

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

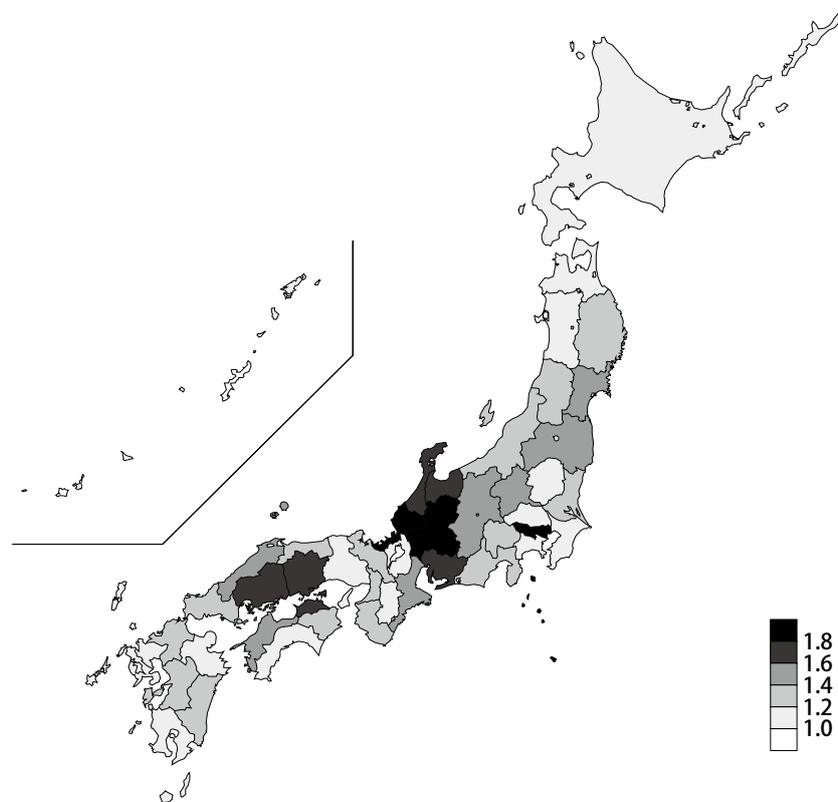
4 In such cases, real wages that take regional price level into account and employment opportunities (i.e., the possibility of becoming employed) are important factors. Economics-based explanations of Japan's population migration are provided by Tabuchi (1988) and others.

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

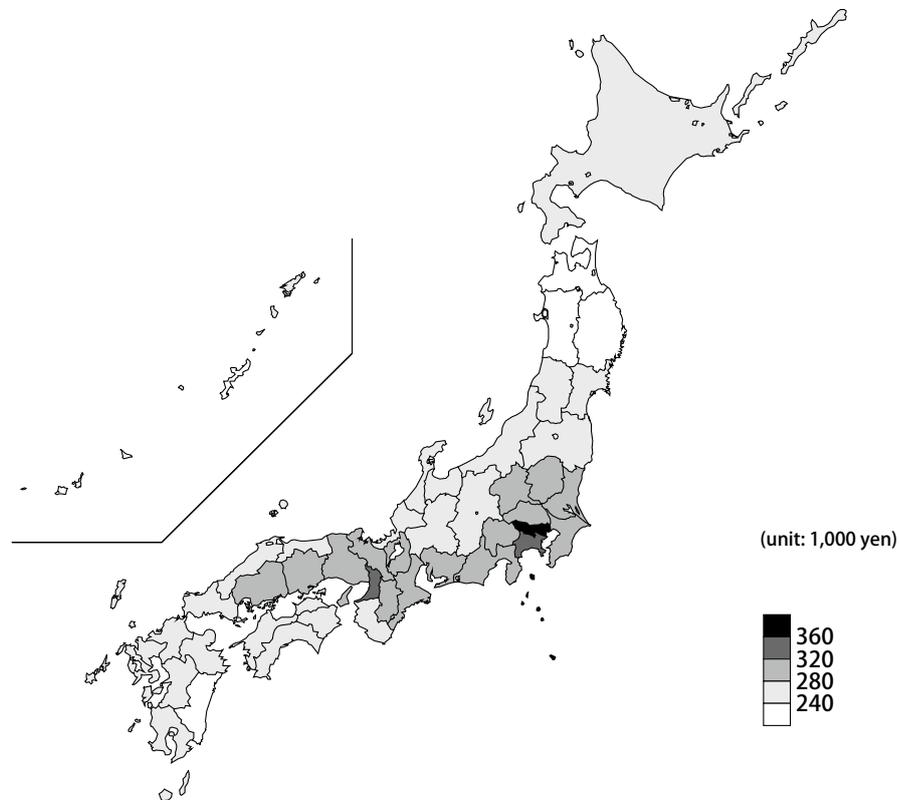
encourage young people to remain in or return to their home regions an important policy issue.

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

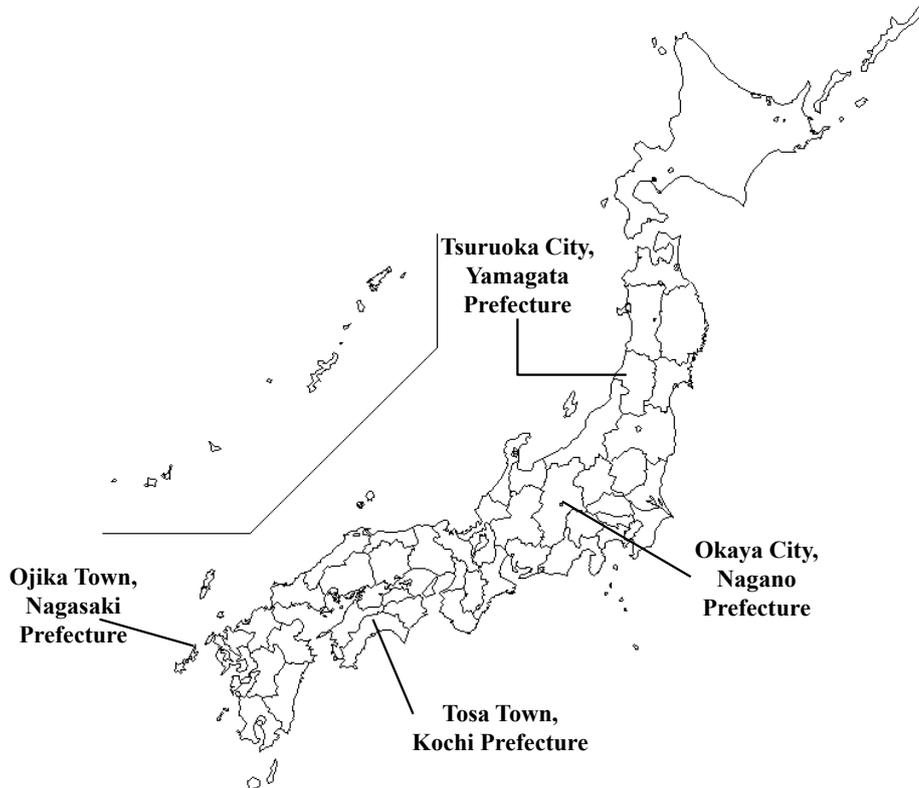
It should be noted that, even though collectively called as "regions," there exist diversity and hierarchy among them. Generally speaking, they can be classified as 1) large cities that are home to diverse industries and attract people from a wide area as the regional center (e.g., Sapporo, Sendai, Hiroshima, 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

	Prefecture of origin (= Prefecture of residence at time of jr. high school graduation)	Current prefecture of residence (For (1) to (3), "yes" indicates same prefecture as at time of jr. high school graduation, "no" indicates different prefecture)	Inter-regional migration experience (Has the respondent resided in another prefecture since graduation from jr. high school?)
(1) Permanent resident of prefecture of origin	Outlying region		No
(2) Returning resident of prefecture of origin (U-turn)		Yes	Yes
(3) Resident of a prefecture other than prefecture of origin		No	
(4) Arriving resident in regional prefecture (I-turn)	Tokyo or Kinki area	Outlying region	

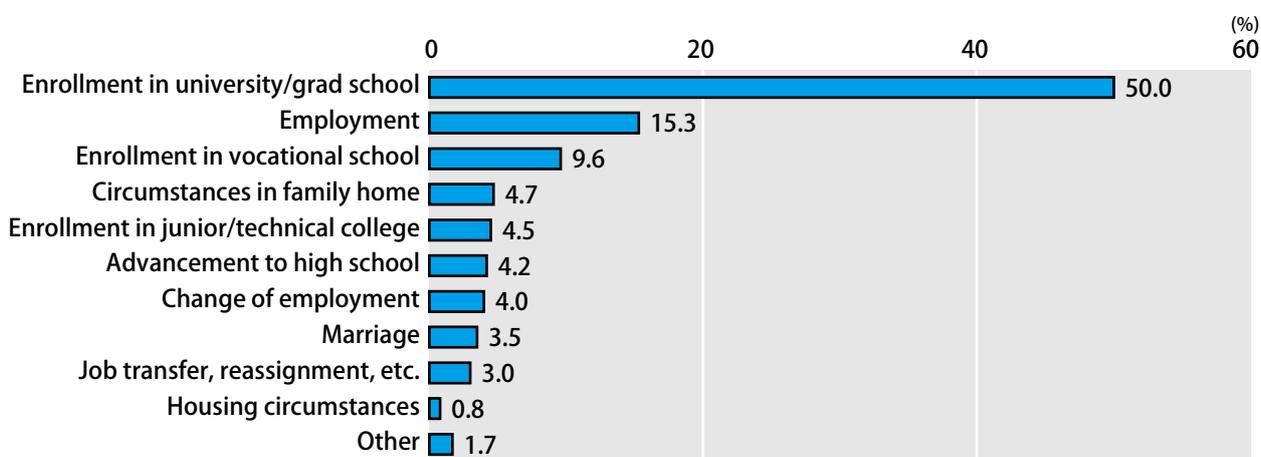
12 For survey details, see Japan Institute for Labour Policy and Training (2016).

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)."

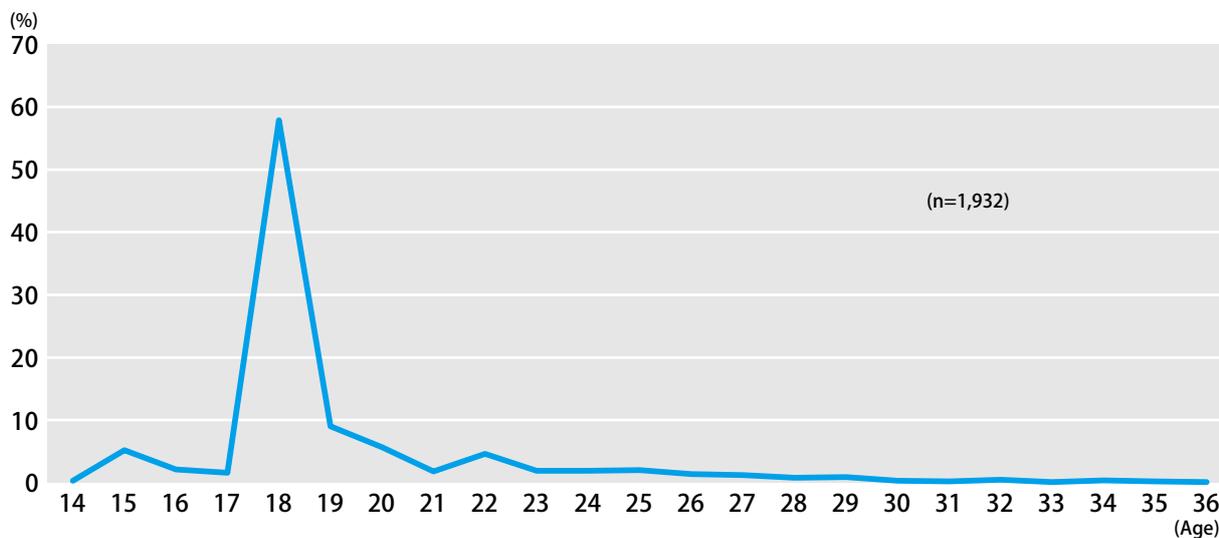
(Figure V-5). In terms of age, the majority migrated when they were 18 years old (Figure V-6). Looking at their reasons for leaving, responses leaned heavily toward those concerning the uneven geographical distribution of educational opportunities and academic path selection, specifically that “there 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).

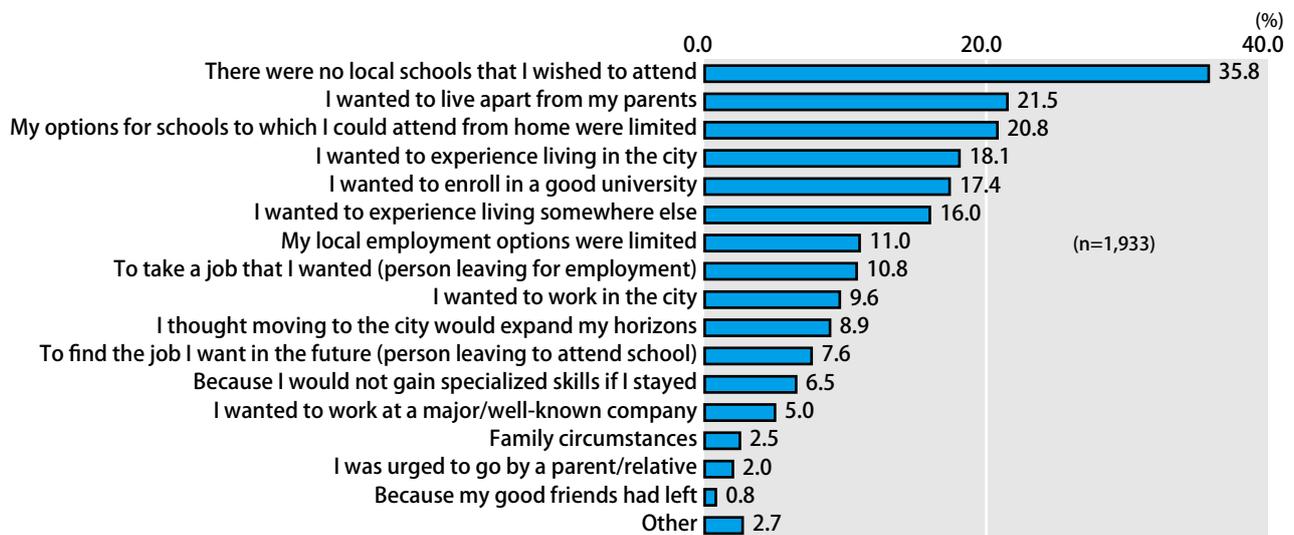
**Figure V-5 Motive for Leaving Home Municipality (M. A.)
(Residents of Prefecture Other than Prefecture of Origin)**



**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”

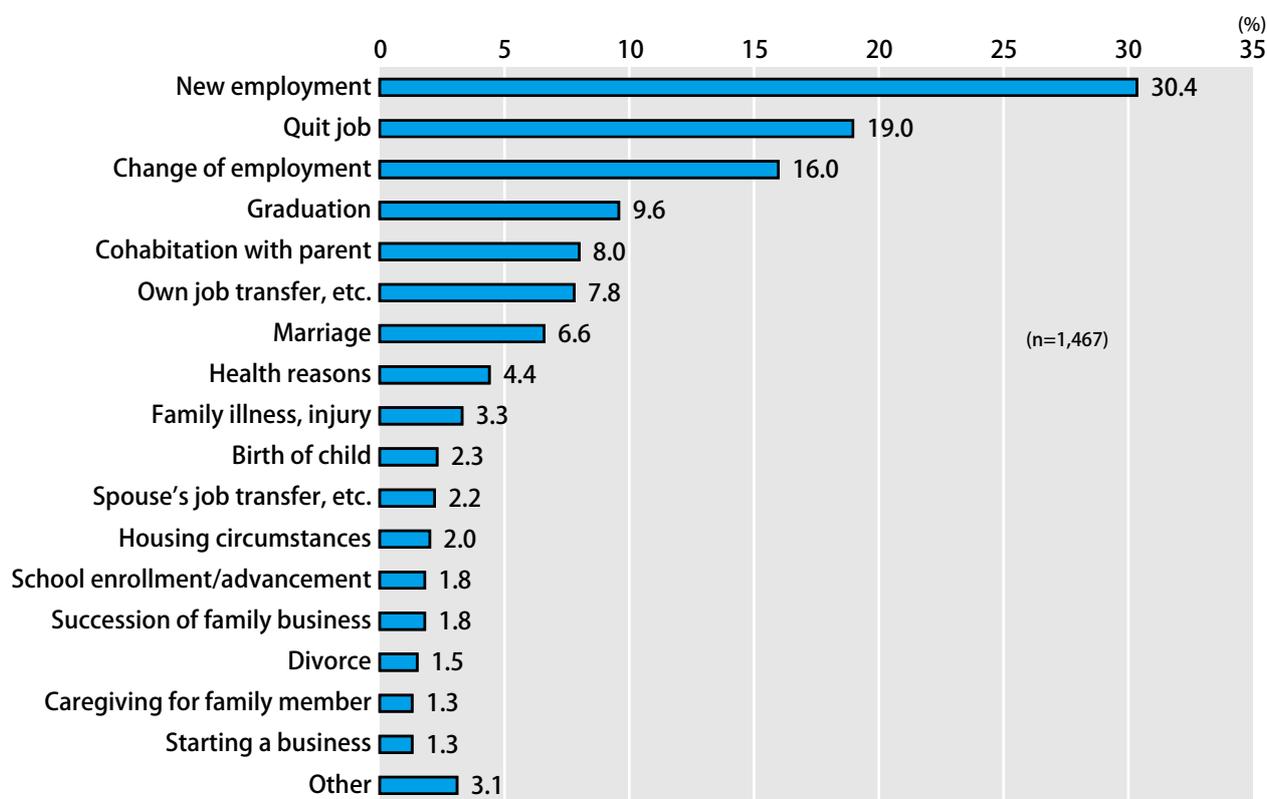
means that living in or near the family home is the main reason for U-turn migration. It is not uncommon in Japan for children to live with their parents after graduation, and this phenomenon can be said to be behind the fact that many people return to their native areas after graduation.¹⁴

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.

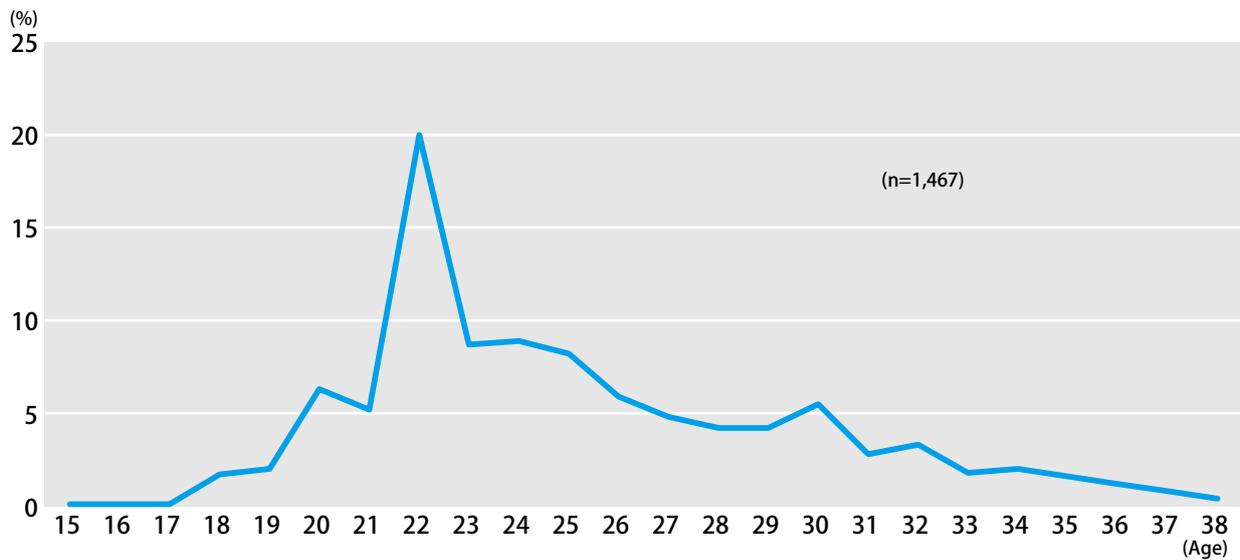
Moreover, an analysis of the kinds of people who wish to return to their home area revealed that many had a strong attachment to the area or possessed a good knowledge of local companies prior to leaving. The former result is reasonable, as attachment to one's home area is the key. In the case of the 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)

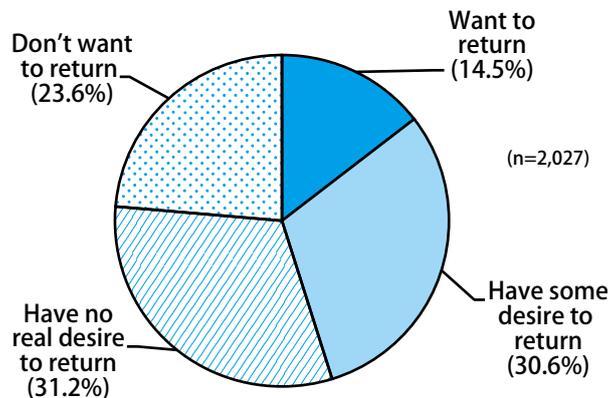
There is another form of migration to outlying regions that is attracting attention other than the "U-turn" migration that involves people's returning to their home areas after leaving them for Tokyo, Osaka, or major metropolitan areas for education or other reasons. This form involves migration to outlying 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)**



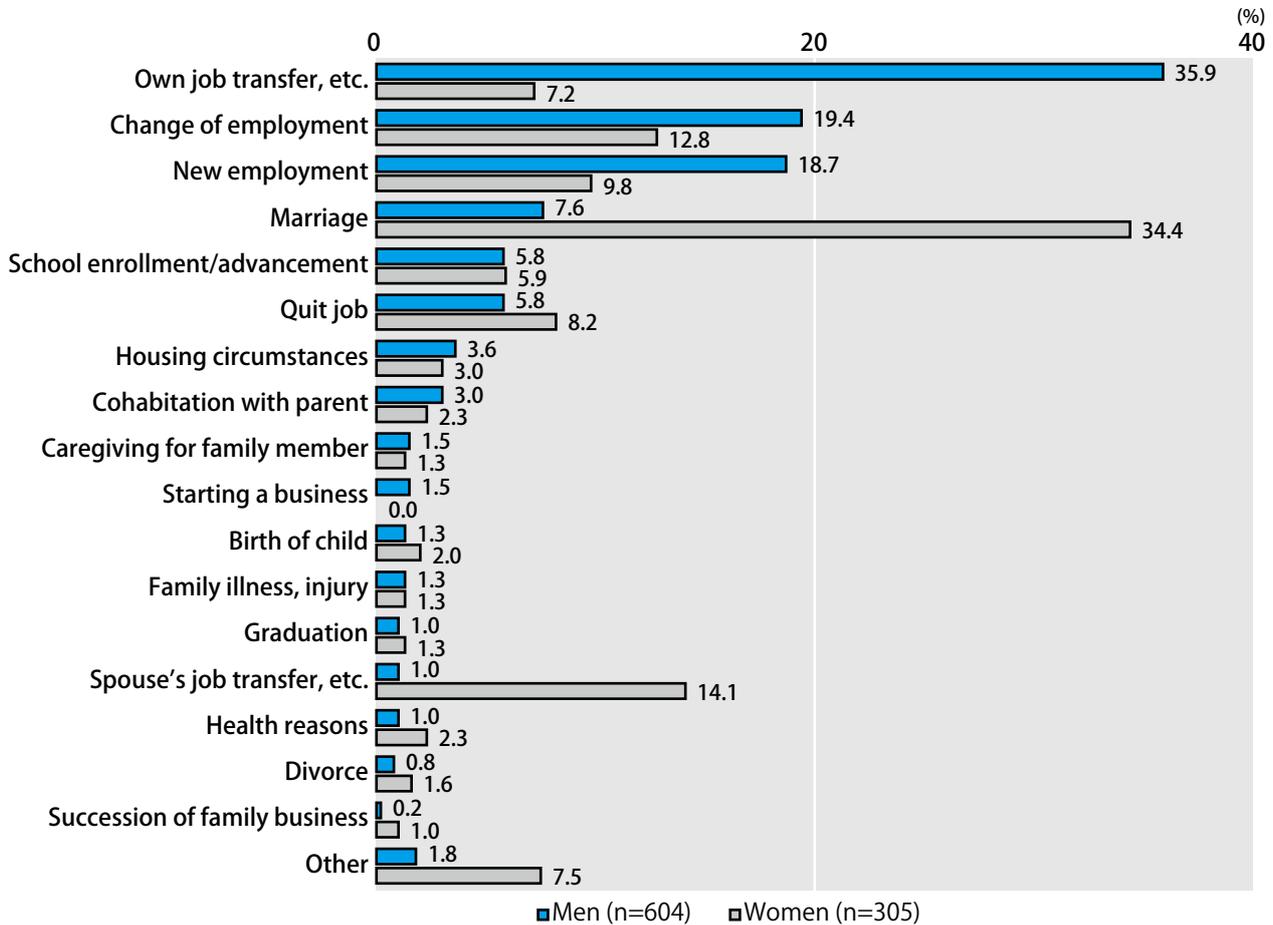
large number said “own job transfer, etc.” Following were “change of employment” and “new employment.” On the other hand, women offered much different motives for migrating, with the top response being “marriage,” followed by “spouse’s job transfer, etc.” In other words, the nature of migration from 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.)**



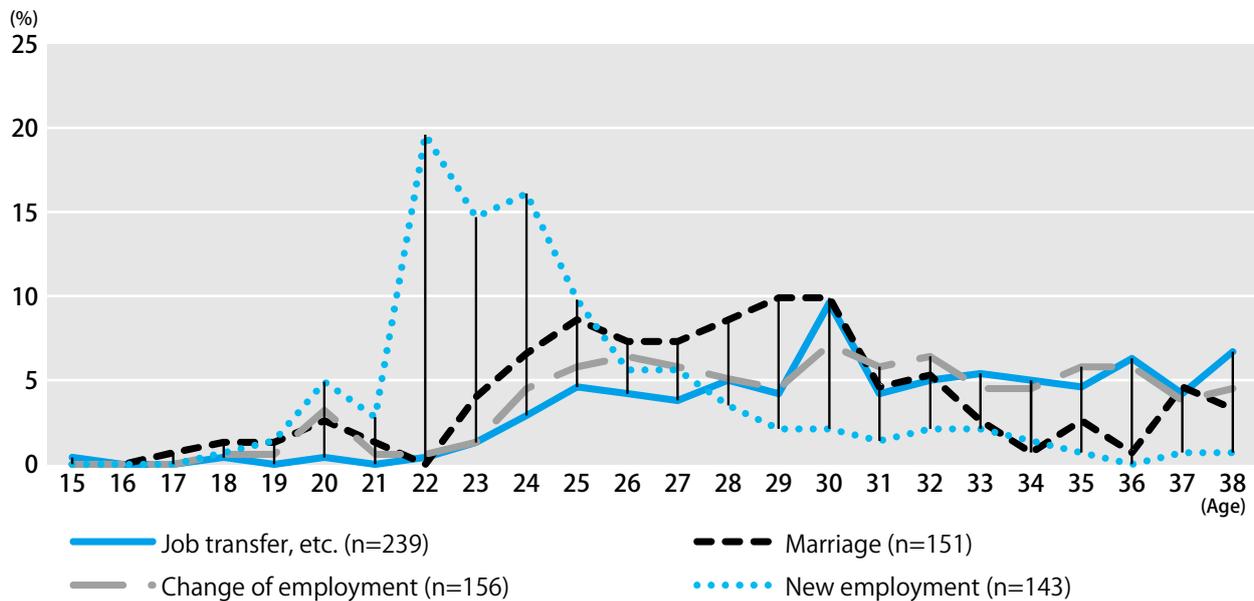
migration. The peak of migration for the purpose of taking employment was around the ages of 22 to 25, for the purpose of changing employment was between the mid-20s and late 30s, for the purpose of marriage was the late 20s (from around 25 to 30), and for the purpose of job transfer was from the mid-20s 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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