

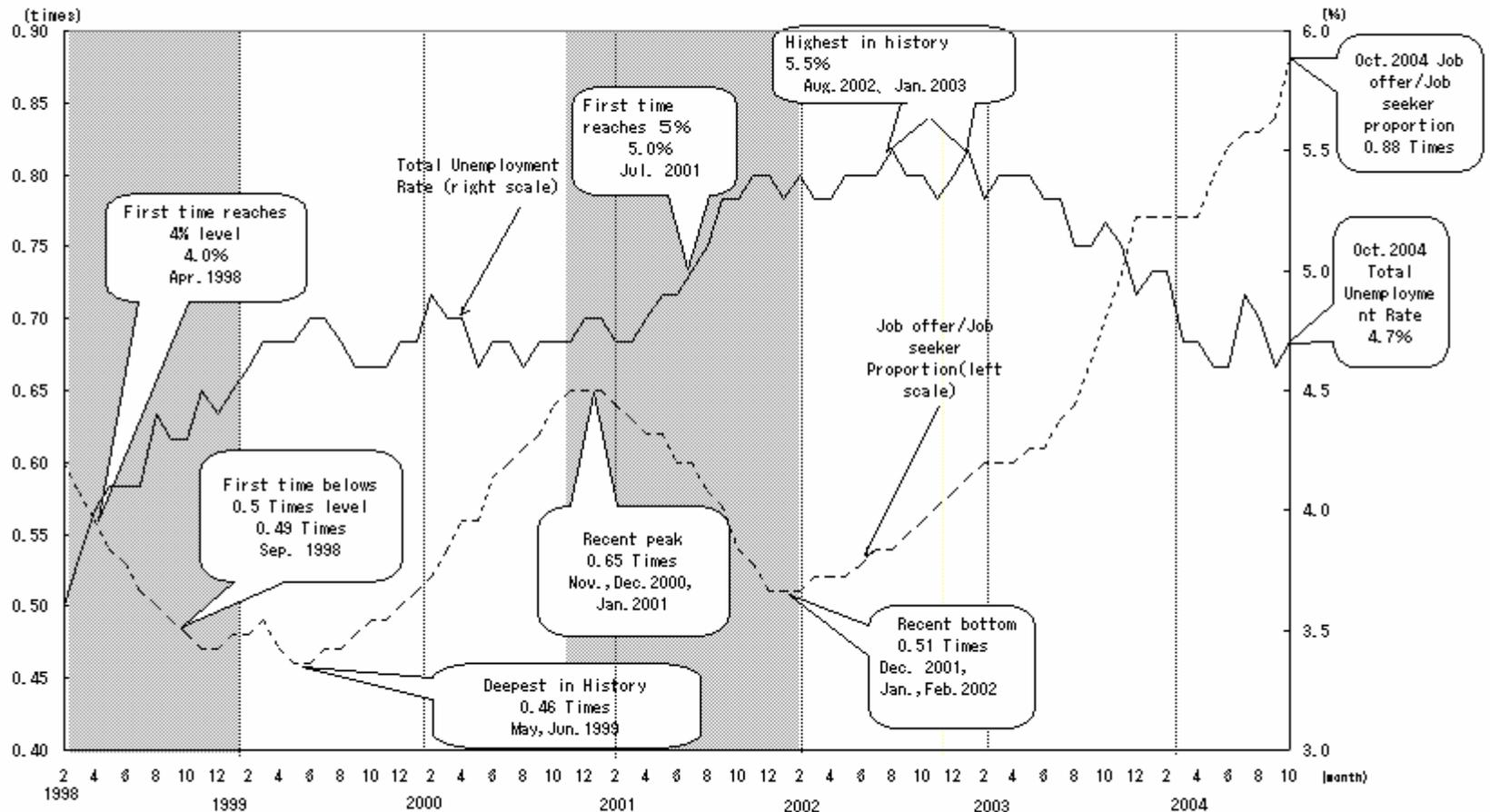
Government Policy  
on  
Employment and Development  
of Young Workers  
in Japan

Ministry  
of  
Health, Labour and Welfare  
December 3, 2004

# 1 Recent employment situation

(1) Trend of Total Unemployment Rate and job offer/job seeker proportion

Present Employment situation is improving though they have some severe aspects



Source : "Shokugyo Anso Gyomu Tokai" MHLW, "Labo Ryoku Chosa" Statistical Bureau, Min. of Internal Affairs & Communications

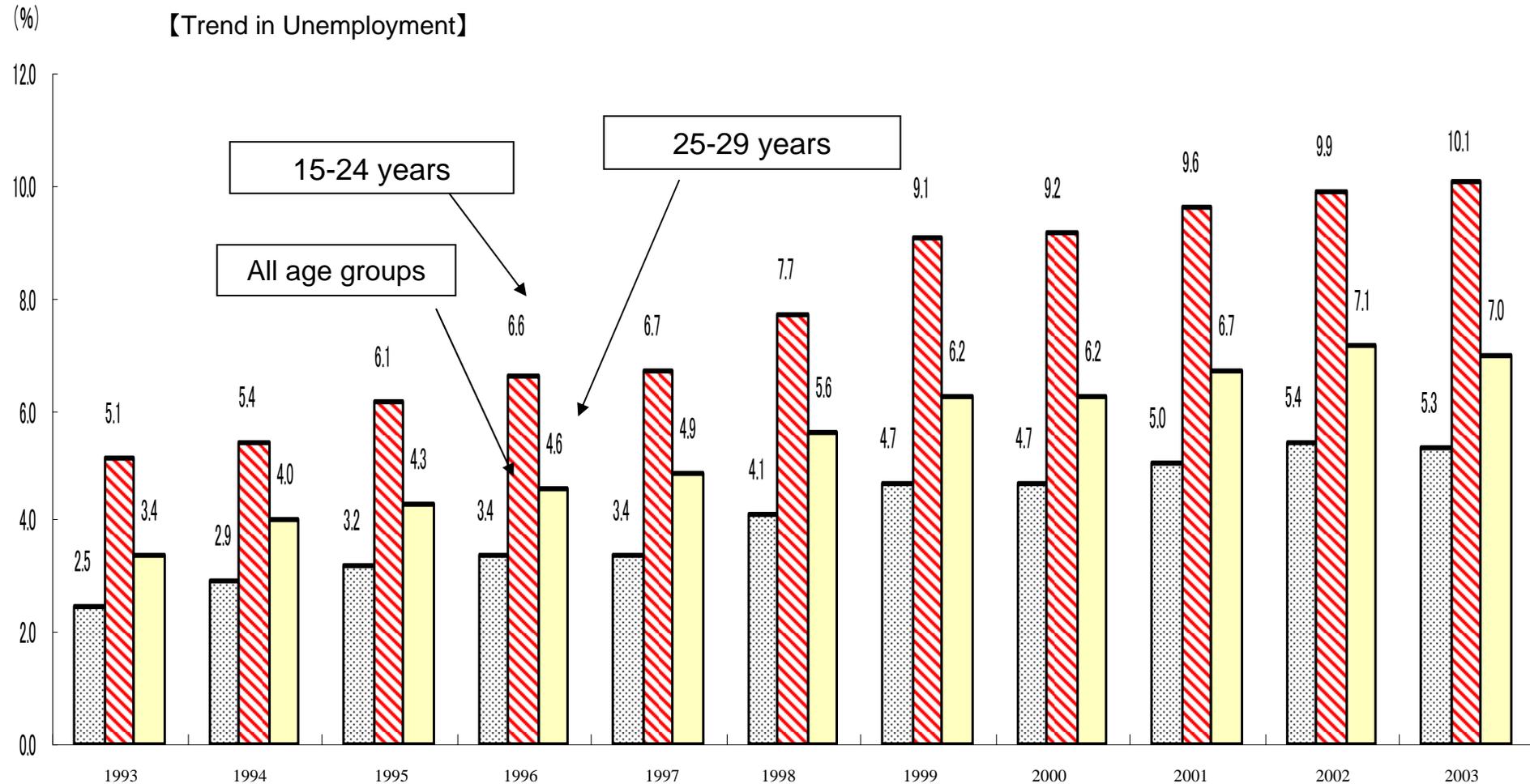
Note : Areas with mask suggest the period of depression

Vertical left scale : *Kyōjū Baitōsu* (job offer/job seeker proportion; times)

Vertical right scale : Total Unemployment Rate (%)

## 2 Increasing Youth Unemployment Rate

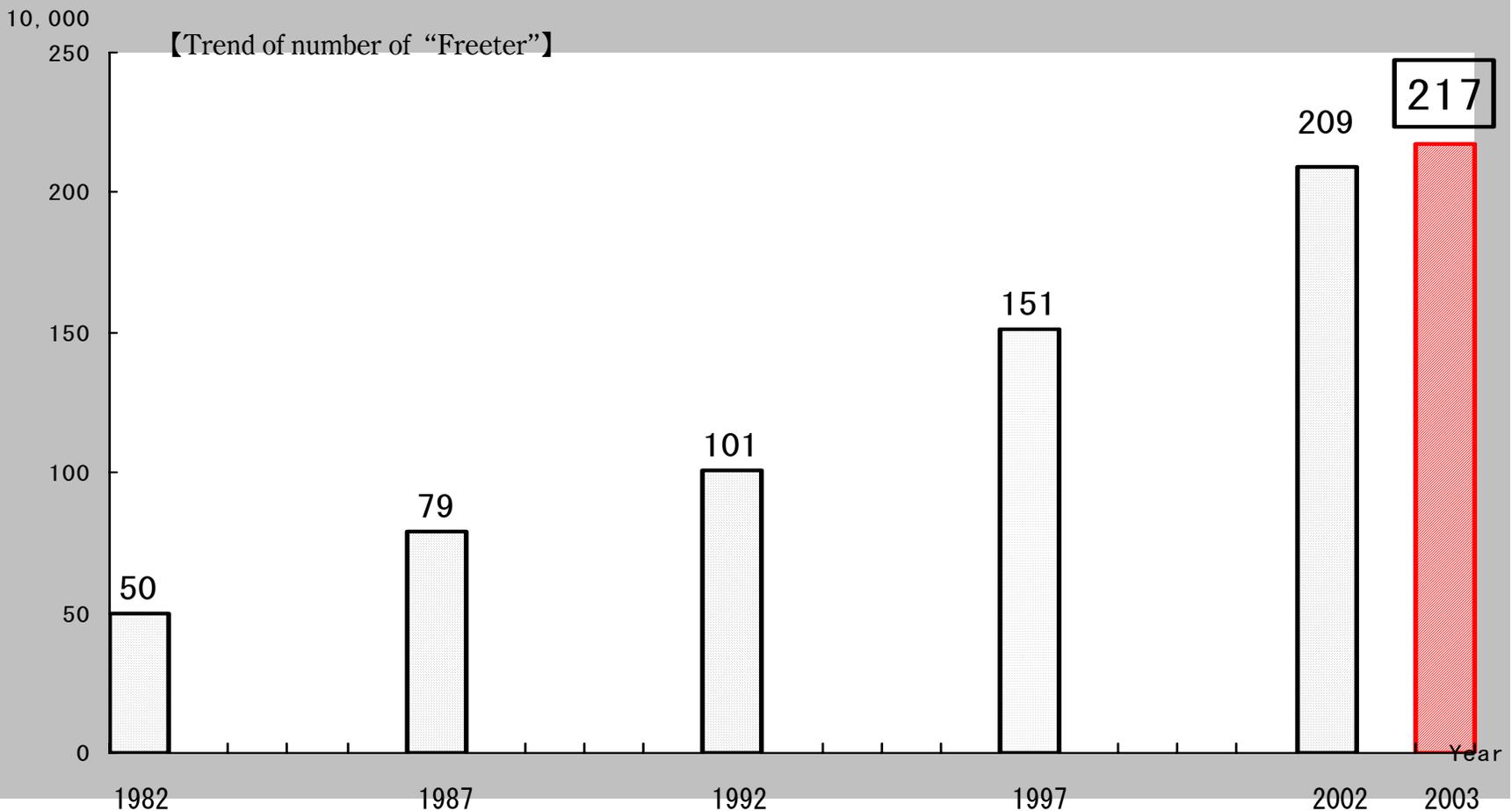
The unemployment rate among young people under 24 years reflects a worsening situation, having increased from 5.1% 10 years ago to 10.1% today, roughly double the average unemployment rate for all age groups. The unemployment rate among those between 25 and 29 years has increased to 7.0% from 3.4% 10 years ago.



(Source) Labor Force Survey, Statistics Bureau, Ministry of Internal Affairs and Communications

### 3 Increasing “Feeter”

Number of so-called “Freeter” has more than doubled to 2.17 million from 1.01 million 10 years ago.



Source : “*Shugyô Kôzô Kihon Chôsa*” Statistical Bureau, General Affairs Agency. Figures are specially worked out by Policy & Research Dep., of Ministry of Labor (~1997)

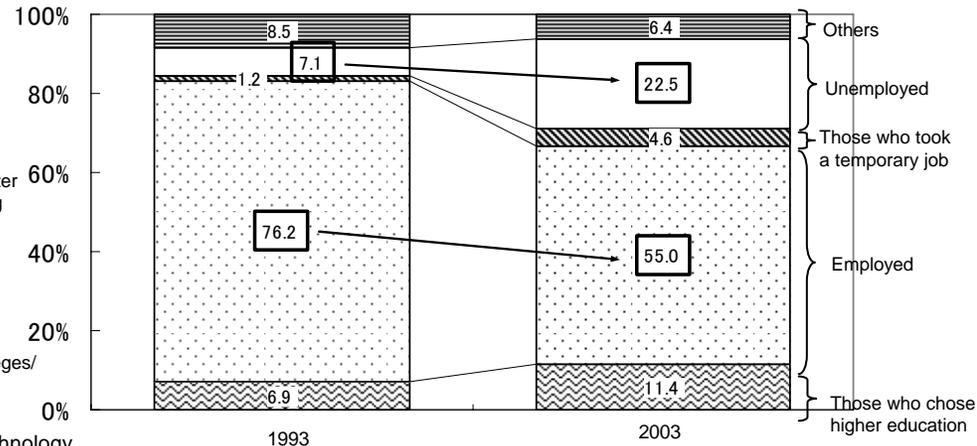
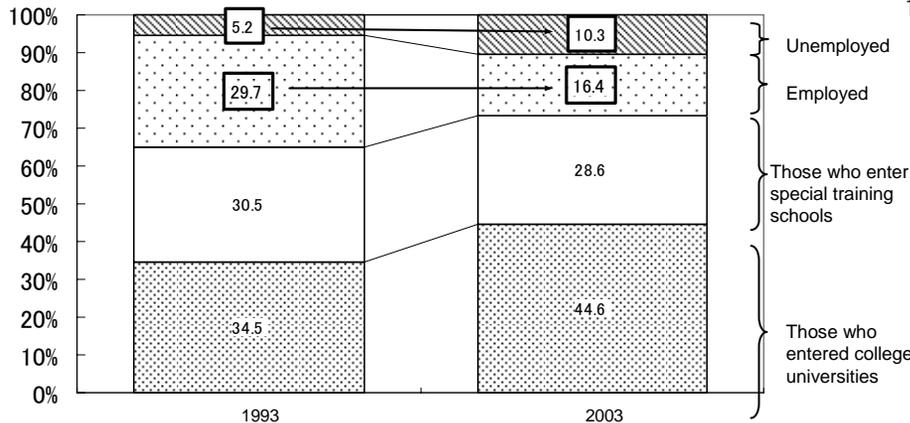
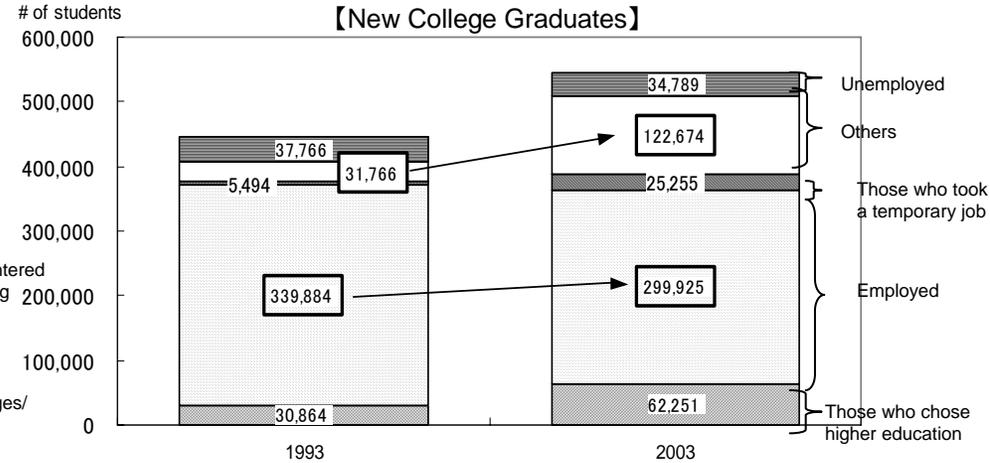
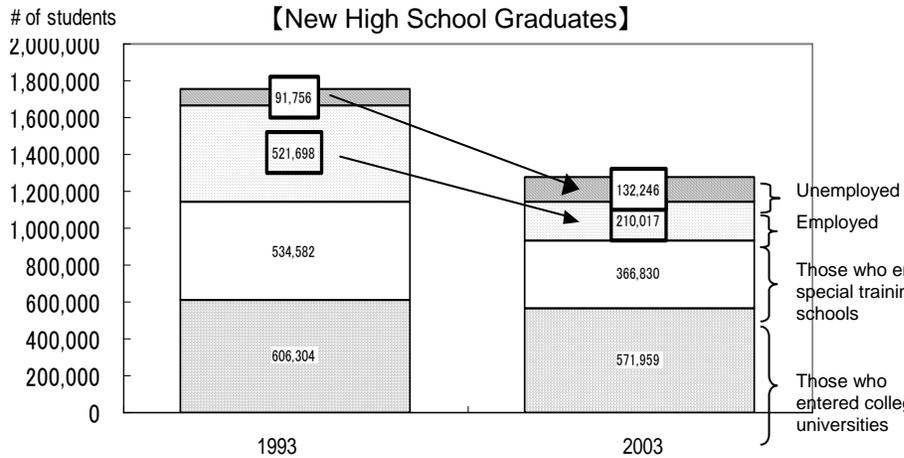
: “*Lôdôlyoku Chôsa Shôsei Shûkei*” Statistical Bureau, Min. of Intern’l Affairs & Communications. Figures are specially worked out by Office of Councilor for Labor Policy, MHLW (2002)

# 4 Employment Rate Keeps Falling

Compared to what it was 10 years ago, the employment rate among high school graduates decreased to 16.4% or 210,000 from 29.7% or 520,000, while unemployment among college graduates increased to 10.3% (130,000) from 5.2% or 90,000.

Over the same period, among college graduates, the employment rate decreased to 55.0% or 300,000 from 76.2% or 340,000, while the number of unemployed surged to 22.5% or 120,000 from 7.1% or 30,000.

The rate of those leaving work within three years after graduation is 70% for junior high school graduates, 50% for senior high school graduates and 30% for college graduates.



Source: Basic School Survey, Ministry of Education, Culture, Sports, Science and Technology

## 5 Youth Employment and Vocational Training Based on “Youth Independence and Challenge Plan”(“*Wakamono Jilitsu · Chôsen Pulan*”)

### Promote job placement support for new graduates

◆ Assign “**Job Supporters for Young People**” at job placement offices to offer comprehensive job assistance to promote job understanding among young people and aid their retention at the workplace, by giving advice and consultation and through visits to schools, accompanying students on company visits, etc. (Since February 2003)

Achievement

○ 100 supporters were assigned in 2003. They visited 636 high schools in February and March and offered advice to 15,040 students who had not yet found a job. → in 2004, 600 supporters will be assigned throughout the country with the aim of providing advice to 170,000 students (all of the high school graduates seeking work)

### Promote regular employment of part-timers by adopting probationary period employment

◆ Provide subsidy to companies which accept young unemployed persons for a three-month probationary period as a form of “test employment”, starting in December, 2003.

Achievement

Number who participated in the probationary employment:  
**about 38,000**  
Rate of transfer to regular employment:

**79.7%**

→ **Goal for 2004: to achieve a transfer rate of over 80%**

### Establish a one-stop job placement service center (Job Café)

◆ Local government will provide the following services in a cooperative alliance with local companies and schools at a one-stop service center called “Job Café”.

- Job information service for young job seekers
- Provide opportunity to gain workplace experience
- Job placement services

Achievement

○ Job Café had been established in all of 43 prefectures by local governments as of the end of July 2004  
○ At the request of 35 prefectural governments, a regular job placement office was established in conjunction with Job Café

### Introduce a human resource development system of real-work related vocational education(Japanese version of dual system)

◆ Launch a real-work related vocational education system to develop mature workers by offering education at training institutions in conjunction with practical training in companies

Achievement

○ Close to 7,000 apprentices had participated in the scheme in 47 prefectures by the end of June 2004.

# 6 Consolidation of One-Stop Service Center for Youth

**Ministry of Health, Labour and Welfare  
(Budget: 273 billion JPY)**

- Locally coordinated program for young people
  - Hold company meetings for young workers
  - Raise awareness among parents or guardians of prospective high school graduates
- Parallel establishment of regular job placement office
- Staff career consultants

**Ministry of Economy, Trade and Industry  
(Budget: 525 billion JPY)**

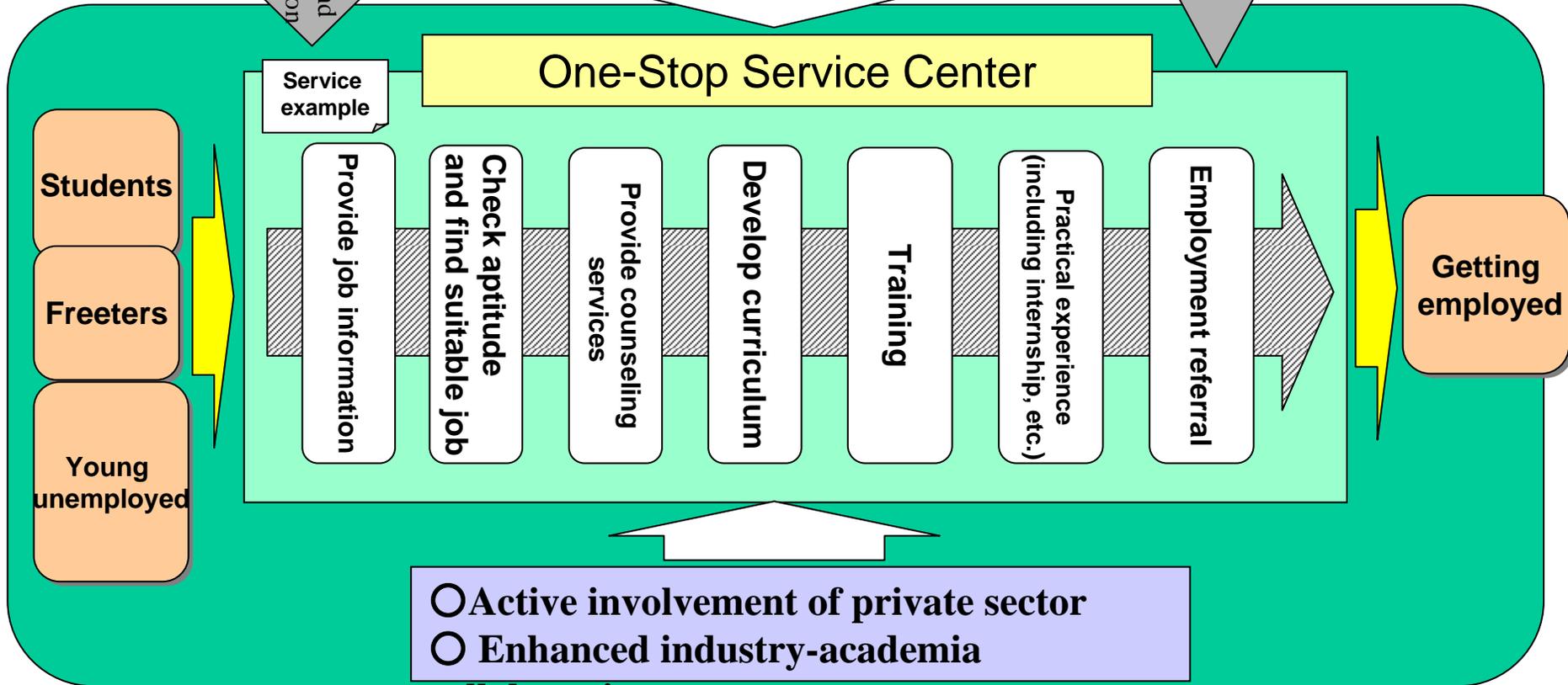
- Young HR development projects to be launched in about 10 areas
  - Investigate and identify the needs of local industry with regard to young workers
  - Develop young workers to meet local needs by offering training and counseling services

**Prefectural Government**

Plan and manage autonomous one-stop service center to meet local needs

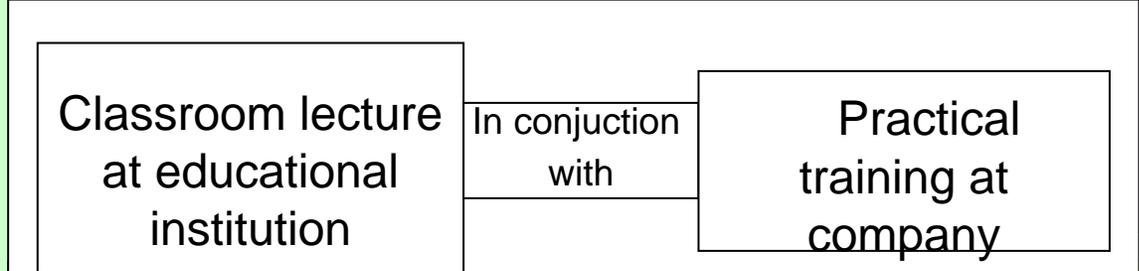
Support and coordination

Support



# 7 Japanese Version of Dual System

Model case: Three-day-a-week classroom lectures at educational institution, work two days in real job



Assessment of qualification

- High School Students
- Unemployed High school graduates
- Unemployed
- Freeters

Full-fledged worker

(Performance of 2004)  
▲About 13,500 trainees had started short-term training (5 months average) by the end of September  
▲Long-term training of one to two years started in October in 28 prefectures in order of precedence.

# 8 Current Status of Enhanced Youth Independence and Challenge Plan

Cabinet Secretariat  
Cabinet Office  
Ministry of Education, Culture, Sports, Science and Technology  
Ministry of Health, Labour and Welfare  
Ministry of Economy, Trade and Industry

## Proposed Budget for FY05: 81 billion yen (52.6 billion yen for FY04)

- ① Promote young worker development through **close collaboration between schools from elementary to college, industry, and local governments**
- ② Implement comprehensive measures to motivate young people to work, offer employment, and retain them at work, for **young people who have lost the desire to work**
- ③ Raise ability and qualification of young people through **active involvement of private sector in HR development**

- ◆ Promote national campaign
- ◆ Implement strategic PR activities

## I. New measures to enhance youth independence and challenge plan Proposed Budget for FY05/ 35.1 billion yen (15 billion yen for FY04)

### 1. Enhance vocational education and develop specialized workers

Proposed budget:  
4.3 billion JPY/FY05  
(1.8 billion JPY/FY04)

- ① Promote close collaboration among the concerned agencies in order to focus on vocational training at elementary and junior high school level through the following:
- Junior high school students participate in workplace training for 5 days or more;
  - Streamline a program to raise awareness to work at job placement office;
  - Early stage vocational training by offering opportunity to students to experience how goods are manufactured by drawing upon the experience and ideas of the private sector
- ② Assist special training schools which focus on teaching advanced technology and traditional skills

### 2. Raise willingness to work among part-timers and the unemployed

Proposed budget:  
20.2 billion JPY/FY05  
(11 billion JPY/04)

- ① Establish a "School of Independence for Youth" based on a training camp model to give confidence, foster motivation and raise awareness of work opportunities among young people;
- ② Implement short-term basic vocational training by private institutions;
- ③ Develop and promulgate "Job Passport" system to enhance ability to obtain a job through unpaid work experience;
- ④ Expand the framework of free practical vocational training for young workers provided by private institutions and start receiving applications at the Job Café;
- ⑤ Promote the concept of "Manufacturing Kingdom" to create a labor pool with a knowledge of manufacturing and to support the endeavors of young people who want to take on the challenge of manufacturing goods.

### 3. Develop HR to support growth of industry

Proposed budget: 7.1 billion JPY/FY05  
(2.1 billion JPY/04)

- ① Establish centers where industry and academia can work together to develop core human resources at manufacturing sites and to pass on the skills and know-how of experts to the younger generation;
- ② Develop a curriculum to develop human resources able to contribute to strategic service sectors, including contents service, IT workers, as well as MOT (management of technology) personnel, etc.

### 4. Promote in-house HR investment

Proposed budget: 1.3 billion JPY/05  
(zero for 04)

- ① Introduce a subsidy for career development promotion to be granted to companies which introduce the Japanese version of the dual system. I.e., a combination of two days of practical training at the workplace and three days of classroom education and vocational training;
- ② Establish "a new tax system to promote HR investment" to accelerate investment by the private sector in HR development so that HR will be better able to support the foundations of Japan's industrial competitiveness

### 5. Promote grass-roots e-learning programs

Proposed budget: 1.7 billion/FY05 (10 million JPY/FY04)

- ① Offer an e-learning opportunity to young people to help them obtain the knowledge and skills vital for finding work and employment at the job café, educational institutions such as universities, as well as the Chamber of Commerce and Industry;
- ② Set up an environment to promote e-learning by establishing a system to provide such information

### 6. Promote national movement

60 million JPY/FY05 (zero for FY04)

- ① Construct a website for young job seekers and implement a symposium provisionally entitled "Young Challenge Caravan";
- ② Promote cooperation among all that are interested in starting a national movement, by holding a conference at national level and mini-events targeting youth, etc., in order to raise interest among the public;
- ③ Promote employment among young women by providing information and educational programs, including campaigns and seminars.

## II. Measures to be continuously implemented in a steady manner (proposed budget: 46 billion JPY/37.6 billion for the previous FY)

Streamline one-stop service center (Job Café), promote Japanese version of dual system, and create new job/employment market