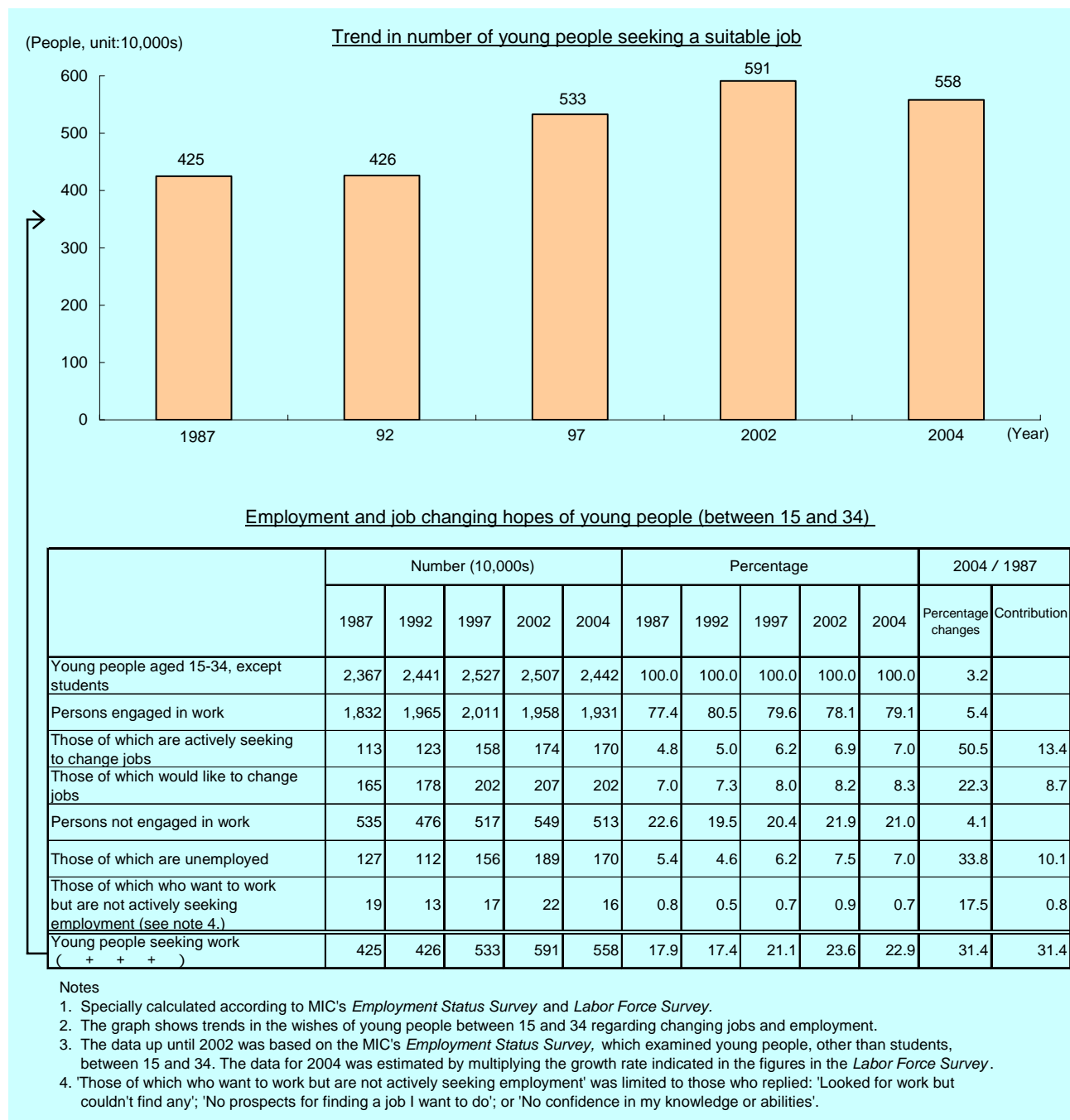


Chapter 1 Young people look for a suitable job

Part 1 Another challenge at seeking a suitable job

Around 30% more young people hope to seek for a suitable job again compared to in 1987, a figure accounting for about 20% of young people.

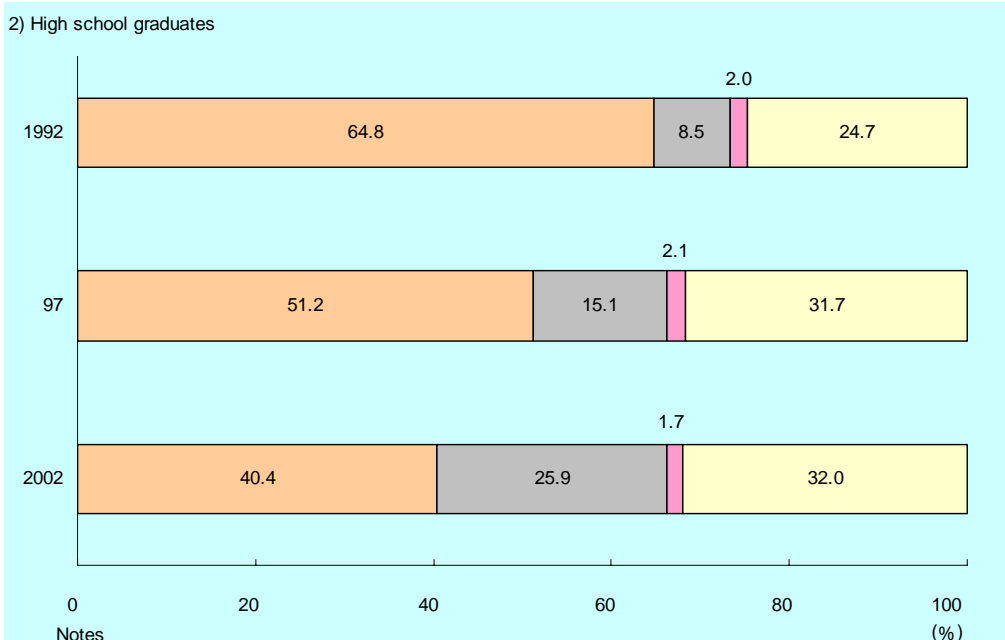
Fig. 1-1-2 Increasing numbers of young people hope to try to seek a suitable job again



Background to the increase in young people looking for a suitable job (1)

More young people want to change to become permanent employees because of the increasing trend for recently graduated people to take up part-time or temporary work.

Fig. 1-1-4 Percentage of recent graduates employed in part-time or temporary work is rising



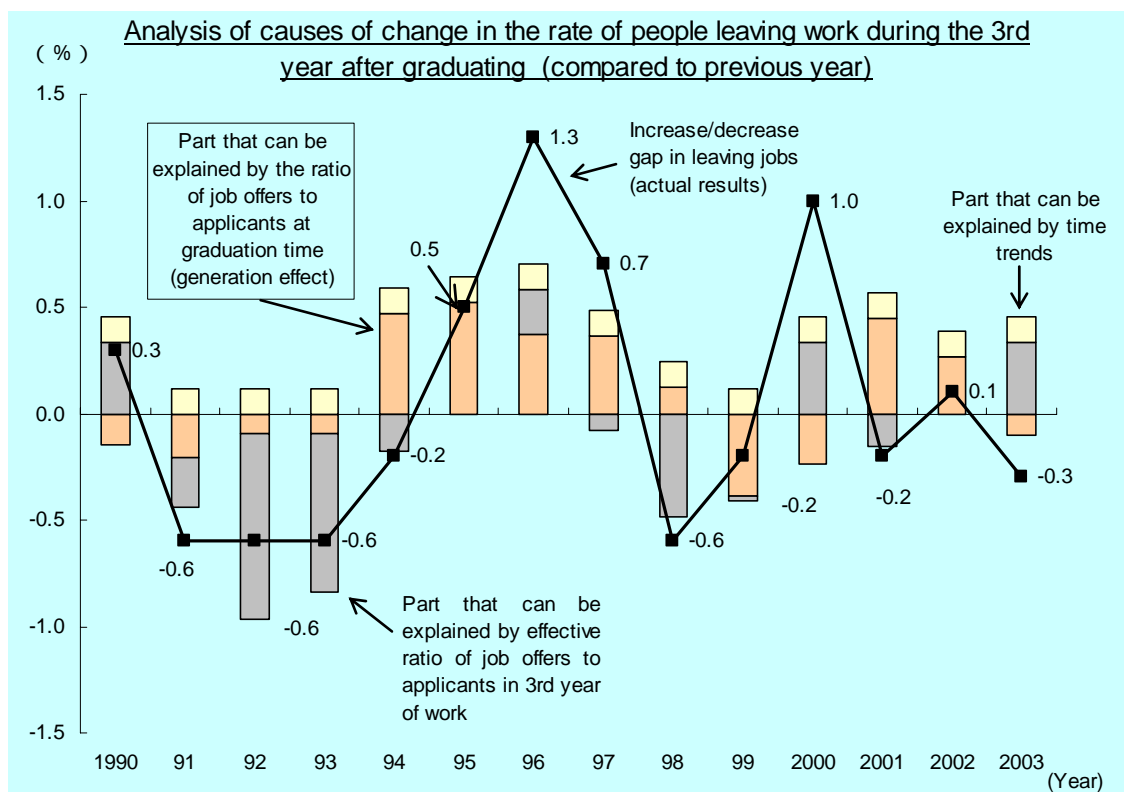
Notes

1. Specially calculated according to MIC's *Employment Status Survey*.
2. The graph shows the trends in the type of employment followed immediately after graduation by university and high school students.
3. A 'permanent employee' is defined as a regular staff member or employee; 'part-time or temporary' workers are persons in employment other than regular staff members or employees. Those for whom clear details were unavailable are not included.
4. The 'persons not engaged in work' are those who do not have a job.
5. 'Others' are those not covered by the categories 3 and 4 above.

Background to the increase in young people looking for a suitable job (2)

Since a number of graduates had to take jobs they didn't really want because the economy was in a poor state when they graduated, many of them now hope to make amends for this by changing jobs.

Fig. 1-1-8 Generation effect is a cause of increase in people leaving work after graduation



Notes

1. The ratio of job offers to applicants for new graduates is adapted from the Recruit Co., Ltd.'s Work Institute's *Research on the Application Ratio of the College Graduates*, 2004.
2. The rate of people leaving work during the 3rd year after graduation is based on the rate for each year after graduation given in the Ministry of Health, Labour & Welfare's (MHLW) *Research into the Entering and Leaving of Work by New Graduates* (2005).
3. The effective ratio of job offers to applicants in 3rd year of work is adapted from MHLW's *Employment Referrals for General Workers*.

Background to the increase in young people looking for a suitable job (3)

More young people are working long hours, and these people are increasingly keen to change jobs.

Fig. 1-1-10 The percentage of permanent employees working long hours is increasing

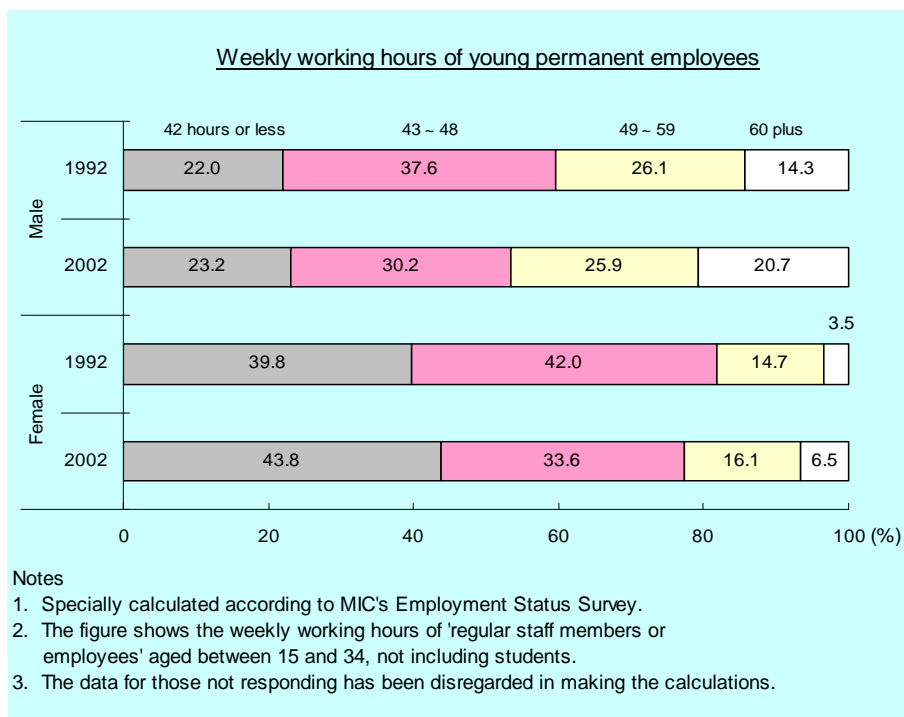
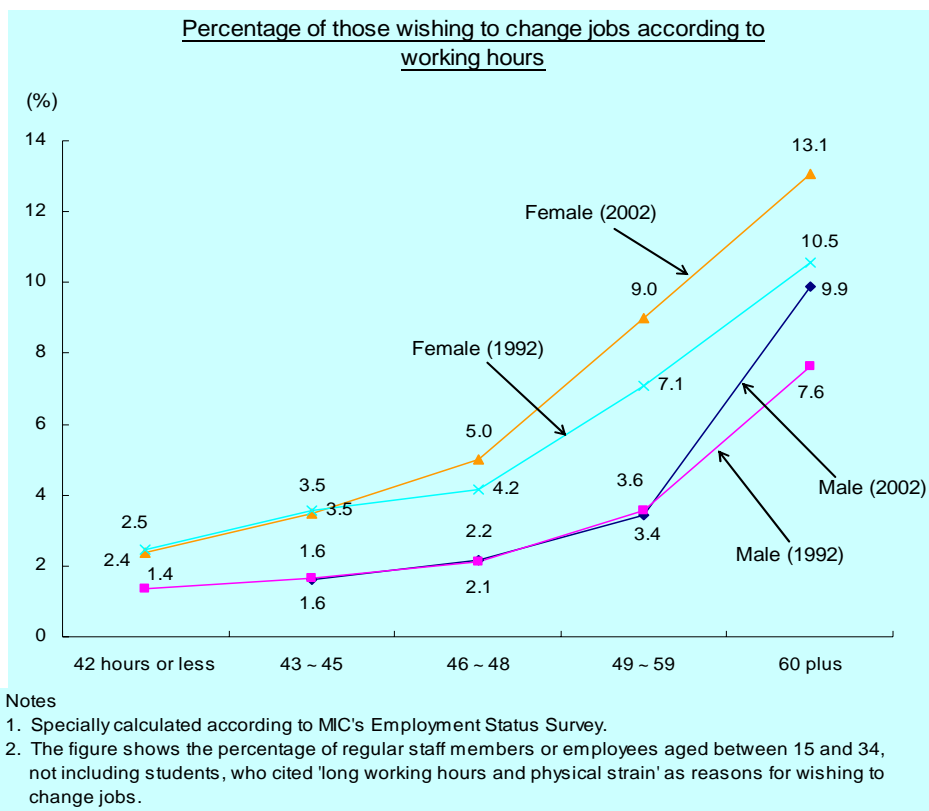


Fig. 1-1-11 Longer working hours and physical strain make young people want to change jobs.

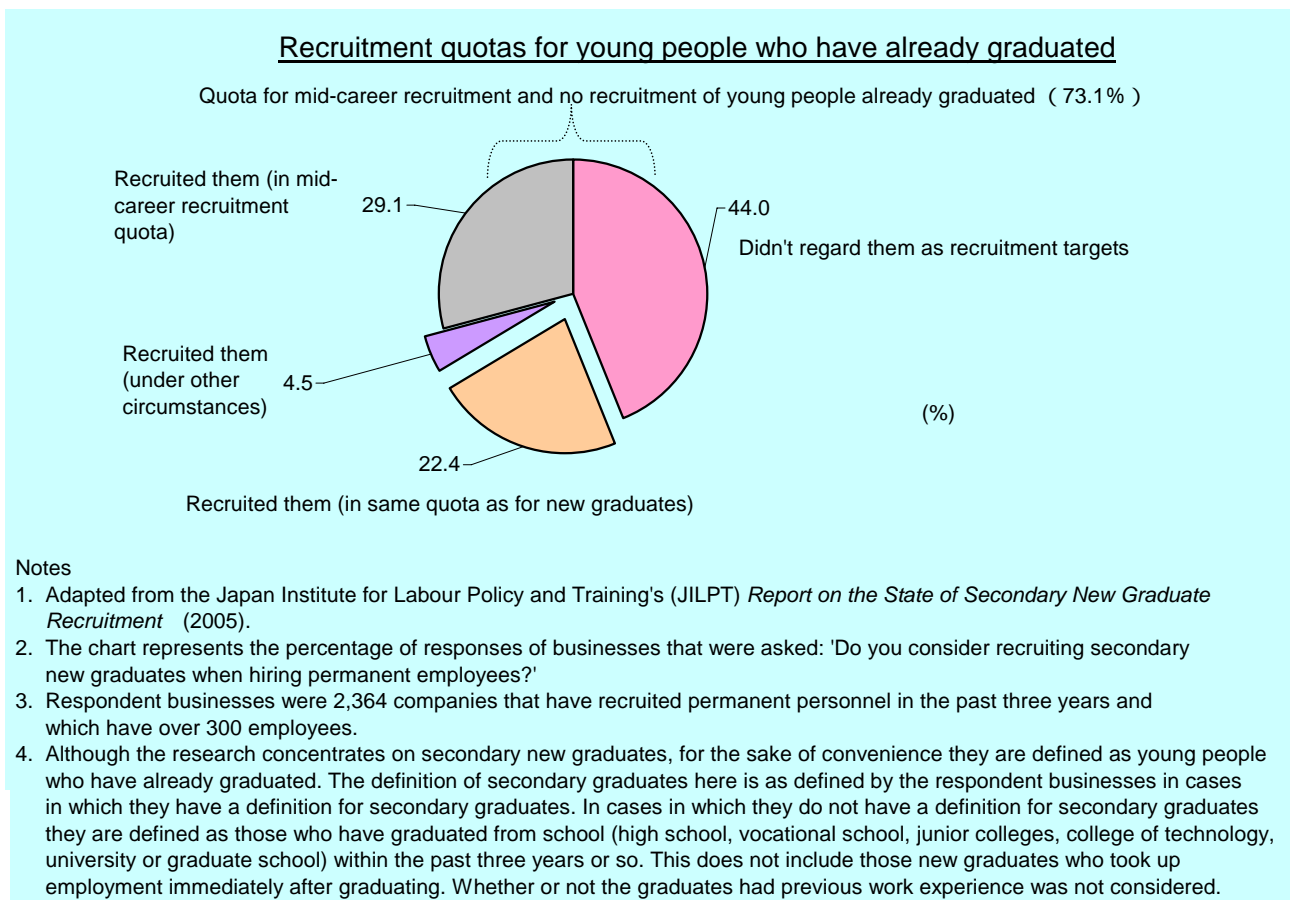


Part 2 The barriers young people face in seeking a suitable job

The barrier of corporate recruitment practices (1)

Most businesses do not recruit people who have already graduated as a part of their new graduate quota so the employment or reemployment of people who want to become permanent employees but graduated several years ago is difficult. This is proving to be a barrier preventing young people from seeking a suitable job.

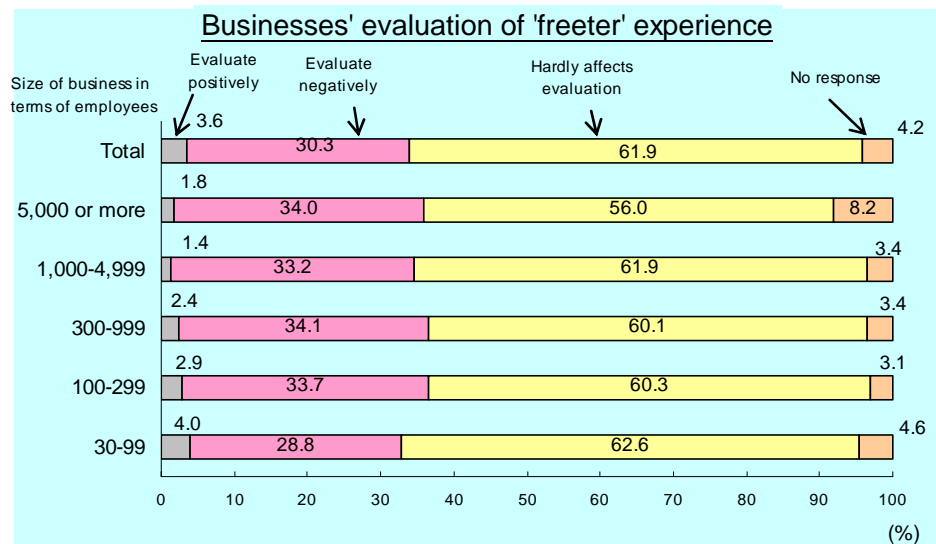
Fig. 1-2-3 The majority of businesses do not recruit people who have already graduated as a part of their new graduate quota



The barrier of corporate recruitment practices (2)

Around 30% of businesses take a negative view of those with 'freeter' work experience.

Fig. 1-2-5 Many businesses take a negative view of those with 'freeter' work experience



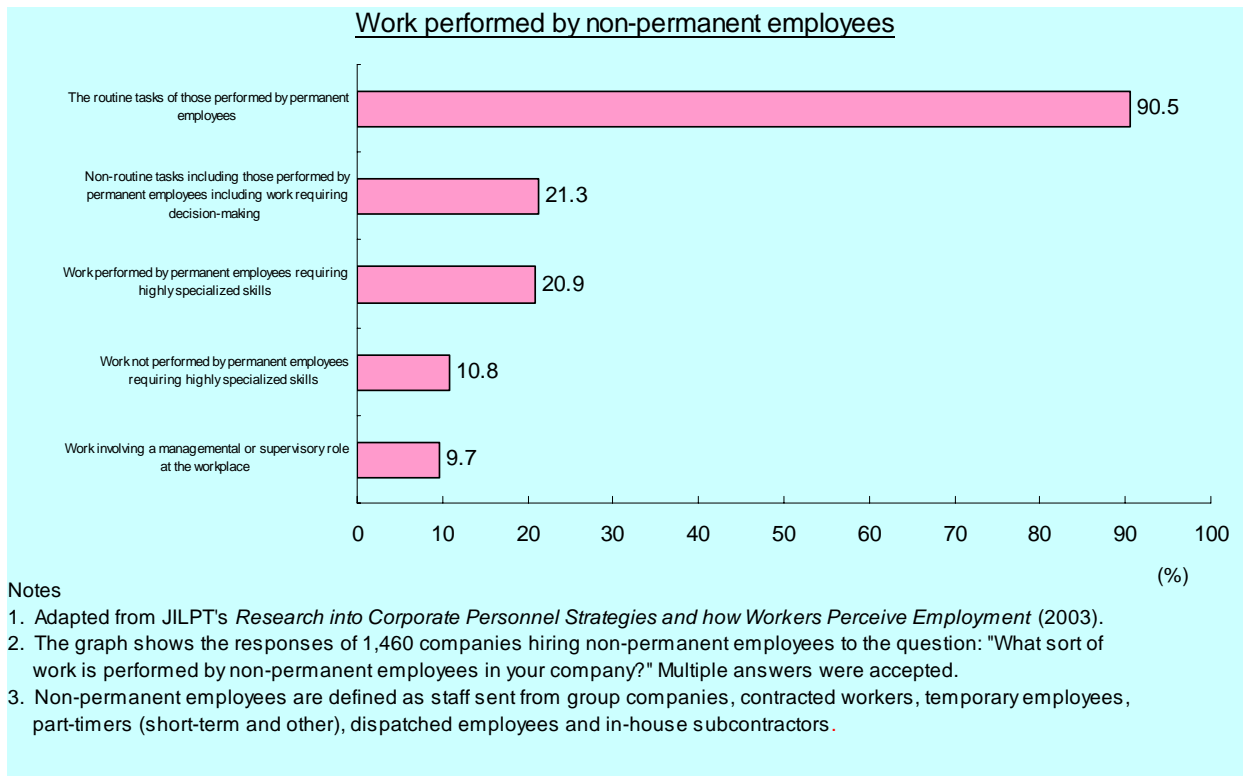
Notes

1. Adapted from MHLW's *Survey on Employment Management* (2004).
2. The chart expresses the responses of businesses asked "How do you evaluate those who have experience as a 'freeter' when you employ permanent employees?"
3. 'Freeters' as defined in this research are people aged between 15 and 34 (except students and housewives) whose type of employment is referred to at that workplace as 'temporary work' or 'part-time work'. This includes persons not engaged in work who have hitherto continuously followed temporary or part-time work.

Barriers accompanying the skills development of young people

Specialist skills are required in the mid-career recruitment market. Since part-time and temporary workers are largely asked to perform routine tasks, they find it difficult to acquire skills.

Fig. 1-2-14 Part-time and temporary workers are largely asked to routine tasks



Chapter 1 Young people look for a suitable job: efforts to break down the barriers
(case studies)

(1) Developments towards a more flexible recruitment of young people

Borderless recruitment, which aims to employ a variety of human resources a diversified chemical company based in Tokyo

The company conducts year-round recruitment with no restrictions on nationality or age, in order to hire a wide range of human resources including foreign nationals. Although the scheme started just by hiring around 10% of the company's main career track employees, the recruitment of all young staff is now totally borderless.

Expanding new graduate recruitment a publishing house based in Tokyo

In order to hire excellent human resources from as many as possible applicants, the company expanded its new graduate recruitment criteria from 'those who expect to graduate a year later or who graduated one year ago' to include 'university graduates up to the age of 26.'

A systematic permanent employee promotion system an electronics maker based in Tochigi Prefecture

The company principally employs 'weekly workers' and 'monthly workers' on a contractual basis. If these workers' job performance is approved, they are promoted as permanent employees. While it is considered that becoming a permanent employee demands considerable achievements, the system helps to deepen mutual understanding between the company and young workers, and also encourages their motivation to work.

The various ways that university graduates are recruited overseas

The majority of Japanese university graduates choose where they will work whilst they are still at university. In the United Kingdom and Germany, however, only around 50% of students do likewise, and in Italy, as few as 15%. In the United Kingdom, recruitment tends to be by occupation, and the recruitment of personnel regardless of type of work seen in Japan is quite unheard of. In this way, the recruitment of new graduates in Europe is carried is multi-faceted.

(2) Developments towards balancing skill development and flexible recruitment

Vocational skills can be systematically acquired for more than just a specific group of permanent employees - an engineer employment agency based in Tokyo

The company trains the engineers it sends to clients at their nationwide training facilities, and through home-based e-learning. Furthermore, the company chooses a business where registered engineers will maximize what they have learned and be able to develop their abilities to a still higher level.

* * *

Improving the economic foundations of young people will lead to a halt in the declining birthrate in Japan

- If job changing or trying again becomes easier for young people, changing jobs will become more possible the harder they try, thus leading to improved prospects for their lifetime earnings. If they can find a suitable job, they will work more keenly, boost their productivity, and increase the level of their vocational skills. This makes it possible for them to earn more money.
- Such a strengthening of young people's economic foundations could lead to a halt in the declining birthrate.