

Chapter 2 Current Situation and Issues in the Labour Supply

Section 1 The Attitudes of Youth Issues Related to Employment Promotion

Since the 1990s, the employment situation for younger workers has been severe. Finishing school, choosing an occupation, and being able to actively participate in society is important in the lives of individuals. The transitional period from school to employment, during which youth desire to begin their work lives and start living independently, is a vital phase. Compared with the past, however, youth today face a worsening employment situation, and the number of young people unable to make a smooth transition from school to work is increasing.

In light of the employment problems of youth, people at all levels of society must interest themselves. Economic, labour, and educational groups, local communities, government, and so on must work closely together so that young people can understand the meaning of work and increase their ambition and skills. Initiatives to promote the independence of youth must be strengthened.

(The Difficult Employment Situation for Youth)

Looking at the youth unemployment rate, it increased sharply for both males and females in the mid-1990s, climbing to 12.8% for the 15–19 group in 2002 and 9.8% for the 20–24 group in 2003. Although some signs of improvement have subsequently appeared, the youth unemployment rate remains high (Figure 33). In addition, the percentage leaving work within three years of entering a company is high, and the number leaving within one year is particularly high. Moreover, the percentage of employed 15 to 24 year olds who are employed part-time is rapidly increasing, further indicating the difficult employment situation that young people face.

(Changes in Youth Attitudes)

Youth is a time when people are expected to finish school and become active members of society. Even if the environment for finding work is difficult, young people are expected to have a positive attitude towards work. In surveys of their reasons for working, the percentage of young people responding "To have an enjoyable life" has been increasing in recent years, while the percentage responding "To test one's ability" or "To be economically comfortable" has been decreasing (Figure 34).

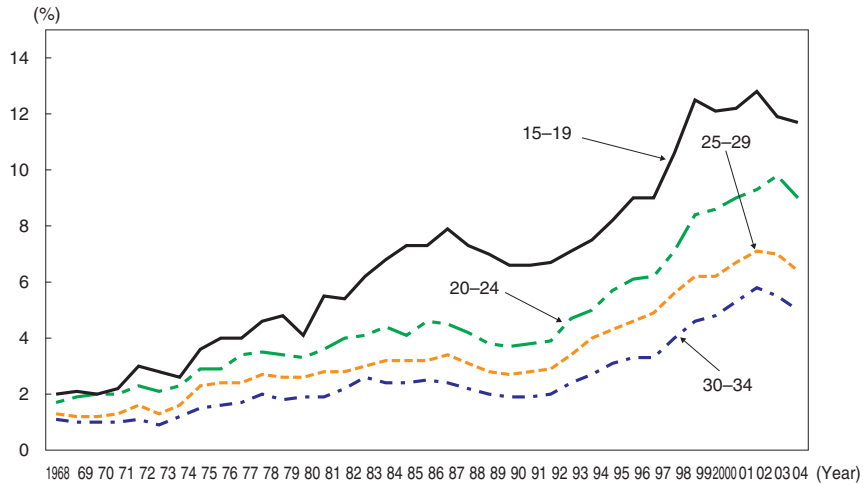
In addition, the percentage that say "I want to work more than the average person" and "One must be willing to step forward and struggle while one is young" is also increasing.

Regarding what gives meaning to their work, the percentage responding "Accomplishing my own work", "Feeling that I'm progressing and improving", or "Having my work recognized as important" is on an upward trend.

When asked about their ideal jobs, more than 50 percent responded "One with a steady income" or "One that I find enjoyable".

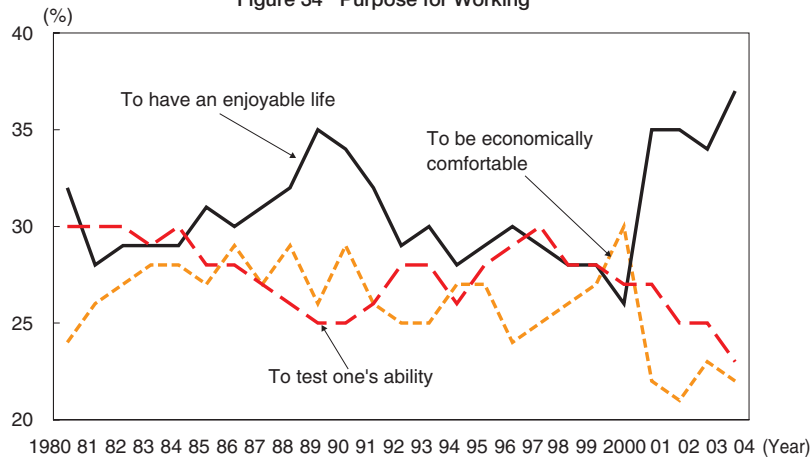
Looking at changing attitudes towards life in general, the percentage of those responding "I want to avoid responsibility as much as possible" or "I don't really want to do things that require effort or training" is rising. At the same time, however, the percentage holding the idea that "I want to achieve my dreams even if I have to struggle" is increasing among those in their late teens in particular. Along with the trend to avoid effort, there is an opposite trend within the same age group, indicating that their values are diversifying.

Figure 33 Unemployment Rate by Age Group (males and females)



Source: Statistics Bureau, MIC, "Labour Force Survey"

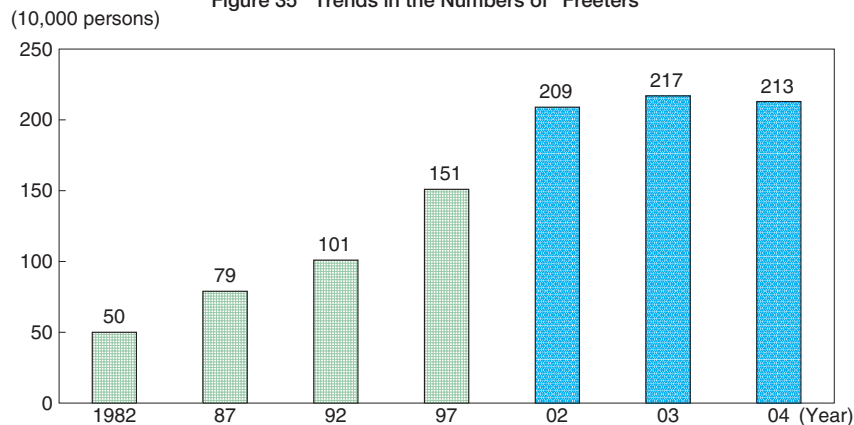
Figure 34 Purpose for Working



Source: Japan Productivity Center for Socio-Economic Development (JPC-SED), "Report on the 15th Survey on the Perceptions of New Recruits 2004"

Note: Figure shows changes in the top three responses in the 2004 survey.

Figure 35 Trends in the Numbers of "Freeters"



Sources: "2004 White Paper on the Labour Economy" for 1982, 1987, 1992, 1997, 2002, and 2003. Figures for 2004 are calculated from Statistics Bureau, MIC, "Labour Force Survey (Detailed Tabulation)" by the Office of Counselor in charge of Labour Policy, MHLW.

Notes: 1) The numbers of "freeters" in 1982, 1987, 1992, and 1997 was calculated based on the following definition. The term "freeter" refers to a person in the age bracket of 15 to 34 and (1) who is currently employed and called "arbeits" (temporary worker) or "part-time worker" at the workplace, or who is a male worker working for 1 year and more but less than 5 years or who is a single female worker primarily engaged in work or (2) who is not engaged in work and neither keeping house nor attending school and desirous of taking an "arbeits" (temporary) job or a part-time job. 2) The number of "freeters" in 2002 and 2003 was calculated based on the following definition of "freeter." The term "freeter" refers to a worker who is a graduate in the age bracket of 15 to 34, clearly excluding students, and who is single in the case of a female and (1) who is currently employed and called "arbeits" (temporary worker) or "part-time worker" in the workplace or (2) who is not engaged in work and neither keeping house nor attending school and desirous of taking an "arbeits" (temporary) job or a part-time job. 3) Please note that the data from 1982 through 1997 and the data from 2002 through 2003 lack continuity due to the change in the definition of "freeter", etc.

(Conditions for "Freeters" and Unemployed Youth)

There were 2.13 million "freeters" (referring to young part-timers, etc.) in 2004 if their numbers are specially calculated utilizing the same methods used in the "2004 White Paper on the Labour Economy" (Figure 35). In addition, using a concept similar to "NEET" (Not in Education, Employment or Training), those in the 15–34 age group who were neither keeping house nor attending school and not in the labour force in 2004 numbered 640,000.

Looking at the person not in the job who have never engaged in job seeking activities, the most common reason given is "I'm not confident in getting along with people and other aspects of life in society", indicating that many of them experience anxiety regarding communication with people in and out of the workplace if they were to find jobs. Among those who have sought work but are no longer looking, the most common reasons given for that are "Health reasons", "I couldn't find a job I wanted", and "I lost confidence in my ability to work". This indicates that these young people cannot figure out or decide what kind of work they want or they have lost confidence while looking for work. Among young people currently seeking work, about 20 percent say, "I just want to work, so I'd accept a job somewhat different from my preference". Although youth are troubled by being not engaged in work, they are not urgently seeking immediate employment.

In this way, youth who are not engaged in work are troubled by the fact that they do not have jobs, but they are bothered more by anxiety over not knowing what kind of occupation they want and worries about communicating with others than they are by economic concern about making a living.

(Transition from School to Work)

Looking at the perceptions of high school seniors who are looking for work, the percentages who feel that there are few job openings in their preferred fields and who do not know what jobs or workplaces are like are high (Figure 36).

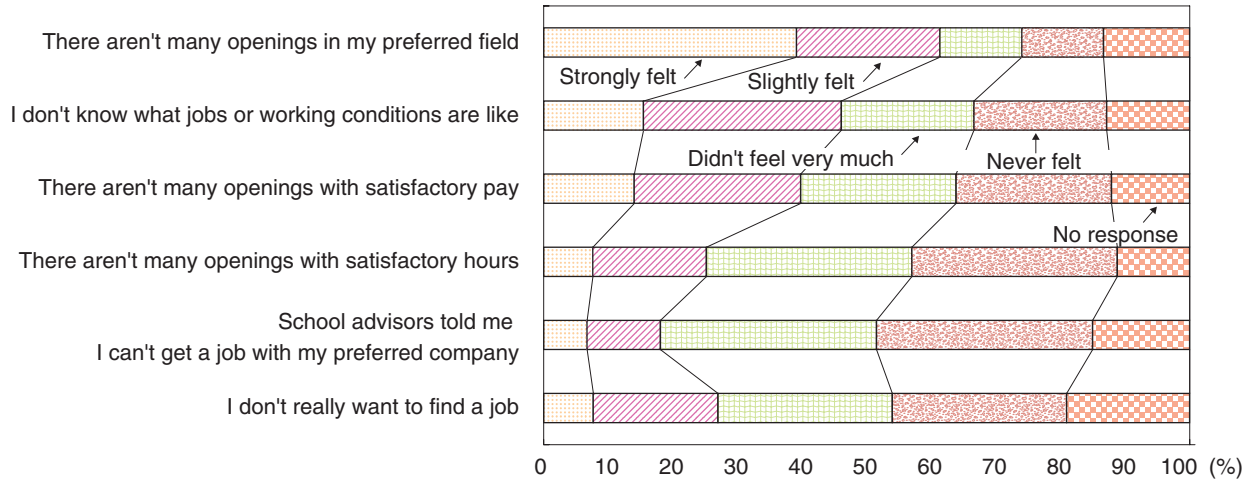
Looking at reasons for taking internships as found in the Ministry of Health, Labour and Welfare's "Survey on current conditions in internships", 80% responded "To experience what work is like" (Figure 37).

In order for student work experiences to be beneficial both to students and to the companies that accept them for internships, students should clearly set their goals for participation and select companies that match those goals. Such a proactive approach would enhance the effects of the work experience. Universities should also work to instill a clear sense of purpose and a certain amount of professionalism in students who accept internships by actively undertaking advance counseling, providing information, and grasping the needs of companies.

(Retention of Youth in the Workplace)

Among youth who leave work and find a new job, the percentage of those who accept non-regular employment is on an upward trend, with a particular increase in those who move from regular to non-regular jobs (Figure 38). The increasing rate of leaving jobs after a short time and the increase in "freeters" and youth who are not engaged in work means that more young people are unable to obtain the work knowledge and skills that they should, leading not only to immediate difficulty finding employment, but also to a lack of job skills and unstable employment in the future. The rising rate of early job leaving is influenced by changes in the attitudes of young people, specifically, the increasing number who accept employment without clear plans for their work lives, who take jobs reluctantly, or who don't seek stability in employment first. In addition, this may indicate that the power of the workplace itself to hold young people may be declining.

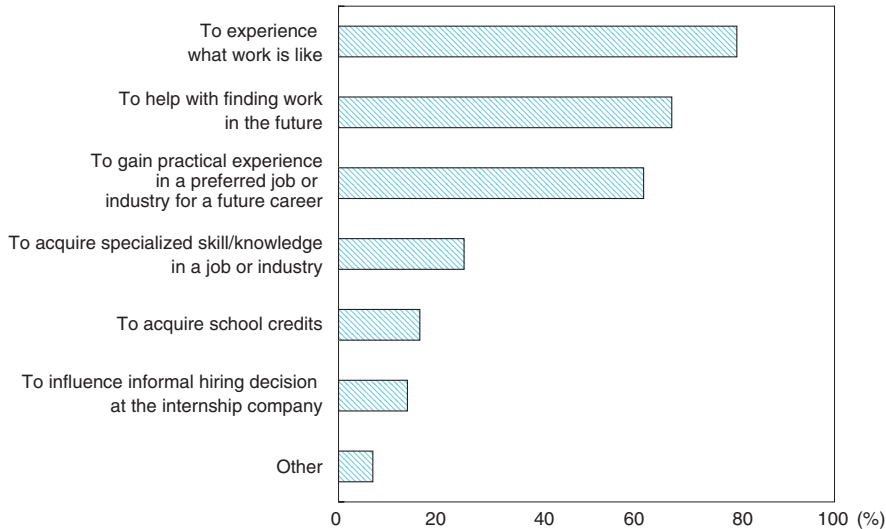
Figure 36 Perceptions while Searching for Work (high school seniors)



Source: MHLW, "Research on Transition of High School Graduates to Working Life (Final Report) 2002"

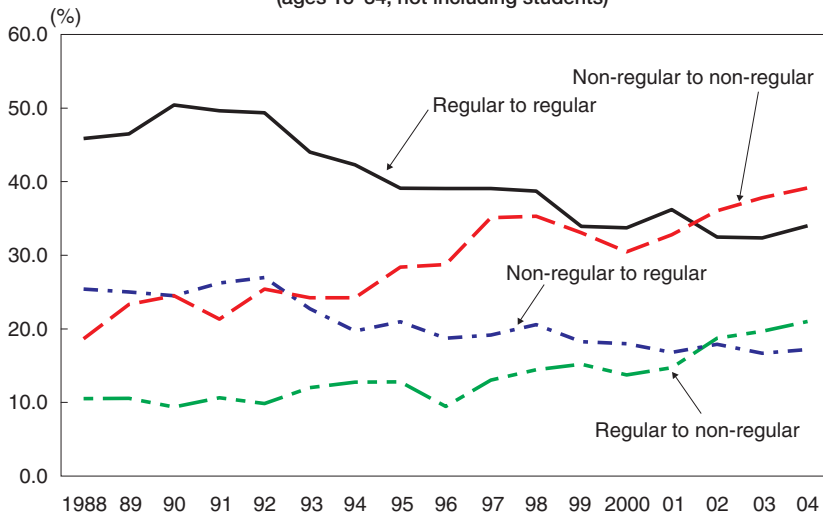
Note: Respondents were those who had engaged in job-seeking activities between entering the final year of high school and the time of the survey.

Figure 37 Reasons for Taking an Internship (multiple responses)



Source: "Report of the Committee on Research to Promote Internships," MHLW

Figure 38 Employment Patterns of People who Left Work and Found New Employment, by Employment Pattern (ages 15-34, not including students)



Source: Specially calculated by the Office of Counselor in charge of Labour Policy, from "Special Survey of Labour Force Survey" (February), Statistics Bureau, MIC, for 1988 through 2001 and "Labour Force Survey (Detailed Tabulation)," Statistics Bureau, MIC, for 2002 through 2004.

Note: "People leaving jobs" in this case refers to those who have left jobs within the past year.