, the male industry total, ordinary workers' age group total, and contractual cash earnings by age group are used. Meanwhile, the wages and working hours in the "Basic Survey on Wage Structure" used for the labor supply block are figures referring to private businesses with 10 or more workers.

The wage disparity for age group totals in younger age groups is assumed to shrink in future. The rate of reduction in ages 20-34 in the gradual labor participation case is assumed to be half that of the progressive labor participation case.

g. Assumptions of householders' future expected wage ratio

The expectation by a core earner in a household that wages will rise in future is seen as a factor that reduces the labor force ratio among non-core earners. Normally, this explanation is made for the labor force ratio of non-core earners already sharing the same household, but here, the expectation that wages will rise by males who will become core earners in future is seen as reducing the labor force ratio among unmarried females who will become non-core earners in future. The source for this householders' future expected wage ratio (male age 45-49 wage / male age 20-24 wage) is the MHLW "Basic Survey on Wage Structure," using the male industry total and contractual cash earnings of ordinary workers by age group. The wage ratio in 2014 was 1.870.

No clear trend can be seen in the householders' future expected wage ratio in recent years, and the closest actual figure (in this study, 2014) is assumed to remain constant in future. This assumption also applies equally to the progressive labor participation and gradual labor participation cases.

h. Assumptions of the part-time worker ratio

An increase in part-time workers leads to an expansion of employment opportunities, and is therefore seen as a factor that increases the labor force ratio. The source for the part-time worker ratio (employed persons working less than 35 hours a week (industry

10 This timing will be used to raise the payment age for men; for women, the change will be delayed by five years.

total) / total employed persons (industry total)) is the MIC "Labour Force Survey."[11] In 2014, the part-time worker ratio was 29.8%.

In the progressive labor participation case, the part-time worker ratio is assumed to rise in future as channels for employment diversify. However, since the ratio is thought unlikely to grow linearly in future, figures obtained in accordance with a logistic curve based on trends over the past 15 years or so are taken as future values. As a result, the 2030 value in the progressive labor participation case is 40.3%, while for intermediate years, it is estimated by linear interpolation from the actual figure for 2014. Meanwhile, the part-time worker ratio in the gradual labor participation and unchanged labor participation case is fixed at the actual figure for 2014.

i. Assumptions of working hours

The future values for working hours listed in Table IV-3 are used as explanatory variables of the labor demand function. When estimating the labor demand function, the working hours of ordinary workers by industry (monthly) are used. However, future values of working hours in each industry are estimated as extensions, based on the rate of change in weighted averages for full-time workers and part-time workers as industry totals.[12]

In the gradual labor participation and unchanged labor participation cases, working hours are assumed to remain constant from the situation in 2014. On the other hand, the assumption of working hours in the progressive labor participation case takes account of policy targets deliberated by working groups of the Labour Policy Council, and is assumed to change as follows in future.

Future assumptions of monthly working hours by full-time workers (progressive labor participation case) take into account, firstly, the reduction in working hours due to the increase in the ratio of annual paid leave taken. In the policy targets deliberated by working groups of the Labour Policy Council, the aim is to raise the ratio of annual paid leave taken to 70% by 2020. Thus, the assumption here is that the ratio will rise to 70% in 2020 and to 100% in 2030, as an independent assumption by this study. This includes linear interpolation for intermediate years. The reduction in working hours due to the increased ratio of annual paid leave taken is calculated using the number of scheduled working hours per day (industry total, company scale total, workers average) and the number of days of annual paid leave taken (industry total, company scale total) in the MHLW "General Survey on Working Conditions (2014)." As a result, monthly working hours are assumed to decrease by 2.5 hours in 2020 and 6.1 hours in 2030.

Although monthly working hours by part-time workers have been tending to decrease in recent years, workers who engage in diverse employment formats (i.e. ways of working that are mid-way towards full-time employment) are assumed to increase. In the process, 25% of the difference between working hours of full-time workers and part-time workers in 2014 will be eliminated, monthly working hours of the latter increasing to 110.6 hours by 2030 (progressive labor participation case).

If the working hours of full-time workers and part-time workers obtained in the assumptions outlined above[13] are converted to a weighted average based on the part-time worker ratio (as data on working hours are obtained from the MHLW "Basic Survey on Wage Structure" (industry total, male-female total), the

11 The figure for 2011 is estimated by interpolation as the average of 2010 and 2012.

12 The reason why the working hours of ordinary workers are estimated as extensions based on the rate of change in weighted averages for full-time workers and part-time workers is that ways of working by ordinary workers (of whom the majority are regular employees) are expected to change in future. In future, it is assumed that some part-time workers will work like part-time regular employees and that these will increase to a degree.

13 Total actual working hours of ordinary workers are used for the working hours of full-time workers. For part-time workers, on the other hand, working hours are calculated by multiplying the scheduled working hours of part-time workers by the number of days actually worked. It should be noted, therefore, that the working hours of part-time workers do not include unscheduled working hours.

part-time worker ratio in that survey is used, and is calculated to change at the same rate as the part-time worker ratio in h. above), the average monthly working hours will decrease from 154.9 hours in 2014 to 153.2 hours in 2020 and 151.2 hours in 2030 (progressive labor participation case).

Another policy target on working hours deliberated by working groups of the Labour Policy Council is that the ratio of employees working 60 hours or more each week should be reduced to half the 2008 figure (10%) by 2020. In response to this, the reduction in working hours assumed from the MIC "Labour Force Survey" is calculated on the assumption that average working hours will only decrease to reflect the 50% reduction in the ratio of employees working 60 or more hours per week. As a result, monthly working hours will decrease by 1.2 hours in 2020, and this is subtracted from the weighted averages of working hours by full-time workers and part-time workers. The decrease in intermediate years from 2014-2020 is obtained by linear interpolation, and remains fixed from 2020 onwards.

By carrying out this series of operations, ultimately, the average monthly working hours of workers as a whole are assumed to decrease from 154.9 hours in 2014 to 152.0 hours in 2020 and 150.0 hours in 2030 in the progressive labor participation case.

j. Assumptions of direct policy effects

For the progressive labor participation case in Table IV-3, no parameters have been estimated as explanatory variables of the labor force ratio function. Instead, some of the shift factors are seen as direct policy effects that increase the constant terms of said function.

One of these is the effect of improving the labor force ratio among young people through measures for freeters and NEETs. Others are the effect of raising the continuous employment rate for females by developing the WLB environment, and improving the continuous employment rate for the elderly by promoting the use of short working hour systems, etc. Freeter measures are designed to convert freeters to regular employment, but they also have the effect of improving the labor force ratio.

In addition to these, the effect of improving the employment rate by promoting employment in younger age groups through improvement of matching efficiency (direct policy effects that reduce the constant terms of the unemployment rate function) are also taken into account.

(a) Freeter measures

The "Japan Revitalization Strategy" sets the target of reducing the number of young freeters to 1.24 million by 2020.[14] According to the MIC "Labour Force Survey", the number of freeters peaked at 2.17 million in 2003, but was down to 1.79 million in 2014.

In future, the number of freeters is expected to decrease to a certain extent under the impact of population shrinkage, but is also estimated to fall further due to policy effects, as follows. Firstly, a ratio is calculated by dividing the number of freeters by gender and age group in 2014 by the population by gender and age group. Next, this ratio is multiplied by the population by gender and age group in 2020 ("Population Projections for Japan (January 2012 Medium Fertility and Mortality Projections)," "Household Projections for Japan (Whole Country Estimates) (January 2013 Estimates)"). This is taken as the number of freeters by gender and age group in 2020 if there are no policy effects. As a result, there will be 1.67 million freeters in 2020 if there are no policy effects; the difference of 0.44 million compared to the attainment target of 1.24 million would be the number of freeters additionally reduced as a result of policy

14 The definition of "freeters" is based on the MHLW "Analysis of the Labor Economy in 2003," where the term "freeter" refers to a graduate in the 15-34 age group who (1) is currently employed and whose employment format is called "part-time work" or "*arubaito*" (temporary work) in the place of work, or (2) is currently looking for work (completely unemployed) and wishes to work in a part-time job or "*arubaito*", or (3) is not currently looking for work and is neither engaged in housework nor attending school, but who wishes to find employment and would prefer to work in a part-time job or "*arubaito*." For females, freeters are limited to unmarried persons, in addition to conditions (1)-(3) above.

effects.

Further, the decrease in freeters by employment status, gender and age group due to policy effects is taken as the difference between the number of freeters by gender and age group in 2020 if there are no policy effects, as calculated above, and the attainment target of 1.24 million allocated according to the component ratio of freeters by gender and age group in 2014. The decrease in freeters by employment status, gender and age group, divided by the population by gender and age group in 2014, is taken as a policy effect of improving the labor force ratio in 2020.

However, as freeters in employment are already counted in the labor force ratio, they are not included in the improvement of the labor force ratio due to policy effects. The conversion of employed freeters to regular employment is seen as helping to reduce age group wage disparity. Similarly, the reduction in unemployed freeters is thought to be included in the effect of raising the labor force ratio through the labor force ratio function, due to the improvement in the unemployment rate (one term previously) as an explanatory variable. As such, this reduction is not included in the improvement of the labor force ratio due to policy effects. Therefore, only the improvement of the labor force ratio among freeters as a non-labor force element is taken as an additional policy effect.

Policy effects in the intermediate years until 2020 are estimated by linear interpolation. And from 2021 onwards, the same level of policy effects as in 2020 is envisaged, so the values for 2020 will remain constant.

(b) NEETs measures

One of the policy targets deliberated by working groups of the Labour Policy Council is to help a total of 100,000 NEETs to take up employment or otherwise decide their career paths through Local Youth-Support Stations in FY2011-2020. According to the MHLW Human Resources Development Bureau, meanwhile, actual figures for 2013 showed 19,702 career path deciders, of whom about 83% had found employment. In this study, it is assumed that the level of those finding employment in FY2013 can be maintained to a degree until 2020, and it is assumed that 16,000 NEETs will find employment every year.

According to the MIC "Labour Force Survey," the total number of NEETs (young people not in employment) in 2014 was 560,000.[15] This number has remained level in the 600,000 range since 2002, and no major variation is seen in the age composition of NEETs, either.

The composition of NEETs by gender and age group in 2014 is kept constant, and the number of employment finders assumed above for 2020 is divided by gender and age group. The number of employment finders by gender and age group is then divided by the 2014 population by gender and age group, and the result is taken as the policy effect of improving the labor force ratio in 2020.

For intermediate years until 2020, as it is expected that 16,000 NEETs will find employment every year, the trend will be at the same level as the policy effects in 2020. For policy effects from 2021 onwards, similarly, it is assumed that 16,000 NEETs will find employment every year, and thus it is assumed that the policy effects in 2020 will be maintained at the same level.

(c) Improving the continuous employment rate by developing the WLB environment

For females (with spouse) aged 30-34, the labor force ratio is assumed to increase merely as a result of the rise in the continuous employment rate, because job leaving for reasons of childbirth and childcare will be reduced by the development of the WLB environment.

In the MIC "Employment Status Survey (2012)," childbirth and childcare account for 47.9% of all reasons for leaving jobs among females aged 30-34 (i.e.

15 Based on the Ministry of Health, Labour and Welfare, NEETs are defined as persons in the 15-34 age group in the MIC "Labour Force Survey" who are not in the labor force and are neither engaged in housework nor attending school.

those who were previously in employment but now are not in employment).[16] The ratio of previously employed females among females aged 30-34 not in employment is 57.1%. These ratios are assumed to remain fixed in future.

Meanwhile, according to the IPSS "14th Basic Survey of Birth Trends," the ratio of continuous employment among females before and after the birth of their 1st, 2nd and 3rd child in the years 2005-2009 was, respectively, 38.0%, 72.8% and 82.9%. From this, the average ratio of continuous employment before and after childbirth, not taking account of the number of children, is calculated as 52.6%. Therefore, although an exact correspondence cannot be made owing to differences of definition and years between surveys, as well as the existence of 4th or more children, generally, if the ratio of continuous employment before and after childbirth is 52.6% (and the ratio of job leaving before and after childbirth is 47.4%), the ratio of those leaving jobs for reasons of childbirth and childcare compared to all job leavers would be 47.9% (*ibid*., "Employment Status Survey (2012)").

The "Japan Revitalization Strategy" sets the target of raising the ratio of continuous employment of females before and after the birth of the 1st child to 55% by 2020, and this ratio is assumed to be maintained after 2020. Based on this ratio, the ratio of continuous employment before and after the birth of the 2nd and 3rd child, calculated as an average ratio before and after childbirth among females after 2020 as a fixed rate based on actual figures in 2005-2009, would be 63.0% (job leaving ratio before and after childbirth 37.0%).[17] As such, the ratio of job leaving before and after childbirth is projected to decrease from 47.4% to 37.0% in 2020, and to trend at a fixed rated from 2020 onwards.[18]

As a result, in the economic revival / progressive labor participation scenario, this will have the effect of increasing the labor force ratio by 1.9 percentage points in 2020 and 1.4 percentage points in 2030.[19]

(d) Improving the continuous employment ratio by promoting the use of short working hour systems, among others

For males and females (with spouse) aged 65-69, the labor force ratio is assumed to increase merely due to the rise in the continuous employment rate when job leaving caused by underdevelopment of systems will be eliminated by promoting the use of short working hour systems, etc. Short working hour systems are not the only means of developing employment environments for the 65-69 age group, but owing to constraints of data, this study only takes account of the increase in the labor force ratio due to promoting the use of short working hour systems by those previously employed as regular staff or employees.

In the JILPT "Follow-up Survey on the Baby-boomer Generation's Work and Life Vision" (conducted in 2008), the ratio of respondents who replied that they would make it possible to work part-time as a necessary measure for continued employment at age 60 and over (regular employees employed by companies with a fixed retirement age of 60 at the time of the survey in 2006) was 11.0% for males and 14.1% for females. These are therefore taken as the ratios expected to leave their jobs if the use of short working hour

16 Females previously in employment who quit their jobs in or after October 2007.

17 Here, it is assumed that the ratio of births of 1st, 2nd and 3rd children will not change in future, but in fact, the ratio of births of 1st children is predicted to rise compared to those of 2nd and 3rd children. To be more exact, therefore, the average ratio of continuous employment before and after childbirth is expected to be slightly higher than 63.0%.

18 The ratio of continuous employment before and after childbirth does not only concern females aged 25-29. Therefore, the reduction in the ratio of job leaving before and after childbirth is an average value including age groups other than 25-29.

19 Since the ratio of continuous employment among females before and after the birth of the 1st child is projected to trend at a fixed rate after 2020, the upward effect on the labor force ratio due to development of the WLB environment will not grow so greatly in 2030, when the labor force ratio will be larger if the upward effect of WLB environment development compared to 2020 is not taken into account.

systems or others is not promoted[20]. Meanwhile, of the total number of males and females aged 65-69 not in employment in the MIC "Employment Status Survey (2012)," the ratio of those previously employed as regular staff or employees was 21.4% for males and 4.1% for females. It is assumed that these ratios will remain fixed in future.

On the assumption that job leaving in the 65-69 age group due to underdevelopment of short working hour systems will no longer exist in 2030, the increase in the labor force ratio in 2030 will be 0.8 percentage points for males and 0.4 percentage points for females in the economic revival / progressive labor participation scenario.

(e) Promoting employment in younger age groups by improving the efficiency of matching (increase in senior high school and university graduate employment rates)

It is assumed that senior high school and university graduate employment rates will be increased by improving the efficiency of matching, and that with this, employment rates in younger age groups (ages 15-19 and 20-24) will rise. This effect will be treated as one that does not convert to the labor force ratio, but reduces the unemployment rate among young people. In other words, rather than reducing the constant terms of the labor force ratio function, it is seen as a direct policy effect reducing the constant terms of the unemployment rate function in the labor supply and demand adjustment block.

It is assumed that the senior high school and university graduate rates and the ratio of population subject to advancement (the ratio of junior and senior high school graduates to the general population) will remain fixed in future. That is, if the product of these is made a constant, the future number of senior high school and university graduates in employment will be determined by the product of the senior high school and university graduate employment rates, the senior high school and university advancement rates, the population aged 10-14 and 15-19, and the constant.

Although the senior high school and university advancement rates are also used as explanatory variables of the labor force ratio function, the latter is the currently active university and junior college advancement rate. As such, the future values cannot be applied as they are. Therefore, the university advancement rate (including senior high school graduates and others in past fiscal years) is assumed to be the scalar multiple (ratio of both in 2012) of the currently active university and junior college advancement rate. Figures from "Population Projections for Japan (January 2012 Medium Fertility and Mortality Projections)" are used for the population aged 10-14 and 15-19.

The employment rate of FY2013 senior high school and university graduates as of April 1st, 2014 was 21.1% and 13.9% for male and female senior high school graduates, respectively, and 64.9% and 75.8% for male and female university graduates, respectively (MEXT "School Basic Survey"). Meanwhile, considering the situation in the bubble era when employment rates were at high levels, employment rates are expected to rise to around 23.0% and 16.2% for male and female senior high school graduates, respectively, and 71.0% and 84.0% for male and female university graduates, respectively, in light of the future trends in educational advancement rates assumed in this research. Here, if policies to improve the matching efficiency of labor supply and demand were implemented, the degree of difference between the two points in time is assumed to have the potential to raise employment rates. Therefore, the improvement due to policy implementation would be 1.9 percentage points and 2.3 percentage points for males and females, respectively, in the senior high school graduate employment rate, and 6.1 percentage points and 8.2 percentage points, respectively, in the university graduate employment rate (with linear interpolation for intermediate years until 2020; from 2021 onwards, fixed at 2020 values).

20 Calculated by dividing the number of respondents who replied that they would make it possible to work part-time as a necessary measure for continued employment at age 60 and over, by the total number of respondents citing necessary measures for continued employment at age 60 and over. Because this was a multiple response question, the total number of respondents citing necessary measures for continued employment at age 60 and over exceeds the number of actual respondents.

As the whole increase in the number of senior high school and university graduates entering employment consists of persons in employment, the related increase in the employment rate is calculated by dividing this increase by the populations aged 15-19 and 20-24, respectively. As a result, the employment rate in ages 15-19 will be increased by 0.35 percentage points for males and 0.42 percentage points for females in 2020, and by 0.35 percentage points for males and 0.42 percentage points for females in 2030, respectively. Similarly, the employment rate in ages 20-24 will be increased by 0.62 percentage points for males and 0.74 percentage points for females in 2020 and by 0.62 percentage points for males and 0.78 percentage points for females in 2030, respectively. The operation in the Labor Supply and Demand Model is to divide the increase in the employment rate by the labor force ratio determined endogenously for ages 15-19 and 20-24, and subtract the results from the unemployment rates for ages 15-19 and 20-24.

4. Assumptions in the labor supply and demand adjustment block

(1) Labor supply & demand multiple, active job openings-to-applicants ratio and unemployment rate

The MIC "Labour Force Survey" provides the source for the labor demand (where actual figures relate to employed persons) and labor force used to calculate the labor supply and demand multiple, and unemployment rates. The active job openings-to-applicants ratio is based on data by age group, using the full-time employment opportunity accumulation method (including part-time) in the MHLW "Employment Referrals for General Workers (Employment Security Statistics)." Relational equations between these variables are estimated from past performance values, but in future they will all be resolved endogenously in the Labor Supply and Demand Model.

(2) Rate of rise in wages

The Labor Supply and Demand Model is structured such that the rate of rise in wages adjusts supply and demand in the labor force. To ascertain the relationship between the rate of rise in wages and labor supply and demand, a rate of rise in wages function is estimated by applying the rationale of the Phillips curve. The rate of rise in wages (industry total) is taken as the explained variable, and the active job openings-to-applicants ratio (age group total), the rate of change in the consumer price index, and terms of trade (export price index / import price index) as explanatory variables. Data sources are contractual cash earnings (industry total, ordinary workers, private businesses with 10 or more workers) in the MHLW "Basic Survey on Wage Structure" for the rate of rise in wages; the MHLW "Employment Referrals for General Workers (Employment Security Statistics)" for the active job openings-to-applicants ratio; the General Index in the MIC "Consumer Price Index" for the rate of change in the consumer price index; and the Bank of Japan "Corporate Goods Price Index" for yen-denominated export and import price indices.

The future consumer price index is shown in Table IV-2. Future terms of trade are extended from the actual figure for 2014, based on the Japan Center for Economic Research "41st Medium-Term Economic Forecast." Other variables are resolved endogenously in the Labor Supply and Demand Model.

Section 4 Simulation Results

1. National labor force

With zero growth and unchanged participation, the national labor force is forecast to decrease from 65.87 million persons in 2014 to 63.14 million in 2020, and to 58.00 million in 2030 (Table IV-4, IV-5). Conversely, if economic and employment policies are implemented and both economic growth and participation in the labor market progress, the respective figures could be 65.89 million in 2020 and 63.62 million in 2030 in the economic revival / participation progression scenario. The scale of decrease is smaller than in the zero growth / unchanged participation scenario.

2. National labor force ratio

In the zero growth / unchanged participation scenario, the national labor force ratio is forecast to decrease from 59.4% in 2014 to 57.6% in 2020 and

Table IV-4 Outline of the Labor Force by Gender and Age Group

(10,000 Persons)

			2014	2020	2014 +/-	Zero growth scenario + / -	2030	2014 +/-	Zero growth scenario + / -
Scenario with zero growth and no progress in labor market participation (zero growth / unchanged labor participation scenario)	Total	Total (age 15+)	6,587	6,314	-273		5,800	-787	
		Ages 15-29	1,106	1,043	-63		947	-159	
		Ages 30-59	4,211	4,094	-117		3,685	-526	
		Age 60+	1,268	1,177	-91		1,168	-100	
	Males	Total (age 15+)	3,763	3,596	-167		3,312	-451	
		Ages 15-29	588	554	-34		502	-86	
		Ages 30-59	2,404	2,325	-79		2,099	-305	
		Age 60+	773	717	-56		711	-62	
	Females	Total (age 15+)	2,824	2,718	-106		2,488	-336	
		Ages 15-29	519	489	-30		445	-74	
		Ages 30-59	1,808	1,769	-39		1,586	-222	
		Age 60+	497	460	-37		457	-40	
Scenario with economic growth and progress in labor market participation (economic revival / progressive labor participation scenario)	Total	Total (age 15+)	6,587	6,589	2	275	6,362	-225	562
		Ages 15-29	1,106	1,073	-33	30	1,027	-79	80
		Ages 30-59	4,211	4,205	-6	111	3,894	-317	209
		Age 60+	1,268	1,311	43	134	1,441	173	273
	Males	Total (age 15+)	3,763	3,706	-57	110	3,542	-221	230
		Ages 15-29	588	565	-23	11	549	-39	47
		Ages 30-59	2,404	2,335	-69	10	2,117	-287	18
		Age 60+	773	805	32	88	875	102	164
	Females	Total (age 15+)	2,824	2,883	59	165	2,820	-4	332
		Ages 15-29	519	507	-12	18	478	-41	33
		Ages 30-59	1,808	1,870	62	101	1,776	-32	190
		Age 60+	497	506	9	46	566	69	109

Notes: 1.Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.
2.Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.
3.As figures in the Table have been rounded up or down to the nearest notational unit, the grand totals and breakdown totals may not agree. Differences are calculated from the rounded-off figures.

Table IV-5 Outline of the Labor Force by Gender and Age Group (Component Ratio)

(%)

			2014			2020			2030		
			Total	Males	Females	Total	Males	Females	Total	Males	Females
Scenario with zero growth and no progress in labor market participation (zero growth / unchanged labor participation scenario)	Gender ratio	Total (age 15+)	100.0	57.1	42.9	100.0	56.9	43.1	100.0	57.1	42.9
		Ages 15-29	100.0	53.1	46.9	100.0	53.1	46.9	100.0	53.0	47.0
		Ages 30-59	100.0	57.1	42.9	100.0	56.8	43.2	100.0	57.0	43.0
		Age 60+	100.0	60.9	39.1	100.0	60.9	39.1	100.0	60.9	39.1
	Age ratio	Total (age 15+)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Ages 15-29	16.8	15.6	18.4	16.5	15.4	18.0	16.3	15.2	17.9
		Ages 30-59	63.9	63.9	64.0	64.8	64.7	65.1	63.5	63.4	63.8
		Age 60+	19.3	20.5	17.6	18.6	19.9	16.9	20.1	21.5	18.4
Scenario with economic growth and progress in labor market participation (economic revival / progressive labor participation scenario)	Gender ratio	Total (age 15+)	100.0	57.1	42.9	100.0	56.2	43.8	100.0	55.7	44.3
		Ages 15-29	100.0	53.1	46.9	100.0	52.7	47.3	100.0	53.5	46.5
		Ages 30-59	100.0	57.1	42.9	100.0	55.5	44.5	100.0	54.4	45.6
		Age 60+	100.0	60.9	39.1	100.0	61.4	38.6	100.0	60.7	39.3
	Age ratio	Total (age 15+)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Ages 15-29	16.8	15.6	18.4	16.3	15.3	17.6	16.1	15.5	16.9
		Ages 30-59	63.9	63.9	64.0	63.8	63.0	64.9	61.2	59.8	63.0
		Age 60+	19.3	20.5	17.6	19.9	21.7	17.5	22.7	24.7	20.1

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.
2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress.
Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.
3. As figures in the Table have been rounded up or down to the nearest notational unit, the grand totals and breakdown totals may not agree.

55.5% in 2030 (Table IV-6). In the economic revival / participation progression scenario, it would rise to 60.2% in 2020 and 60.8% in 2030, thus exceeding the 2014 level. Viewing trends in the female labor force ratio by age, in the economic revival / participation progression scenario, the dip in the M-shaped curve would be shallower, while the labor force ratio is forecast to improve generally in all age groups (Figure IV-7).

3. National employed persons

In the zero growth / unchanged participation scenario, national employed persons are forecast to decrease from 63.51 million in 2014 to 60.46 million in 2020 and 55.61 million in 2030 (Table IV-8). In the economic revival / participation progression scenario, they are forecast to decrease to 63.81 million in 2020 and 61.69 million in 2030, the scale of decrease thus being smaller than in the zero growth / unchanged participation scenario. In the zero growth / unchanged participation scenario, the composition of employed persons by gender in 2030 is more or less the same as in 2014 (males 57.0%, females 43.0%), but in the economic revival / participation progression scenario, in which female M-shaped curve measures and WLB related measures are enhanced, the component ratio of females rises by 1.4 points (Table IV-9). In the economic revival / participation progression scenario, employed females are forecast to increase from 27.29 million in 2014 to 27.42 million in 2030 (Table IV-8). As the composition by age in 2030, reflecting the aging of the population, the ratio of persons aged 60 and over is forecast to rise from 19.4% in 2014 to 20.3% in the zero growth / unchanged participation scenario and 22.8% in the economic revival / participation progression scenario (Table IV-9).

Table IV-6 Outline of the Labor Force Ratio by Gender and Age Group

(%)

			2014	2020	2014 +/-	Zero growth scenario + / -	2030	2014 +/-	Zero growth scenario + / -
Scenario with zero growth and no progress in labor market participation (zero growth / unchanged labor participation scenario)	Total	Total (age 15+)	59.4	57.6	-1.8		55.5	-3.9	
		Ages 15-29	58.4	58.6	0.2		59.1	0.7	
		Ages 30-59	84.2	84.8	0.6		84.8	0.6	
		Age 60+	30.3	27.1	-3.2		25.9	-4.4	
	Males	Total (age 15+)	70.4	68.3	-2.1		66.1	-4.3	
		Ages 15-29	60.7	60.8	0.1		61.3	0.6	
		Ages 30-59	95.4	95.4	0.0		95.2	-0.2	
		Age 60+	41.6	37.3	-4.3		35.9	-5.7	
	Females	Total (age 15+)	49.2	47.8	-1.4		45.7	-3.5	
		Ages 15-29	56.2	56.3	0.1		56.8	0.6	
		Ages 30-59	72.8	74.0	1.2		74.1	1.3	
		Age 60+	21.3	19.0	-2.3		18.1	-3.2	
Scenario with economic growth and progress in labor market participation (economic revival / progressive labor participation scenario)	Total	Total (age 15+)	59.4	60.2	0.8	2.6	60.8	1.4	5.3
		Ages 15-29	58.4	60.3	1.9	1.7	64.0	5.6	4.9
		Ages 30-59	84.2	87.1	2.9	2.3	89.6	5.4	4.8
		Age 60+	30.3	30.2	-0.1	3.1	32.0	1.7	6.1
	Males	Total (age 15+)	70.4	70.3	-0.1	2.0	70.7	0.3	4.6
		Ages 15-29	60.7	62.0	1.3	1.2	67.0	6.3	5.7
		Ages 30-59	95.4	95.8	0.4	0.4	96.0	0.6	0.8
		Age 60+	41.6	42.0	0.4	4.7	44.1	2.5	8.2
	Females	Total (age 15+)	49.2	50.7	1.5	2.9	51.7	2.5	6.0
		Ages 15-29	56.2	58.5	2.3	2.2	61.0	4.8	4.2
		Ages 30-59	72.8	78.2	5.4	4.2	82.9	10.1	8.8
		Age 60+	21.3	20.8	-0.5	1.8	22.4	1.1	4.3

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.
2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels
3. As figures in the Table have been rounded up or down to the nearest notational unit, the grand totals and breakdown totals may not agree. Differences are calculated from the rounded-off figures.

Figure IV-7 Trends in the Female Labor Force Ratio

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.
2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

Table IV-8 Outline of the Number of Employees by Gender and Age Group

(10,000 Persons)

			2014	2020	2014 +/-	Zero growth scenario + / -	2030	2014 +/-	Zero growth scenario + / -
Scenario with zero growth and no progress in labor market participation (zero growth / unchanged labor participation scenario)	Total	Total (age 15+)	6351	6046	-305		5561	-790	
		Ages 15-29	1044	977	-67		888	-156	
		Ages 30-59	4074	3932	-142		3544	-530	
		Age 60+	1234	1138	-96		1129	-105	
	Males	Total (age 15+)	3621	3435	-186		3167	-454	
		Ages 15-29	551	515	-36		467	-84	
		Ages 30-59	2325	2232	-93		2017	-308	
		Age 60+	746	688	-58		683	-63	
	Females	Total (age 15+)	2729	2611	-118		2394	-335	
		Ages 15-29	493	462	-31		421	-72	
		Ages 30-59	1749	1699	-50		1527	-222	
		Age 60+	489	449	-40		446	-43	
Scenario with economic growth and progress in labor market participation (economic revival / progressive labor participation scenario)	Total	Total (age 15+)	6351	6381	30	335	6169	-182	608
		Ages 15-29	1044	1020	-24	43	978	-66	90
		Ages 30-59	4074	4081	7	149	3783	-291	239
		Age 60+	1234	1279	45	141	1408	174	279
	Males	Total (age 15+)	3621	3582	-39	147	3427	-194	260
		Ages 15-29	551	535	-16	20	520	-31	53
		Ages 30-59	2325	2266	-59	34	2056	-269	39
		Age 60+	746	782	36	94	850	104	167
	Females	Total (age 15+)	2729	2799	70	188	2742	13	348
		Ages 15-29	493	486	-7	24	458	-35	37
		Ages 30-59	1749	1815	66	116	1727	-22	200
		Age 60+	489	498	9	49	558	69	112

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.

2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

3. As figures in the Table have been rounded up or down to the nearest notational unit, the grand totals and breakdown totals may not agree. Differences are calculated from the rounded-off figures.

Table IV-9 Outline of the Number of Employees by Gender and Age Group (Component Ratio)

(%)

			2014			2020			2030		
			Total	Males	Females	Total	Males	Females	Total	Males	Females
Scenario with zero growth and no progress in labor market participation (zero growth / unchanged labor participation scenario)	Gender ratio	Total (age 15+)	100.0	57.0	43.0	100.0	56.8	43.2	100.0	57.0	43.0
		Ages 15-29	100.0	52.8	47.2	100.0	52.7	47.3	100.0	52.6	47.4
		Ages 30-59	100.0	57.1	42.9	100.0	56.8	43.2	100.0	56.9	43.1
		Age 60+	100.0	60.4	39.6	100.0	60.5	39.5	100.0	60.5	39.5
	Age ratio	Total (age 15+)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Ages 15-29	16.4	15.2	18.1	16.2	15.0	17.7	16.0	14.7	17.6
		Ages 30-59	64.1	64.2	64.0	65.0	65.0	65.1	63.7	63.7	63.8
		Age 60+	19.4	20.6	17.9	18.8	20.0	17.2	20.3	21.6	18.6
Scenario with economic growth and progress in labor market participation (economic revival / progressive labor participation scenario)	Gender ratio	Total (age 15+)	100.0	57.0	43.0	100.0	56.1	43.9	100.0	55.6	44.4
		Ages 15-29	100.0	52.8	47.2	100.0	52.4	47.6	100.0	53.2	46.8
		Ages 30-59	100.0	57.1	42.9	100.0	55.5	44.5	100.0	54.4	45.6
		Age 60+	100.0	60.4	39.6	100.0	61.1	38.9	100.0	60.4	39.6
	Age ratio	Total (age 15+)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Ages 15-29	16.4	15.2	18.1	16.0	14.9	17.4	15.9	15.2	16.7
		Ages 30-59	64.1	64.2	64.0	64.0	63.3	64.9	61.3	60.0	63.0
		Age 60+	19.4	20.6	17.9	20.1	21.8	17.8	22.8	24.8	20.3

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.

2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress.
Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

3. As figures in the Table have been rounded up or down to the nearest notational unit, the grand totals and breakdown totals may not agree.

4. National employment rate

In the zero growth / unchanged participation scenario, the national employment rate is forecast to decrease from 57.3% in 2014 to 55.2% in 2020 and 53.2% in 2030 (Table IV-10). In the economic revival / participation progression scenario, conversely, it is expected to rise to 58.3% in 2020 and 59.0% in 2030.

5. Comparison with national employment rate targets in the "Japan Revitalization Strategy"

Viewing national employment rates for which specific attainment targets have been stated in the government's growth strategy (Table IV-11), in the "Japan Revitalization Strategy", an employment rate of 80% in ages 20-64, 78% in ages 20-34, 65% in ages 60-64, and 73% for females aged 25-44 are set as targets for 2020. In the economic revival / participation progression scenario, the situation is forecast to attain the employment rate targets stated in the "Japan Revitalization Strategy."

6. National number of employees by industry

In the economic revival / participation progression scenario, the number of employees by industry in 2020, compared to 2014, is forecast to increase in growth sectors in the "Japan Revitalization Strategy," namely agriculture, forestry and fisheries (140,000 increase), general and precision machinery (40,000 increase), electrical machinery (90,000 increase), transportation equipment (20,000 increase), other manufacturing (110,000 increase), information and communications (250,000 increase), and miscellaneous services (70,000 increase), as well as in medical, health care and welfare (1.11 million increase), where demand is expanding with population aging

Table IV-10 Outline of the Employment Rate by Gender and Age Group

(%)

			2014	2020	2014 +/-	Zero growth scenario + / -	2030	2014 +/-	Zero growth scenario + / -
Scenario with zero growth and no progress in labor market participation (zero growth / unchanged labor participation scenario)	Total	Total (age 15+)	57.3	55.2	-2.1		53.2	-4.1	
		Ages 15-29	55.2	54.9	-0.3		55.4	0.2	
		Ages 30-59	81.5	81.4	-0.1		81.5	0.0	
		Age 60+	29.5	26.2	-3.3		25.0	-4.5	
	Males	Total (age 15+)	67.7	65.2	-2.5		63.2	-4.5	
		Ages 15-29	56.9	56.5	-0.4		57.0	0.1	
		Ages 30-59	92.3	91.6	-0.7		91.5	-0.8	
		Age 60+	40.1	35.9	-4.2		34.4	-5.7	
	Females	Total (age 15+)	47.6	45.9	-1.7		43.9	-3.7	
		Ages 15-29	53.4	53.2	-0.2		53.7	0.3	
		Ages 30-59	70.5	71.1	0.6		71.3	0.8	
		Age 60+	21.0	18.5	-2.5		17.7	-3.3	
Scenario with economic growth and progress in labor market participation (economic revival / progressive labor participation scenario)	Total	Total (age 15+)	57.3	58.3	1.0	3.1	59.0	1.7	5.8
		Ages 15-29	55.2	57.4	2.2	2.5	61.0	5.8	5.6
		Ages 30-59	81.5	84.5	3.0	3.1	87.0	5.5	5.5
		Age 60+	29.5	29.4	-0.1	3.2	31.2	1.7	6.2
	Males	Total (age 15+)	67.7	68.0	0.3	2.8	68.4	0.7	5.2
		Ages 15-29	56.9	58.7	1.8	2.2	63.4	6.5	6.4
		Ages 30-59	92.3	92.9	0.6	1.3	93.3	1.0	1.8
		Age 60+	40.1	40.7	0.6	4.8	42.9	2.8	8.5
	Females	Total (age 15+)	47.6	49.2	1.6	3.3	50.3	2.7	6.4
		Ages 15-29	53.4	55.9	2.5	2.7	58.4	5.0	4.7
		Ages 30-59	70.5	75.9	5.4	4.8	80.6	10.1	9.3
		Age 60+	21.0	20.5	-0.5	2.0	22.1	1.1	4.4

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.
2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 level.
3. As figures in the Table have been rounded up or down to the nearest notational unit, the grand totals and breakdown totals may not agree. Differences are calculated from the rounded-off figures.

Table IV-11 Comparison with Employment Rate Targets in the "Japan Revitalization Strategy"

(%)

Gender / Age \ Year		Actual				Target	Estimate			
						2020	2020		2030	
		1990	2000	2010	2014	Japan Revitalization Strategy	Zero growth / unchanged participation	Economic revival / participation progression	Zero growth / unchanged participation	Economic revival / participation progression
	20-34	74	73	74	76	78	76	79	76	82
Total	20-64	75	74	75	77	80	78	81	77	84
	60-64	53	51	57	61	65	60	67	61	71
Females	25-44	61	61	66	71	73	71	77	72	82

Notes: 1. Actual figures up to 2014 are from the Statistics Bureau, MIC "Labour Force Survey". Figures for 2020 and 2030 are estimates.
2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

(Table IV-12, IV-13). In the economic revival / participation progression scenario, the number of employees by industry in 2030, compared to 2014, is forecast to increase in information and communications (360,000 increase), medical, health care and welfare (2.15 million increase), and miscellaneous services (210,000 increase).

In medical, health care and welfare, numbers are forecast to increase in all scenarios compared to 7.47 million in 2014. Namely, in the zero growth / unchanged participation scenario, it will rise to 8.08 million in 2020 (610,000 increase) and 9.10 million in 2030 (1.63 million increase); and in the economic revival / participation progression scenario, to 8.58 million in 2020 (1.11 million increase) and 9.62 million in 2030 (2.15 million increase). Similarly, in information and communications, compared to 2014, the number is forecast to increase by 150,000 in 2020 and 140,000 in 2030 in the zero growth / unchanged participation scenario, and by 250,000 in 2020 and 360,000 in 2030 in the economic revival / participation progression scenario, respectively.

In manufacturing industries as a whole, the number is forecast to fall from 10.04 million in 2014, by 430,000 to 9.61 million in 2020 and by 1.30 million to 8.74 million in 2030 in the zero growth / unchanged participation scenario. In the economic revival / participation progression scenario by 250,000 to 10.29 million in 2020 and 180,000 to 9.86 million in 2030. Here, therefore, the scale of decrease is expected to be smaller. In the wholesale and retail trade, compared to 2014, the number is forecast to decrease by 800,000 in the zero growth / unchanged participation scenario, and 400,000 in the economic revival / participation progression scenario in 2020, and by 2.53 million in the zero growth / unchanged participation scenario, and 1.44 million in the economic revival / participation progression scenario in 2030. Thus, the number is forecast to decrease vastly in all scenarios.

7. National labor productivity

The annual average rate of change in labor productivity (man-hours) in 2014-2020 is forecast to be 1.3% in the zero growth / unchanged participation scenario, and 2.0% in the economic revival / participation progression scenario (Figure IV-14). The annual average rate of change in labor productivity (man-hours) in 2020-2030 is forecast to be 0.8% in the zero growth / unchanged participation scenario, and 2.7% in the economic revival / participation progression scenario.

* See JILPT (2016) for the results of national estimates in the baseline / gradual participation scenario (the reference scenario).

8. Prefectural labor force

In the zero growth / unchanged participation scenario, prefectures with large rates of decrease in the labor force in 2030 compared to 2014 include Akita (26.7% decrease), Aomori (23.3% decrease) and Iwate (20.8% decrease) in the Tohoku region. Prefectures with relatively small decrease rates include Okinawa

Table IV-12 Outline of the Number of Employees by Industry

(10,000 Persons)

		Actual	Estimates			
			2020		2030	
		2014	Zero growth / unchanged participation	Economic revival / participation progression	Zero growth / unchanged participation	Economic revival / participation progression
Number of employees by industry (10,000 persons)	Agriculture, forestry and fisheries	230	222	244	176	216
	Mining and construction	505	461	477	416	424
	Manufacturing	1,004	961	1,029	874	986
	Food, beverages and tobacco	142	134	141	112	137
	General and precision machinery	136	132	140	108	132
	Electrical machinery	145	138	154	124	141
	Transportation equipment	105	98	107	95	105
	Other manufacturing	476	461	487	434	471
	Electricity, gas, water and heat supply	29	27	29	26	28
	Information and communications	206	221	231	220	242
	Transport	317	297	311	278	302
	Wholesale and retail trade	1,100	1,020	1,060	847	956
	Finance, insurance and real estate	234	209	221	177	206
	Eating and drinking places, accommodations	328	285	309	233	300
	Medical, health care and welfare	747	808	858	910	962
	Education, learning support	298	265	275	221	237
	Living-related and personal services	162	147	158	118	155
	Miscellaneous business services	360	331	355	309	342
	Miscellaneous services	449	443	456	442	470
	Government, compound services, industries unable to classify	382	349	368	313	344
	Industry total	6,351	6,046	6,381	5,561	6,169
Difference compared to 2014 (10,000 persons)	Agriculture, forestry and fisheries		-8	14	-54	-14
	Mining and construction		-44	-28	-89	-81
	Manufacturing		-43	25	-130	-18
	Food, beverages and tobacco		-8	-1	-30	-5
	General and precision machinery		-4	4	-28	-4
	Electrical machinery		-7	9	-21	-4
	Transportation equipment		-7	2	-10	0
	Other manufacturing		-15	11	-42	-5
	Electricity, gas, water and heat supply		-2	0	-3	-1
	Information and communications		15	25	14	36
	Transport		-20	-6	-39	-15
	Wholesale and retail trade		-80	-40	-253	-144
	Finance, insurance and real estate		-25	-13	-57	-28
	Eating and drinking places, accommodations		-43	-19	-95	-28
	Medical, health care and welfare		61	111	163	215
	Education, learning support		-33	-23	-77	-61
	Living-related and personal services		-15	-4	-44	-7
	Miscellaneous business services		-29	-5	-51	-18
	Miscellaneous services		-6	7	-7	21
	Government, compound services, industries unable to classify		-33	-14	-69	-38
	Industry total		-305	30	-790	-182

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey" (recombined in line with industrial category notation in the Labor Supply and Demand Estimates). Figures for 2020 and 2030 are estimates.
2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.
3. "Other manufacturing" refers to forms of manufacturing other than those mentioned here. Besides other manufacturing specified in the Japan Standard Industry Classification, these also include ceramic, stone and clay products, iron and steel, metal products and other raw material industries.
4. Please note that, in the Labor Supply and Demand Estimates, dispatched workers from temporary labor agencies are classified under "Miscellaneous business services", i.e. the industry of the dispatch source, and that these dispatched workers are not included in other industries. In the "Labour Force Survey", meanwhile, dispatched workers from temporary labor agencies were classified not in the industry of the dispatch host but in that of the dispatch source until 2012. However, from 2013 they are to be classified in the industry of the dispatch host.
5. As figures in the Table have been rounded up or down to the nearest notational unit, the manufacturing and industry totals may not agree with the breakdown totals. Differences are calculated from the rounded-off figures.

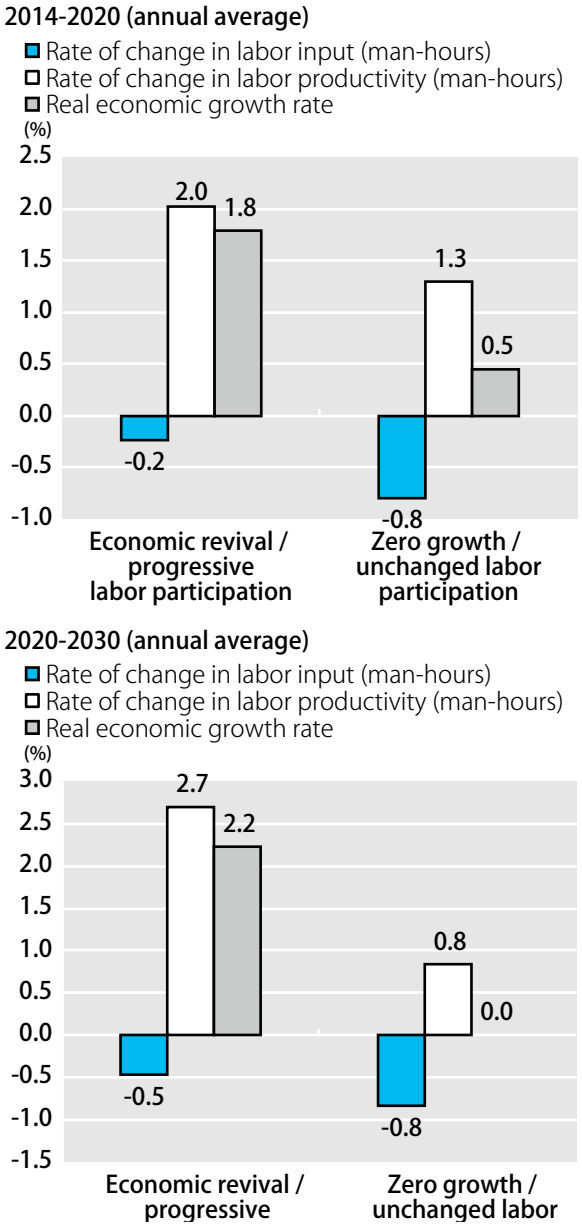
Table IV-13 Outline of the Number of Employees by Industry (Component Ratio)

(%)

		Actual	Estimates			
			2020		2030	
		2014	Zero growth / unchanged participation	Economic revival / participation progression	Zero growth / unchanged participation	Economic revival / participation progression
Number of employees by industry (component ratio, %)	Agriculture, forestry and fisheries	3.6	3.7	3.8	3.2	3.5
	Mining and construction	8.0	7.6	7.5	7.5	6.9
	Manufacturing	15.8	15.9	16.1	15.7	16.0
	Food, beverages and tobacco	2.2	2.2	2.2	2.0	2.2
	General and precision machinery	2.1	2.2	2.2	2.0	2.1
	Electrical machinery	2.3	2.3	2.4	2.2	2.3
	Transportation equipment	1.7	1.6	1.7	1.7	1.7
	Other manufacturing	7.5	7.6	7.6	7.8	7.6
	Electricity, gas, water and heat supply	0.5	0.4	0.5	0.5	0.4
	Information and communications	3.2	3.6	3.6	4.0	3.9
	Transport	5.0	4.9	4.9	5.0	4.9
	Wholesale and retail trade	17.3	16.9	16.6	15.2	15.5
	Finance, insurance and real estate	3.7	3.5	3.5	3.2	3.3
	Eating and drinking places, accommodations	5.2	4.7	4.8	4.2	4.9
	Medical, health care and welfare	11.8	13.4	13.5	16.4	15.6
	Education, learning support	4.7	4.4	4.3	4.0	3.8
	Living-related and personal services	2.6	2.4	2.5	2.1	2.5
	Miscellaneous business services	5.7	5.5	5.6	5.6	5.5
	Miscellaneous services	7.1	7.3	7.1	8.0	7.6
	Government, compound services, industries unable to classify	6.0	5.8	5.8	5.6	5.6
	Industry total	100.0	100.0	100.0	100.0	100.0
Difference compared to 2014	Agriculture, forestry and fisheries		0.1	0.2	-0.4	-0.1
	Mining and construction		-0.4	-0.5	-0.5	-1.1
	Manufacturing		0.1	0.3	-0.1	0.2
	Food, beverages and tobacco		0.0	0.0	-0.2	0.0
	General and precision machinery		0.1	0.1	-0.1	0.0
	Electrical machinery		0.0	0.1	-0.1	0.0
	Transportation equipment		-0.1	0.0	0.0	0.0
	Other manufacturing		0.1	0.1	0.3	0.1
	Electricity, gas, water and heat supply		-0.1	0.0	0.0	-0.1
	Information and communications		0.4	0.4	0.8	0.7
	Transport		-0.1	-0.1	0.0	-0.1
	Wholesale and retail trade		-0.4	-0.7	-2.1	-1.8
	Finance, insurance and real estate		-0.2	-0.2	-0.5	-0.4
	Eating and drinking places, accommodations		-0.5	-0.4	-1.0	-0.3
	Medical, health care and welfare		1.6	1.7	4.6	3.8
	Education, learning support		-0.3	-0.4	-0.7	-0.9
	Living-related and personal services		-0.2	-0.1	-0.5	-0.1
	Miscellaneous business services		-0.2	-0.1	-0.1	-0.2
	Miscellaneous services		0.2	0.0	0.9	0.5
	Government, compound services, industries unable to classify		-0.2	-0.2	-0.4	-0.4

Notes: 1. Actual figures for 2014 are from the Statistics Bureau, MIC "Labour Force Survey" (recombined in line with industrial category notation in the Labor Supply and Demand Estimates). Figures for 2020 and 2030 are estimates.
2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.
3. "Other manufacturing" refers to forms of manufacturing other than those mentioned here. Besides other manufacturing specified in the Japan Standard Industry Classification, these also include ceramic, stone and clay products, iron and steel, metal products and other raw material industries.
4. Please note that, in the Labor Supply and Demand Estimates, dispatched workers from temporary labor agencies are classified under "Miscellaneous business services", i.e. the industry of the dispatch source, and that these dispatched workers are not included in other industries. In the "Labour Force Survey", meanwhile, dispatched workers from temporary labor agencies were classified not in the industry of the dispatch host but in that of the dispatch source until 2012. However, from 2013 they are to be classified in the industry of the dispatch host.
5. As figures in the Table have been rounded up or down to the nearest notational unit, the manufacturing and industry totals may not agree with the breakdown totals. Differences are calculated from the rounded-off figures.

Figure IV-14 Trends in Labor Productivity (Man-hours)



Notes: 1. The rates of change in labor input (man-hours) and labor productivity (man-hours) are estimates. For working hours, the weighted averages for full-time and part-time workers are used. The real economic growth rates in the economic revival / progressive labor participation scenario in 2014-2023 are based on the Cabinet Office "Calculations concerning Medium- to Long-Term Economic and Fiscal Administration" (submitted by the Council on Economic and Fiscal Policy, July 22, 2015), while the real economic growth rate from 2024 onwards and in the zero growth / unchanged labor participation scenario are assumed in this study.

2. Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

(5.3% decrease), Shiga (5.4% decrease) and Aichi (5.4% decrease) (Figure IV-15). According to IPSS estimates, the populations of Okinawa, Shiga and Aichi are projected to increase in 2030 compared to 2014.

In the economic revival / progressive labor participation scenario, prefectures with large rates of decrease since 2014 include Akita (19.8% decrease), Aomori (15.7% decrease) and Yamagata (13.8% decrease) in the Tohoku region, while those with large rates of increase since 2014 include Okinawa (4.7% increase), Shiga (3.5% increase) and Aichi (3.4% increase).

9. Prefectural labor force ratio

In the zero growth / unchanged participation scenario, prefectures with large decreases in the labor force ratio in 2030 compared to 2014 include Hokkaido (5.5 point decrease), Akita (5.1 point decrease) and Miyagi (5.1 point decrease), while those with relatively small decreases include Okayama (2.6 point decrease), Yamaguchi (3.1 point decrease) and Mie (3.3 point decrease) (Figure IV-16). Generally, the decrease in the labor force ratio is relatively smaller in western Japan. In the economic revival / progressive labor participation scenario, Akita (0.3 point decrease) and Hokkaido (0.2 point decrease) show decreases compared to 2014, but the other prefectures show increases, with particularly large rises in Okayama (2.6 point increase), Tokyo (2.1 point increase), Wakayama (2.1 point increase) and Yamaguchi (2.1 point increase), among others.

10. Prefectural number of persons in employment

In the zero growth / unchanged participation scenario, prefectures with large rates of decrease in the number of persons in employment in 2030 compared to 2014 include Akita (27.1% decrease), Aomori (24.3% decrease) and Kochi (21.8% decrease), while those with relatively small rates of decrease include Tokyo (4.9% decrease), Aichi (5.1% decrease) and Okinawa (6.2% decrease) (Figure IV-17). Generally, the rate of decrease in the number of persons in employment is relatively smaller in large conurbations. In the economic revival / progressive labor participation scenario, prefectures with large rates of decrease since 2014 include Akita (19.2% decrease), Aomori (15.4% decrease) and Yamagata (13.6% decrease), while those with large increases since 2014 include Okinawa (5.4% increase), Tokyo (4.7% increase) and Aichi (4.5% increase).

11. Prefectural employment rates

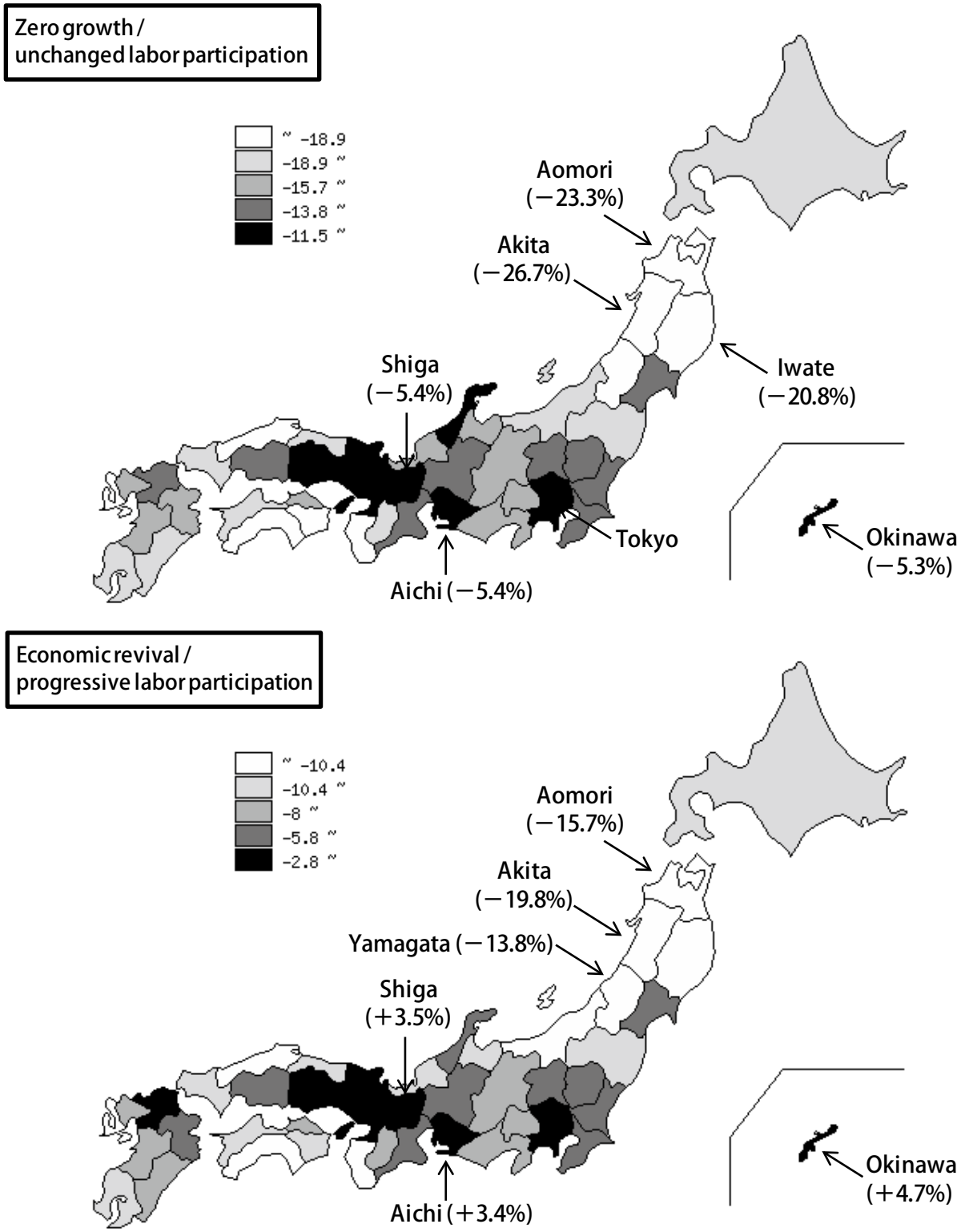
In the zero growth / unchanged participation scenario, prefectures with large decreases in the employment rate in 2030 compared to 2014 include Hokkaido (5.8 point decrease), Aomori (5.5 point decrease) and Chiba (5.3 point decrease), while those with relatively small decreases include Okayama (2.7 point decrease), Tokyo (2.8 point decrease) and Aichi (3.2 point decrease) (Figure IV-18). In the economic revival / progressive labor participation scenario, the rate shows a rise in all prefectures compared to 2014, with particularly large increases in Tokyo (3.1 point increase), Okayama (2.9 point increase) and Aichi (2.6 point increase), among others.

12. Prefectural number of persons in employment by industry

In the economic revival / progressive labor participation scenario, the number of persons employed in the medical, health care and welfare sector in 2030 will increase compared to 2014 in all prefectures. In the same scenario, the number of persons employed in manufacturing industries in 2030 will increase from 2014 in 15 prefectures including Aichi (73,000 increase), Tokyo (34,000 increase) and Hiroshima (29,000 increase).

Figure IV-15 Rate of Change in Labor Force by Prefecture (2014-2030)

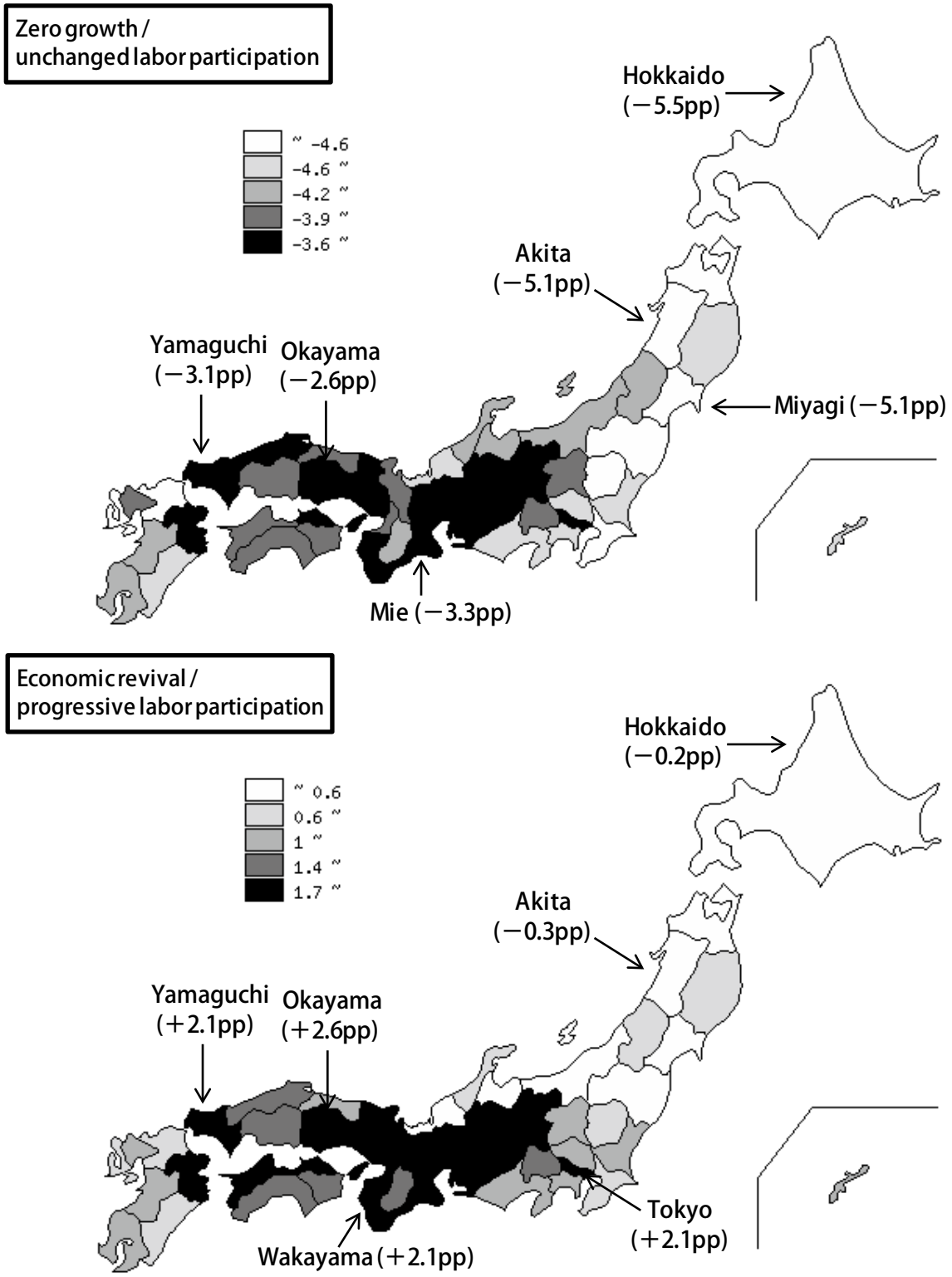
(%)



Note: Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress.
Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

Figure IV-16 Change in Labor Force Ratio by Prefecture (2014-2030)

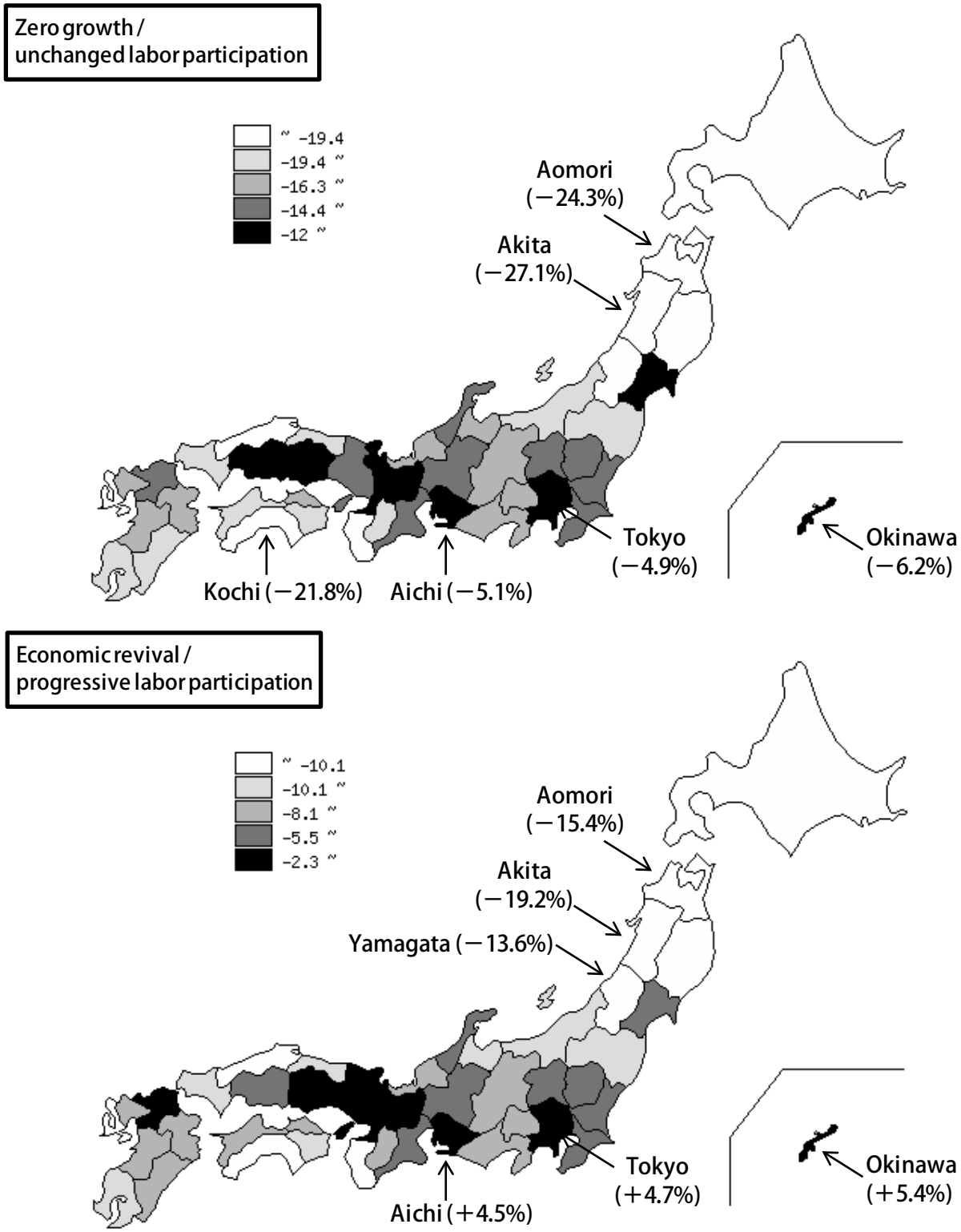
(% Points)



Note: Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress.
Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

Figure IV-17 Rate of Change in Employed Persons by Prefecture (2014-2030)

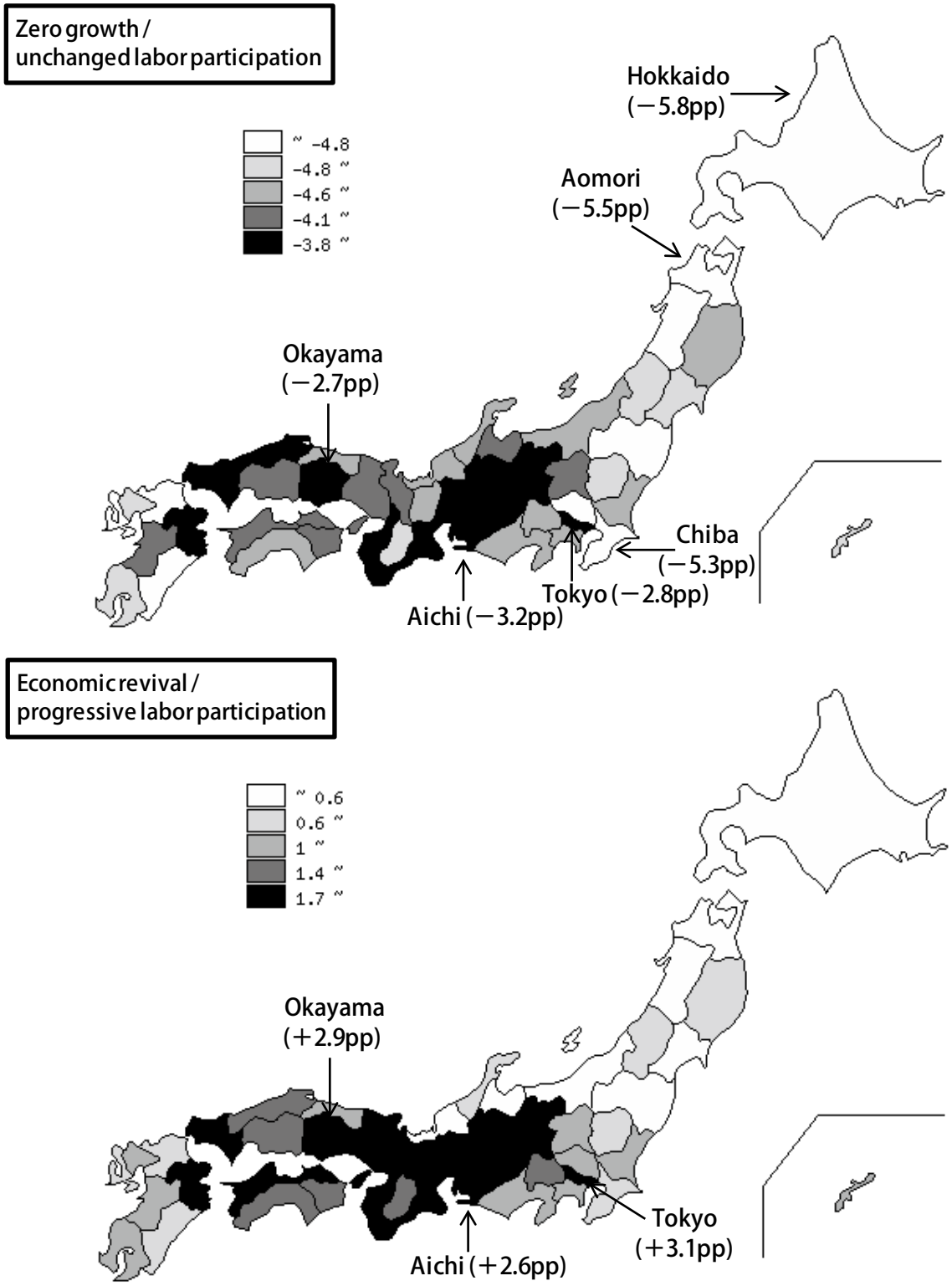
(%)



Note: Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress.
Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

Figure IV-18 Change in Employment Rate by Prefecture (2014-2030)

(% Points)



Note: Economic revival / progressive labor participation: Scenario in which economic growth and labor market participation by young people, women, the elderly and others progress.
Zero growth / unchanged labor participation: Scenario projecting almost zero growth, with labor force ratios by gender and age group trending at 2014 levels.

Section 5 Conclusion

In this study, simulations have been conducted, using the Labor Supply and Demand Model, to estimate the labor force and number of employed persons by gender and age group, by the year 2030, based on targets in the "Japan Revitalization Strategy Amendment 2015". Based on the results, the labor force and number of persons in employment by gender and age group in each prefecture and the number of persons in employment by industry have also been estimated.

Given the economic and employment climate in recent years, a number of issues need to be considered in addition to the estimates handled in this study. That is, how to estimate by employment format, how to ascertain the structural unemployment rate by estimating a mismatch index and how to incorporate this in the Labor Supply and Demand Model, how to ascertain the relationship between human resource development and improving productivity, how to incorporate this in the Labor Supply and Demand Model, and how to consider the possibility of substituting the labor force with AI and robots.

In future, as well as attempting to refine the Labor Supply and Demand Model and improve the data used in it, we should consider how these issues are to be addressed.

Reference *

*all in Japanese except where noted

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V Realities in Japan's "Regions" and Challenges in Efforts toward Their Revitalization — A Study Based on Regional Disparities in Employment Opportunities and the Actual Circumstances of the Inter-Regional Migration of Young People —

1. Problems in Japan's "Regions"

(1) Formation of the "three major metropolitan areas" and "regions"

The phenomenon of "urbanization" whereby industry and population become concentrated in cities during the process of economic development has been observed in all countries of the world. Japan is no exception, as following the Second World War, economic development centering on the heavy and chemical industries progressed and manufacturing businesses became increasingly located along the country's Pacific coast regions. Then, during the Japan's high-growth period between the mid-1950s and early 1970s, economic development advanced with a remarkable speed, particularly in the major metropolitan areas of Tokyo, Osaka, and Nagoya (called the "three major metropolitan areas").[1] At the same time, however, economic development in provincial areas outside of the major metropolitan areas—the so-called "regions"—fell behind in relative terms.

During this same period, large numbers of young people left rural areas for Tokyo and other major metropolitan areas for employment, where there was great demand for human resources, thereby creating a major population shift. On the other hand, the regions, which were now experiencing a major outflow of young population, began facing the problem of maintaining their local communities. It should be noted that, in addition to the great labor demand in major metropolitan areas, another factor behind the population movement of this period was a lack of industries in rural areas capable of absorbing the abundant young labor force that was available there. This helped encourage the movement of labor to cities with developed industries.

Since then, the existence of economic disparities between major metropolitan areas and regions has been seen as problem for Japan, and regional revitalization has frequently been positioned as a policy issue. Moreover, population migration (movement from regions to cities), particularly the movement of young people, has gathered attention as a phenomenon associated with the disparities in economic conditions and employment opportunities.

Amid advancing economic globalization, and with the concentration of the nation's central management functions within it, Tokyo has subsequently emerged as a megalopolis of conspicuous size among other cities. Also, the relative weakening of Osaka's position in recent years resulted in a situation called "excess concentration of population and industry in Tokyo." Tokyo has now become a major metropolitan area with an extremely large population viewed in global terms.

(2) Regional disparities in employment and economics

In general, larger cities offer more availability of jobs and job offers in both terms of quantity and diversity, making it easier to meet the diverse needs of job-seekers. Additionally, they tend to offer higher-quality employment, including wage levels, due to the concentration of large and global corporations as well as competition for excellent human resources. This is also true in Japan, as disparities have existed in employment opportunities and wage levels between the three major metropolitan areas and other regions.

Thus, the regional employment environment is

1 The "three major metropolitan areas" are often explained as existing at the prefectural level. Although there are no clear definitions, it is often said that the "Tokyo Area" is comprised of the Tokyo Metropolis, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture; the "Kinki Area" centered on Osaka is comprised of Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture, Shiga Prefecture, and Nara Prefecture; and the "Chukyo Area" centered on Nagoya is comprised of Aichi Prefecture, Gifu Prefecture, and Mie Prefecture. Prefectures that are outside these three major metropolitan areas are classified as "(local) regions."

relatively fragile. Historically, this environment has been underpinned with policy measures so as to compensate for economic fluctuations. In particular, during bad economic times, government demand in the form of public works projects and other undertakings have prevented deterioration in the regional employment situation. Despite the fact that Japan entered an extended period of poor economic activity in the 1990s following the collapse of its "bubble economy," it is said that its regions were not significantly affected because the central government expanded its public works projects.[2]

During the early 2000s, an economic recovery driven by export-oriented industries progressed in the major metropolitan areas. However, at the same time, the government in power at the time, the Koizumi administration, implemented a policy of reducing public works projects and curtailing spending. This brought economic stagnation to the regions, which were dependent on public works projects, and disparities between the major metropolitan areas and the regions became pronounced as a result. The international financial crisis of 2008 (sparked by Lehman Brothers' bankruptcy) also inflicted significant damage on regional employment. Meanwhile, one after another, manufacturers closed factories located in the regions amid an environment marked by a strong yen and intensifying cost competition with Asian countries. Such moves to close and downsize manufacturing plants in Japan's regions seriously damaged regional employment, which was highly dependent upon manufacturing. This led to demands for emergency employment measures throughout the country.

Moreover, the Great East Japan Earthquake of 2011 further worsened the employment situation by slowing production in not only the three Tohoku prefectures that were directly afflicted by the disaster (Iwate, Miyagi, and Fukushima) but also nationwide as a result of power shortages. Although Japan as a whole has been in a subsequent recovery trend in the national economy to the present day, the problem of regional disparities still remains and is influencing the inter-regional migration of the working-age population. This is a topic that will be discussed in more detail later in this paper.

(3) Recent policy challenges: Population decline and regional society's existential crisis

As was mentioned at the beginning of this paper, the promotion of regional development has continued to be a challenge to be dealt with throughout Japan's postwar economic development. Regional revitalization is also an important policy issue under the current Abe administration. At the core of the current problem facing Japan is population decline and falling birthrate. Particularly with regard to Japan's regions, there are warnings that the declining population will bring an existential crisis for rural communities.[3] One of the factors driving regional population decline is an outflow of young people, and therefore keeping young people in their regions and promoting migration from major metropolitan areas to them are important challenges to be tackled. The migration of people to outlying regions that is now a point of political issue includes 1) the return of people who are originally from regions to those regions or prefectures (called "U-turn") and 2) the migration of people who are not originally from regions—and particularly those from major metropolitan areas—to regions (called "I-turn"). Promoting and supporting both of these will be important.

Population migration from outlying regions to major metropolitan areas is not something that started only recently. The outflow of young people from regions to cities has frequently been viewed as problematic since Japan's period of high economic growth from the mid-1950s to the mid-1960s. The migration of labor between cities and rural villages is sometimes explained in economic terms as migration to

2 See Higuchi (2005).

3 A characteristic topic of recent policy debate is the outflow of young women from outlying regions. It has been pointed out that the migration of young women to large cities inevitably leads to a lower regional birthrate and thus will not serve to brake the birthrate's fall. Additionally, because Tokyo has a low birthrate, the concentration of young women in Tokyo could end up accelerating the decline in the national birthrate.

regions where higher wages can be expected.[4] Indeed, in Japan, it cannot be denied that employment and economic disparities encourage the migration of labor to major metropolitan areas.

However, another factor that must not be forgotten when explaining the inter-regional migration of Japan's young people is the uneven geographical distribution of institutions of higher education. Many universities and vocational schools are located in major metropolitan areas, and thus large regional disparities exist in terms of educational opportunities. It is not unusual for regional young people who are looking for better educational opportunities to leave their hometowns and move to major cities to advance to university.

Thus, although the migration of young people to cities has been observed in the past, in more recent years the problem can be characterized as existing in the public's consciousness as an impending existential crisis for regional society, one manifested by regional population decline that shows no sign of slowing as young people leave their home regions and with a demographic composition that is rapidly aging.

(4) Current regional disparities: What is the problem?

Even now, the outflow of young people is viewed as problematic in Japan's outlying regions, and it is argued that regional disparities in employment are behind it. So then, what kinds of disparity are problematic? Looking at the quantitative availability of employment opportunities in recent years, it is hard to claim, at least superficially, that job shortages exist in outlying regions. A look at the active job openings-to-applicants ratio,[5] which is an indicator of the supply-and-demand balance in the labor market, by prefecture (Figure V-1) reveals that although some regional differences exist, almost all prefectures have a ratio that exceeds 1. Thus, it could be said that a nationwide labor shortage exists.[6] The aging population/falling birthrate and shrinking labor force are casting a long shadow on the regional employment picture.

So then, were regional disparities in employment between large cities and regions resolved amid a national labor shortage? Certainly, if one looks only at the total quantity of job opportunities, it does not presently seem to be the case that simply being an outlying "region" means that jobs are scarce. However, "the kinds of jobs that are available" is a major problem.

For example, a comparison of wage levels by prefecture (Figure V-2) shows that wage levels in the regions are much lower than those in Tokyo, Osaka, and other major metropolitan areas. A factor behind this appears to be a large regional difference in the quality of employment opportunities, a situation represented by the fact that high-quality and highly profitable companies tend to be located in major metropolitan areas.[7] Of course, other factors making large cities attractive—even if they are not directly reflected in wage levels—are the high availability of jobs that offer career advancement opportunities and

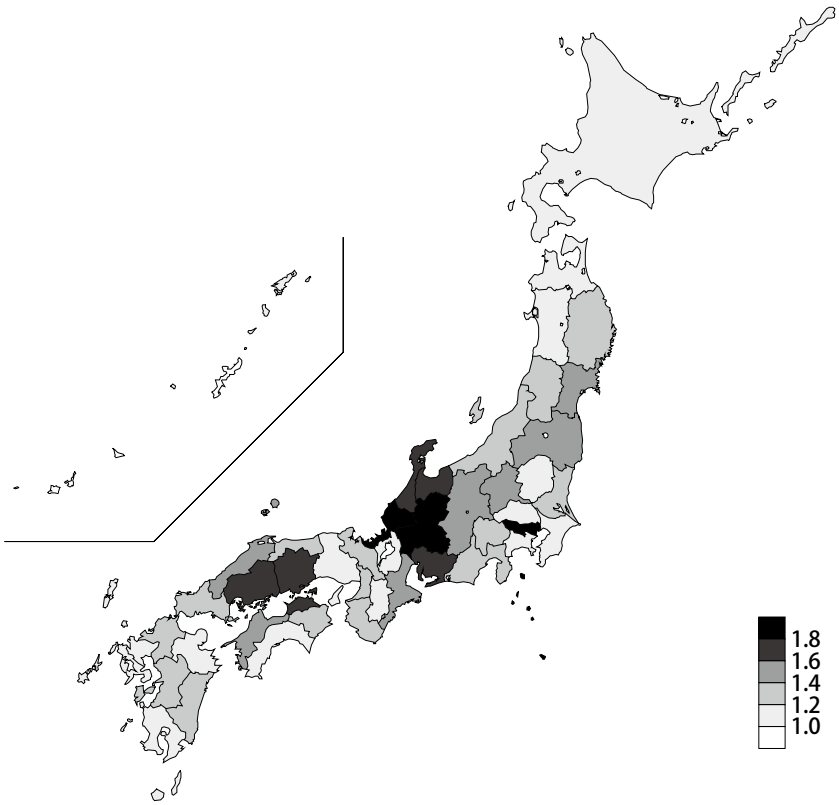
4 In such cases, real wages that take regional price level into account and employment opportunities (i.e., the possibility of becoming employed) are important factors. Economics-based explanations of Japan's population migration are provided by Tabuchi (1988) and others.

5 "Active job openings-to-applicants ratio" refers to the ratio of the number of active job openings to the number of active job applicants that come through public employment security offices. "Number of active job openings" and "number of active job-seekers" both refer to the total number of new job openings (new job-seekers) and number of job openings (job-seekers) carried over from the previous month. Whether the active opening ratio is above or below 1 shows the existence of excess demand or supply in the labor market.

6 Of course, regional differences remain in the quantitative availability of employment opportunities. Some regions have lower active job openings-to-applicants ratios compared to Japan's central regions; among them are the Tohoku and Hokkaido regions as well as the Shikoku, Kyushu, and Okinawa regions, suggesting that employment disparities exist among regions. See Takami (2015).

7 For example, the headquarters of major companies are concentrated in Tokyo and other major metropolitan areas. The occupational structures in large cities and outlying regions differ partly as a result of such urban concentration of central management functions. A conspicuous difference is the uneven distribution of office work, which is scarce in the regions. A look at differences in industrial structure also reveals that Tokyo is home to large shares of the information/communications and producer services sectors.

Figure V-1 Active Job Openings-to-Applicants Ratio by Prefecture (May 2016) (Excluding New Graduates but Including Part-Timers)



Source: MHLW, "Report on Employment Service"
Note: National average=1.36

the diverse selection of job options.

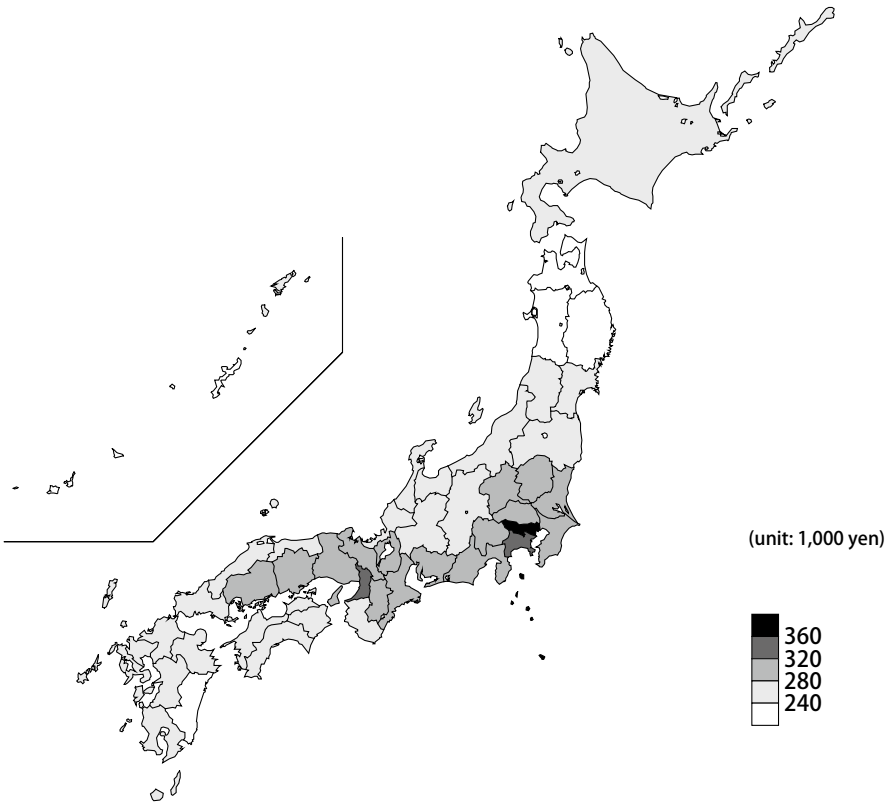
Thus, if viewed simply in terms of the outwardly apparent "quantity" of employment opportunities, no disparities seem to exist between large cities and regions amid the nationwide labor shortage. However, a look at employment opportunities in terms of their "quality"—in other words, from the standpoint of the kinds of employment that are available—shows that large disparities exist between large cities and regions. Under such circumstances, stopping the outflow of young people to large cities presents a serious problem for Japan's regions. Of course, the uneven regional distribution of educational opportunities (e.g., universities, etc.) is also a major factor behind young people's leaving their home regions, but the above-mentioned regional disparities in employment opportunities cannot be overlooked. This makes addressing the questions of how to create attractive employment opportunities in regions and how to encourage young people to remain in or return to their home regions an important policy issue.

2. The Realities of Regional Employment

(1) Regional employment opportunities: From an interview survey

Based on awareness of the problems mentioned above, we conducted an interview survey for the purpose of grasping the current circumstances of regional employment and young peoples' staying in their home regions, as well as of initiatives to create employment in outlying regions and encourage migration or return to them. Our survey targeted areas (municipalities) located in Japan's regions (i.e., areas outside of the three major metropolitan areas). We interviewed relevant departments and bureaus in local governments, labor bureaus and public employment security offices ("Hello Work offices") having

Figure V-2 Wages by Prefecture (Scheduled Earnings of June 2015)



Source: MHLW, "Basic Survey on Wage Structure (2015)"
Note: National average=304,000 yen

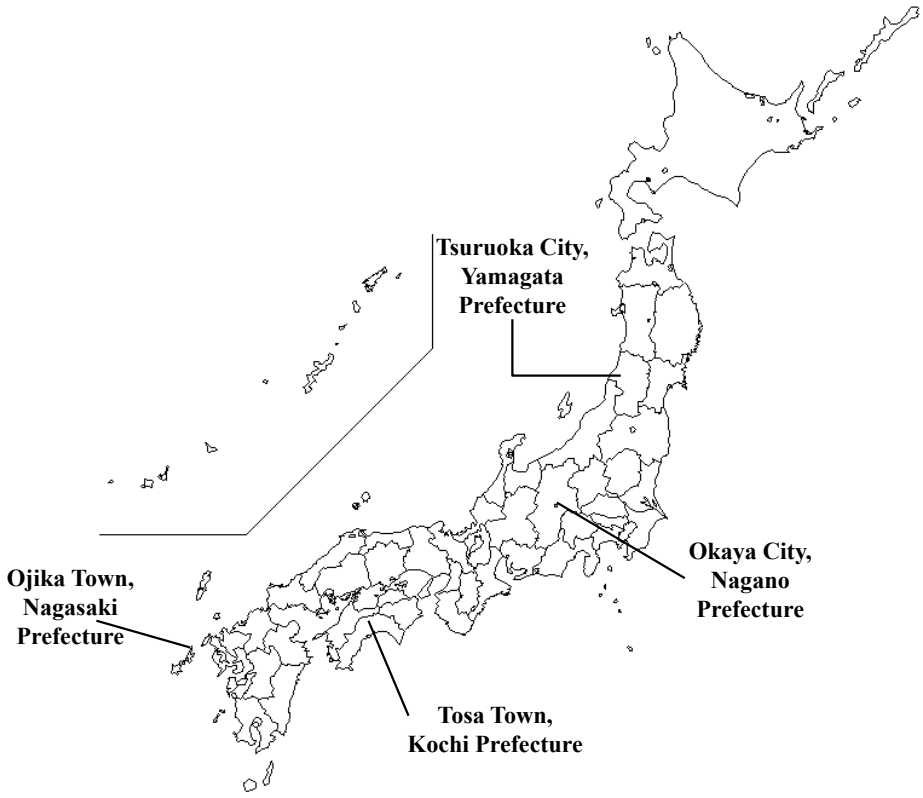
jurisdiction in those areas, and others.[8]

It should be noted that, even though collectively called as "regions," there exist diversity and hierarchy among them. Generally speaking, they can be classified as 1) large cities that are home to diverse industries and attract people from a wide area as the regional center (e.g., Sapporo, Sendai, Hiroshima, and Fukuoka); 2) cities that, as the center of their prefecture, are home to administrative bodies and the branch stores and branch offices of private enterprises; 3) small- and medium-sized cities of prefectures; and 4) areas other than cities (rural districts). The interviews of this survey mainly targeted areas classified as either 3) or 4) above. The areas mentioned in the discussion of this paper are shown in Figure V-3.

Getting directly to the main point, from the interview survey we learned that the problem of "places to work" as it pertains to getting young people to stay in their home regions and encouraging U- and I-turn migrations is not necessarily uniform, even within the same region. For example, the nature of the issue differs greatly for regional cities that have a population of a certain size and industry and for rural areas that are distant from cities, and the initiatives these municipalities take toward creating employment and getting young people to stay also differ. In other words, although they share awareness that the problem of

8 For details on the survey results, see JILPT Material Series No. 151, "Chiiki ni okeru Koyo Kikai to Shugyo Kodo" [Regional employment opportunities and employment behavior] (2015).

Figure V-3 Interviewed Regions Mentioned in this Paper



"places to work" leads to outflow of younger population, the specific nature of the problem varies considerably among them. In the following we will discuss this point by mentioning some actual cases.

(2) Challenges in regional small and medium-sized cities

First, in regional small and medium-sized cities, an employment mismatch is emerging whereby job openings and the desires of job-seekers do not mesh in terms of wages, work hours, and other labor conditions (= a mismatch in desired conditions) even amid a clear labor shortage in a variety of industries and occupations. Wage levels are low in small and medium-sized cities in comparison with large cities, but that is not the only problem. The availability of clerical jobs and other forms of office work is limited there compared to Tokyo and other large cities, while the share of work is larger in medical care and welfare, nursing care, eating and drinking establishments, and other sectors that sometimes require evening, nighttime, and weekend work. Also, the fact that the work hours offered to job-seekers do not match those desired by young people is an issue demanding attention.[9]

Meanwhile, U-turn migration among young people who left their home prefectures to attend university or pursue other activities is not progressing for reasons that include "lack of desired jobs" and "poor labor conditions (wages, etc.) compared to major

9 Clerical work is particularly desired among women. This is mainly a reflection of their desired working hours (i.e., a desire to work weekdays and during daytime hours). This trend is seen among not only child-rearing women but widely among all young people and causes a mismatch between job offers and job-seekers.

metropolitan areas."[10] This is not a problem that can be resolved simply by establishing manufacturing locally. In areas where manufacturing is concentrated, it is often the case that the employment situation is good for high school graduates. However, local manufacturing does not always provide employment opportunities for university graduates (and particularly those with liberal arts degrees). Both Tsuruoka City in Yamagata Prefecture and Okaya City in Nagano Prefecture are regional cities with prosperous manufacturing sectors. However, those communities are feeling a sense of crisis, as only a few people who left to attend university return when entering the workforce, and thus they are implementing vigorous initiatives to address the problem.

Naturally, it is also pointed out that university students' strong desire to enter a well-known company or receive a high income when looking for employment is also a factor behind lagging U-turn employment. Although there are a lot of companies that are competitive in certain fields in regions, many of such companies, particularly SMEs, have low general recognition among the public. When students and their parents are not familiar with local companies, they do not consider those companies as options for post-graduation employment. This coupled with students' desire to enter major or well-known companies naturally narrows the U-turn employment option.

(3) Challenges in rural areas

In the case of districts distant from urban areas (i.e., rural areas), at the core of the problem is an insufficient quantity of employment opportunities. Because there are few private-sector establishments in those districts, employment opportunities for young people outside of public bodies, primary industries, medical care and welfare-related institutions are scarce. This is a significant factor behind youth outflow. For example, in Tosa Town of Kochi Prefecture, a community of some 4,000 people situated in a mountainous area of the prefecture, about the only available local jobs are in the town office, agricultural cooperatives, supermarkets, construction companies, work parties of forestry cooperatives, agricultural cooperative-supported agricultural corporations, nursing care or welfare in senior citizens' homes, and hospital nursing. The situation is much the same in Ojika Town, a community of less than 3,000 people that is situated on a remote island.

In recent years many areas even in outlying regions have been showing active job openings-to-applicants ratios of over or close to 1. Apparently, such areas do not necessarily have a visible shortage of jobs. However, from the standpoint of employment opportunities for young people, areas that are distant from urban centers do lag in terms of absolute quantity. The more distant from urban centers, the more limited the variation in job opportunities for U-turn employment becomes. Moreover, in addition to the already low number of openings for regular-employee positions for new graduates, the wages of regular employees in many cases are not at a level that allows young people to build household finances with an eye to the future. As a consequence, people from outlying regions face a situation whereby they "cannot go home even if they want to" when it becomes time to find employment.[11]

3. A Look at the Outflow of Young People from their Home Regions: From the Survey's Results

Here, we will examine the outflow of young people from their home regions based on the results of a questionnaire survey that JILPT conducted in January 2016 to ascertain the actual circumstances of the migration of younger population.

A screening survey was first conducted targeting

10 Another pertinent problem relates to company's employment practices. It includes local companies' employment policies that are centered on mid-career hiring to fill vacant positions and late announcement of job openings for graduates.

11 In the aforementioned Tosa Town of Kochi Prefecture, "The number of young people who have in mind to return to and live in their hometown if they can find work there is increasing. However, the limited availability of places to return to and work at presents a problem."

people who are registered as respondents for Internet monitoring surveys with a research company, and then four classifications were extracted based on place of origin, current place of residence, and inter-regional migration experience (see Table V-4). Then the main survey was conducted so as to collect the target number of samples for each classification (2,000 each for (1) to (3) and 1,000 for (4) of Table V-4). The ages of those who were surveyed were 25 to 39 for (1) to (3) and 25 to 44 for (4). The survey was limited to people who are currently employed. Survey items included inter-regional migration experience (timing, destination, reason, etc.), characteristics of place of residence, job, daily life, and awareness.[12]

Using the questionnaire's results as a basis, let us look at the motives respondents who are originally from regional prefectures gave for leaving their places of origin (home municipality).[13] The main motive respondents gave for leaving their places of origin were enrollment in a university or vocational school and migration associated with employment

Table V-4 Definitions of Classifications Used in the Questionnaire Survey

(1) **Permanent resident of prefecture of origin**: Person who is originally from a regional prefecture (area other than the three major metropolitan areas) and has continued to reside in the same prefecture since graduation from junior high school to the present day
(2) **Returning resident of prefecture of origin (U-turn)**: Person who is originally from a regional prefecture and has experience of residing outside of the prefecture following graduation from junior high school but who currently resides in the same prefecture he/she did at the time of said graduation
(3) **Resident of a prefecture other than prefecture of origin**: Person who is originally from a regional prefecture but whose current prefecture of residence differs from the prefecture he/she resided in at the time of graduation from junior high school
(4) **Arriving resident in regional prefecture (I-turn)**: Person who is originally from the Tokyo or Kinki area and currently lives in a regional prefecture

<table>
<tr><th></th><th>Prefecture of origin (= Prefecture of residence at time of jr. high school graduation)</th><th>Current prefecture of residence (For (1) to (3), "yes" indicates same prefecture as at time of jr. high school graduation, "no" indicates different prefecture)</th><th>Inter-regional migration experience (Has the respondent resided in another prefecture since graduation from jr. high school?)</th></tr>
<tr><td>(1) Permanent resident of prefecture of origin</td><td rowspan="3">Outlying region</td><td rowspan="2">Yes</td><td>No</td></tr>
<tr><td>(2) Returning resident of prefecture of origin (U-turn)</td><td rowspan="3">Yes</td></tr>
<tr><td>(3) Resident of a prefecture other than prefecture of origin</td><td>No</td></tr>
<tr><td>(4) Arriving resident in regional prefecture (I-turn)</td><td>Tokyo or Kinki area</td><td>Outlying region</td></tr>
</table>

12 For survey details, see Japan Institute for Labour Policy and Training (2016).

13 Although this paper presents results for "resident of a prefecture other than prefecture of origin," a similar trend applies to "returning resident of prefecture of origin (U-turn)."

(Figure V-5). In terms of age, the majority migrated when they were 18 years old (Figure V-6). Looking at their reasons for leaving, responses leaned heavily toward those concerning the uneven geographical distribution of educational opportunities and academic path selection, specifically that "there were no local schools that I wished to attend" and "my options of schools I could attend from home were limited." It could be concluded that these circumstances combined with lifestyle-related selections, such as "I wanted to live apart from my parents" and "I wanted to experience living in the city," brought about their leaving (Figure V-7).

Figure V-5 Motive for Leaving Home Municipality (M. A.)
(Residents of Prefecture Other than Prefecture of Origin)

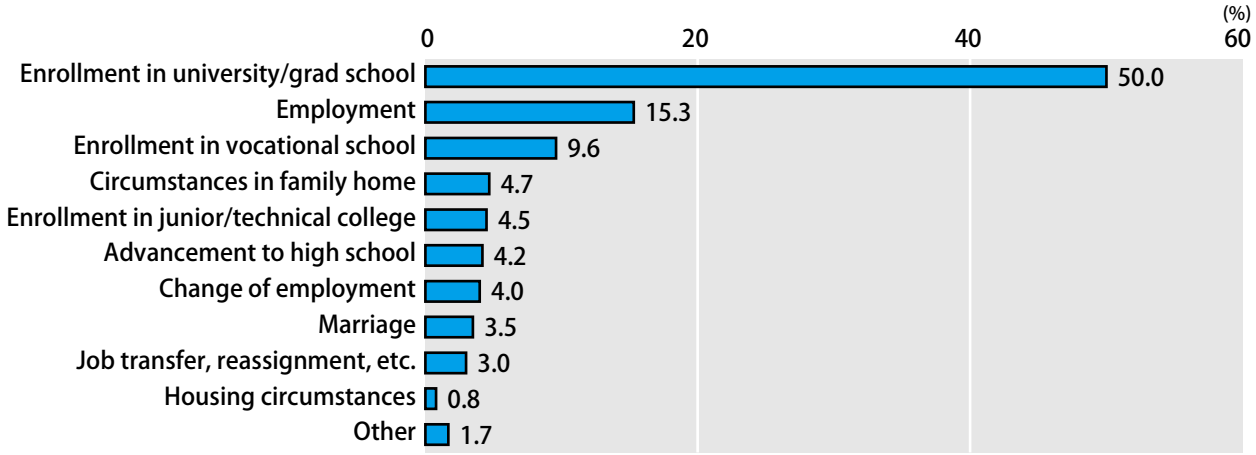


Figure V-6 Age at Time of Leaving from Home Municipality
(Residents of Prefecture Other than Prefecture of Origin)

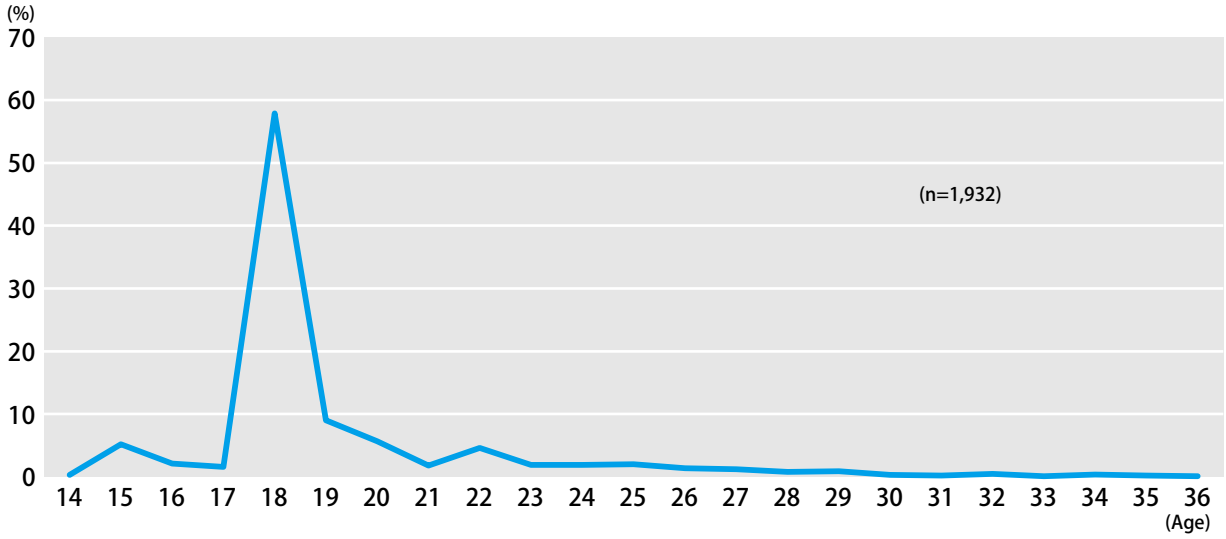
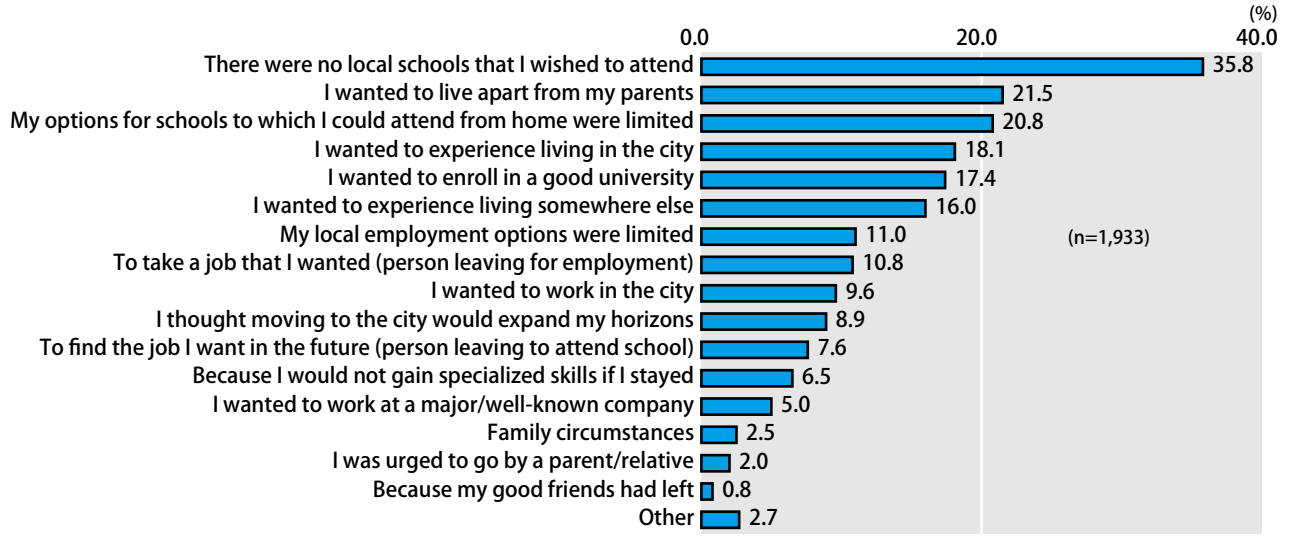


Figure V-7 Reason for Leaving Home Municipality (M. A.) (Residents of Prefecture Other than Prefecture of Origin)



4. Return Migration to Native Regions (U-turn)

Here we will take an organized look at "return migration to native regions (U-turn)" by examining its actual circumstances. "U-turn" refers to the migration of a regional native back to his or her home area after leaving it for a particular reason, such as to attend school. Let us begin by examining the timing and reasons for U-turn migration. Looking at the motives respondents gave for returning to their native prefectures (Figure V-8), the most common was "for employment" at 30.4%. It was followed by "because quit job" (19.0%) and "job change" (16%). Thus we can see that although U-turn migration most frequently occurs when finding employment after graduation, it also commonly occurs when leaving or changing employment.

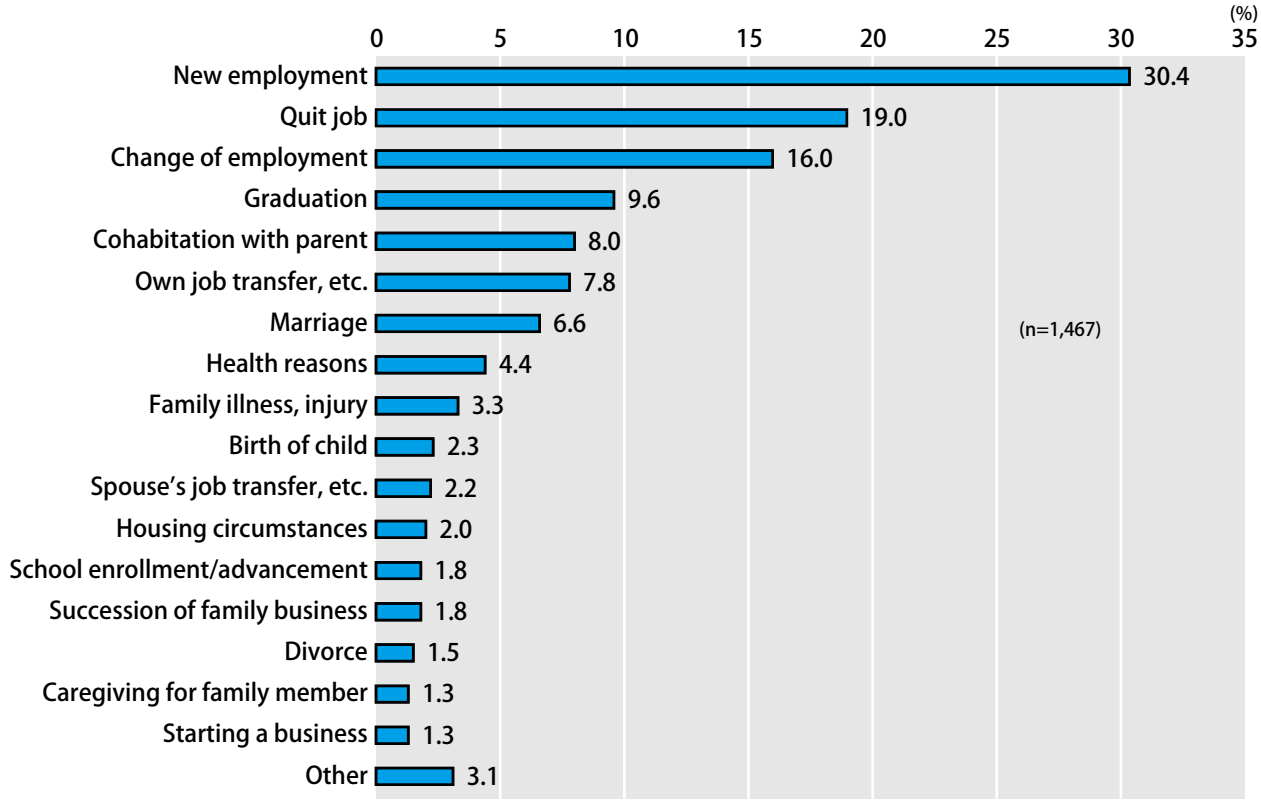
Although the figure is not provided, the reason "to return to family home" has a conspicuously large share. This combined with "to live near family home" means that living in or near the family home is the main reason for U-turn migration. It is not uncommon in Japan for children to live with their parents after graduation, and this phenomenon can be said to be behind the fact that many people return to their native areas after graduation.[14]

Next, let us look at the age distribution of people who engaged in U-turn migration (Figure V-9). It is readily apparent that the peak age for U-turn migration was 22 (20.0%). This is a reasonable result given that many people leave their home area to attend university and often return to it when finding employment. Although most U-turn migration took place up to the age of 25, it continued to a certain degree from the mid-20s into the 30s.

Additionally, it should be noted that there is some desire to return among people who reside in a prefecture other than their native prefecture. A look at Figure V-10 shows that slightly less than half of people who reside in another prefecture want to return to their home municipality. When asked about the kinds

14 Returning to one's home region does not necessarily involve returning to (or near to) one's family home. There are also cases in which people do not return to their family home but rather to a nearby city that is close enough for home visits (this trend is called "J-turn" migration). This is particularly true among people coming from rural areas that are distant from large cities. Due to the scarcity of local employment opportunities, many choose to return to large cities in the same prefecture that offer a much wider variety of employment options.

Figure V-8 Motive for Returning to Prefecture of Origin (U-turn) (M. A.)
(Persons Returning to Prefecture of Origin)



of administrative support they would want for U-turn migration, respondents indicated a strong need for employment support, namely job information.

Moreover, an analysis of the kinds of people who wish to return to their home area revealed that many had a strong attachment to the area or possessed a good knowledge of local companies prior to leaving. The former result is reasonable, as attachment to one's home area is the key. In the case of the latter, it is thought that having opportunities to learn about the existence of local companies before leaving the area for school, etc., will help people get a sense that they can get along even if they return and help generate desire to return later on.

5. Migration of Urban Natives to Outlying Regions (I-turn)

There is another form of migration to outlying regions that is attracting attention other than the "U-turn" migration that involves people's returning to their home areas after leaving them for Tokyo, Osaka, or major metropolitan areas for education or other reasons. This form involves migration to outlying regions by people who are not originally from there, and specifically by people from major metropolitan areas. It is called "I-turn" migration, and active efforts have been made by local governments to attract this kind of migrants in recent years.

So then, under what circumstances do people from major metropolitan areas move to outlying regions? As is shown in Figure V-11, what motivates people to migrate to outlying regions (I-turn) differs greatly for men and women. In the case of men, a particularly

Figure V-9 Age at Time of U-turn to Prefecture of Origin (Age Distribution) (Persons Returning to Prefecture of Origin)

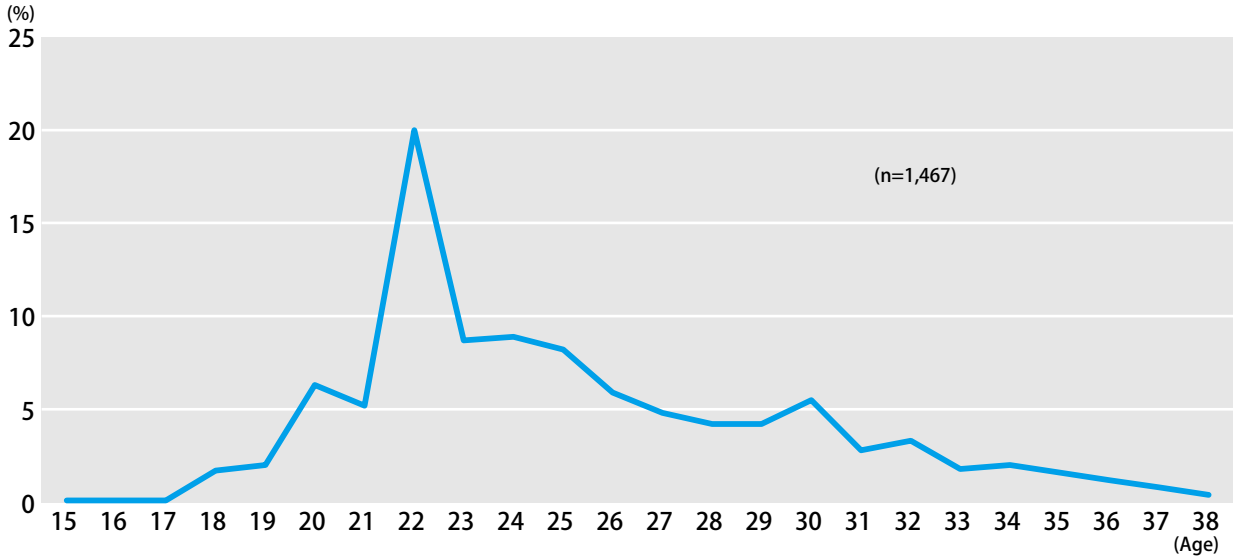
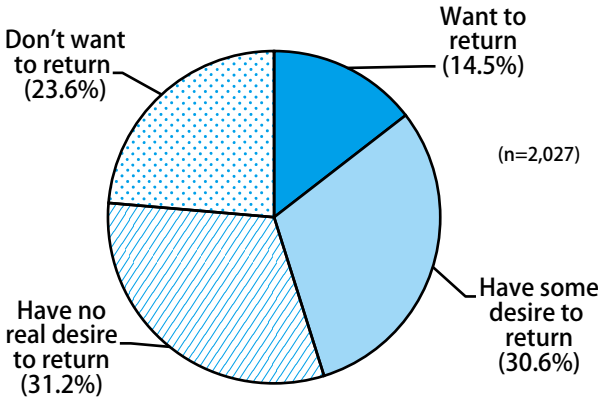


Figure V-10 Desire to Return to Home Municipality (U-turn) (Residents of Prefecture Other than Prefecture of Origin)

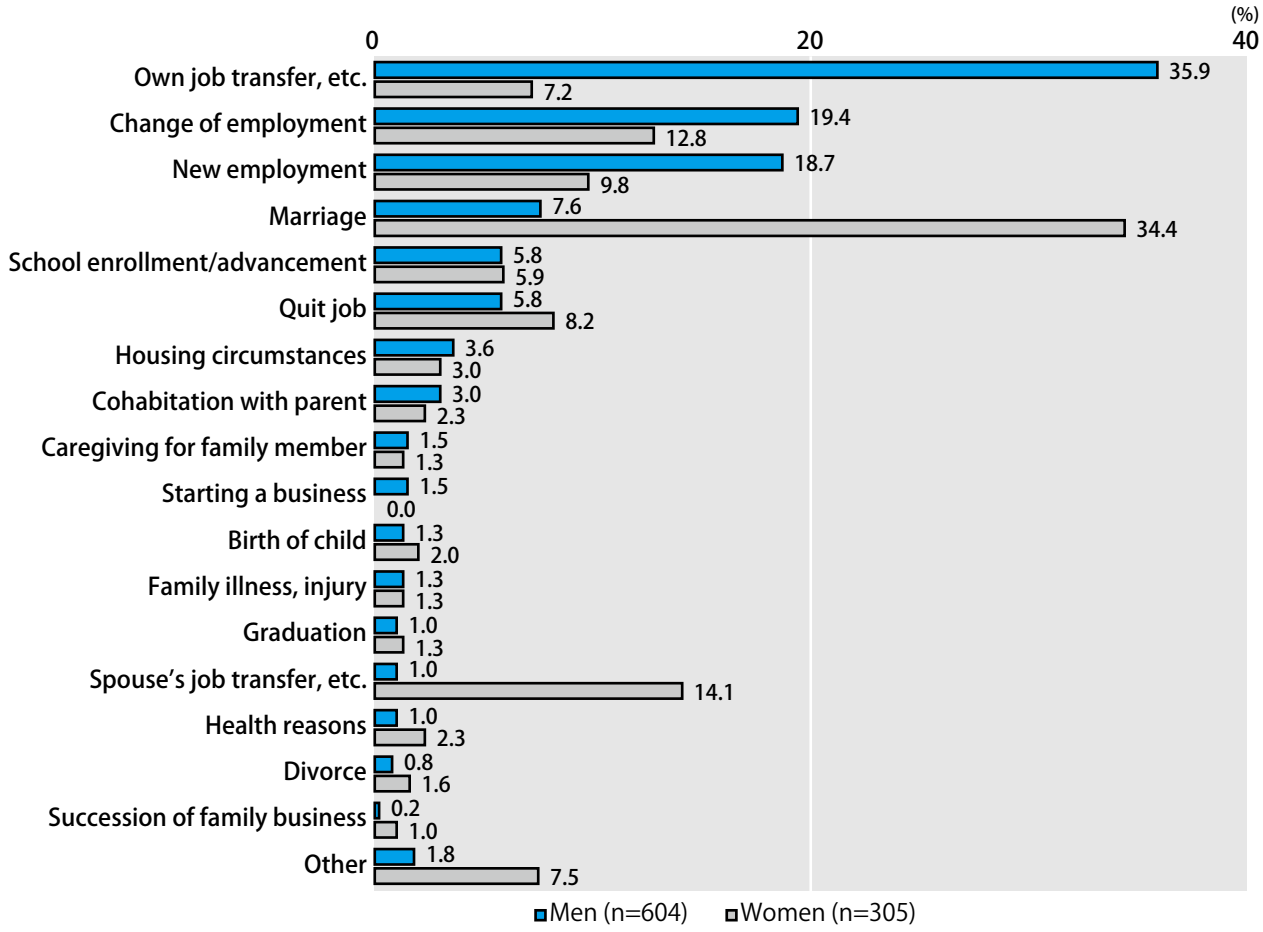


large number said "own job transfer, etc." Following were "change of employment" and "new employment." On the other hand, women offered much different motives for migrating, with the top response being "marriage," followed by "spouse's job transfer, etc." In other words, the nature of migration from major metropolitan areas (and particularly Tokyo and Osaka) to outlying regions varied greatly depending on gender. Job transfer and other work-related factors accounted for the majority of reasons for men, while marriage and other spouse-related factors accounted for many of the reasons for women.[15]

The ages of those who migrated to outlying regions covered a broader range than for U-turn

15 It is not uncommon for women to begin living with or near her spouse's family upon marriage. In fact, this outlying "region" is often the same as the prefecture of the spouse's family home.

Figure V-11 Motive for Migrating to Region by Gender (Persons Originally from Major Metropolitan Area Who Migrated to Region) (M. A.)

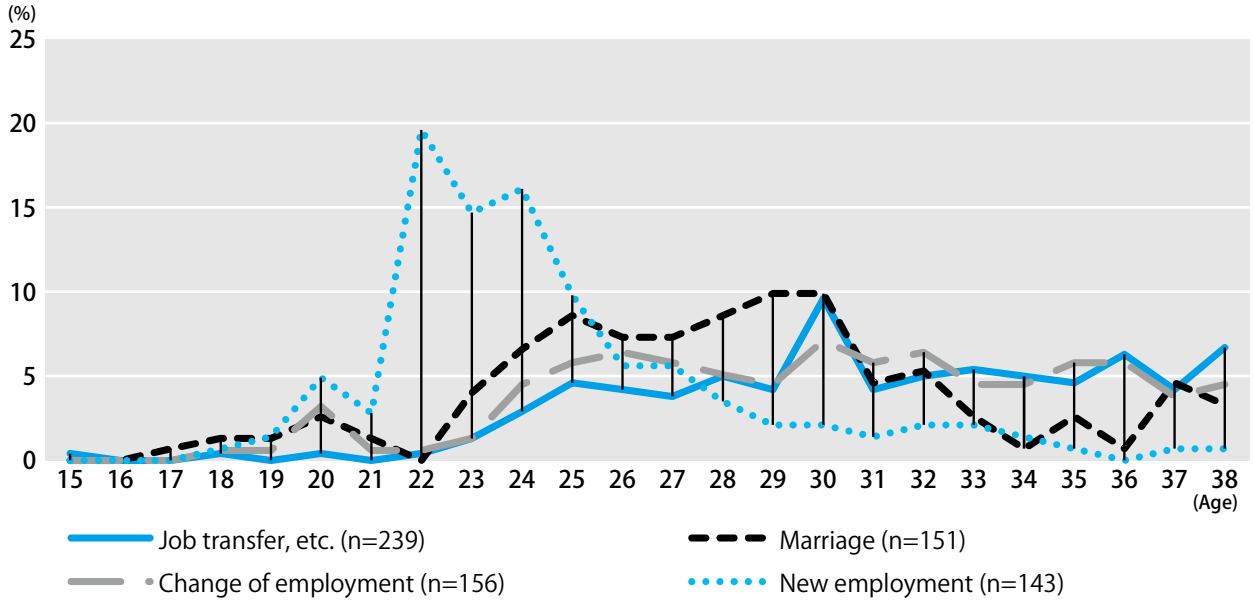


migration. The peak of migration for the purpose of taking employment was around the ages of 22 to 25, for the purpose of changing employment was between the mid-20s and late 30s, for the purpose of marriage was the late 20s (from around 25 to 30), and for the purpose of job transfer was from the mid-20s into the 30s (Figure V-12).

It should be noted that women—many of whom migrate to outlying regions for the purpose of marriage—experience anxiety and difficulty finding work in their new communities, and thus there is particularly high demand for employment support.[16] This is a significant issue for government-implemented employment assistance.

16 For example, when women move to live near their spouse's parents, it is probably more common for them to move before finding a local job, rather than after finding a local job. This is likely to cause job-related anxiety and difficulty after they move (or decide to move).

Figure V-12 Age at Time of Migration to Region (Age Distribution) by Motive for Migration (Persons Who are Originally from Major Metropolitan Area and Migrated to Region)



6. The Creation of Employment Opportunities: Bringing Young People Back

(1) Attracting business firms

Up to this point, we have looked at people's migration to outlying regions. However, attracting people (and particularly working-age people) to regions requires giving them employment opportunities. Naturally, efforts to attract returnees and new residents will not succeed unless there are adequate places for them to work.

Generally speaking, there are two ways of creating employment opportunities in an area. One is to create employment externally by attracting business firms to the area. The other is to create employment internally by, for example, promoting local SMEs or creating employment in rural areas by utilizing local resources.

Attracting firms is an excellent method in terms of both the amount of employment created and the speed with which it is created. In particular, the accumulation of manufacturing is highly effective for its impact on employment creation. For this reason, regional local governments are actively seeking to attract firms by building infrastructure and providing tax incentives.

However, creating employment by attracting firms also comes with problems and risks. One problem is that business profits are not returned to the area but rather flow outward. Another is that such a strategy runs the risk that attracted factories will later close. When this happens, the amount of damage suffered by the area is immense. In fact, cases have recently been reported of areas' becoming distressed by the closure of local factories. Thus it can be said that regional employment strategies that emphasize business attraction come with risk. This makes it necessary not only to look at attracting firms but also to execute initiatives that utilize local resources. In the following sections we will take a look at such initiatives.

(2) Creating employment in rural areas

As was mentioned previously, agricultural areas that are distant from urban centers offer few employment opportunities to young people, and this makes creating jobs a pressing issue. However, attracting manufacturing and businesses to such areas is difficult due to their disadvantageous geographical circumstances, and consequently generating employment utilizing local resources is crucial. Agricultural

areas are attempting to move forward here by not only shipping their products as is but also processing them into attractive products and even engaging in public relations and marketing.

Additionally, as for countermeasures to combat population decline in rural areas, while there is expectation for U-turn migration, it is also recognized that there is little hope for success because of the scarcity of local employment opportunities. Given such circumstances, there are also large expectations for migration into rural areas by outside people (I-turn).

In this connection, let us take a look at the case of Ojika Town, Nagasaki Prefecture. Ojika Town is on a remote island that is reached in about two hours and a half by ferry from Sasebo. Employment opportunities on the island are largely limited to the town office, agricultural and fishery cooperatives, and welfare-related work. Consequently, almost all of the island's young people leave after high school graduation and rarely return. The local people's perception that "there are no local jobs" and "primary industry is not profitable" also tends to accelerate the youth outflow.[17]

Amid such circumstances, the town is taking gradual steps toward improving the situation with initiatives that make use of local resources. One involves developing various products with locally produced peanuts and expanding sales channels for them. The town is developing a strategy for expanding employment opportunities by building a processing plant on the island. Ojika Town is also attracting attention for its unique tourism-related undertakings. It is pushing forward a community-wide effort to promote tourism through lodging in private residences and old-style homes. This has greatly expanded the town's non-resident population and created employment for young people. In fact, it is attracting people from outside the island with tourism-related jobs and stimulating U-turn migration of those originally from the island, something that was rarely seen before. Major factors behind those effects are a change in local residents' perceptions (i.e., their rediscovery of Ojika's attractiveness) that was brought about by the outside attention the island has received as well as a change in economic circumstances. It should be mentioned that people who have migrated to Ojika Town are at the center of efforts to promote tourism there. The rediscovery of the area's hidden attractiveness from an external viewpoint served as a starting point for regional revitalization. People who come to the area "by choice" bring such rediscovery and can trigger regional revitalization.

(3) Initiatives to promote awareness of local businesses

There are disparities between regional small and medium-sized cities and large cities in terms of the employment opportunities available that fit with the desires of young people. One consequence is inadequate U-turn migration of new graduates, partly because local businesses are not sufficiently recognized as possible employers. Some areas are addressing this problem by improving labor conditions on the one hand, while disseminating information on local businesses and building awareness of them among local people on the other.

Looking more deeply at the availability of employment opportunities that match young people's desires, the disparity between regional cities and large cities in terms of wages will be difficult to completely eliminate given the major differences in the business sizes and industry types located there. At the very least, it is necessary to increase employment opportunities for regular employees in order to come closer to young people's employment expectations, and thus efforts to create jobs for "regular employment" are being implemented throughout Japan. As for work hours, Hello Work offices, responsible for job matching services, inform local companies of job-seekers' desires and engage in fine-tuned coordination to encourage job offers that take job-seekers' desired work

17 In Ojika Town the lack of people to inherit fishing operations, the town's major industry, is a serious problem. The "unprofitability" of fishing, due to high fuel costs and low fish price is recognized as a factor behind this. This makes it difficult for fishermen to recommend following in their footsteps to their children.

hours into account.[18] These steady adjustments are expanding opportunities for young people to work in outlying regions.

At the same time, steps must be taken to tackle the problem of poor knowledge of local businesses. As a specific example, local businesses can be publicized among students and their parents so that they recognize those businesses as options for hometown employment. In this connection, let us look at an initiative being implemented by Okaya City of Nagano Prefecture. Okaya City is known as an area with a high concentration of precision processing-type manufacturing. Characteristics of Okaya's effort here are that it disseminates information on local businesses and builds awareness about them. For example, recruitment staff of local businesses in manufacturing and other sectors that wish to hire returning university graduates visit universities (particularly technical universities), accompanied by city officials or members of chamber of commerce to post job information. This serves as a public relations activity that targets students directly. Okaya also strives to encourage local employment through a more medium- and long-term approach that involves visits to junior high schools by local businesses. Through these visits, the businesses give students a picture of the attractiveness of local companies and the fun of manufacturing. Yet another approach involves the holding of "manufacturing fairs" (held yearly) with the participation of local businesses. The fairs give elementary school children an opportunity to become familiar with local industries through tours held as part of their classes and hands-on experience with quenching and soldering. Although such efforts to build awareness may not produce results in the short term, they are believed to be highly significant in fostering awareness that will lead to local employment in the future.

7. Conclusion

The uneven geographical distribution of institutions of higher education (e.g., universities, etc.) and regional disparities in employment opportunities have been discussed as factors behind the outflow of young people from outlying regions to major metropolitan areas. Inter-regional migrations of recent years have been more for the purpose of advancing to universities or other institutions than for finding employment. However, the availability of attractive work opportunities is likely to be an important condition in efforts to encourage young people to stay in or return to their home regions.

Today, in a nationwide improvement trend in employment situation, at least when viewed superficially, employment opportunities are lacking in terms of absolute quantity, even in outlying regions. However, employment opportunities for young people that fit with their desired work conditions are inadequate in the nation's regions. Undoubtedly, major companies are relatively scarce in outlying regions, and thus completely overcoming the wage disparity between them and major urban areas will be difficult. Nonetheless, if a certain level of employment quality can be ensured, it is likely that the appeal of outlying regions—represented by the "working ease" and "job fulfillment" that outlying areas can offer by virtue of their intrinsic qualities, such as superior living environments and less burdensome commuting—can be sufficiently highlighted as an alternative to working in large cities.

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18 At the same time, for job-seekers who frequently request clerical work, Hello Work offices also ask detailed questions about why those job-seekers desire clerical work and then proceed with matching that encourages them to expand their range of options (to include areas outside of clerical work) within a range that matches their desired conditions.

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VI The Regional Migration of Young People in Japan for Education and Employment: An Analysis Focused on Trends among People from Rural Areas

1. Introduction

The regional migration of young people in Japan has been a focus of public interest in recent years. This stems from concerns that the outflow of young people from rural areas to metropolitan area—particularly the excess concentration of population in the Tokyo metropolitan area—is contributing to the decrease in the reproduction rate of the population in rural areas and the rapid progress in the decline of the birth rate. Discussions are being pursued to urgently address what approaches need to be taken to ensure that more young people settle in or move to rural areas.

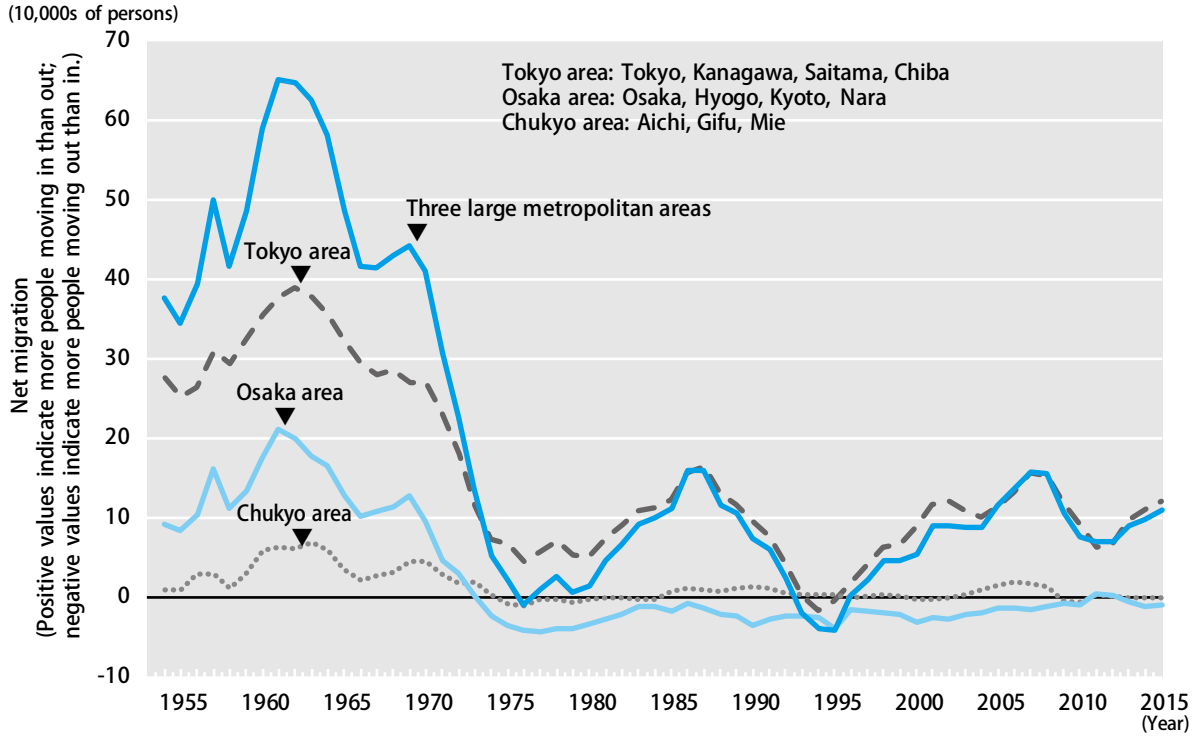
At the same time, population migration from rural areas to metropolitan areas has occurred several times in postwar Japan. Figure VI-1 (Trends in Net Migration into/out of the Three Large Metropolitan Areas) shows that since 1954 there have been three periods in which significant population migration has occurred. The first was from the 1960s to the early 1970s, which was known as the period of "en-masse employment" (*shūdan shūshoku*). This period saw large numbers of people, mainly young people, migrate to become the labor force of secondary industry (largely the manufacturing industry) concentrated in large urban areas. This was followed by the second period, from the 1980s to the 1990s, when there was a distinctive trend of people concentrating particularly in the Tokyo area due to Japan's "bubble economy." In the third period, which began in the 2000s and is still ongoing, it is said that the population—mainly the young population—is continuing to converge in the Tokyo area due to chronic deterioration, largely in rural areas, in the economy and employment opportunities. However, as can be seen from Figure VI-1, the largest postwar population migration from rural areas to the three large metropolitan areas occurred in the 1960s to early 1970s (the first period), and the population flow in the current period (the third period) is small in comparison. From the data shown in Figure VI-1 it is not possible to ascertain detailed information regarding what types of people (attributes such as sex, age, educational attainment, etc.) are migrating to urban areas at what timing, and whether they settle after migrating to urban areas.

Moreover, while the outflow of young people from rural areas in recent years has been regarded as a problem, it is also noted that there is an increasing number of young people who wish to continue their education or enter employment in an area that is in commutable distance from their "home area" (the area they originally come from), and are satisfied with their lifestyles in their home area (particularly in terms of consumption and human relations). In other words, several social research projects demonstrate a rise in individual-level "localism" among young people.

As highlighted above, the data and arguments that have been presented regarding the regional migration of young people are mutually conflicting, and it cannot be said that sufficient progress has been made in ascertaining the present situation. As a result, it remains unclear which points are the key issues that need to be addressed in greater depth in the future when considering problems related to young people and rural areas.

This chapter therefore proposes "O-E-J Patterns" (introduced in Section 3) as an approach for pursuing analysis that will enable us to understand the regional migration of young people. By investigating how the trends change over the generations and differ according to sex or level of educational attainment, this analysis seeks to present evidence that will act as a foundation for understanding the present situation of young people in Japan in terms of migration.

Figure VI-1 Trends in Net Migration into/out of the Three Large Metropolitan Areas (Migrants including Japanese nationals only; 1954-2015)



Source: The Satistics Bureau (2016), "The Report on Internal Migration in Japan Derived from the Basic Resident Registration," 2015 results.

2. The Overview of the Linkage between the Education System and the Labor Market in Japan

This section provides an overview of the linkage between the education system and the labor market in Japan as a background to the analysis results set out in Section 3.

2-1. Overview of the transition from school to work

The first half of this section describes Japan's education system and practices related to the transition from school to work, with a focus on elements relevant to the regional migration of young people in Japan.

1) The school education system in Japan

Figure VI-2 provides an outline of the school education system in Japan. In Japan, compulsory education lasts nine years—six years in elementary school (*shōgakkō*) and three years in junior high school (*chūgakkō*; also translated as "lower secondary school"). 98% of students then go on to high school (*kōtōgakkō*; also translated as "upper secondary school"). Students studying at higher education institutions are largely aged between 18 and 22, and it is common for people to progress to the next level of schooling without a break in between. There is also no system of repeating years during compulsory education, and an extremely low number of people drop out of school during and after the period of compulsory education. As young Japanese people therefore make their major career-path choices at the time of graduating from high school and at the time of graduating from university, this chapter focusses on the timings of high school graduation and university graduation in its discussions on regional migration.

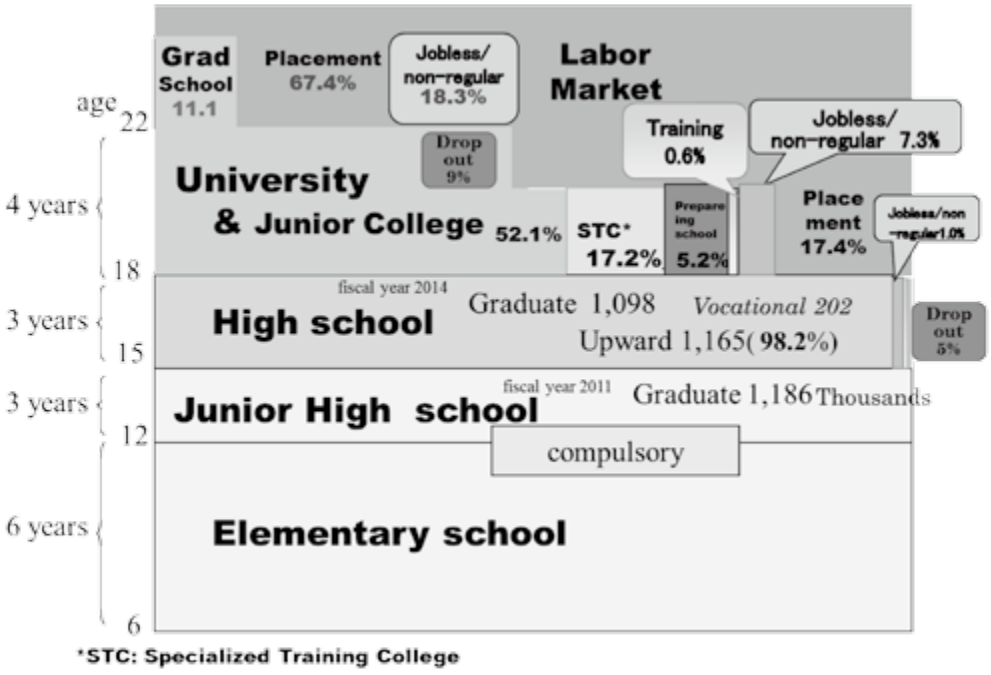
Let us now look at Japan's high school system. When entering to high school, in most cases students

go through an obligatory selection process conducted on the basis of a test of academic ability. The general education course (including the general studies course) accounts for more than 70% of the high school curriculum, and the percentage of the curriculum occupied by the vocational education course is low, even when compared with OECD countries.[1] High schools are rated according to the academic aptitude of students, and while there are no formal restrictions, the career paths of students differ depending on the high school they study at.

Half of high school graduates go to academic universities (*daigaku*) or junior colleges (*tanki daigaku*). Figures for directly after graduation show that after high school graduation around 20% enter employment, around 20% go to professional training colleges (*senmon gakkō*), 5% go to a school that prepares students for entrance examinations (*yobikō*) with the aim of entering an academic university the following year, 7% neither continue their education nor enter employment (the majority take on part-time jobs), and less than 1% go on to a vocational training course.

Looking at the career paths of university graduates, around 10% go on to graduate school (*daigakuin*). The percentage of university graduates entering employment directly after graduation was high at around 70-80% in the 1980s, and while it dropped to 55% in around 2000, it has since recovered to around 60-70% in recent years. The percentage of people jobless or in non-regular employment—namely, who

Figure VI-2 Japanese Education System and Rates of Continuing Education/Entering Employment



Source: *School Basic Survey* conducted by the Ministry of Education, Culture, Sports, Science and Technology (MEXT).

1 The Japanese school education system is a single track system, and students are free to transfer between the different types of schools. For instance, it is also possible for students who have studied a vocational education course in the later stage of secondary education (e.g. high school) to go on to study at an academic university. Moreover, at the age of 15 the vast majority of junior high school students go through a selection process for entering high school based on a written test of academic ability taken simultaneously by all candidates. Three more key characteristics of the Japanese school education system related to employment are that a limited number of students repeat years or drop out, that it is rare for students to take vocational education or public vocational training, and that the number of mature students is low.

neither go on to further study nor enter employment despite having graduated from university—has been low in recent years, at around 15%. The Japanese university system also has the distinctive characteristics that students majoring in humanities and social sciences account for half of all students, and that private universities account for over 70% of all universities.

2) The mass recruitment of new graduates and the transition from school to work

We will now go on to look at the recruitment practices of Japanese companies.

Japan's rapid economic growth in the 1960s saw the beginning of a long period during which it was possible for young Japanese people to acquire stable positions as regular employees (*seishain*) directly after graduating from school. Besides the fact that this was possible due to the lively demand for labor, it should also be noted that there is a unique Japanese practice by which companies prioritize recruiting young people on the basis of their "trainability" (the principal indicator for this being which school they graduated from), with the intention of developing their abilities within the company over the long term, a practice known as the "mass recruitment of new graduates" (*shin sotsu ikkatsu saiyō*). Unlike recruitment aimed at filling vacancies, the mass recruitment of new graduates involves companies recruiting school or university students at fixed intervals to start work as regular employees the following April, the month after their graduation. As it is the practice for companies to recruit professionally-inexperienced school or university students prior to their graduation, students begin to look for jobs while still in school or university. After entering employment, the new graduates receive an initial training program for new graduates in the company, after which they go through job rotations which expand the scope of the work they engage in, in turn allowing them to develop their career by being promoted to higher positions, statuses, or pay grades.[2]

As employment practices also differ according to candidates' levels of educational attainment (namely, the highest level of education they have completed), let us look at the typical employment practices applied to high school graduates and university graduates respectively.

The following practices related to job seeking give the transition from high school to work an ordered structure (Hori, 2007). Firstly, high school students always conduct their job seeking activities through their school or local Public Employment Security Office—a public agency, commonly referred to in Japan as "Hello Work," which offers employment placement and consultation services—rather than each contacting companies directly, as is the case for university students. Companies that wish to recruit students prepare a vacancy advertisement, which is checked by the Hello Work in their jurisdiction and sent to the high schools that the companies wish to recruit from. Secondly, the date for companies to commence job offers for high school graduates is prescribed by the local agreement. Thirdly, there is an arrangement that each student will apply for just one company, meaning that students are not able to apply for multiple companies at one time. There is also a system by which designated schools are able to recommend students for recruitment (based on long-term ties between certain high schools and companies), which plays an important role in the selection and allocation of candidates. The ongoing relationships between high schools and companies—known as *jisseki kankei*—have been highly appraised internationally for allowing high school students to make a smooth transition from school to work.

Having introduced the paths for high school graduates into employment, it is also important to note that the high school graduate labor market has shrunk

2 In Japanese-style employment practices, there are two different forms of employment: "regular employee" (*seishain*) and "non-regular employee" (*hiseishain*). There are significant differences between these two employment forms in terms of recruitment, vocational training, and promotions. Regular employees have opportunities for vocational training after recruitment, and high likelihood of promotions, while non-regular employees receive few opportunities for vocational training and have little likelihood of promotions. Regular employees are generally on full-time contracts with unlimited terms, while non-regular employees are generally under part-time, limited-term agreements. Mass recruitment of new graduates generally means the recruitment of regular employees, and new graduates compete to secure positions as regular employees.

drastically in the last few decades, with a drop in the number of job openings for high school graduates following its peak in 1992, accompanied by a concurrent decrease in the number of people entering employment after graduating from high school. In the same period there was also a decline in the number of job offers from urban-based companies seeking to recruit high school graduates from rural areas. The job types in which openings are available for high school graduates from remote areas are also currently almost entirely limited to skilled work in the manufacturing industry. Job openings for people from other prefectures are also significantly influenced by trends in the economy, and the numbers of openings decrease in recession periods. Figure VI-4 in the second half of this section allows us to ascertain the average national percentages of high school students who migrate to enter employment (the rate of entering employment in another prefecture).

We will now look at the transition from university to work. Japanese universities are generally ranked in a hierarchical structure based on academic performance. In recruiting students, companies use the university that a candidate graduated from as an indicator of their "trainability," on the basis of the thinking that the higher the academic ranking of the university the candidate attends, the higher their "trainability." This leads to the trend that students who attend a university with a high academic ranking are more likely to enter employment at a highly-prestigious major company. These companies also recruited university graduates as future executive candidates, and had them transfer to locations throughout Japan before.

Let us now summarize the overall trends in job seeking among Japanese university students since Japan's postwar period of high economic growth. Up until the 1970s, university students looked for places of employment through their universities, and while the emergence of private companies from the 1980s onward saw a decline in the role of universities, universities continued to occupy a certain position in job-seeking activities. According to a cross-national survey conducted by the Japan Institute of Labour in the early 1990s, a distinct characteristic of the methods of job seeking among Japanese university students is the high percentage of students who "used the university career service or university facility offering information on employment" and students who "consulted with a university faculty member" (Japan Institute of Labour, 2001). Brinton and Kariya (1998) likened the ties between universities and companies in the 1980s to a "semi-institutional network" in which students utilize their network with graduates. That is to say, due to the fact that the provision of job openings was controlled by the university (or graduates), the university graduate labor market was segmented according to university rank or major.

However, in recent years, universities have a smaller role in job hunting than they have played in the past.[3] According to a private survey, around 30-40% of students find employment largely by using private-sector websites that provide job-hunting assistance. With such developments, since the 2000s the university graduate labor market—which was formerly segmented according to university (rank) or major—has been unified within the internet environment, and has seemingly flattened out. As this has led to many students applying to major companies that they formerly felt they had no chance of entering, major companies have found they have to handle large amounts of applicants seeking employment.[4] The process of matching candidates with companies in the university graduate labor market has become more difficult than in former times, as companies are burdened by huge numbers of applications, while students are burdened with the strict selection processes.

3 Data from the Social Stratification and Social Mobility (SSM) survey on university and graduate school graduates' paths into their first job highlights the decreasing percentage of students who find employment "through school." (Fukui, 2016) While around 52% of university and graduate school graduates born between 1935 and 1944 found employment "through school," among university graduates born between 1975 and 1984 this percentage decreased to 32.6%, and the percentage who "applied directly" has risen to over 40%.

4 Companies often use the university that the candidate attends as an indicator for selection, as a means of handling large amounts of applicants.

Moreover, in the 1990s Japan saw a drastic rise in the percentage of people going on to university.[5] As a result, there are no longer such overwhelming trends for university graduates to be employed as candidates for executive-level positions or on the premise of potential job transfers throughout Japan.

As the Japanese government has pursued a policy aimed at ensuring that there is a greater spread of universities across rural areas, there are also a rising percentage of students at universities in rural areas among the total number of students. According to the *School Basic Survey* (MEXT) the percentage of undergraduate students at universities in Tokyo was 34.3% in the 1980 academic year, but this decreased to 24.1% in the 2000 academic year, and has remained at 25.6% in the 2015 academic year.

2-2. Trends in continuing education or entering employment among new graduates

In this half of Section 2, we will draw on specific data to look at the status of Japanese graduates directly after graduation. On the basis of government statistics (*School Basic Survey*), we will also confirm the broad trends in the numbers of people who remain in their prefecture of origin and the numbers of people who migrate to another prefecture, with a particular focus on the migration at the time of continuing education or entering employment after graduation from high school.

Firstly, Table VI-3 presents data on the trends in the numbers of new graduates, the ratios of new graduates continuing their education (percentages of new graduates who continued their education), and the numbers of new graduates entering the labor market and the ratios thereof (percentages of new graduates who entered the labor market).

This data reflects the fact that Japan has seen a rise in the percentage of people who go to higher education institutions over the last 50 to 60 years. Currently more than 95% of junior high school graduates go on to high school, and over 50% of high school graduates go on to a higher level of education (university, etc.).[6] In line with this trend, the percentage of people entering the labor market after graduation from high school declined substantially between 1960 and 2014, from 61.3% to 17.5%. As Japan has experienced such a rapid increase in the numbers of people going on to higher education, and significant drop in the number of people entering the labor market after graduation from high school, it is conceivable that the positions and regional distribution of new high school graduates in the labor market are shifting away from their conventional trends.

Let us now address whether, with this increase in the percentage of people going on to higher education in Japan, some form of changes are now developing in the trends of regional migration of people who enter employment after graduating from high school.

Figure VI-4 shows the changes in the rate of entering employment in another prefecture from the 1960s to the present, on the basis of data from the *School Basic Survey*, conducted by the Ministry of Education, Culture, Sports, Science and Technology, regarding the numbers of high school graduates entering employment in another prefecture by place of employment.

The figure shows that after peaking at 32.5% in 1972, the rate of high school graduates entering employment in another prefecture decreased and hit an all-time low of 17.3% in 2001. The rate of entering employment in another prefecture is 18.4% at present (2015). Moreover, if we compare the figures for males and females, the rate of entering employment in another prefecture is consistently lower for females than for males. Namely, women tend to enter employment in a location that is within commutable distance from their home area. While it is conceivable that such changes in the rate of entering employment in another prefecture are related to economic and

5 As Table IV-3 confirms, the rate of continuing education after high school rose significantly from 30.5% in 1990 to 45.1% in 2000.

6 Moreover, while junior colleges (*tanki daigaku*) played a key role in raising the rate of women going on to higher education in the postwar period, in recent years both the number of junior colleges and numbers of students who attend them are decreasing considerably along with the shift toward female students going on to study at university.

Table VI-3 Number/ratio of New Graduates Continuing Education or Entering the Labor Market

(1,000 persons, %)

	1960	1970	1980	1990	2000	2010	2013	2014
Junior High School								
New graduates	1,770	1,667	1,723	1,982	1,465	1,228	1,185	1,193
New graduates entering the labor market	683.7	271.3	67.4	54.8	14.9	5.4	4.5	4.6
Ratio of new graduates continuing their education	57.7	82.1	94.2	94.4	95.9	96.3	96.6	96.5
Ratio of new graduates entering the labor market	38.6	16.3	3.9	2.8	1.0	0.4	0.4	0.4
High School								
New graduates	934	1,403	1,399	1,767	1,329	1,069	1,088	1,047
New graduates entering the labor market	572.5	816.7	599.7	622.3	247.1	168.7	184.6	183.6
Ratio of new graduates continuing their education	17.2	24.2	31.9	30.5	45.1	54.3	53.2	53.8
Ratio of new graduates entering the labor market	61.3	58.2	42.9	35.2	18.6	15.8	17.0	17.5
Junior College								
New graduates	30	115	170	208	178	71	62	59
New graduates entering the labor market	17.5	80.2	128.9	181.1	99.6	46.7	45.9	44.2
Ratio of new graduates continuing their education	8.6	3.8	3.2	3.4	9.4	11.7	10.5	10.5
Ratio of new graduates entering the labor market	58.9	70.3	76.0	87.0	56.0	65.4	73.5	75.2
University								
New graduates	120	241	379	400	539	541	559	566
New graduates entering the labor market	99.5	187.7	285.0	324.1	300.7	329.1	375.9	394.8
Ratio of new graduates continuing their education	3.8	5.2	4.4	6.8	10.7	13.4	11.3	11.1
Ratio of new graduates entering the labor market	83.2	78.1	75.3	81.0	55.8	60.8	67.3	69.8

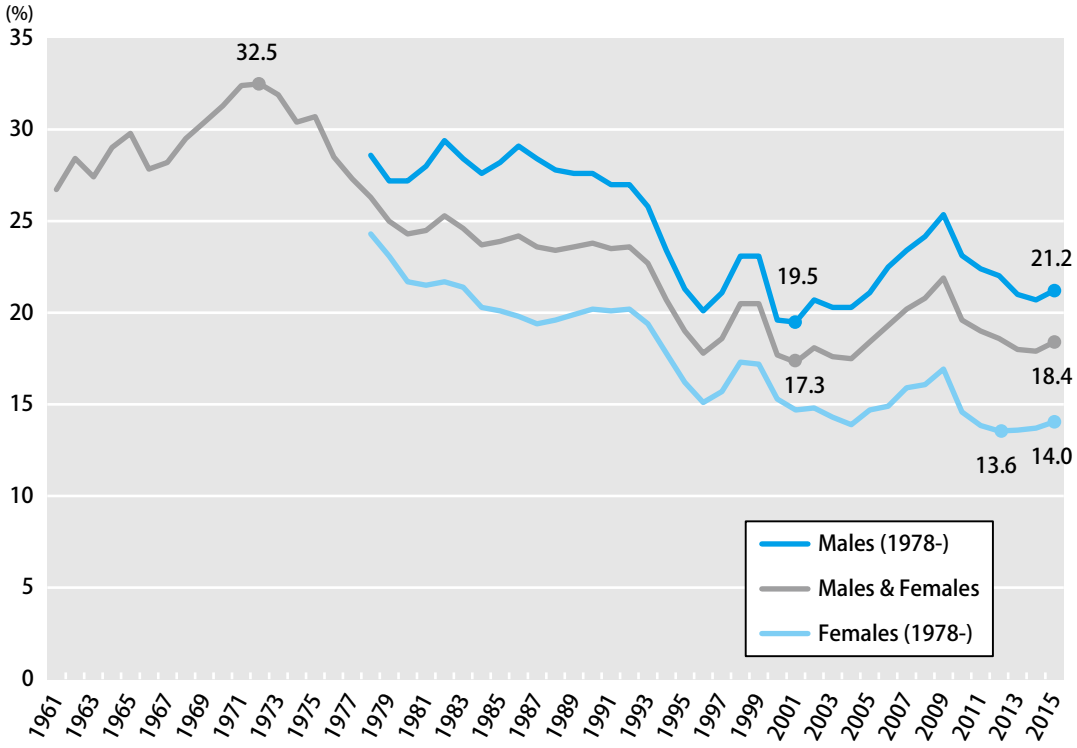
Source: JILPT (2016, pp. 66-7)

employment conditions either in Japan as a whole or in jobseekers' home prefectures, it is presumed that these changes may also be influenced by shifts in the attitudes of young people toward their home area.

Let us now turn to the trends among people who go to higher education (university, etc.) after graduating from high school. Figure VI-5 shows the numbers and percentages of people who went to a university in the same prefecture as their high school, on the basis of data from MEXT's *School Basic Survey* for universities (undergraduate faculties) on numbers of students entering university by prefecture of their high school. If we treat those people who went to universities in the same prefecture as their high school as "non-migrants" at the time of continuing education, the figure allows us to gain a broad picture of the extent of migration to another prefecture for going on to university.

From Figure VI-5, which shows the correlation between going on to university and regional

Figure VI-4 Trends in the Rate of High School Graduates Entering Employment in Another Prefecture



Source: Created based on data from the *School Basic Survey*, MEXT.

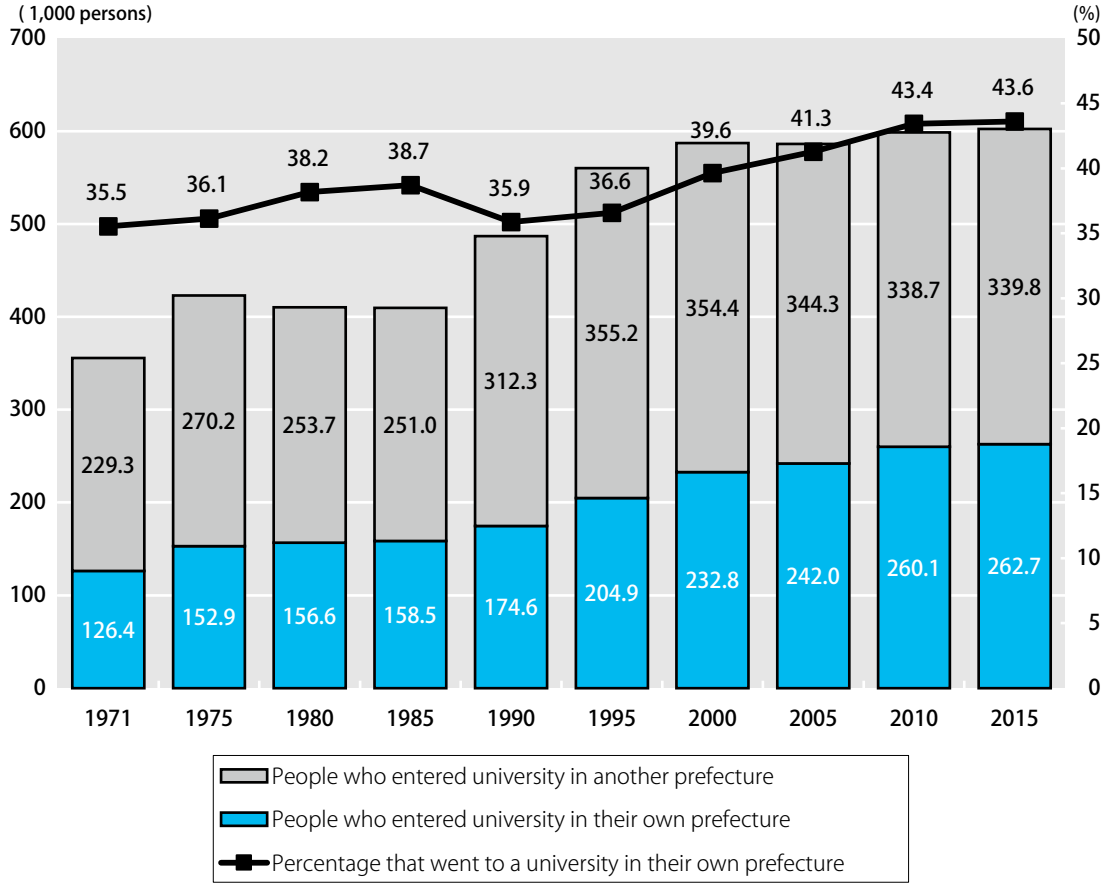
migration at five-year intervals, it can be seen that the closer to the present, the higher the numbers of people going on to university, and that in parallel with this trend, the percentage of people going to a university in the same prefecture as their high school has increased from 35.5% in 1971 to 43.6% in 2015, a rise of around 8%. In other words, this suggests that the percentage of people migrating to another prefecture to go to university is on the decrease.

However, as the data used here only allows us to ascertain the locations of the high schools that subjects studied at and the universities they go to, subjects who went to a university that is in another prefecture from their home area but still within commutable distance from their home prefecture are also counted as migrants. As a result, there is a high likelihood that the estimates for people who migrated to go to university are higher and the estimates for people who did not migrate to go to university are lower than actual figures.

Here we have confirmed the trends in regional migration among new graduates on the basis of the *School Basic Survey*, a representative set of government statistics related to education. This has shown that migration to another prefecture for employment or continuing education after graduation from high school is on the decrease. However, in order to grasp the shifts in regional migration among people in the young age bracket, it is necessary to analyze longer term patterns of migration. Particularly given the substantial increase in the percentage of people continuing their education after graduating from high school—which is now over 50%—we need to ascertain migration trends (whether or not they migrate, and if so in what pattern, i.e. at what timings) among people who go on to university or other higher education institutions for both the point of continuing education and the point of entering employment.

The following section will draw on analysis of longer-term migration patterns to investigate whether

Figure VI-5 Numbers and Percentages of People Who Went to a University in the Same Prefecture as Their High School



Source: Created based on data from the *School Basic Survey*, MEXT.
Note: Data regarding areas other than the 47 prefectures of Japan ("other") were omitted from calculations. Figures for 1971 do not include Okinawa.

Japan is beginning to see a trend of young people remaining in their home area, and whether an increasing number of people are making "U-turns"—namely, returning to their place of origin—after moving to another prefecture.

3. Is there an Increase in Out-migration of Young People from Rural Areas?: Drawing on Analysis of O-E-J Patterns[7]

The previous section provided an outline of the linkage between the education system and the labor market in Japan with reference to specific data. This data suggested that along with the rise in the percentage of people going on to higher education in Japan, there has been a decrease in prefectural out-migration for continuing education or entering a job at the time of graduation from high school.

This section will draw on more detailed analysis to investigate the long-term trends in regional migration among people in the young age bracket. The outflow of people from rural areas into metropolitan areas has recently been seen as a problem, but is it really the case that young people from rural areas are migrating to urban areas more than in previous generations? Moreover, what kinds of differences are there in

7 "O-E-J" is a combination of the first letters of "Origin," "Education" and "Job."

migration trends depending on attributes such as sex or level of educational attainment? And is the number of people who make "U-turns" (people who return to their place of origin after initially migrating) low?

This section answers the aforementioned questions by conducting secondary data analysis on *The National Survey on Migration*, a large-scale survey regarding population issues in Japan.

3-1. The data used for analysis

The National Survey on Migration is a national-scale large-sample survey which has been conducted by the National Institute of Population and Social Security Research (IPSS) on a regular basis since 1976 with the aim of clarifying the trends in population migration in Japan. The questions included in this survey cover not only the attributes of the subjects (sex, date of birth, education, current work, etc.) and their most recent migration status, but also factors such as their place of residence and age for each stage of life. It can be said to be highly important data for shedding light on what kinds of groups of young people experience regional migration, and at what kind of timing.

In this section, we conduct secondary data analysis using the *7th The National Survey on Migration*, conducted in 2011, which is currently the most recent of the surveys. As it was carried out in the aftermath of the Great East Japan Earthquake in 2011, the 7th survey did not cover the three prefectures struck by the earthquake (Iwate, Miyagi, and Fukushima), but it does have the merit that it allows us to ascertain the status of migration of young people in recent years. Basic information on the 7th survey is set out in Table VI-6.

For detailed information on the survey, please refer to IPSS (2013).

3-2. Explanation of O-E-J patterns

Let us now explain the approach that we have adopted for the analysis in this section. Among people in the young age bracket, going on to a higher level of education and entering one's first job are key timings at which migration may occur. This means that when looking at how trends in regional migration among young people shift between the generations it is necessary to ascertain the trends in regional migration at the points of continuing education and entering employment.

In this section, we therefore look at patterns made by combining three points—"place of origin,"[8] "place of residence at completion of last school," and "place of residence at first job"—and clarify the changes in the major flow of population migration among people in the young age bracket by comparing these patterns between the generations.

In previous research it has often been the case that migration at the time of continuing education and

Table VI-6 Basic Information on the *7th National Survey on Migration*[9]

Subjects of the survey	Heads and members of all households in 288 survey districts (excluding 3 disaster-hit prefectures)
Number of households surveyed	15,449 households
Response rate of households surveyed (valid response rate)	74.7% (73.5%)
Total number of household members in households that provided valid responses	29,320

※ Year of birth by generation
20s: 1981-1991 30s: 1971-1981 40s: 1961-1971 50s: 1951-1961 60s: 1941-1951

8 Here "place of origin" refers to place of residence at completion of junior high school rather than place of birth.

9 Created based on IPSS (2013).

migration at the time of entering employment have been discussed separately. However, because migration at the time of entering employment is thought to be considerably influenced by migration at the time of continuing education, and because we wish to ascertain the extent of U-turns among people in the young age bracket, we have adopted the approach of looking at the migration patterns over the three points set out above. We refer to these migration patterns that cover the timing at which people continue education

Table VI-7 The Eight Main O-E-J Patterns and the Various Patterns They Consist of

place of residence at completion of junior high school (place of origin)	→ place of residence at completion of last school	→ place of residence at first job	O-E-J patterns	Males (Number, %)		Females (Number, %)		Males & Females (Number, %)	
place of origin(Urban)	place of origin	place of origin ⟶	Urban/ Non-migrants	1,507	*29.7*	1,866	*37.6*	3,373	*33.6*
place of origin(Urban)	moved to another urban area	place of origin	Urban/U-turn migrants	79	*1.6*	47	*0.9*	126	*1.3*
place of origin(Urban)	moved to rural area	place of origin		44	*0.9*	8	*0.2*	52	*0.5*
place of origin(Urban)	moved to another urban area	remained in the same area	Urban/ Out-migrants for education	101	*2.0*	82	*1.7*	183	*1.8*
place of origin(Urban)	moved to rural area	moved to another urban area		18	*0.4*	5	*0.1*	23	*0.2*
place of origin(Urban)	moved to another urban area	moved to rural area		20	*0.4*	5	*0.1*	25	*0.2*
place of origin(Urban)	moved to rural area	remained in the same area		26	*0.5*	7	*0.1*	33	*0.3*
place of origin(Urban)	moved to another urban area	moved to another urban area		49	*1.0*	11	*0.2*	60	*0.6*
place of origin(Urban)	moved to rural area	moved to another rural area		13	*0.3*	0	*0.0*	13	*0.1*
place of origin(Urban)	place of origin	moved to another urban area	Urban/ Out-migrants for the first job	224	*4.4*	121	*2.4*	345	*3.4*
place of origin(Urban)	place of origin	moved to rural area		45	*0.9*	18	*0.4*	63	*0.6*
place of origin(Rural)	place of origin	place of origin ⟶	Rural/ Non-migrants	1,432	*28.3*	1,848	*37.2*	3,280	*32.6*
place of origin(Rural)	moved to another rural area	place of origin	Rural/U-turn migrants	92	*1.8*	67	*1.3*	159	*1.6*
place of origin(Rural)	moved to urban area	place of origin		172	*3.4*	116	*2.3*	288	*2.9*
place of origin(Rural)	moved to another rural area	remained in the same area	Rural/ Out-migrants for education	42	*0.8*	56	*1.1*	98	*1.0*
place of origin(Rural)	moved to urban area	moved to another rural area		42	*0.8*	8	*0.2*	50	*0.5*
place of origin(Rural)	moved to another rural area	moved to urban area		70	*1.4*	23	*0.5*	93	*0.9*
place of origin(Rural)	moved to urban area	remained in the same area		228	*4.5*	172	*3.5*	400	*4.0*
place of origin(Rural)	moved to another rural area	moved to another rural area		32	*0.6*	7	*0.1*	39	*0.4*
place of origin(Rural)	moved to urban area	moved to another urban area		104	*2.1*	43	*0.9*	147	*1.5*
place of origin(Rural)	place of origin	moved to another rural area	Rural/ Out-migrants for the first job	126	*2.5*	43	*0.9*	169	*1.7*
place of origin(Rural)	place of origin	moved to urban area		483	*9.5*	299	*6.0*	782	*7.8*
Unknown				137	*2.7*	115	*2.3*	252	*2.5*
Total				5,068	*100.0*	4,967	*100.0*	10,053	*100.0*

and the timing at which people enter employment as "O-E-J patterns." For this analysis, the various O-E-J patterns have ultimately been consolidated into eight main patterns: (1) "Urban/Non-migrants," (2) "Urban/U-turn migrants," (3) "Urban/Out-migrants for education," (4) "Urban/Out-migrants for the first job," (5) "Rural/Non-migrants," (6) "Rural/U-turn migrants," (7) "Rural/Out-migrants for education," and (8) "Rural/Out-migrants for the first job."[10] These eight main patterns and the various patterns they consist of are set out in Table VI-7.

The following analysis is limited to subjects whose employment status and type of job immediately after completion of last school was "regular employee." Moreover, "place of origin" is defined as the subject's place of residence at completion of junior high school. The analysis subjects are therefore people who have already graduated (people not in education at the time of the survey) and who have graduated high school or above.

3-3. Analysis 1: Overall trends

Let us start by confirming the overall trends in O-E-J patterns with figures for all generations combined, as shown in Figure VI-8. Looking at O-E-J patterns for both males and females combined, "urban/non-migrants" account for 33.6% and "rural/non-migrants" account for 32.6%, showing that over 60% (66.2%) of the total do not migrate from their place of origin, neither when continuing education nor when entering first position of employment. Focusing on the differences in the figures for males and females, there is a higher proportion of non-migrants among females than among males.

Looking now at people who migrated to another prefecture at the time of continuing education or entering their first job, of the total (males and females combined), around 6% are U-turn migrants who returned to their place of origin ("urban/U-turn migrants": 1.8%, "rural/U-turn migrants": 4.4%), around 12% are out-migrants for education ("urban/out-migrants for education": 3.4%, "rural/out-migrants for education": 8.2%), and around 14% are out-migrants for the first job ("urban/out-migrants for the first job": 4.1%, "rural/out-migrants for the first job": 9.5%). The proportion of people who have experienced migration is higher among people originally from rural areas than among people originally from urban areas.

In other words, 1) people who migrate for continuing their education or entering employment while in the young age bracket account for around 30% of the total; that is, over 60% are *not* migrating from their places of origin in the young age bracket, and 2) the percentage of males who have experienced migration is higher than said percentage for females.

As differences across the generations were not accounted for in the analysis above, we will now look at the changes in the O-E-J patterns between the generations to address the question of whether regional migration is occurring among the young generation. The O-E-J patterns by generation are shown in Figure VI-9.[11]

Looking at the O-E-J patterns by generations, the total percentages of non-migrants and U-turn migrants at the time of entering their first job shows a gradual increase from the 60s to the 20s. Moreover, in reverse to this trend, among the young generations, mainly young people migrating out for first jobs, there are lower percentages of people who migrate to other prefectures from their place of origin and do not return.

This trend is particularly evident in the case of males, among whom there is a higher percentage of migrants in comparison with females (see Figure VI-10 for the results for males).

10 Here "urban areas" refers to the three large metropolitan areas: the Tokyo area (Tokyo metropolitan area, Kanagawa prefecture, Saitama prefecture, and Chiba prefecture), the Chukyo area (Aichi prefecture, Gifu prefecture, and Mie prefecture), and the Osaka Area (Osaka prefecture, Hyogo prefecture, Kyoto prefecture, and Nara prefecture). "Rural areas" refers to the prefectures other than the three large metropolitan areas (non-metropolitan areas).

11 The generations are age groups in ten-year brackets (i.e. age 20-30, age 30-40, etc.). Due to issues concerning the sample size, only the results for the 20s to the 60s are shown in the figures. Moreover, ages are ages at the time of the survey, calculated on the basis of year and month of birth. See Table VI-6 for the correlation between year of birth and generation.

Figure VI-8 O-E-J Patterns by Gender (Totals for all generations/all educational attainment levels)

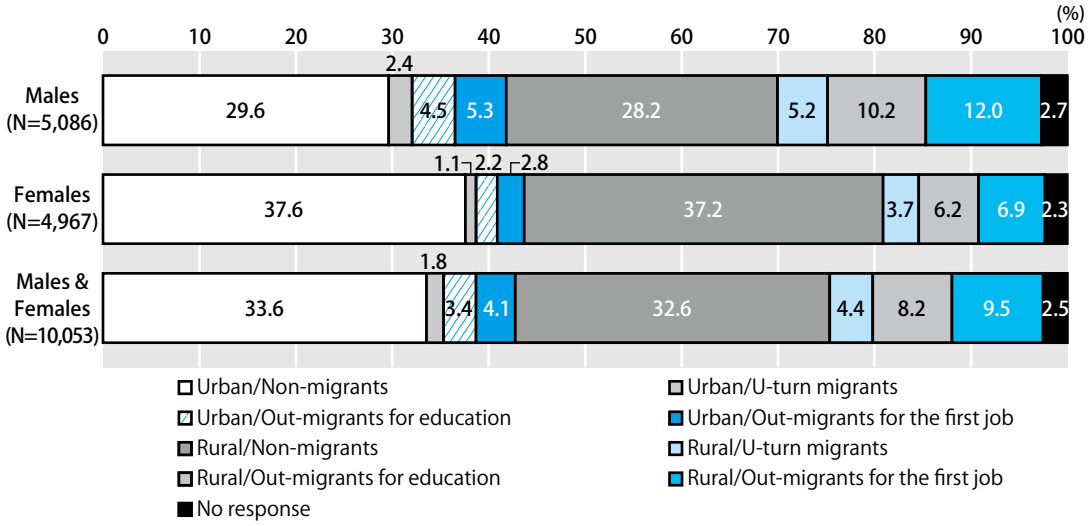
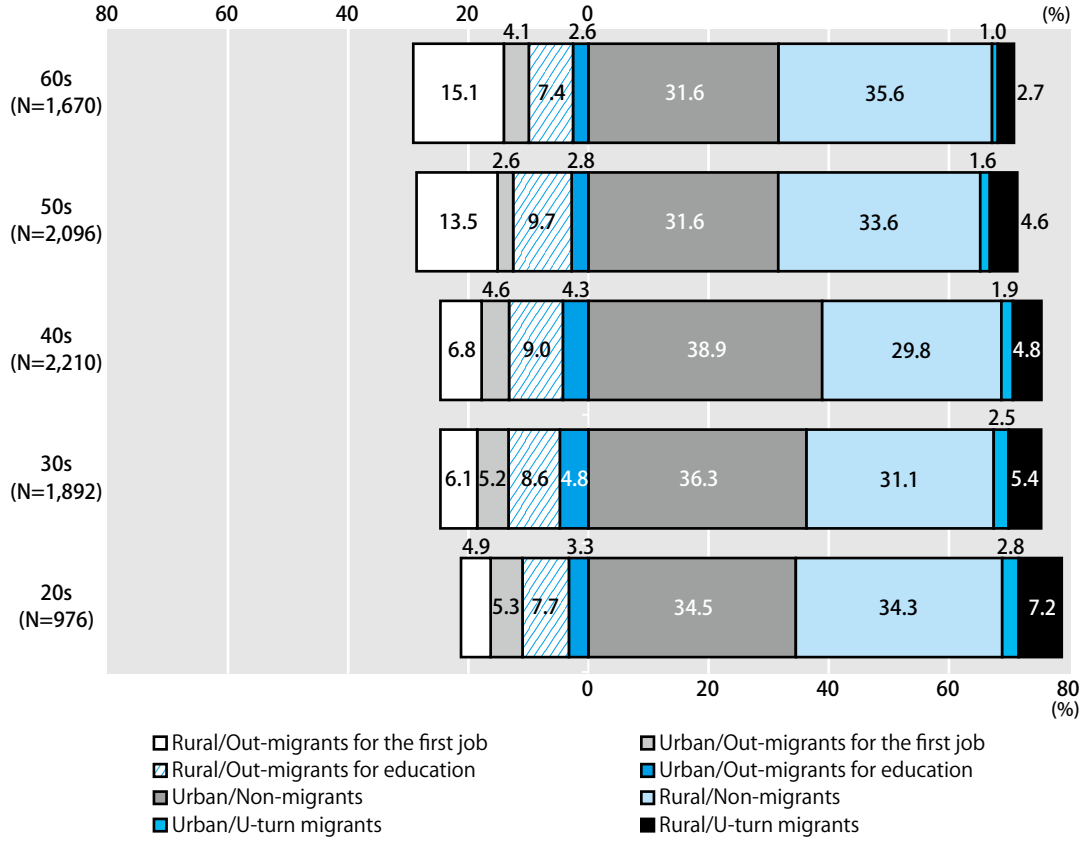
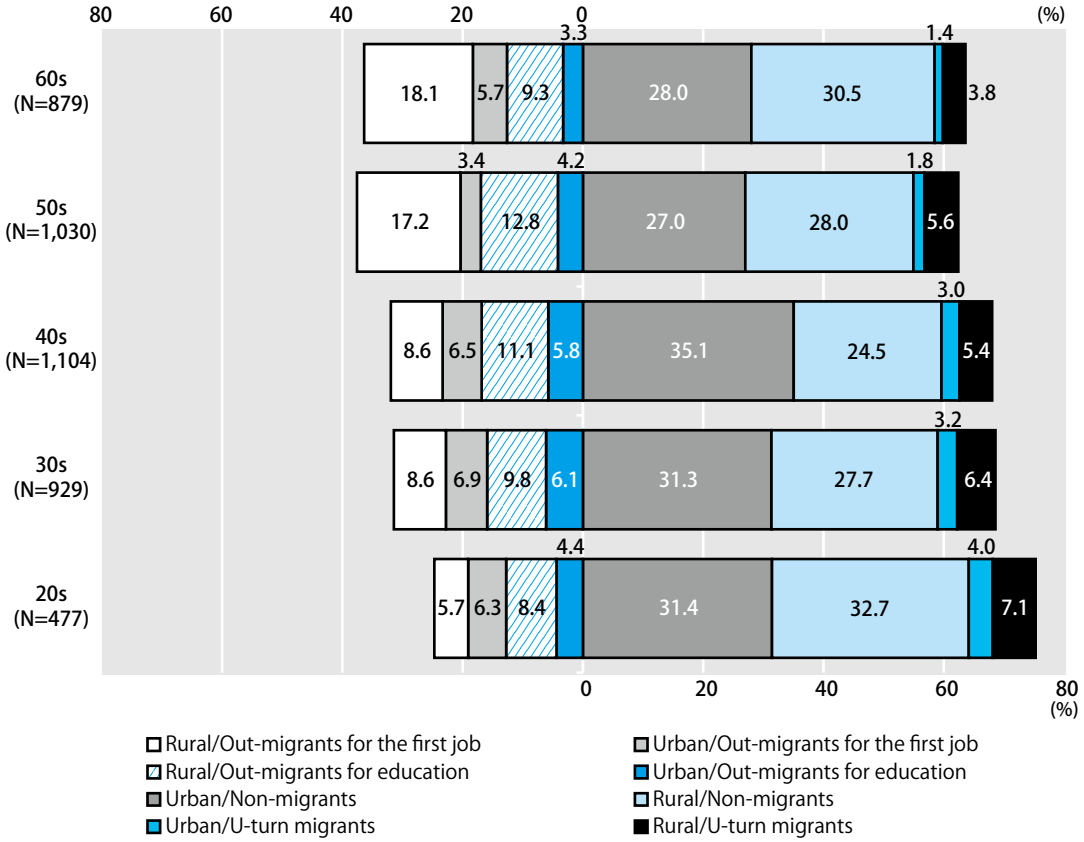


Figure VI-9 O-E-J Patterns by Generation (Totals for both genders/all educational attainment levels)



Note: On the x-axis, the right-hand side shows the total percentage of non-migrants and U-turn migrants, and the left-hand side shows the total percentage of out-migrants for education and out-migrants for the first job.

Figure VI-10 O-E-J Patterns by Generation (Totals for males/all educational attainment levels)



Note: On the x-axis, the right-hand side shows the total percentage of non-migrants and U-turn migrants, and the left-hand side shows the total percentage of out-migrants for education and out-migrants for the first job.

3-4. Analysis 2: The changes between generations in the O-E-J patterns of people from rural areas

1) Differences in O-E-J patterns between generations

As shown in the previous section, there are differences in the migration trends (O-E-J patterns) of Japanese people in the young age bracket, depending on sex and generation. The percentage of people who have experienced regional migration is also influenced by place of origin, and the percentage of people who experience migration at the time of continuing education or entering their first job is higher among people originally from rural areas than among people originally from urban areas.

Let us now look at how peoples' O-E-J patterns have changed between the generations when focusing on rural areas, for which there is a high likelihood of people experiencing migration to another prefecture. By limiting the subject of analysis to people originally from rural areas, this section investigates generational changes having accounted for the fact that there are differences in the composition of people from urban areas and people from rural areas by generation.

Firstly, Figure VI-11 shows the O-E-J patterns for males originally from rural areas by generation (totals for all educational attainment levels).

This shows that the percentage for "rural/non-migrants" rises from the 50s to the 20s (50s: 44.0% → 20s: 60.7%). In parallel with this, the percentage of "rural/U-turn migrants" also rises (60s: 6.1% → 20s: 13.2%).

On the other hand, the percentage of "rural/

out-migrants for the first job," which is in the high 20 percents for the 50s and the 60s, shows a significant decrease, and is in the high 10 percents for the 30s and the 40s, and around 10% (10.5%) for the 20s. The percentage of "rural/out-migrants for education" also shows a gradual decrease following a peak for the 40s (22.3%).

In other words, it is thought that in the case of males originally from rural areas, the younger the generation the greater the decrease in the percentage of people who migrate to another prefecture when continuing education or entering employment, and the greater the increase in those who do not leave their place of origin or who initially migrate but make a U-turn back to their place of origin at the time of entering their first job.

Turning to the trends for females, Figure VI-12 shows the O-E-J patterns for females originally from rural areas by generation (totals for all educational attainment levels).

The figure shows that the percentage of "rural/non-migrants" is in the high 60 percents for all generations, with a slight decrease from the 40s to the 20s (40s: 68.7% → 20s: 66.1%). The percentage of "rural/U-turn migrants" shows an increase from the 60s to the 20s, to a similar or greater extent than for males (60s: 2.5% → 20s: 13.3%).

On the other hand, the percentage for "rural/out-migrants for the first job" tends to be lower in generations younger than the 40s, in comparison with the 50s and 60s (60s: 19.7% → 20s: 7.7%). The percentage for "rural/out-migrants for education" does not change particularly significantly between the generations.

As these figures show, the percentage of regional migrants is lower among females than it is for males whichever the generation, and the percentage of non-migrants is high, while at the same time, the percentage of migrants shows a slight rise from the 40s to the 20s. However, the changes between the generations are relatively unclear. The fact that among females the percentage of people going on to higher education increases later than males, and also that there is a considerable percentage of people who go to

Figure VI-11 O-E-J Patterns for Males Originally from Rural Areas (Totals for all educational attainment levels)

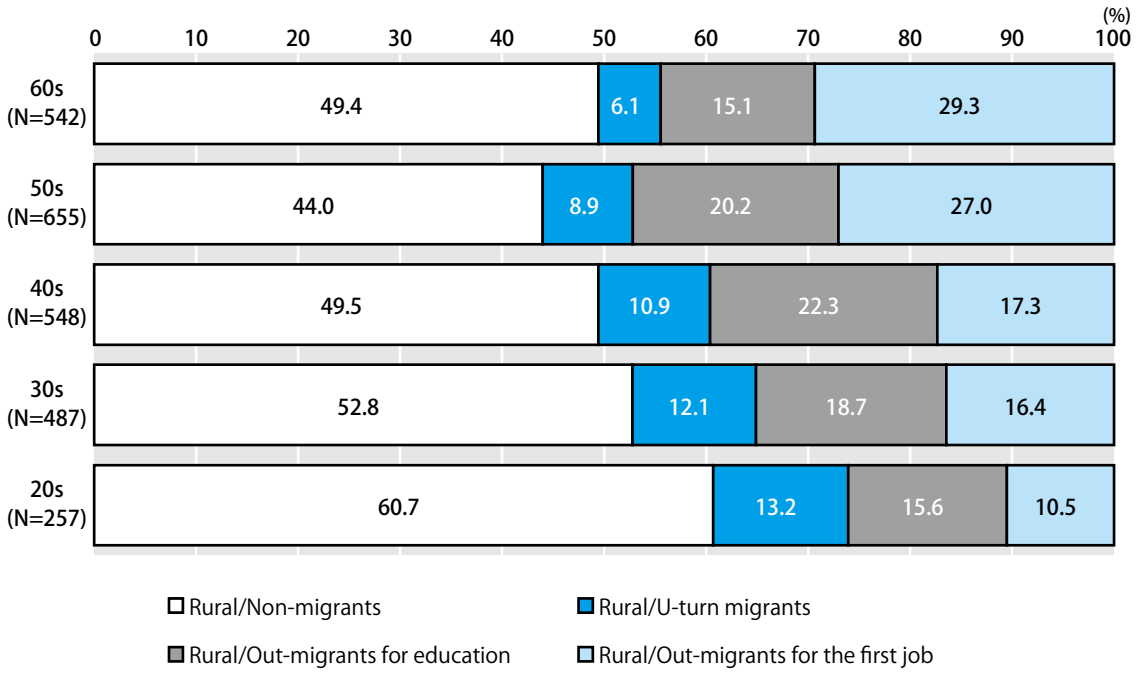
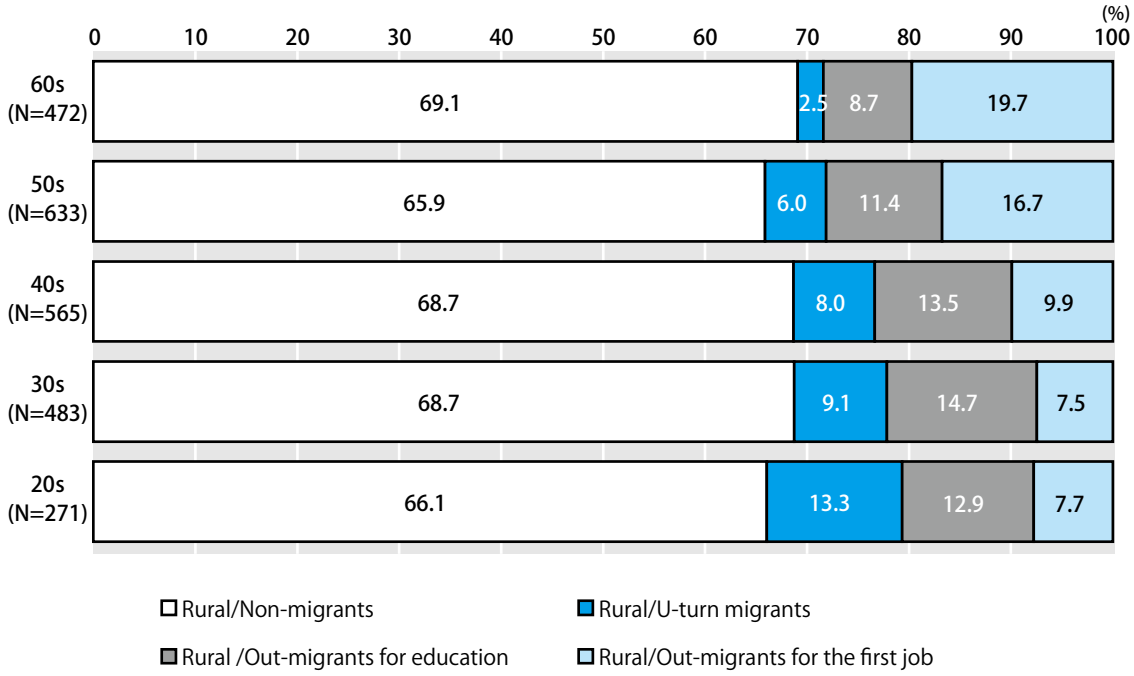


Figure VI-12 O-E-J Patterns for Females Originally from Rural Areas (Totals for all educational attainment levels)



institutions other than universities (specialized training colleges/junior colleges, etc.) are probably factors behind these differences in migration trends between males and females. However, it is also notable that even in the case of females originally from rural areas, the percentage of people who migrate when entering employment is on the decrease, and the percentage of people who migrate to another prefecture to continue education but make a U-turn to their place of origin at the time of entering employment is also on the increase.

For both males and females from rural areas, it cannot be said that there is a conspicuously growing number of people who migrate from place of origin to another prefecture the younger the generation. Moreover, it is also thought that the number of people who initially migrated out but make a U-turn to their place of origin may in fact be increasing.

2) Differences in changes in O-E-J patterns by educational attainment

Finally, we will look at the O-E-J patterns for people originally from rural areas by educational attainment. The analysis above included graduates from high school to university and graduate school, but how do the percentages of migrants and magnitude of changes differ according to educational attainment? Let us limit this investigation to males, for whom it is relatively easier to grasp the changes between the generations. Moreover, results for males who graduated from specialized training colleges, junior colleges, and technical colleges will be omitted here due to the small sample size.

Figure VI-13 shows the O-E-J patterns for male high school graduates originally from rural areas.

Looking at the figure, the percentage of "rural/non-migrants" increases in stages, with the 50s and the 60s at around 60%, 30s and 40s at around 75%, and 20s at over 80% (87.4%).

On the other hand, along with such changes in the percentages of "rural/non-migrants," the percentage of "rural/out-migrants for the first job" decreases, with the 50s and the 60s at just under 40%, the 30s and 40s in the low 20 percents, and the 20s at around 10% (11.7%). Moreover, as the number of people who migrate to another prefecture at the time of

going on to high school is generally small, the percentages of "rural/out-migrants for education" and "rural/U-turn migrants" are extremely low.

As this shows, in the case of male high school graduates originally from rural areas, there are significant changes in O-E-J pattern depending on the generation, and the younger generations show a greater tendency for the percentage of people who enter employment in the same prefecture after graduating from high school to be higher than the percentage of those who migrate to another prefecture. It can be said that as the number of people who go on to higher education increases and the number of people who enter employment after graduating from high school decreases significantly, the composition of the areas where people enter employment (urban areas-rural areas) has changed.

Let us now look at the trends for male university and graduate school graduates originally from rural areas. The results are shown in Figure VI-14.

Looking first at the percentage of "rural/non-migrants," it rises consistently from the 50s to the 20s, and is around 30% or higher in the 20s and 30s (50s: 21.8% → 20s: 33.0%). It is thought that the closer to the present, the higher the percentage of people who go to a university that is a commutable distance from their place of origin, and who remain in the same prefecture when entering employment.

On the other hand, looking at the people who have experienced migration to another prefecture, the percentage of "rural/out-migrants for education," people who migrated to another prefecture at the time of continuing education and did not return, decreases from the 60s to the 20s (60s: 47.3% → 20s: 30.9%). Moreover, looking at "rural/U-turn migrants," people who initially migrated to another prefecture but returned to their place of origin at the time of entering their first job, the percentage increases from the 40s to the 20s (40s: 18.2% → 20s: 28.7%). Furthermore, while they were low from the start, the percentage of "rural/out-migrants for the first job" also shows a decrease from the 40s to the 20s (40s: 12.6% → 20s: 7.4%).

These results have confirmed that, as in the case of male high school graduates from rural areas, male university and graduate school graduates from rural

Figure VI-13 O-E-J Patterns for Male High School Graduates Originally from Rural Areas

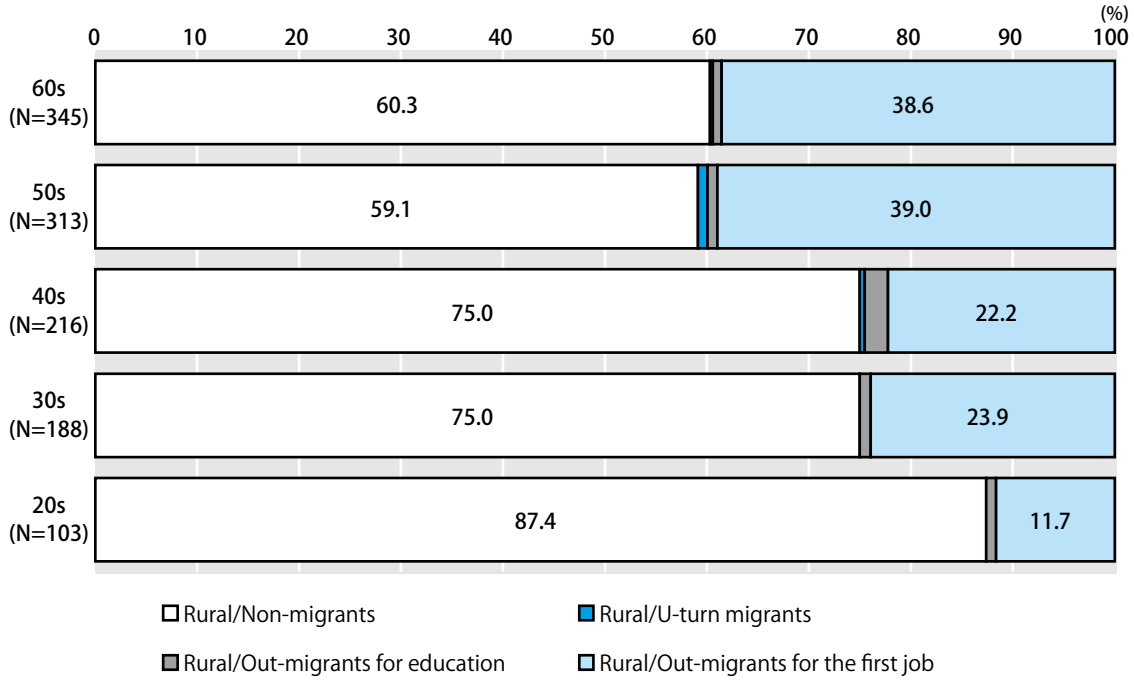
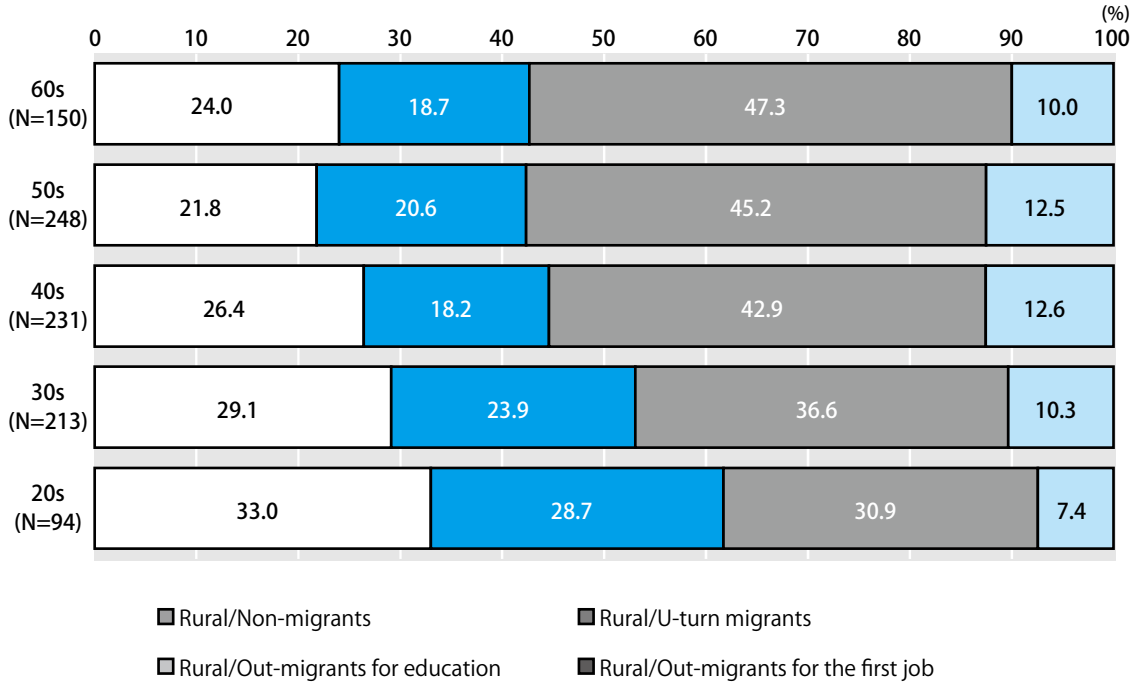


Figure VI-14 O-E-J Patterns of Male University/Graduate School Graduates Originally from Rural Areas



areas also show the trend that the younger the generation the higher the percentage of people who do *not* leave their place of origin at the time of continuing education or entering employment. As the percentage of U-turn migrants is also increasing, it is thought that it is *not* the case that a trend of young people with high educational attainment migrating out of rural areas has developed in recent years.

4. Conclusion

This chapter has investigated the trends in the regional migration of young people at the time of continuing their education and entering their first job, and how these trends have changed over the generations, on the basis of secondary data analysis of the *7th The National Survey on Migration* (2011) by the IPSS.

The results of this investigation have shown that O-E-J patterns (trends of migration in the young age bracket, which covers the point of continuing education and the point of entering employment for the first time) differ depending on sex or educational attainment. They have revealed that for the most part, it is not the case that there is a greater trend of migration from rural areas to another prefecture among the young generations, and in fact the percentage of people who migrate to another prefecture for their first job is decreasing and the percentage of people who do not migrate is increasing. It has also been shown that while over the last few decades the numbers of people going on to a higher level of education such as university, etc. have increased significantly, there is a growing percentage of "U-turn migrants" (people who migrate to another prefecture at the time of continuing education but return to their place of origin at the time of entering their first job), particularly among male university or graduate school graduates.

In recent years, it has been strongly insisted that young people are migrating out of rural areas, and efforts are being made to devise countermeasures on the basis that there is a problem that needs solving. However, the results of the analysis in this chapter have revealed that the younger the generation the greater the tendency for people to *not* migrate to another region either at the time of continuing their education or entering first job, or to return to their place

of origin even if they have migrated. Namely, this analysis has provided insights that indicate an increase in individual-level "localism" among young people.

However, in the analysis in this chapter it has not been possible to pursue a detailed investigation of the background and intentions of young people who remain in rural areas or young people who make "U-turns." This analysis also does not look at O-E-J patterns by prefecture or by region.

What kinds of young people from what characteristics of region remain in or return to their home areas, or migrate to another prefecture, particularly to an urban area? It cannot be said that there is currently sufficient data to show a detailed overall picture of regional migration among young people in Japan. In order to devise highly-effective measures to tackle problems related to young people and rural areas in the future, it is essential to accumulate further survey research and draw on such research to answer these remaining questions.

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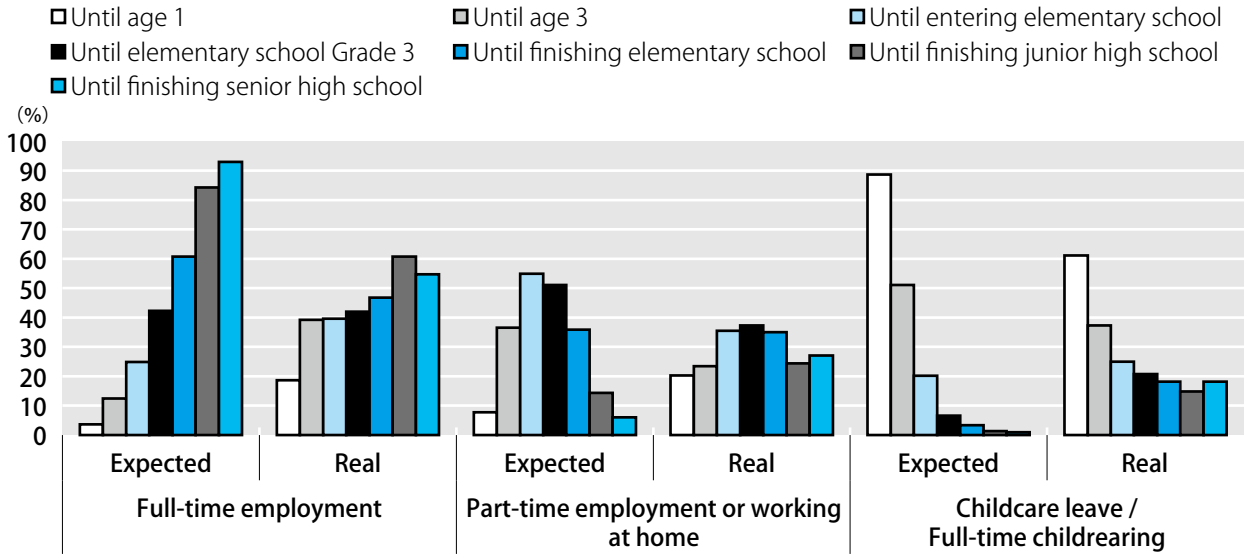
VII Childrearing Women's Work in Japan: The Expectation-Reality Gap

1. Introduction

In working situations during the childrearing phase, a mismatch between expectation and reality is a problem that faces women in any country, albeit with some differences of degree. A recent survey has revealed that this mismatch appears with particular clarity in Japan. According to the *National Survey of Households with Children* (NSHC) conducted by JILPT in 2014, the real working situation does not match the expected one for about half of Japanese women. As shown in Figure VII-1, the ratio of women who have expectations of "childcare leave" or "full-time childrearing" is in a negative linear relationship

Figure VII-1 Women's Working Situations at Different Ages of Their Children: Expectation and Reality



	Full-time employment		Part-time employment or working at home		Childcare leave / Full-time childrearing		Expectation meets with reality
	Expected	Real	Expected	Real	Expected	Real	
Until age 1	3.6	18.6	7.8	20.3	88.7	61.1	52.4
Until age 3	12.4	39.2	36.5	23.5	51.1	37.3	42.1
Until entering elementary school	24.9	39.6	54.9	35.5	20.2	24.9	50.4
Until elementary school Grade 3	42.3	42.0	51.1	37.3	6.6	20.7	49.3
Until finishing elementary school	60.8	46.8	35.9	35.0	3.4	18.2	41.1
Until finishing junior high school	84.3	60.7	14.4	24.4	1.4	14.9	50.3
Until finishing senior high school	93.0	54.7	6.0	27.1	1.0	18.2	38.9

Source: JILPT "NSHC 2014."
Note: The "expected working situation" is the result of responses from all women.
The "real working situation" is the result of responses from women who are raising children in each respective age group.

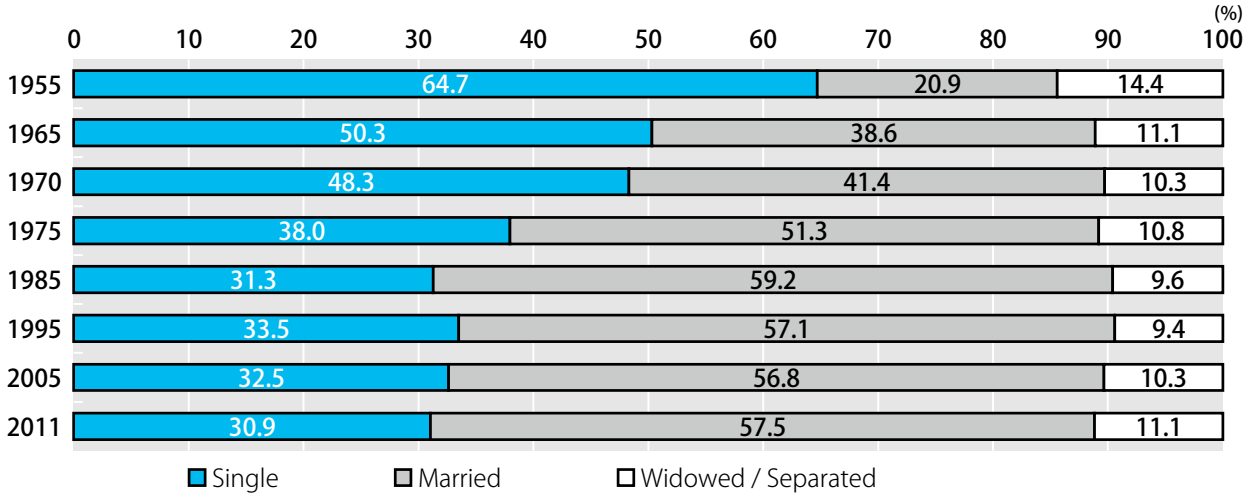
with the age of the child.[1] This ratio reaches about 90% during the period until the child's first birthday, but decreases sharply to 6.6% in the period between entering school and Grade 3 of elementary school. Conversely, the ratio of women with expectations of "full-time employment" rises linearly with the increasing age of the child, with more than 90% of women expecting "full-time employment" during the period from the child graduating from junior high school to finishing senior high school. However, the real working situation does not change so significantly with the age of the child. Whether the youngest child is in the upper grades of elementary school, at junior high school or at senior high school, the ratio of women in "childcare leave or full-time childrearing" has barely decreased at around 20%, while the ratio of those in "full-time employment" has also not increased much. In other words, many Japanese women are in a position of having to work at a time when they want to concentrate all their energy on childrearing, but conversely, spend an excessive amount of leisure time out of work when they want to work full time.

2. Formation of Awareness in the Expected Working Situation

(1) Historical background

In the USA, UK and other major developed nations, there was a universally sharp increase in married female wageworkers between the 1950s and the 1980s (Goldin 1990). Changes in the macro social and economic environments are thought to have played a significant part in increasing women's employment during this period. In particular, a decrease in the average number of births, the spread of energy-saving home appliances, the increasing entry of women into higher education, the shrinking gender wage gap, a thriving labor demand accompanying high economic growth, the expansion of service industries that favor women's skills, and changes in national awareness of women's employment were all important elements that promoted women's employment (Eswaran 2014, Rani 2006).

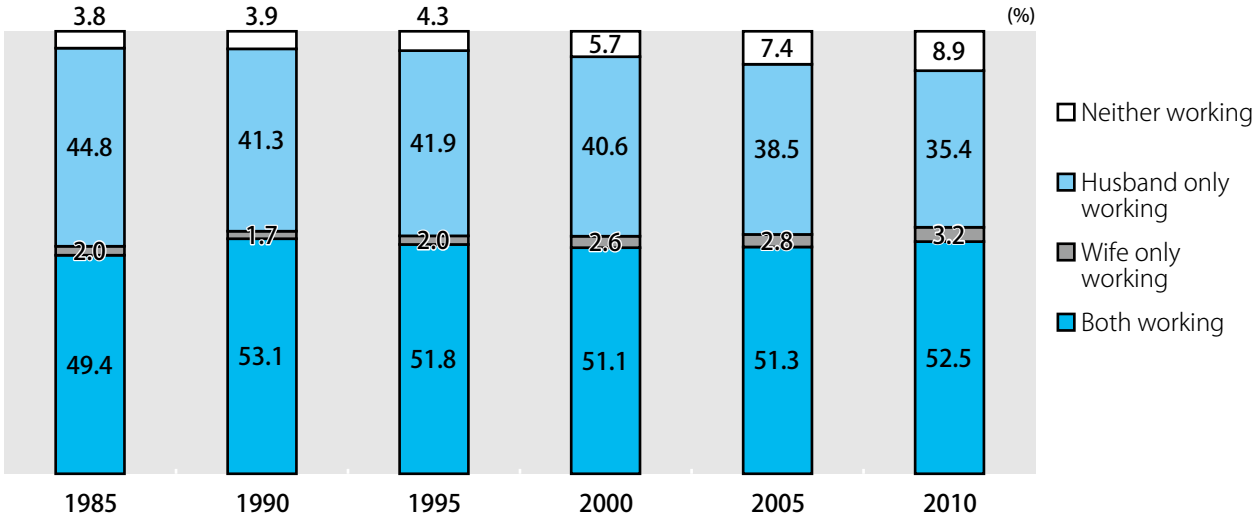
Figure VII-2 Trends in the Component Ratio of Female Employees by Marital Status (1955-2011) (non-agricultural industries)



Source: Figures for 1955 are from the *National Census* conducted by the Prime Minister's Office. Other figures are from the *Labour Force Survey* conducted by the Statistics Bureau, Ministry of Internal Affairs and Communications (MIC).

1 Unless specifically mentioned, "child" will refer to persons below the age of 18 in this paper. The "real working situation" is the result of responses from women who are raising children in each respective age group.

Figure VII-3 Employment Status of Married Couples in Families with Children



Source: Compiled by the author from MHLW, *Actual Situation of Working Women in 2011* (Table 23).
Original data are taken from Statistics Bureau, MIC "Special Survey of the Labour Force Survey."

In Japan, too, the number of married women in employment continued to increase from the 1950s onwards, until they outnumbered unmarried women in employment for the first time in 1975. The ratio of married women to all women in employment peaked at 59% in around 1985, a full 38 points higher than three decades earlier in 1955 (Figure VII-2).

Since the 1990s, however, this trend has been halted as the labor force participation of married women has reached a plateau. The brisk increase in married female employees seen up to the 1980s also suddenly stopped from the 1990s onwards. After peaking at 59% in 1985, the ratio of married women to all women in employment first fell slightly thereafter, then stagnated at around 57% from 1990 to the 2010s (Figure VII-2). This stagnating trend can also be confirmed from the employment status of married couples in families with children. As Figure VII-3 shows, the ratio of households with working wives was on the increase until the 1980s, but hardly changed at all in the two decades from 1990 to 2010.

(2) Identity awareness of women

The plateau phenomenon in the labor force participation of married women not only affects Japan, but is widely found in the USA and other OECD nations (Eswaran 2014). In Japan, particularly, the phenomenon of stagnating workplace advancement by married women has occurred despite a series of laws aiming to increase the number of nurseries and deregulate the conditions for establishment, enhance nursery services including holiday childcare and convalescent child daycare, and improve the employment environment for women, all of which gathered speed from the 1990s onwards.[2]

It has been pointed out that the consolidation and conservatization of identity awareness by women themselves represent the underlying causes of this puzzle (Akerlof and Kranton 2010). Fortin (2005) found, on analyzing the employment behavior of women in 25 OECD countries since the 1990s, that the likelihood of finding employment is inversely proportional to women's favorable opinion of the

2 The main laws in this respect are the "Equal Employment Opportunity Act" (1986 onwards), which prohibits gender discrimination in employment, the "Child Care and Family Care Leave Act" (1992 onwards), which guarantees the right to paid childcare leave, and the "Act on Advancement of Measures to Support Raising Next-Generation Children," which requires companies and local authorities to draw up detailed plans for childrearing support (2004 onwards).

traditional identity awareness[3] imposed on them. More specifically, there is thought to be a chain effect whereby women find greater self-fulfillment and happiness at home than at work, this leads to an acceptance of traditional identity awareness, and this in turn affects actual employment behavior.

According to several international comparative surveys, Japanese women have a manifestly stronger tendency to accept their traditional identity than do women in other developed nations. One representative example is the "International Awareness Survey on Declining Birth Rates 2005" conducted by the Cabinet Office, targeting men and women aged 20-49 in five countries (Japan, South Korea, USA, France and Sweden). According to this survey, the combined ratio of responses either agreeing or somewhat agreeing with the rationale that "The husband should work outside the home, the wife should look after the home" was 11.6% in Sweden, 25.2% in France and 47.3% in the USA, but 60.3% in Japan (Yamaya 2011).

The Japanese awareness of gender-specific role division is not only strongly rooted through 400 years of history from the days of the Edo shogunate, but has also continued unchanged to the present day as a result of postwar economic and educational policies. Makino (2014) goes further to suggest that this in itself has created the strong awareness of traditional identity among women. According to Iversen and Rosenbluth (2010), on the other hand, the large gender gap in the employment market and high barriers to divorce are in themselves mainly responsible for conservatizing the identity awareness of Japanese women. Women have a stronger tendency to accept traditional maternal roles when they have difficulty in finding quality employment opportunities in the external labor market. Meanwhile, the presence of high barriers to divorce means that women can reassuredly devote themselves to housework and childrearing activity, leading to a strengthening of traditional identity awareness.

(3) Burdens of housework and childcare

One sign of a deeply rooted traditional identity awareness is a heavy bias toward the wife in burdens of housework and childcare. Compared to other countries, the participation of Japanese husbands in housework and childcare is extremely limited (Cabinet Office, "Gender Equality White Paper," 2011). The average time spent by husbands per day on housework and childcare is about one hour in Japan but three times more in the USA (3.13 hours). The total

Table VII-4 Average Housework Time Per Day by Wives and Husbands

		2012			2014		
		Wife (mins.)	Husband (mins.)	Husband 0 mins. (%)	Wife (mins.)	Husband (mins.)	Husband 0 mins. (%)
Overall		214	22	40.6	210	25	36.5
By marital status	Married	223	21	41.0	218	24	36.7
	Wife's income higher than husband's	159	36	26.2	173	38	30.5
	Single	146	112	—	143	124	—
By wife's employment situation	Not in employment	267	14	49.9	265	20	41.6
	Regular employee	156	33	26.0	159	34	27.4
	Part-time worker	207	20	38.9	203	21	38.0
	Dispatched worker, etc.	205	23	45.1	191	28	33.3

Source: JILPT "NSHC 2012, 2014"

Note: The average housework time per day (i.e. time spent on cooking, laundry and cleaning) is the total housework time on weekdays and weekends divided by seven, based on a five-day working week. The husband's housework time is based on responses by the wife.

3 This refers specifically to the rationale that "When jobs are scarce, men should have more right to a job than women" or "Being a housewife is just as fulfilling as working for pay."

time spent on housework and childcare by couples is just over five hours in both Japan and the USA. In Japan, therefore, the relatively short time spent by husbands on housework is offset by more time spent by wives on housework and childcare (4.24 hours per day).[4]

Another characteristic feature is that housework time by Japanese husbands does not change significantly whatever the wife's employment format. According to NSHC 2014, the average time spent by husbands on cooking, laundry and cleaning is 34 minutes per day if the wife is a "regular employee." This is only 14 minutes longer, at most, than in cases where the wife is a "dispatched worker, contract employee, etc." (28 minutes), a "part-time worker" (21 minutes), or "not in employment" (20 minutes). The ratio of husbands who do no cooking, laundry or cleaning chores at all is as high as 27.4% in homes where the wife is a regular employee (Table VII-4).

In Japan, there used to be a high proportion of three-generation households, in which active support from the grandparents would lighten the burden of housework and childcare on the wife. Numerous empirical studies have shown that cohabiting with grandparents increases the wife's likelihood of finding employment (Maeda 1998, Sasaki 2002, Ogawa and Ermisch 1996). However, the proportion of three-generation households has continued to fall in recent years, decreasing by 11 points over the two decades from 1985 to 2005 (36.0%→15.4%).[5] With the growing tendency to postpone childbearing and the increasing longevity of the older generation, moreover, grandparents are becoming physically unable to assist with childcare even if all three generations live together. Furthermore, the current generation of Japanese grandparents, born after the war, have a strong tendency to seek self-realization, and are often loath to look after their grandchildren even if they have sufficient reserves of time and energy.

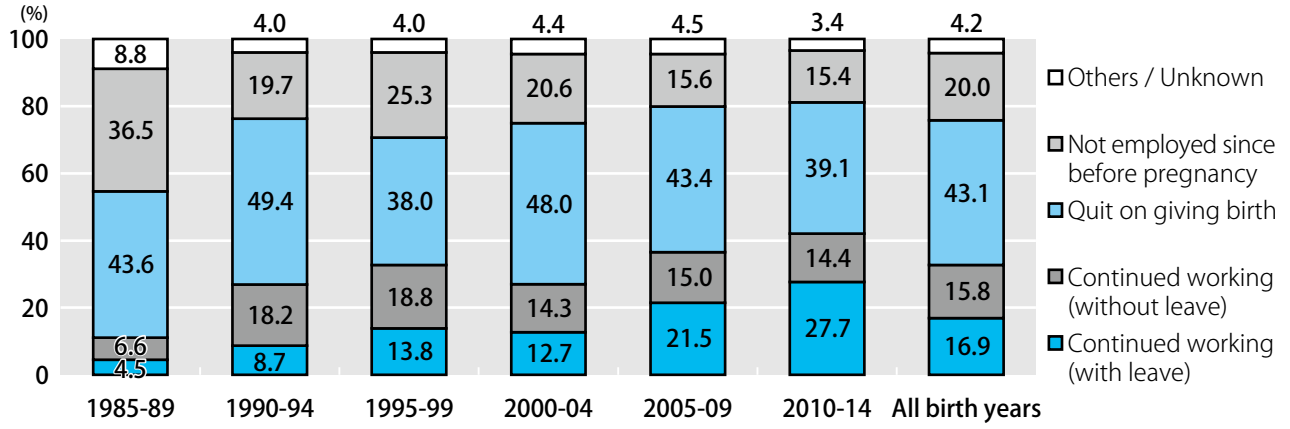
Besides this, another reason why Japanese wives face a heavy burden of housework and childcare is that they demand a high level of rigor in cleaning and cooking. As a result, outsourcing of housework is less advanced than in other countries. For example, according to an Internet survey conducted by the household goods manufacturer P&G with married women in their 20s to 50s who have children (2009), the ratio of women who do both cooking and washing up "at least three times a day" is as high as 55.5% in Japan, more than twice the ratio among American women (26.0%). Also, while the use of hired housekeepers (including live-in maids) has spread mainly among the affluent classes in China, Hong Kong and other Asian countries, very few childrearing households in Japan use such housekeeping services. Even in affluent households with an annual income of 12.26 million yen or more (based on a standard 4-person household), only 5.8% of all households have used housekeeping services over the past one or two years (JILPT 2014).

The reality that the wife undertakes the majority of housework and childcare reinforces the correlation between women's working situations and the age of their children. Since the burden of housework and childcare for the wife is heavier when the age of the child is lower, the age of the child becomes an important indicator for measuring the size of this burden. As stated above, the burden of housework and childcare cannot be passed on to other family members (husbands, grandparents) or to the external market. This creates a schematic composition whereby the wife has expectations of "childcare leave" or "full-time childrearing" during the period when the burden is heavy (when the children are small), but the ratio of women who expect "full-time employment" should naturally rise when the burden is lighter (when the children are older).

4 Figures on housework time (including childcare time) by Japanese and American husbands are taken from the MIC "Survey on Time Use and Leisure Activities" (2006) and the "American Time-Use Survey Summary" by the US Bureau of Labor Statistics (2006).

5 Source: Statistics Bureau, MIC "National Census."

Figure VII-5 Changes in Women's Employment between Pregnancy/before Giving Birth and 1 year after Birth



	Birth year of 1st child						
	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	All birth years
Continued working (with leave)	4.5	8.7	13.8	12.7	21.5	27.7	16.9
Continued working (without leave)	6.6	18.2	18.8	14.3	15.0	14.4	15.8
Quit on giving birth	43.6	49.4	38.0	48.0	43.4	39.1	43.1
Not employed since before pregnancy	36.5	19.7	25.3	20.6	15.6	15.4	20.0
Others / Unknown	8.8	4.0	4.0	4.4	4.5	3.4	4.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N	32	162	505	520	421	261	1,902

Source: JILPT "NSHC 2014."

Note: In the survey, women were asked their employment status at three stages, namely "Immediately before pregnancy was confirmed" (t1), "3 months after giving birth" (t2) and "1 year after giving birth" (t3). The definition of each option is shown below.
"Continued working": Employed in each of periods t1-t3 (including childcare leave).
"Quit on giving birth": Employed in period t1, but left employment in period t2 or t3.
"Not employed since before pregnancy": Already not in employment in period t1.
"With leave" means that childcare leave was used during the period from 3 months before giving birth until 1 year after giving birth.

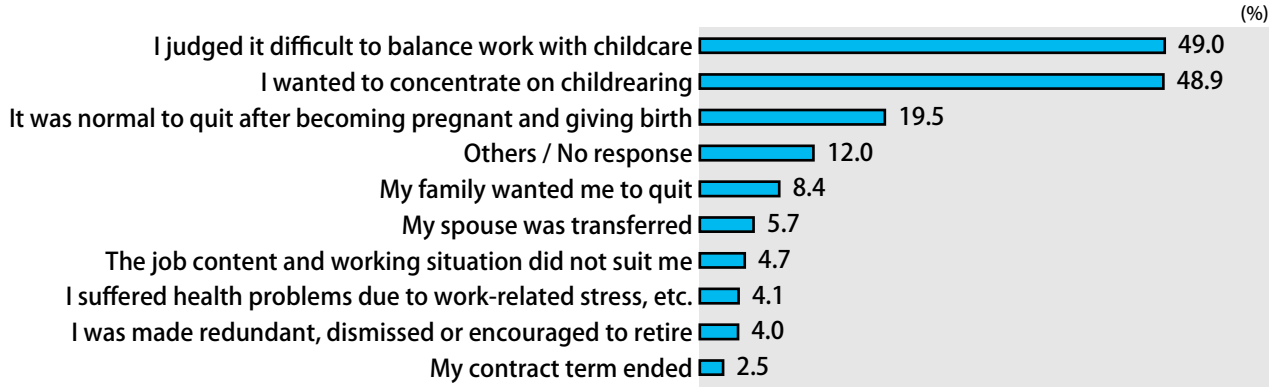
3. The Gap between Expectation and Reality

(1) The working situations of women when their children are small

While the ratio of women with expectations of "childcare leave" or "full-time childrearing" reaches about 90% during the period until the child's first birthday, how does this compare to reality?

In fact, 63.1% of Japanese women had left the labor market, either before their first pregnancy and childbirth or within one year after giving birth. Of these, 20.0% were already not in employment before the pregnancy was confirmed, and the remaining 43.1% had quit their jobs within one year after giving birth (Figure VII-5). On the other hand, 32.7% of women "Continued working" before and after their pregnancy and childbirth. Of these, women who continued to work while using childcare leave accounted for 16.9% of the whole. In other words, around 90% of women are thought to be placed in a situation in which, sooner or later, they opt for either "childcare

Figure VII-6 Reason for Quitting before and after the 1st Pregnancy and Childbirth (multiple choice of up to 3 responses)



Source: JILPT "NSHC 2014."

leave" (16.9%) or "full-time childrearing" (63.1%) for at least a few months until the child's first birthday.

Relative to the time when the child was born, the ratio of "childbirth leavers" (women who quit their jobs within one year after giving birth) has decreased as the childbirth year has become more recent. Instead, the ratio of women who continue to work while using "childcare leave" has increased. In the case of women who gave birth in 2010-2014, for example, the ratio of "childbirth leavers" had fallen to 39.1%, but the ratio of those who continued working while using childcare leave reached 27.7%. Women who responded that they had "Quit their jobs" in the period between when the first pregnancy was confirmed and the 3rd year after giving birth accounted for around half of the total. When asked why they had quit, the ratios of those who answered "I judged it difficult to balance work with childcare" and "I wanted to concentrate on childrearing" were high, as expected, each accounting for around 50%.

(2) The age of the child and women's working situations

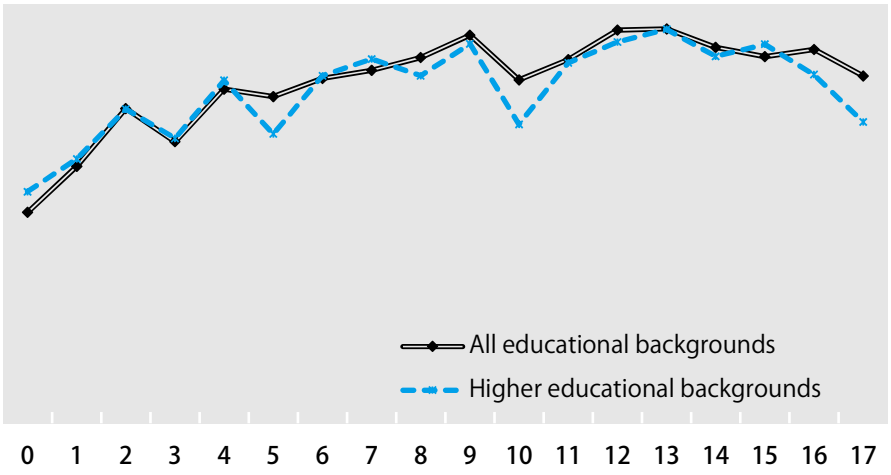
The tendency for the employment rate of Japanese women to rise with the increasing age of their children is most pronounced when the children are between the ages of 0 and 9. The employment rate of women with children aged 0 to 3, for example, trends at around 50%.[6] When the child reaches the age of 4, the rate increases to nearly 70%. When the child reaches the age of 10 (upper grades of elementary school), moreover, the employment rate rises to the 80% range.

After the child's 10th birthday, however, the linear relationship between the employment rate of women and the age of the child disappears. By this time, some 20% of women are permanently out of employment regardless of the child's increasing age. The same is true for more highly educated women graduating from junior colleges, colleges of technology or higher, where a rising trend in the employment rate cannot be discerned after the child reaches the age of 10. Rather, the employment rate of more highly educated women with children aged 16 and 17 falls to 74.9% and 64.7%, respectively, even lower than that

6 In Japan, there has long been a "3-year-old myth" whereby, if a mother does not concentrate on childrearing (e.g. by working) when raising an infant less than 3 years old, the child's future development will be adversely affected. Meanwhile, there is a shortage of nursery services for infants aged 0-3, particularly in the cities.

Figure VII-7 Employment Rates of Women by Age of Youngest Child

	All educational backgrounds	Higher educational backgrounds
0	45.3	49.8
1	55.2	56.8
2	67.6	67.5
3	60.5	61.2
4	71.8	73.7
5	70.2	62.1
6	74.1	74.7
7	75.8	78.3
8	78.6	74.6
9	83.4	81.5
10	73.7	64.2
11	78.1	77.4
12	84.4	81.9
13	84.7	84.6
14	80.7	78.8
15	78.8	81.4
16	80.3	74.9
17	74.6	64.7
All	71.9	70.1



Source: JILPT "NSHC 2014"
Note: "Higher education" means graduation from a junior college, college of technology or 4-year university.

of less highly educated women raising children in the same age group.

(3) Deterioration of employment conditions after returning to work

A fall in employment conditions after returning to work provides one of the reasons why the employment rate of women does not rise in line with their expectations even when their children are older.

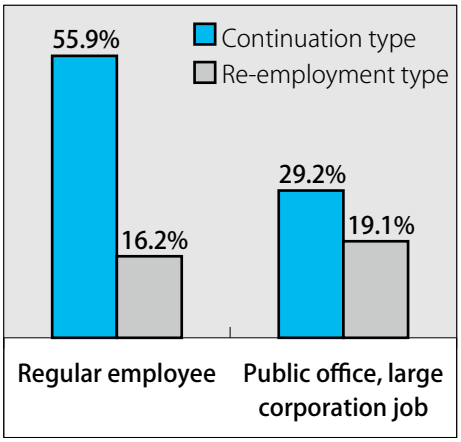
In Japan, where there is a strongly entrenched employment practice of recruiting regular employees through "mass hiring of new graduates," very few jobs with favorable conditions are available to women who return to work. In many cases, their only options are sales or customer service jobs in the retail, catering or hotel industries, or menial work in the medical, health care and welfare industry. While these jobs are often advertised for mid-career hiring or part-time workers, most of them offer these women poorer employment conditions than their first job after graduation, in that they not only come with low hourly pay but are also offered by small and medium enterprises providing few fringe benefits.

If we now divide the professional career courses of working women until now into two categories, namely (1) those who have generally remained in employment, known as the "continuation group," and (2) those who have temporarily left employment but have now returned to work, known as the "re-employment group," we find that the employment conditions of the latter are clearly worse (Figure VII-8). Compared to the "re-employment group," the "continuation group" includes a higher proportion of regular employees (55.9% vs. 16.2%), more who work for large corporations (29.2% vs. 19.1%), and a higher average income (2,539,000 yen vs. 1,354,000 yen).

The higher the educational background and the greater the motivation for women to work, the

Figure VII-8 Women's Employment Conditions by Professional Career Course

	Continuation type	Re-employment type	Overall
Average income (incl. tax) (10,000 yen)	253.9	135.4	187.0
Of which, average income for regular employees	349.0	291.9	333.4
Regular employee	55.9%	16.2%	33.5%
Public office, large corporation job	29.2%	19.1%	23.5%
Includes non-standard work hours	16.8%	13.8%	15.1%
Ratio	43.6%	56.4%	100.0%



Source: JILPT "NSHC 2014"
Notes: (1) Aggregated results for women in employment.
(2) Continuation type: Respondents who have generally continued working since graduating, and still remain in employment.
Re-employment type: Respondents who temporarily left employment but have now returned to work.
"Overall" includes samples with unknown professional career course.

greater the fall in employment conditions when re-employed compared to when first employed after graduating. As a result, these women are highly likely to be out of work as they cannot find a job that meets their expectations, even if they wish to be reinstated in full time work. According to a survey of women from higher educational backgrounds by Iwata and Osawa (2015), women who showed strong work motivation when graduating, saying that they "want to keep working all my life," do not necessarily have a high rate of first job continuation. The authors point out that, due to the gap between expectation and reality, it is, if anything, women with higher work motivation who tend to give up their careers. Therefore, many of the women who remain out of work even after their children have reached the age of 10 are thought to be those from higher educational backgrounds who cannot find suitable work owing to a fall in employment conditions. The thought that "Even if I want to work, I can't easily find a job that meets my wishes" appears particularly strong among women from higher educational backgrounds. According to another survey, about 40% of women in regular employment who quit their jobs after the birth of their first child eventually regret their decision to leave.[7]

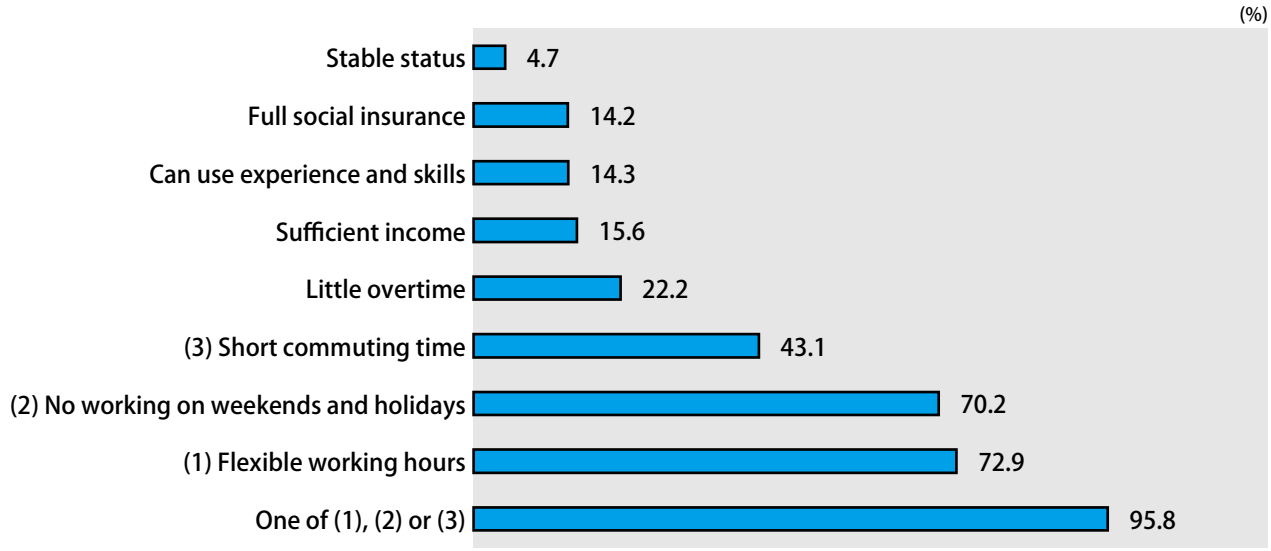
4. Labor Market Practices Responsible for the Expectation-Reality Gap

(1) The problem of working hours: the "All-or-Nothing" choice

Japanese employment practices are modeled on the basis of a male worker married to a full-time housewife. The company provides lifelong employment and seniority-based pay, in exchange for which male employees provide the company with a "flexible" working situation that suits the company's convenience, consisting of long working hours, unannounced overtime, working on holidays, business trips, and transfers (Yashiro 2009). In this way, the company makes effective use of a limited number of regular employees, thereby reducing hiring and dismissals to a minimum. According to data aggregated by Kuroda (2010) using the "Survey on Time Use and Leisure Activities" by the Statistics Bureau, MIC, weekly working hours by full-time employees have actually increased from 46.7 hours in 1976 to 50.1 hours in 2006, in contrast to a sustained decline in working hours by employed persons as a whole.

7 Source: Nihon Keizai Shimbun, July 2, 2016, p.37: "Troubled path to full-time reinstatement after giving birth."

Figure VII-9 Conditions Prioritized When Taking a Job



Source: JILPT "NSHC 2014."
Notes: Aggregation targeted women who are currently out of work. Multiple choice of up to 3 responses.

On the other hand, what makes this working situation possible is the culture of gender-specific role division, whereby women take care of all housework and childcare (Kawaguchi 2008). And because women undertake the majority of housework and childcare, they cannot work "flexibly" in line with a company's demands in the same way as men do. If we look at the conditions prioritized by childrearing women when they take a job, we find that working hours are prized far more highly than income or using skills (Figure VII-9). When taking up employment, women place priority on employment conditions connected with working hours, namely "Flexible working hours" (72.9%), "No working at weekends and holidays" (70.2%), and "Short commuting time" (43.1%).

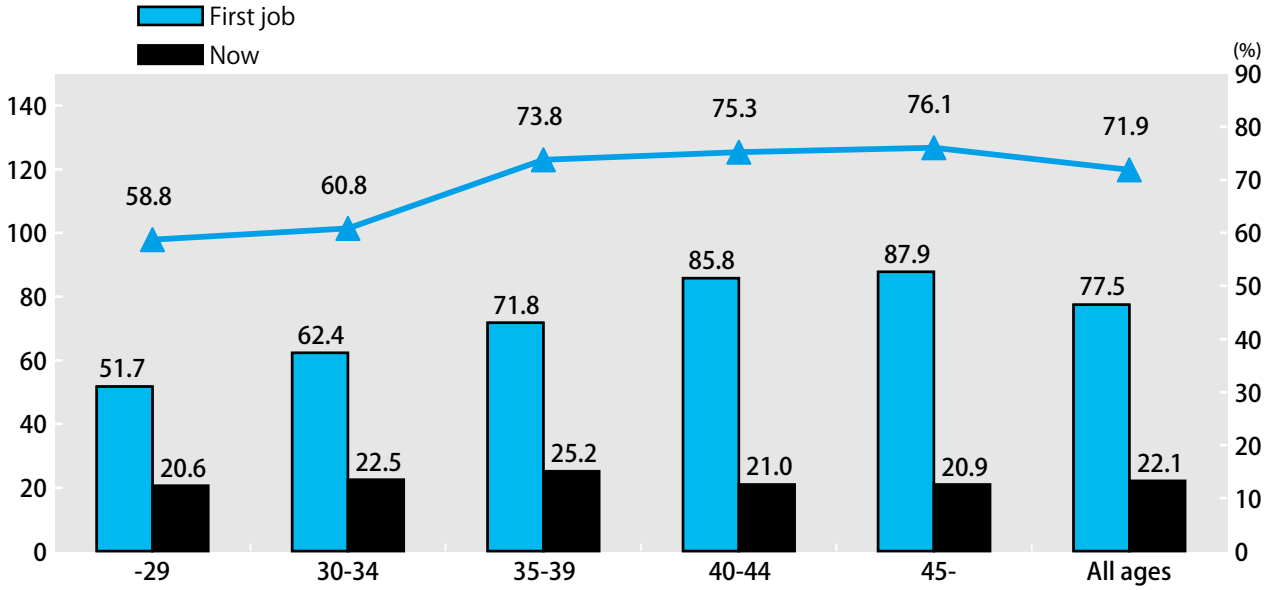
Women who are significantly limited in terms of working hours cannot provide companies with a "flexible" working situation, and therefore tend to be excluded from core operations and management candidacy. And if they return to work after taking childcare leave, many women are reportedly placed on the "Mummy track" (course designed for mothers), given work in which they cannot draw on their knowledge and experience, and are forced into positions that offer no prospects of promotion (Zhou 2014). This leads to a constant stream of women who quit their jobs despite having taken childcare leave.

In one sense, Japanese women are forced into a choice between "All-or-Nothing." They either choose jobs with good employment conditions in "All" aspects despite their dislike for long working hours and working on holidays, or jobs in which working hours are flexible to a degree but the employment conditions are "Nothing." The tendency for Japanese married women to avoid long working hours, even if suffering some financial disadvantage, is said to be stronger compared to women in other countries (Zhou 2013a). For that reason, women appear to choose jobs with "Nothing" rather than "All."

(2) OJT-orientation and mass graduate hiring practice: A narrow path to regular employment

In Japan, there is a huge employment gap between regular and non-regular employees. In a variety of employment conditions ranging from wages and fringe benefits to job security, vocational training and placement promotion, the treatment of regular employees is generally superior to that of non-regular employees. Moreover, Japanese companies have long favored on-the-job training (OJT), and they engage in the practice of hiring new graduates en masse as

Figure VII-10 Ratios of Women as Regular Employees, by Age Group: First Job vs Now



Source: JILPT "NSHC 2014."
Note: Aggregation targets include women with no experience of working and women currently not in employment.

regular employees every April (when the new financial and school year begins). Therefore, few regular employees are hired in mid-career, meaning in turn that, once a person quits a job as a regular employee, it is very difficult to find new employment as a regular employee.

As shown in Figure VII-10, women in all age groups have a high ratio of regular employment in the first job after graduation. And although the ratio is lower as the age group becomes younger, the regular employment ratio in the first job exceeds 50% in all age groups. On the other hand, the current ratio of regular employment is only in the 20% range in all age groups. In the case of women in their 40s, in particular, the regular employment ratio in the first job is nearly 90% but the current regular employment ratio is only 21% in both segments. This result suggests that most women who quit their first job as regular employees have not returned to their previous status as regular employees.

5. To Eliminate the Expectation-Reality Gap

Among Japanese women, there are very many human resources from a higher educational background that are not being utilized in the labor market. As of 2011, the ratio of women aged 25-49 who have a junior college, university or higher educational background was 53% in Japan, more than 10 points higher than in the USA (32%) (Zhou 2013b). Under normal circumstances, it should be easier for these Japanese women from higher educational backgrounds to make career advancement choices than it is for American women. In reality, however, Japanese women have a higher ratio of job quitting in the childrearing phase and longer blank periods than American women do.

In addition to the strong traditional identity awareness of Japanese women, the labor practices of Japanese companies that have normalized long working hours, working on holidays, etc., make it even harder for Japanese women who take responsibility for all housework and childcare to continue working. Moreover, the fact that it is extremely difficult to return to regular employment once a blank has been formed in the professional record could also be described as a major

characteristic of Japan's labor market. Very many women are out of work because they cannot accept the fall in employment conditions from the first job when re-employed and cannot find work that suits their conditions, even when working full time. In this way, a massive gap arises between the expectations and reality of women in relation to their working situations.

In that case, is there any way of bridging the expectation-reality gap? Put simply, the gap should shrink if either "the expectation were brought closer to the reality" or "the reality were brought closer to the expectation."

To "bring the expectation closer to the reality," it will be necessary to reform the traditional awareness of gender role division, change the habit whereby the burden of housework and childcare weighs too heavily on the wife, and increase participation by husbands in housework and childcare. Although it is very difficult for policy to interfere with the awareness and choices of individuals, a number of initiatives – such as fostering women's career awareness in school education, the government's "Ikumen" campaign, and measures to promote taking of childcare leave by men – have been launched in succession.

To "bring reality closer to expectation," meanwhile, reforms of the labor market will be essential. Specifically, an environment should be developed in which women who have career blank periods may re-enter the labor market for regular employees. Increasing the framework for hiring in mid-career, expanding the "housewife intern" system being introduced by some companies, and enhancing reinstatement support programs by the government could all be regarded as effective policies to this end.

Besides this, it is also important to increase work where both the burden and rewards for labor are at a "medium" level, as well as the "All-or-Nothing" dichotomy. In Japan, regular employees whose working hours, place of work and others are contractually limited in advance ("restricted regular employees") are currently the subject of attention as providing work at a "medium" level. The development of this rule was proposed by the Industrial Competitiveness Conference under the Abe administration, while the Ministry of Health, Labour and Welfare also announced "Matters to Note in Connection with Employment Management" concerning restricted regular employees in 2014.

In this way, both public and private sectors need to make various efforts in order to reduce the expectation-reality gap in women's working situations. An environment that provides satisfactory working opportunities for women who cannot find work, despite wanting to, is gradually being developed. Future moves in this direction will be worthy of attention.

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(Attachment)

JILPT "National Survey of Households with Children": Outline of the National Survey of Households with Children (NSHC)

The survey targets 4,000 households with children below the age of 18 (2,000 two-parent households and 2,000 single parent households) throughout Japan. The target households (sample) were selected from the Basic Resident Register using the stratified two-stage random sampling method, and specialist surveyors visited each household to deliver and collect questionnaires. The surveyors orally requested that the questionnaire respondent should be the mother of the child or children, in principle. As a rule, respondents were asked to describe the situation prevailing as of November 1st in each survey (the survey reference date).

The valid sample size of actually collected responses was 2,218 questionnaires in the 1st survey (2011) (valid response rate 55%), 2,201 in the 2nd survey (2012) (valid response rate 55%) and 2,197 in the 3rd survey (2014) (valid response rate 55%). For details of the method used and results of each survey, see JILPT (2012, 2013, 2015).

In the aggregation for this paper, a reproduction multiple was determined using the ratio of the population size and valid response rate for each block and household type, and weight back aggregation was performed using this multiple.

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First published in 2017
by THE JAPAN INSTITUTE FOR LABOUR POLICY AND TRAINING
4-8-23, Kami-Shakujii, Nerima-ku, Tokyo 177-8502, JAPAN
Telephone: (03) 5903-5136 Facsimile: (03) 3594-1113

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