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Japanese NEET and Freeter: A representation of the relationship between social changes and youth's employment pattern

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**Japanese NEET and Freeter: A representation of the relationship between
social changes and youth's employment pattern**

by

Linh Hoang

Summited in partial fulfillment
of the requirements for
Honors in the Department of Asian Studies

UNION COLLEGE
Schenectady, New York
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ABSTRACT

LINH HOANG

Japanese NEET and Freeter: A representation of the relationship between social changes and youth's employment pattern. Department of Asian Studies, March 2016

Advisor: Jennifer Matsue

My paper attempts to analyze the existence of NEET (No Employment, Education or Training – ニート) and Freeter (Freelancing part-time worker - フリーター), two common groups of young unemployed people and irregular workers in Japan. Throughout the study, the relationship between Japanese social changes, modernization process and Japanese NEETs and Freeters is thoroughly examined.

The first social change related to the establishment of these two groups is the transformation of employment system. The combination of a seniority-based system and performance-based system as well as their contrasts has increased the competitiveness in the job seeking war while eliminating some of the employees' former benefits. Consequently, they prevent a lot of Japanese people from joining the full-time workforce. In order to explain the difference between the percentage of female NEET/Freeter and male NEET/Freeter, I also consider the changes in gender roles in Japanese society. The contradiction between traditional gender expectations and the rise of Japanese women's independence could be a possible reason leading to the increasing number of NEET and Freeter. Another element that continues expanding these groups is the development of the Internet and social media in Japan. Besides discouraging Japanese youth from joining mainstream workforce by eliminating their confidence, the Internet and social media also make mainstream jobs less appealing to the youth as they offer these people various chances to earn money effortlessly. With the support from the Internet,

these NEETs and Freeters can easily contact each other and form their own sub-culture groups, and further separate themselves from the mainstream workforce. Pressure from family members along with the youth's over-dependence on family seems to have a major influence on Japanese youth's employment pattern as well. Receiving financial supply from their parents dissuades many young people from working as they can live by using money provided by their parents. Meanwhile, many young Japanese people turn into NEETs and Freeters as they are forced to join the full-time workforce by their parents despite their unwillingness or lack of preparation; eventually, they quit their jobs because of either the work pressure or their inability to integrate into the full-time employment world. Lastly, the difference between two generations' ideology, and Japanese youth's reliance on governmental financial support have urged some Japanese youth to become NEETs or Freeters. A portion of Japanese youth who oppose capitalism, through which laborers have to depend on their companies for social services, quit their jobs and become NEETs. They probably value independence from the employers more than a stable source of income or the ability to support family. Meanwhile, Japan's social support allows young Japanese to become Freeters as the income from this financial support and part-time jobs alone is sufficient enough to lead a decent life. Different from the older generations who work to contribute to the nation's economy and to secure the financial resource for their families, many young people quit their full-time jobs and rely on the money provided by the government as they prioritize their needs over their responsibility to support country or family. Besides analyzing the causes, my study offers an overview on the negative consequences that NEET and Freeter can create by further exacerbating the existing social problems, such as the economic crisis, aging population, low fertility rate, worsening living conditions. Additionally, the Japanese

government's attempt to decrease the number of NEET and Freeter, as well as the reason leading to the government's solution's ineffectiveness is included.

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Introduction

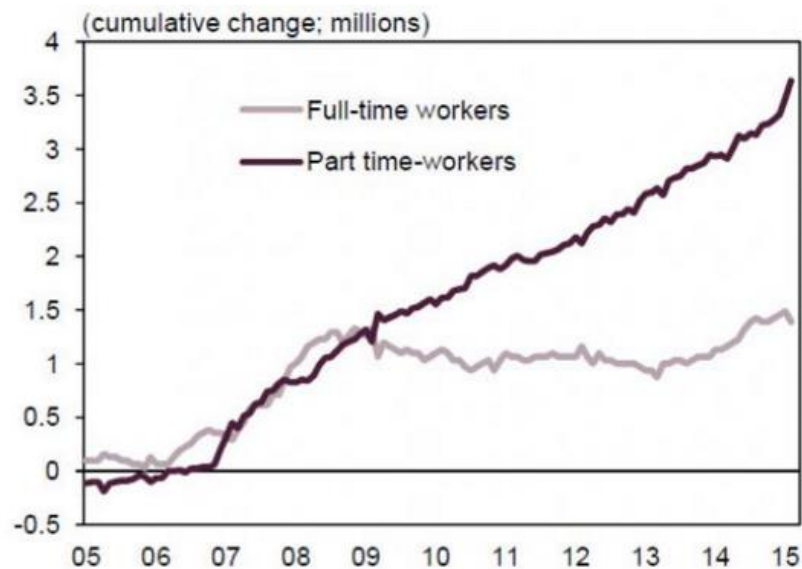
Japan's economy had been recognized as the second largest in the world by nominal GDP since 1968; however, Japan lost the second position to China in 2011 and has not regained its original position. In the recent years, along with the degrading economy, multiple "negative" aspects of Japan such as: aging population, leaking nuclear power, overworking salary men, etc. have been gaining more and more attention from domestic as well as international critics. Despite the publication of "Abenomics policy", which is the economic policy advocated by Japan's Prime Minister – Shinzo Abe, and numerous attempts to increase the nation's birthrate, as well as the endless effort to resolve the nuclear power leak's consequences, Japan does not seem to be able to return to its most glorious period. In order to indicate the origin of the precariousness that Japan is facing as well as to find the proper solution to eliminate this crisis, it is necessary to examine other aspects of Japanese society.

The first factor that has a direct connection to the unemployment rate is Japan's unstable economy. More specifically, Japan's unsteady economy and the unemployment rate negatively impact each other. "In 2013 Japan surprised the markets with a huge \$1.4 trillion stimulus and bond buying program. In proportion to GDP, that is twice the amount of the U.S. Federal Reserve's last, huge quantitative easing effort.... Immediately thereafter, in the quarter ending June, Japan's GDP plunged an amazing 7.1%."¹ While the main reason for this financial recession is said to be the sales tax hike, unemployment might be another factor contributing to the financial instability going on in Japan as well. According to the statistics collected by Trading Economics in August, 2015, the unemployment rate of Japan has not been increasing

¹ Japan in Recession: Warnings of a Global Crisis (<http://www.forbes.com/sites/investor/2014/11/17/japan-in-recession-warnings-of-a-global-financial-crisis/>)

compared to the data of 2014, but there is no significant sign of decreasing either. However, just one month later – in September 2015, Japan reported that its unemployment rate has dropped to 3.3%². Nevertheless, the fast growing number of part-time workers casts doubt on the data regarding Japan's unemployment rate. This brings up the question of development rate of unemployed people and part-time workers in Japan: What is the actual unemployment rate of Japan? Can the high-percentage of part-time workers compensate for the low percentage of full-time employees? What are the possible consequences that a high percentage of unemployed and part-time workers can create for Japan's future?

Exhibit 4: Per-capita wages remain on a downtrend
Cumulative growth in full-time and part-time workers



Source: MHLW, Goldman Sachs Global Investment Research.

(Goldman Sachs Global Investment Research – March, April 2014)

With the aim to answer the above questions and to obtain a better understanding of the unemployment state in Japan as well as Japanese society, I decide to carry out this study about

² Trading Economics, Japan's Unemployment Rate

NEETs (ニート- No Education Employment or Training) and Freeters (フリーター – Freelancing part-time worker), two common groups that represent the unemployed and part-time workers in Japan. The study is based on primary research on different aspects of Japanese society: economy, education, employment, gender, politic. Throughout the research, I have developed several hypotheses. The first hypothesis is: NEETs and Freeters could be the result of modernization process and the contrast between modernity and tradition in Japan. Although modernization and contrast between modernity and tradition are not the only reasons that lead to the existence of NEETs and Freeters, they definitely play a major role in increasing their number. On the other hand, considering the reactions of NEETs and Freeters against public criticism as well as their activities, the hypothesis that these groups of people's resistance against full-time employment could be their political movement is also taken into consideration. Following the above hypotheses regarding NEETs and Freeters' existence, my work offers a brief overview on the negative consequences that these groups create for Japanese society. In addition to the economic loss, these groups of people might be related to the aging population and low fertility rates in Japan due to their inability to afford the household expenses, which eventually leads to the tendency of shunning marriage.

In order to support my argument as well as to acquire further insight of the unemployment state in Japan, I make frequent references to published works of Kosugi Reiko *Escape from Work: Freelancing Youth and the Challenge to Corporate Japan*, and Yuji Genda's *A Nagging Sense of Job Insecurity: The New Reality Facing Japanese Youth*. Kosugi offers readers the understanding of NEET and Freeter's lives through her work; Kosugi's work also demonstrates the development of NEETs and Freeters in Japan throughout the years. Meanwhile, Yuji successfully portrays the unemployment issue in Japan and various difficulties that young

Japanese have to encounter. He also analyzes the existence of NEETs and Freeter from different perspectives which help readers have a more thorough view about Japanese society.

Japan's Changing Generations: Are young people creating a new society (Edited by Gordon Mathews and Bruce White) will be my primary source of information to help me defend my second hypothesis about NEET's and Freeter's political movement. The book examines the changes taking place in Japanese society and the differences between old and young generations. Throughout their study, the authors discuss young Japanese people's ideological motivation as well as their concern for politics. *Youth Deviance in Japan* by Robert Stuart Yoder is another material source that assists strengthening my hypothesis. The book concentrates on Japanese youth's political ideal as well as their reaction against social control and mainstream ideology.

In addition to the published works of Kosugi and Yuji, other literature works regarding different aspects of Japanese society will also be used as references in my study. These works include: *Precarious Japan* by Anne Allison, *A Sociology of Japanese Youth* by Roger Goodman, Yuki Imoto, Tuukka Toivonen, and *The Japanese family in transition* by Vogel. Allison's work exposes various Japanese social issues as well as their negative influences on the citizens' lives. The book helps support my argument as it details the insecurities and struggles that Japanese people have to face in contemporary society, which partially encourage the development of NEETs and Freeter. On the other hand, *A Sociology of Japanese Youth* is a reliable source of information regarding the differences among generations and the development of Japanese youth culture. The book could offer reasons leading to the large number of young Freeters and NEETs. Meanwhile, Vogel's work explores the transformation of Japanese family and how it influences gender norms and younger generations. His study can strengthen my argument regarding the changes of gender expectation in Japanese employment. Besides the above published works, I

also refer to articles from news sources such as The New York Times, The Japan Times, Washington Post, Huffington Post, Asahi shimbun in my research thesis.

My thesis project is divided into seven chapters, and each will focus on an individual social aspect that is connected to the presence of NEETs and Freeters. The first chapter of this study presents the definition of NEETs and Freeters, their backgrounds and their development rate. This chapter consists of data expressing the number of NEETs and Freeters over the years, ratio of their ages and genders. This information will be used to analyze the relationship between NEET and Freeter's existence with modernization.

Chapter 2 will concentrate on the changes regarding Japan's employment system. The disadvantages as well as advantages of the seniority-based system and performance-based system in Japan will be included. Additionally, the incomplete transformation of Japan's employment system and Japanese people's inability to fully adapt to the new system will be used to demonstrate how the contrast between modernity and tradition influences NEET/Freeter. Since the increasing number of immigrants undeniably contributes to the percentage of Japanese full-time employees, it will be discussed in this chapter as well.

In chapter 3, I will examine the effects of Japanese gender norms on the unemployment rate. The role of patriarchy system and feminism's penetration in Japanese society will be brought up in this chapter. Chapter 3 will show how Japanese male job-seekers are overwhelmed by the feminism movement, and how gender discrimination in the working environment discourages Japanese women from engaging with full-time jobs.

The negative influences of social media and the Internet on Japanese youth will be the main focus of chapter 4. Besides clarifying the effects of the Internet and social media that

encourage NEETs and Freeters to continue resisting against full-time employment, I will mention the hardships these two factors (the Internet and social media) create for job seekers in Japan.

Although NEETs and Freeter are not entirely similar to Hikikomori - the social withdrawals - they do resemble this group of people in certain aspects. Thus, NEETs and Freeter's mental health and social connections will be analyzed in chapter 5. As the transformation of Japanese family is closely related to NEETs and Freeter's mental state and their social connections, the switch of gender roles in Japanese family and its changing form will also be included in Chapter 5. Additionally, I will compare the United States' boomerang kids' with Japanese NEETs and Freeters in order to highlight the influences of family-dependence on NEET and Freeter's development rate.

In chapter 6, I will analyze the issue from the perspective of NEETs and Freeters. While the public continue criticizing NEETs and Freeters, there exists a high possibility that NEETs and Freeters are following their own philosophy, which is contrast to common social expectations. To support this hypothesis, Japan's capitalist system, differences between young generations' social ideology and old generations' social ideology, as well as the movement of Japan Labor Union will be analyzed.

In the last chapter, moving beyond the reasons leading to NEET and Freeter's existence, I will elaborate on the potential consequences that these groups could create. In addition to the negative effects they cause for Japanese economy, I will support the hypothesis that NEET and Freeter might be the factors that further worsen Japanese people's living conditions while indirectly causing more social problems.

Chapter 1: Identifying NEET and Freeter

Three main groups that account for large portions of non-full time employed citizens in Japan are: NEETs (ニート - No Education Employment or Training), Hikikomori (ひきこもり – social withdrawals) and Freeter (フリーター - people lacking fulltime employment excluding housewives and students). Different from Hikikomori, who withdraw from society by cutting off their social connections and refuse to take part in any kind of social activities including working³, NEETs and Freeters still have normal social lives but they resist from becoming full-time employees, or they do not have the opportunities to become ones. NEET originates from England, used to describe people who have No Employment, Education or Training⁴. Meanwhile, Freeter is the combination between Freelancing and Arubaitor – a loan word from German indicating part time worker. While NEETs are considered unemployed, Freeters still have jobs; the only differences between Freeters and regular workers are they frequently switch their jobs and most of the jobs they have are part-time or temporary jobs. According to a survey created by Nihon Rodo Kenkyu Kiko in 2005, the three largest groups of Freeter in Japan are "School Dropout", "The artist in pursuit of a means to express themselves" and "Furiitaa (Freeters) who are filling in time" (who have to pay school loans or short term loans in terms of earnings). NEET and Freeter are believed to start appearing in Japan during and after the period of the bubble economy in the late 1990s. The collapse of the economic system made the whole nation entered the "Lost Decade", which lasted until the early 2000. "Over the period of 1995 to 2007, GDP fell from \$5.33 to \$4.36 trillion in nominal terms, real wages fell around 5%, while

³ Saito Tamaki, Hikikomori: Adolescence Without End (University of Minnesota Press, 2013)

⁴ OECD Data (Youth and the Labour Market)

the country experienced a stagnant price level.⁵" The fragmented economy obviously did not create many jobs for Japanese people as the companies could not afford to pay their employees. As one can see in the chart provided by Japan's Ministry of Internal Affairs and Communication below, the unemployment rate of Japan steadily increased from 1990 to the early 2000s.



(Japan's Ministry of Internal Affairs and Communication – 2014)

While many people believe that the unemployment rate increased due to the bubble economy and the economic recession, it turns out that these two factors were not the only reasons.

According to the chart, the unemployment rate seems to plunge in the late 2000s, before the tsunami disaster in 2011 and after that as well. The most recent recorded unemployment rate in Japan (September, 2015) was 3.4%⁶, which is remarkably lower than the rate during the economic recession period. However, a large portion of the employed people is believed to be

⁵ World Bank, Japan's GDP

⁶ Trading Economy, Japan's Unemployment Rate

part-time workers. An article published by The Japan Times in June, 2015 argued that although the number of workers in Japan is increasing, “The ratio of regular full-time jobs on offer to people seeking such positions was 0.72, the highest since relevant figures became available in November 2004 but still far short of the overall figure of 1.17 — showing that demand is still heavily slanted toward irregular workers⁷” It seems that although Japan has overcome its economic recession periods, the percentage of the unemployed and part-time workers has not shown any significant sign of decreasing. This is the foundation for my hypothesis that modernization could be another major reason contributing to the large number of NEET and Freeter besides economic recession. Modernization, in this case, presents the changes in the employment system, development of the Internet and social media, as well as the alternation of Japanese gender expectations.

Based on the result of the most cited survey carried out by Japan’s Labor Force, the most prominent age range of NEET and Freeter is from 15 to 34 (from 2003 to 2006)⁸. While young Japanese (15 – late 20s) are considered the main core of NEET and Freeter, the groups also include people in their 30s. The age composition of these two groups shows potential threats to the full-time employment percentage in Japan. As these unemployed people and part-time workers grow older they will have more difficulties in obtaining fulltime jobs due to their lack of experience in a long period of time; the new wave of middle-aged NEETs and Freeters along with the younger NEETs and Freeters who appear every year undoubtedly makes it hard for the Japanese government to eliminate them entirely. Based on the information provided by the Japan Institute of Labor, in the span of 10 years (from 1992 to 2002) the number of NEET alone

⁷ Job numbers up, but not quality (The Japan Times, Jun 5th, 2015)

⁸ Kosugi Reiko, *Escape from Work: Freelancing Youth and the Challenge to Corporate Japan* (Trans Pacific Press, 2008 p.36)

has increased by 18,000 people; this data demonstrates the steady development of NEETs population in Japan. “The Dai-ichi Life Research Institute, a private think-tank, estimated that if current trends persist, the NEET population would rise to more than a million over the next 10 years.”⁹ The number of Freeters in Japan had increased from 0.87 million (1987) to approximately 4.17 million (2001) and promises to continue increasing in the future. Along with the shrinking population of working age, the expansion of these groups will probably create serious influence on Japan’s economic system

While Freeters in a way support themselves financially as they work part-time, most NEET in Japan depend on their parents for living expenses. In general, since NEET are totally unemployed, they have no other choice but living with their parents, while most Freeters similarly also choose to live with their parents due to their insufficient income¹⁰. This situation will be further discussed in chapter 5, in which I will analyze the relationship between family structure and NEET/Freeter's development. Besides the support from their parents, NEETs also receive support from the other NEETs. Initially, a large number of these people have no intention of working although they have full abilities. The most accurate example that can express this idea is Pha-san, a 35 year old NEET. Pha is an alumnus from Kyoto University, one of the most elite universities in Japan; he quit his full-time job in his mid 20s because he did not want to work anymore¹¹. This might sound like an irresponsible and absurd reason but it is actually one of the most common excuses for Japanese people to not secure full-time jobs. Through the television program "Nippon no Mikata" broadcasted by TV Tokyo, it can be seen that Pha-san seems to be totally contented with his unemployed life. He usually spends his day

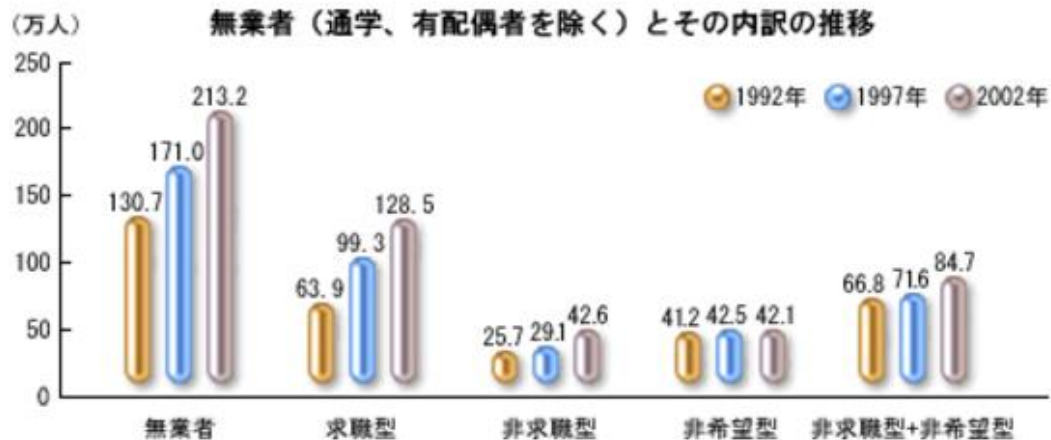
⁹ Justin McCurry, Tokyo Dreaming (The Guardian, Sep 28th, 2007)

¹⁰ Roger Goodman, Yuki Imoto, Tuukka Toivonen, *A Sociology of Japanese Youth: From returnees to NEETs* (Nissan Institute/Routledge Japanese Studies 2012, p.51)

¹¹ https://www.youtube.com/watch?v=P8GU_69MqfU

surfing the web and interacting with other NEETs via social media; when he is short of money he could easily borrow it from other NEETs and pay back when he is able to. “Ykick-san”, another NEET in the interview said he did not understand why one needs a job when one can live comfortably as NEETs are doing. Unlike the older generations who have to sacrifice their youth and lives to make ends meet and to contribute to the nation, the younger generations in Japan tend to be more self-centered. “Self-centered” in this situation means Japanese youth appear to have more concern about their own lives than their families or contribution to the nation, which is what the older generations prioritize. This perspective will be further discussed in chapter 6, which focuses on the differences between the two generations’ ideology in Japan.

However, not all Freeters and NEETs have no desire to work and just spend their lives aimlessly; in other words, not all Freeters and NEETs fall under the same category. Professor Honda Yuki from the Information Studies Department of Graduate School of Tokyo University made a clarification in her interview regarding NEET and Freeter that there are actually several types in Japan. They are primarily divided into three common groups: “People who are looking for jobs but fail” (求職型), “People who want full-time jobs but do not look for any” (非求職型) and “People who do not have desire to work nor try to look for jobs” (非希望型). The interview also includes a graph detailing on the portions of these groups:



内閣府の「若年無業者に関する調査」（中間報告）から転載

(Source: 日本の人事部 - 6/13/2013)

The reported data reveals that people who are actively looking for jobs but fail (求職型) account for the largest portion of the total NEET/Freeter numbers (1,285,000 people in 2002). The number of people who want a job but do not actively look for any (非求職型) increase steadily in ten years (from 257,000 people in 1992 to 426,000 people in 2002), while the percentage of people who neither want to work nor try looking for jobs (非希望型) slightly increase in ten years (from 412,000 people in 1992 to 421,000 people in 2002). Evidently, external factors might not be the only reasons leading to the large number of NEETs and Freeters in Japan; while the influence of new employment systems, changes in gender norms, etc. could be the major elements that prevent Japanese people from getting full-time jobs despite their wish, the stable number of people who do not try looking for jobs implies that there are certain NEETs and Freeters who avoid joining full-time labor force even though they may have the ability to become full-time employees. Furthermore, the existence of NEET and Freeter who graduate from the most prestigious universities in Japan and quit their jobs mid-way proves that rather than being oppressed by society, these people might be carrying out a movement against Japanese social norms and dominant political and economic systems.

The collected information and data show that the development of NEET and Freeter in Japan has not been weakened. Additionally, the possibility that these young people are refusing to work not because of a lack of opportunities, but because they are acting according to their philosophy and political motives makes it harder for the Japanese government to bring them back to the work force.

Chapter 2: Changes in the employment system limit Japanese youth's working opportunities

Changes in Japanese employment systems are perhaps the most influential element that increases the number of NEET and Freeter in Japan. Since World War II, long term employment and seniority-based compensation system have been the back bone of the Japanese employment system¹². During the period when this system was not combined with the new one, Japanese employees are not expected to change their companies once they enter; in exchange, the company will provide them job security, benefits such as housing subsidies, good insurance, etc. The seniority-based pay system requires companies to pay their employees according to the length of their employment. At the same time, most companies tried to hold on to the senior workers as they believe older men have families to support - and that keeping the primary "bread winner" safe meant "safety" for the nation¹³. People of the old generations prefer this system as it provides them with stable income and at the same time, does not require them to put maximum effort into their work. The younger generations, on the other hand, seems to oppose this system. Since the employees earn money based on their seniority, the younger employees certainly would be disadvantaged regardless of how much effort they put into their work. Until the mid 1990s, this employment system was still favored by most companies in Japan; however, the new management system – a performance based system - was in Japan in 1995. The Japanese government believes that "under this new regime what is productive of and for capitalism is no longer the family or the long-term employment of company workers. Rather, it is the detached,

¹² Andrew Pollack, Japanese Starting to Link Pay to Performance, Not Tenure (The New York Times, Oct 2nd, 1993)

¹³ Seniority based on its way out (The Japan Times, Nov 4th, 2014)

and self-responsible individual - a deterritorialized, decentered, de-collectivized subject.¹⁴

Since then, performance-based employment has become more popular among most Japanese companies and in recent years, many major corporations in Japan started launching this new system.

Hitachi Ltd. announced in September that it is terminating seniority-based pay for about 11,000 employees above middle-management ranks so that their wages will more directly reflect their job responsibility and performance. Panasonic Corp. says it is in talks with its labor union to change the seniority-based pay for its rank-and-file employees. Sony Corp. is also reported to be reviewing its system¹⁵.

Contrary to the old employment system, this new system no longer guarantees life-time jobs for employees; instead, the employee's performance will decide their length of stay at one company and his or her salary or bonuses. Additionally, gender and role in family are no longer the primary criteria that influence one's chance of being hired.

While this new employment system is expected to offer young Japanese more opportunities of securing full-time jobs, the issue regarding unemployed youth has not yet improved. The contrast between the modern employment system and the traditional one is responsible for this ineffectiveness. In other words, the combination of these two employment systems creates considerable difficulties for younger generations as well as older generations in obtaining and maintaining full-time jobs. First of all, although it has been declared that the seniority-based pay system is being replaced by the performance-based system, many companies in Japan still prefer the older one as they encounter employees' discontent against this change: "Labor union officials are saying that changing the system of seniority-based wages to one of

¹⁴ Anne Allison, *The Precarious Japan* (Duke University Press, 2013 p.64)

¹⁵ Seniority Pay on Its Way Out (The Japan Times, Nov 4th, 2014)

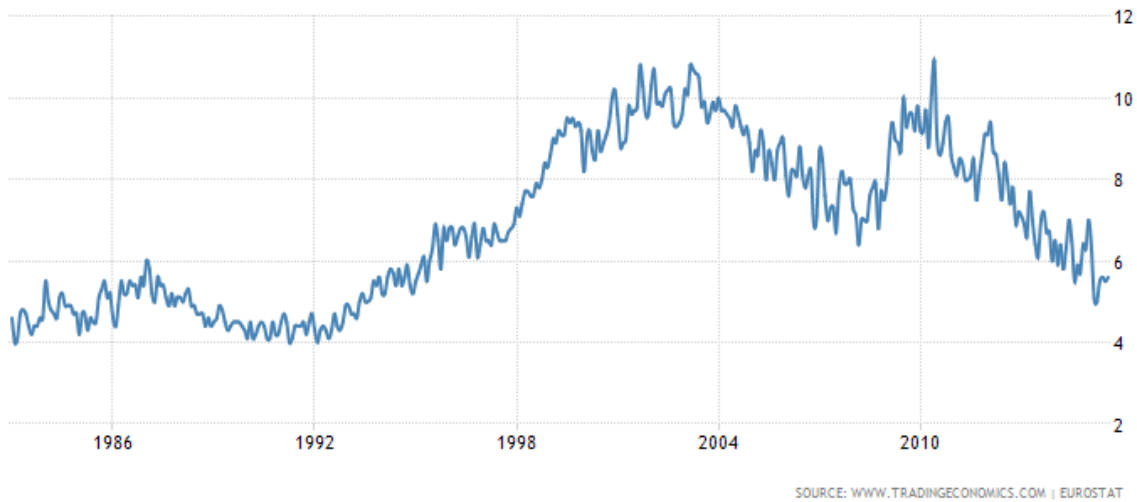
merit-based pay will result in pay cuts for senior workers and an overall deterioration of conditions for corporate employees¹⁶”. Facing this opposition, a considerable number of companies in Japan utilize the solution of partly applying the performance based system. This means that these companies select their employees according to the performance-based system by choosing them based on their experiences and grades rather than considering college degree - the primary criteria in the past - but pay their employees based on the length of their employment instead of the quality of their work performance¹⁷. As a result, many senior workers earn more compared to the younger workers although they might be not as productive¹⁸. This undoubtedly discourages young Japanese from working as full-time employees; they have to work hard to avoid the risk of being fired due to the application of performance-based system, but still remain underpaid. Nevertheless, an employee who has committed to one company for a long time could face the risk of being fired if the company finds someone more capable; because the seniority-based system is only partially applied now, and the length of employment might decide one’s salary but does not guarantee him or her the position for a life-time. At the same time, while the attachment to a seniority-based system does not offer most young employees high income, new employment system tends to limit the number of young employees due to the competitiveness of the recruitment process. This hypothesis is proven by the increasing number of unemployed youth from mid 1990s, when the performance-based employment system began to be implemented in Japan, to 2010:

¹⁶ Philip Brasor, Debating the merits of lifetime employment (The Japan Times)

¹⁷ Philip Brasor, Debating the merits of lifetime employment (The Japan Times)

¹⁸ Philip Brasor, Debating the merits of lifetime employment (The Japan Times)

JAPAN YOUTH UNEMPLOYMENT RATE



(Source: Trading Economics – 2014)

Eventually, young people tend to have more interest in part-time jobs that might not require them to work as hard and they are paid according to their performance. One might argue that even if the young employees are underpaid, they would definitely have more sufficient income compared to part-time workers. Nevertheless, although working part-time does not offer more income and benefits than full-time jobs, people can take various part-time jobs at the same time. This allows them to acquire a considerable amount of money while avoiding the high level of responsibility as well as pressures of having to demonstrate commitment to their employers¹⁹. Since part time jobs offer more free time, less pressure and an adequate income, not surprisingly the number of Freeter in Japan continues increasing.

In addition to the contrast between modernity – represented by the performance based system, and tradition – represented by the seniority based system - another element that proves how the collision between modernity and tradition raises the number of NEET and Freeter is the

¹⁹ Reiko Kosugi, *Escape from Work: Freelancing Youth and the Challenge to Corporate Japan* (Trans Pacific Press 2008, p40)

contradiction between the modernized employment system and traditional university entrance exam. During the early and mid 1990s when the seniority-based system was applied, almost anyone with a Bachelor's Degree was guaranteed a full-time job²⁰. However, as Japanese companies adopt the performance-based system, the job-seeking war has become even more competitive, which undoubtedly lowers one's chance of participating in the full-time employment field; graduating from college no longer means one necessarily will have a job that lasts his or her life time. In addition to this hardship created by the new employment system, the traditional university entrance exam discourages young Japanese people from pursuing higher education. Unlike the college application process in the U.S, the system in Japan allows students to take the exam of only the one school they want to enter; if they do not pass the exam, they will have to wait until the following year to take the test again²¹. In order to pass the exam, most Japanese students are sent to cram schools by their parents, which makes their studying time everyday roughly 8 hours, excluding the self-study time. An article published by The New York Times successfully portrayed the tight and stressful schedule of Japanese elementary students, who aimed to get into a prestigious university:

Like many Japanese, Naoto Eguchi feels relentless pressure to get ahead. Rising at dawn, he works a full day with his regular colleagues and an additional three hours each evening in special study sessions. He then does a couple of hours of work at home before going to bed at midnight.²²

In case the student wants to obtain a letter of recommendation from his or her professors, which would allow one to enter the university directly, one either has to study hard to maintain good grades throughout three years of high school while participating in extra-curricular activities.

²⁰ Akuta Tomomichi, 中高年フリーターの増加とその影響 (UFJ 総合研究所調査部)

²¹ Steven Weisman, How Do Japan's Students Do It? They Cram (The New York Times, April 27th 1992)

²² Steven Weisman, How Do Japan's Students Do It? They Cram (The New York Times, April 27th 1992)

Nevertheless, since going to university does not secure them jobs anymore, Japanese students have become hesitant to go through these hardships to enter university/college. This is probably one of many reasons that discourage Japanese students from entering university, as well as to drop out of university. As a result of the limited number of students, many universities in Japan are facing the threat of closing, “Up to 40% of Japan's 744 universities could go bust, merge or close in the next 10 years”²³. In addition to the decreasing population that are at the age to enroll in universities due to the low fertility rate, the increasing cases of school dropouts has pushed many Japanese colleges closer to the brink of extinction. Dropping out of school or not going to university tends to further limit Japanese youngsters' chances of acquiring full-time jobs in contemporary society, however. In “*gakureki shakai*” (学歴社会, education-conscious societies) like Japan, the most fundamental qualification one must have in order to attain a good full-time job is a university degree. Thus, without a university degree, Japanese school drop outs have almost no chance to enter full-time employment. During the 1980s and 1990s, Japanese people were able to find part-time jobs or labor jobs after graduating from high school; unfortunately, since the performance-based system makes it harder for fresh college graduates to be employed as full-time employees, many bachelor degree holders start to take away the part time jobs from high school graduates and school drop outs. Eventually, Japanese high school graduates and school drop outs are expected to face the risk of being unemployed. The contrast between the new employment system and traditional university entrance exam not only increases the number of Freeter but also creates a considerably large number of NEET. Evidently, the lack of synchronization between the employment system and education can cause serious consequences; the Japanese government might need to consider changing the university entrance exam as well,

²³ Jessica Shepherd, Desperately Seeking Students (The Guardian, January 15th, 2008)

instead of modernizing the employment system alone. In other words, Japan's university entrance exam and the employment system need to work in conjunction to increase the number of full-time employees.

Changes in employment and the recruiting system not only affect fresh college graduates but also high school graduates, the main human resources of casual or blue-collar jobs. Since the application of a performance-based employment system has restricted many college graduates' opportunities to become white-collar workers, a lot of them are taking over contemporary, part-time jobs or even manual works which used to be mainly dominated by those who do not pursue higher education. As a result, the unemployment state among high school graduates, as well as among school drop-outs in Japan has become more serious. Facing such situations, along with their lack of knowledge and skill, high school graduates and school drop-outs in Japan are left with no other options but becoming NEETs or Freeters.

The working force in the U.S is also facing a similar problem; opportunities to work as full-time employees are becoming more and more restricted even to college graduates due to the increasing competitiveness in the full-time job seeking war. The two nations' issue might not be exactly identical but they certainly resemble each other in the sense that people who complete higher education are taking over jobs that do not require a university degree. This issue is mentioned in an article regarding American Boomerang Kids published by The New York Times "In 1970 only one in 10 Americans had a bachelor's degree, and nearly all could expect a comfortable career. Today, about a third of young adults will earn a four-year-degree, and many of them — more than a third, by many estimates — are unlikely to find lifelong secure

employment sufficient to pay down their debt and place them on track to earn more than their parents.²⁴”

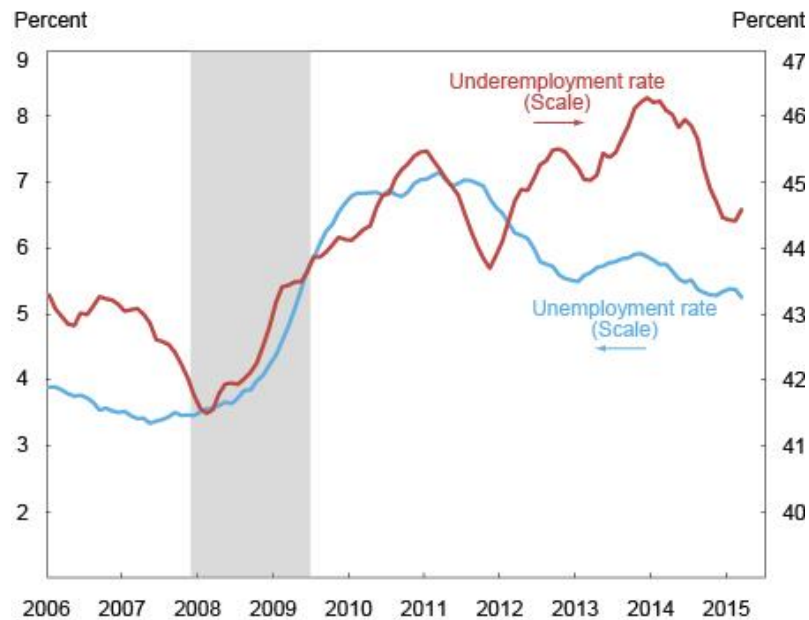
Due to the large number of college graduates, Bachelor degrees nowadays no longer guarantee American youth full-time jobs; numerous entry level jobs require several years of experience. As the jobs' requirements are increasing, fresh graduates' working opportunities are being taken away by experienced workers who are unable to attain jobs that require higher skills or education than entry level jobs. "Millennials face higher university tuitions and student loan debt than ever before, as well as stiffer competition when they enter the workforce. A 25-year-old who recently earned a master's and is living with a friend in Washington, D.C., tells *Newsweek* she is waitressing while looking for a job better suited to her qualifications. "It's hard," she says. "They don't want to pay you extra for your master's. There are enough people with master's degrees that they can require them."²⁵”

Nevertheless, with the enormous debt they incur due to college tuition, these B.A degree holders unwillingly end up taking jobs they have no interest in to pay the debt. Unfortunately, most of the jobs that college graduates find (waiter, bartender, part-time jobs, etc.) while seeking better opportunities do not help making their resumes look better to the recruiters. From the beginning of 2010s years, more and more American college graduates are identified as being underemployed – taking jobs that do not require university degrees like part time jobs, drivers, barista, etc. The underemployment (which refers to people working below degree) rate increased from 42% in 2008 to 47% in 2014.

²⁴ Davidson Adam, It's Official: The Boomerang Kids Won't Leave (The New York Times)

²⁵ Derek Thompson, The Economy is Still Terrible for Young People (The Atlantic, May 19th, 2015)

Unemployment and Underemployment among Recent College Graduates



Sources: U.S. Census Bureau and U.S. Bureau of Labor Statistics, Current Population Survey; U.S. Department of Labor, O*NET.

Notes: Rates are calculated as a twelve-month moving average. Recent college graduates are those aged 22 to 27 with a bachelor's degree or higher. All figures exclude those currently enrolled in school. Shaded area indicates period designated recession by the National Bureau of Economic Research.

Through the above comparison between U.S and Japan, one can see how changes regarding the employment system and recruitment certainly have been creating massive effects on youth's employment pattern. The combination of the seniority-based system and the performance-based system and its consequences are obviously making it more difficult for Japanese youngsters to obtain full-time jobs. They are either discouraged to enter the full-time labor force or hindered from joining because of the competitive recruitment war along with the underpayment issue, and the lack of synchronization between the employment system and university entrance exam. The reformation of the recruitment system only, however, will not negatively impact Japanese young generations; Japanese people's hesitation in eliminating the former system and old-fashioned regulations further limit Japanese youth opportunities to find full-time employment.

Chapter 3: Traditional gender expectations, the rise of Japanese women's independence and increasing NEET and Freeter

Japanese society has long been patriarchal; despite the development of feminism in Japan, this male dominant system is still valid nowadays. The inclination toward patriarchy is most clearly expressed through Japanese women's position in the family, as well as in working environment. The ideology "Good Wife, Wise Mother" is believed to be the description of Japanese women's role; this ideology comes from the common belief of most Asian countries (especially during 1800s and 1900s) that men are expected to be the breadwinner while women are expected to stay at home, take care of the children and not enter public employment²⁶. This ideology of course became a major obstacle for Japanese women's career path; in the early years, most Japanese women either followed the ideology and did not look for job or were obliged to stay at home instead of working. Most companies in Japan also preferred male employees over female employees as they believe women are likely to have career gaps to take care of their children, which could create loss for the companies. As a result, the number of Japanese women entering the workforce was rather low in the early 1980s. However, the implementation of the Equal Employment Opportunity Law in 1986 seemed to be a promising solution to the gender discrimination issue in the Japanese workforce²⁷. The law was expected to create employment equality and economic opportunity between the sexes; nevertheless, its effectiveness has been put into question. According to the data reported by Keizai Koho Center, although the number of female employees in Japan appears to have increased over the years, the total percentage of female labor is much less compared to men's. In 2012, the percentage of women's labor

²⁶ David Cozy, Three Versions of the 'Good Wife' in Japan (The Japan Times)

²⁷ Stephanie Assman, Gender Equality in Japan: The Equal Employment Opportunity Law Revised (The Asia-Pacific Journal, Japan Focus)

participation rate was 48.2% while men's was 70.8% (including both full-time and part-time workers). This significant difference between men's labor participation rate and women's labor participation rate is associated with the large number of NEET and Freeter in Japan.

The data presented below, provided by Japan's Statistic Bureau, shows that the percentage of female NEETs and Freeters was always higher than men's.

Table 2.6 Percentage of freeters and NEETs by sex: Japan, selected years

Both sexes	1982	1987	1992	1997	2002
15–19	3.5	4.2	4.6	5.2	5.9
20–24	4.9	6.0	6.9	10.4	14.6
25–29	3.3	3.9	4.7	6.6	9.7
30–34	2.0	2.3	2.6	3.9	6.1
Men	1982	1987	1992	1997	2002
15–19	4.1	2.6	2.9	3.7	4.1
20–24	3.7	5.0	6.0	8.4	12.7
25–29	2.3	2.8	3.4	5.0	8.1
30–34	1.7	2.0	2.0	3.0	4.8
Women	1982	1987	1992	1997	2002
15–19	2.9	2.0	2.2	3.1	4.5
20–24	6.1	6.0	7.4	11.8	15.6
25–29	4.3	4.5	5.9	8.0	10.8
30–34	2.3	2.4	3.3	4.9	7.2

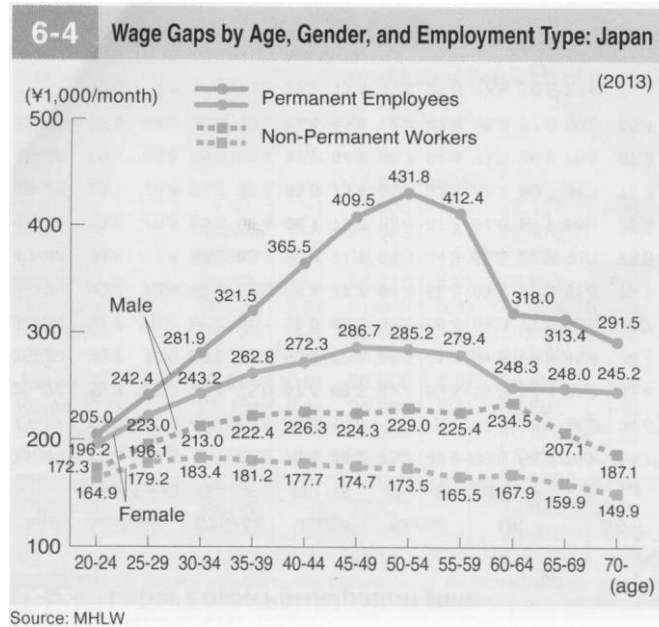
Note: The Japanese government defines 'freeters' as persons of ages 15–34 who choose to seek part-time and casual employment instead of a full-time job. 'NEETs' are individuals of ages 15–34 who have no job of any kind and do not want any type of employment.

Source: Statistics Bureau, *Employment Status Survey* (various years).

A possible reason for the higher number of female Freeters is that working as irregular employees is a common solution that permits Japanese women to commit to their housework while being able to partially support their families' financially. Comparing full-time positions, most part-time jobs in Japan do not require specific skills or experience, which undoubtedly offer more chances of being hired to Japanese housewives. Although the income that Japanese

women can gain from these part-time jobs is much less than what they might earn from full-time jobs, since they are not the families' main financial supporters and working part-time provides them with the opportunity to make the family's income more abundant, they tend to switch from full-time jobs to part-time jobs after marrying. The data published by Keizai Koho Center demonstrates that the percentage of female part-time workers in Japan are three times more than men (2013 date: female 36.3%, male 11.3%)²⁸ Resuming working as a full-time employee is also an option for Japanese women; however, a few years remaining idle does not offer Japanese women advantages to compete with the fresh graduates and male employees in the job-seeking war. Consequently, most of them become part-time workers after marrying. Besides time flexibility, another element that discourages Japanese women from engaging with full-time jobs is gender discrimination, which is expressed through the difference between male and female employees' benefits. In spite of the fact the Equal Employment Opportunity Law has been applied, the wage gap between male and female employees in Japan is significant. The chart regarding wage gaps by Age, Gender and Employment Type in Japan (2013) below proves how gender discrimination is not entirely eliminated in Japanese industry:

²⁸ Keizai Koho Center, Japan 2015: An International Comparison (Part-time Employment, p.63)



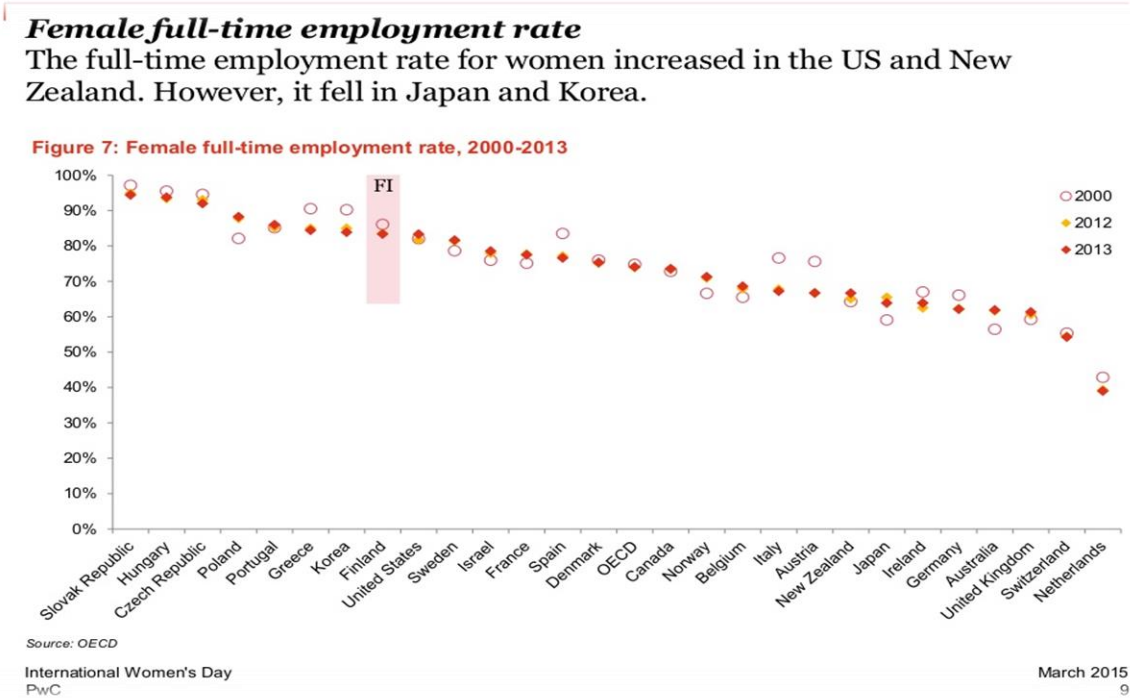
(Source: Keizai Koho Center – Japan 2015)

The chart reveals that the highest wage range Japanese women can gain (286,700 yen/month) is approximate to men's third lowest wage range (281,900 yen/month). Not only is their wage much lower compared to men's, Japanese women's working ability tends to be underestimated. In most Japanese companies, women are not assigned to do "important work" as the employers are still clinging to women's inferiority prejudice²⁹. As a result, Japanese female employees also lose the chance to utilize their skills, as well as the opportunities of being promoted; hence, Japanese female employees tend to quit their full-time jobs and become NEET or Freeter due to their low wage and the gender discrimination in the working environment.

The application of the Equality Employment Opportunity Law has not created major changes regarding the discrimination against women in the labor environment but it might play an important role in increasing the percentage of female employees. The establishment of the

²⁹ Roger Goodman, Yuki Imoto, Tuukka Toivonen, A Sociology of Japanese Youth: From returnees to NEETs (Nissan Institute/Routledge Japanese Studies 2012, p.47)

law undoubtedly encourages more women to enter the workforce and also reduce the gender discrimination in the recruitment process. Interpreting from the data reported by OECD, the rate of full-time female employees in Japan remains low compared to other countries, but it does show the sign of increasing since 2000. According to the chart, the percentage of full-time female employees in Japan increased from 59% to 68% in the span from 2000 to 2012; in 2013 the percentage slightly decreased to 66%.



The low percentage of female full-time employment in 2000 and the 1990s could be the result of Japan's economic crisis. The Equal Employment Opportunity Law was not effectively launched during the 1990s as the nation was facing an economic crisis, which led to a shrink in number of jobs. The available jobs appeared to be dominated by men, since the data regarding the Japanese female labor force participation shows that the female participation rate decreased by 1% (from 1990 to 1991) and remained at 50% for the following 8 years; meanwhile the male labor

participation rate also slightly decreased but it was always higher than 75% during the 1990s³⁰. However, in contemporary society when Japan has passed the most critical economic crisis period and the ideology of gender equality is more welcomed, Japanese women have more opportunities to join the full-time work force, indicated in the increasing percentage of female fulltime employment since 2000 in the above chart. This shift undoubtedly indicates a positive improvement regarding career opportunities for Japanese women; nevertheless, the increasing number of female employees could be an indirect reason leading to the extended number of male NEET and Freeter. While the job-seeking war has become more competitive due to the change in the employment system, Japanese male employees' chance of being full-time employees is further reduced as they have to compete against the new wave of labor participants: Japanese women.

Despite the increasing number of full-time female employees, the number of female part-time workers still remains high as a result of the incomplete transformation in social perception of gender norm; the differences between men and women's wage, discrimination in the working environment and their duty as wives are the main factors that prevent Japanese women from entering the full-time employment. The rising number of full-time female employees is also a threat to Japanese men who yearn to become full-time employees, because the recruitment process will be more competitive as the number of applicants increase. These might be the reasons why the total number of NEET and Freeter in Japan has not decreased in spite of numerous attempts of the Japanese government.

³⁰ <http://data.worldbank.org/indicator/SL.TLF.CACT.MA.ZS?page=3>

Chapter 4: The Internet, Social Media and Japanese youth's bleak future

Changes in the employment system are not the only factors leading to the increasing number of NEET and Freeter in Japan. With its fast development and extensive influence, the Internet can be considered a major element that discourages youngsters from committing to full-time employment. Especially in Japan, one of a few countries with the most developed technology and connection to the Internet, the Internet and social media certainly have severe impacts on young generations' lives. The research on the connectivity between Japanese youth and social media carried out by Toshie Takahashi offers numerous evidence of Japanese youth's dependence on technology and social media in daily life.

The children and young people I interviewed in Japan never switch off their mobile phones. Even while they sleep, they put their mobile phones next to their pillows. In bed just before they fall asleep, they check Mixi, Line, Facebook, Twitter and emails via their mobile phones, and as they sleep they continue to receive messages via social media through these devices. They often check their mobile phones and sometimes reply during the night, although some may not remember this engagement the next morning³¹.

Undeniably, technology as well as social media heavily influences the youth; more than just a means of receiving information, people treat technology as an essential part of everyday life. Therefore, young people's employment can also be influenced by the Internet and social media. In this chapter, I will focus on analyzing Internet's and social media's influence on the employment pattern of Japanese youth.

First of all, the Internet and social media both discourage young Japanese people from engaging with full-time employment but in different ways. From a certain perspective the

³¹ Toshie Takahashi, *Youth, Social Media and Connectivity in Japan* (Waseda University, p. 12)

Internet has enabled young Japanese to lead easier lives by providing them with tons of online services or opportunities to find assistance and support from other people easily through social networks. The Internet's convenience has indulged the youth to the extent that many of them have no motivation to make ends meet by working. Pha-san, the 34-year-old NEET mentioned in chapter one, explains brilliantly how the Internet has limited Japanese youngster's opportunities of securing full-time jobs. Thanks to the Internet and the convenient networks made between people on the Internet, Japanese NEET like Pha-san could easily earn income and maintain their life quality by writing blogs or asking help from other NEETs³². Obviously, Pha-san would not be able to retain such a leisure life if the Internet and social media were not fervently welcomed by the majority. Although the income Pha-san earns from his blog and borrowing from other NEETs might not be abundant, it is sufficient enough for him to lead a comfortable life, which is evident in his ability to rent a house, gather with friends, etc. Between working hard as a full-time employee while facing the risk of not being paid correspondingly to his ability, being able to pursue his hobby as an IT Otaku and live a leisure life is undeniably more preferable to Pha-san and perhaps to many other NEETs in general. Furthermore, the Internet and social media, from a certain perspective, have created an illusion for people like Pha-san that what they have been doing is righteous. With a strong preference for collectivism like many other Japanese citizens³³, NEETs are not expected to act differently while being a part of the NEETs community; consequently, the influence from other members in the NEET community are most likely going to encourage them to further evolve their "unemployed" lives. One might question if Japanese NEETs have such a strong sense of collectivism, why do they leave the mainstream workforce and choose to belong to this minor community? The answer lies

³² https://www.youtube.com/watch?v=P8GU_69MqfU

³³ Richard F. Calichman, *Contemporary Japanese Thought* (Columbia University Press, 2005 p.24)

within the development of a subculture (defined as a cultural form that differentiates itself from the parental culture that it belongs to) in Japan during the post-modern era, which could be the result of the Westernization process³⁴. Since the post-modern periods, many subculture groups have appeared in Japanese society such as: Gyaru, Ganguro, Visual Kei, etc. NEETs Community, similar to these subculture groups, includes members who yearn to distinguish themselves from the main culture of employment by choosing to be unemployed. Although these hegemonic NEETs do express individualism by separating from the mainstream culture, they follow the collectivist ideology within the group nevertheless. The establishment of such a community could mislead the later generations as the subculture are flourishing and the tendency of following the majority in Japanese society still remains solid.

Furthermore, by showing their abilities to gain money easily through the Internet and social media, the current NEET generation is breeding a future generation of unemployed youth as their success could promulgate this subculture movement. Besides gaining income by writing blogs, as with Pha-san, many Japanese youngsters are also making use of the Internet and social networks to earn money instead of working as full-time employees. This movement of Japanese youth might be the beginning of a “gig economy” in Japan. The growth of “Gig economy” – “where incomes are earned or supplemented by trading individual goods and services online³⁵” – in the U.S is evident in the growing success of online services such as Uber, Ebay, etc. Under the influence from the U.S culture and the strong development of the Internet, it is not surprising that Japan is absorbing this kind of economy. One of the most notable individuals that display how Japanese youth is creating the foundation for the “gig economy” in Japan is Yuka Kinoshita,

³⁴ Tomiko Yodo, Harry Harootunian, *Japan After Japan: Social and Cultural Life from the Recessionary 1990s to the Present* (Duke University Press 2006, p.36)

³⁵ Laura Gardiner, *Does the gig economy revolutionise the world of work, or is it a storm in a teacup?* (The Economist, Oct 23rd, 2015)

a famous Japanese Youtuber. Kinoshita debuted as a Youtuber in 2014 and currently has more than a million channel subscribers; most of her videos have 500,000 to 1 million views, proving her popularity amongst Japanese viewers. All of her video feature recordings of her eating large portions of food and communicating with “fans” through the camera; by uploading these videos online, Kinoshita is paid by her managing company or by specific brands that require her to advertise their products. Kinoshita used to work as a full-time employee; however, she decided to quit her job and joined UUUM – a company that recruits Youtube Stars³⁶- instead. The fame and money that Kinoshita receives only by broadcasting videos with no specific content undoubtedly further nurtures the trend of making money through social networks instead of working in traditional company settings. Apart from Kinoshita, there are many other Youtubers who have the potential of influencing Japanese Youth’s conception regarding employment. While the establishment of a managing company for these social network celebrities, such as UUUM, implies that Japanese society is gradually accepting this movement of Japanese youngsters as well as acknowledging the potential of “gig economy”. With the development of the Internet and social networks that allow people to earn money easily, and Japanese young generations’ embracement of an essential part of modernization – the Internet and social networking - it is not surprising that Japanese youth are slipping away from traditional forms of employment.

Japanese youth’s dependence on the Internet and social media also reflects their indifference towards full-time employment. Being born and raised in the modern era when their nation has embraced Western influence, young Japanese people’s attitudes about employment have been influenced by Western ideas. The majority of current Japanese youngsters’ parents

³⁶ <http://www.uuum.jp/>

belong to a generation that lived in the Lost Decade; as a result, their definition of a proper job tends to be limited to mainstream white-collar work only since those jobs are perceived as providing a stable income and high social status, while jobs such as singer, actors, artist, etc. had no practical use during the period when the nation was facing economic crisis and were not regarded as high-class either. Nevertheless, as the nation develops, industries outside the mainstream category are becoming more popular and successfully attract Japanese youth. Japanese parents refuse to adapt to this modernization process, however; they believe that graduating from college and working as a salaryman is the only way to success and force their children following that path. Even though less than 15% of population actually has such a white collar career³⁷, most Japanese parents still prefer white collar jobs due to the belief that salarymen were the ones who help Japan's economy revive³⁸, and they also possess high social status. One of the top reasons for young people in Japan to choose to become NEETs or Freeters is because they cannot pursue their dream career such as being singer, *mangaka* (Japanese comic book's author), actor, etc. The Internet, on the other hand, provides them with opportunities to fulfill their desires. For them, being able to do what they like is more preferable than engaging with a full-time job that they have no interest in. Consequently, these Japanese young people end up spending most of their time at home surfing the web, submerging in their own hobbies.

Another form of dependence on the Internet by Japanese youth that is making the unemployment problem in Japan more serious is the Internet's interference in the employee recruitment process. Nowadays, young people can easily find and apply for jobs on the Internet. Compared to the old system whereby companies contracted designated professors or select universities, and the flow of information was restricted, the application process via the Internet

³⁷ Yoshio Sugimoto, *An Introduction to Japanese Society* (Cambridge University Press 2014, p.105)

³⁸ Nakano Lynne, *Community Volunteers in Japan: Everyday Stories of Social Change* (Psychology Press, 2005)

makes it hard for employers to confirm applicants' real abilities because they cannot confirm all the experience or academic achievements because the applications are sent directly online. Eventually, the selection process will become stricter to help recruiters select the most intellectual candidates. In addition to that, the online world overwhelms young people with a constant flow of information, which results in their tendency to apply to popular firms only because the big firms' information is more dominant and appears more frequently compared to the small ones'. The big firms often have to cap the number of applications they will receive due to large amount of responses³⁹. After receiving automatic rejections from such firms, many young people become depressed and eventually withdraw from job-seeking activities.

Pulling Japanese youth away from this mainstream type of employment by offering youth chances to earn income effortlessly or discouraging them by the online recruitment system is not the only effect that the Internet and social media create. By stigmatizing NEETs and Freeters, Japanese social media is taking away these people's willingness as well as their confidence to enter the mainstream work forces. Instead of sympathizing with this new wave of unemployed people, and assisting them in finding working opportunities, the majority of Japanese social media tends to portray NEETs and Freeters as lazy and worthless people who contribute nothing to the nation and society. According to Yuki Imoto's study *A Sociology of Japanese Youth: From returnees to NEETs*, Japanese social media usually portrays NEETs and Freeters as "individuals who lack capability", "lazy and unmotivated"⁴⁰. Such misleading assumptions about NEETs and Freeters can eliminate the motivation of those who are seeking full-time jobs as they are aware that their effort is not being recognized. Furthermore, once such negative

³⁹ Genda Yuji, *A Nagging Sense of Job Insecurity: The New Reality Facing Japanese Youth* (International House of Japan, Inc. 2005, p.45)

⁴⁰ Yuki Imoto, *A Sociology of Japanese Youth: From returnees to NEETs* (Routledge, 2012 p.67)

image of NEETs and Freeters are widely dispersed, securing employment becomes even harder for them since the employers already have the negative impressions of them.

Japanese social media's negative description of NEETs and Freeters not only eliminates their hope of locating full-time jobs but also leads to the rebellious sides of these people.

According to Japan's biggest NEET community – NEET, Inc. - one of their main purposes of establishing this community is to make people realize that they can live happily doing what they like without bearing the pressure of gaining income or retaining good relationships with co-workers, etc. which is entirely in contrast to the Japanese social system⁴¹. The company includes around 100 NEET and Freeters (mostly from 17 to 30s); they gather together to produce certain products that these people are good at making, such as video games, crafted goods, etc. All of the members belong to a Board of Directors, in other words, everyone is equally involved, so the hierarchy system does not exist in the company and they are not considered employees either⁴².

The fact that these NEETs and Freeters choose to be unemployed despite their capabilities suggests that their state is not the result of the lack of abilities as the media conveys; instead, it is likely that these people are attempting to protect their own philosophy and rebel against common social beliefs which stress the salaryman lifestyle as the ideal. The establishment of the NEET community is the evidence proving that the 'gig economy' is penetrating into Japanese society; nevertheless, it has not been recognized due to the negative assumption. This hypothesis regarding Japanese youth's rebellion will be further elaborated in chapter 6. By using social media to form a community with the aim to establish their unique skills and abilities, these NEETs and Freeters are showing that they are offering alternative means of supporting themselves than those available through traditional employment systems.

⁴¹ ニート株式会社 (neet.co.jp)

⁴² ニート株式会社 (neet.co.jp)

The fast development of the Internet and social media and the young Japanese generations' dependence on them have created a serious dilemma that results in the increasing number of NEETs and Freeters. The negative images of NEETs and Freeters generated by social media and the online recruiting system are eliminating these people's willingness to find full-time jobs. At the same time, by offering Japanese youth the opportunities to earn money easily while allowing them to pursue their hobbies, the Internet and social media obviously make the full-time jobs less attractive to them. Modernity – which means the Internet and social media in this situation – does not seem to support the Japanese government in eradicating these groups of unemployed youth and irregular workers.

Chapter 5: The impact from family and mental health on youth's employment pattern

NEET and Freeters are commonly differentiated from Hikikomori as they are believed to be mentally stable and do not exclude themselves from all areas of society. However, while NEETs and Freeters are not entirely akin to Hikikomori, the fact that NEETs and Freeters also refuse to adapt to common social norms partly demonstrates the similarity between them. Based on multiple research on Hikikomori, this group of people develops their tendency of withdrawing from society largely due to unstable mental health as well as distanced relationships among family members⁴³. Therefore, NEETs and Freeter too, similar to Hikikomori, possibly develop their resistance against social expectations and employment system due to the changes in family construction, as well as mental problems. Hence, in this chapter I will examine the relations between family structure and Japanese youngster's attitude towards employment, as well as NEET's and Freeter's mental health state.

As a result of modernization, the majority of Japanese families have transformed from extended family (family including three generations) to nuclear family structure (two-generation-family). The transformation of a family's form from extended family to nuclear family shifts Japanese parents' focus on their children as the parent generation no longer has to take care of the elders⁴⁴. This undoubtedly plays a role in forming a self-centered trend amongst Japanese youth. A survey on Behavior and Conciousness of College Students in Japan, USA and Australia conducted by Takimoto Takao shows that only 40% of Japanese youth plan to support their parents, while this percentage is 50% for American students and 43% for Australian students.

⁴³ Saito Tamaki, *Hikikomori: Adolescence without End* (The University of Minnesota Press, 2013, p.20)

⁴⁴ Takimoto Takao, *Dokkyo Daigaku Kyoyo Shogaku Kenkyu* 28:2 (March 2004), 49-68

This tendency of avoiding filial piety could be a result of the individualism's penetration because in the past Japanese people strongly embraced the filial duty. Japanese youth's opposition against filial piety is also expressed through the Japanese government's elder support services. In order to deal with the aging population issue, the Japanese government is further developing the elder support programs and campaign by providing "social hospitalization" which allows elders to be admitted to hospitals for long term care because they are cared for anywhere else. This hospitality service has been strongly developed since the beginning of the 21st century only, when more Japanese women started re-entering the labor force after marriage; due to the financial pressures and being overwhelmed with work at a company as well as housework, most Japanese women do not have enough time to take care of the elders.⁴⁵ As a consequence, many elders are abandoned by their own children. While the young generations are gradually eradicating filial piety, many Japanese elders still embrace traditional family values, which encourages the members to take care of one another. Instead of leaving their children leading their lives independently, they continue living with them and supporting them financially. The existence of "parasite singles" generation in Japan is the concrete evidence that shows how young Japanese generations are exploiting their parents. "Parasite singles" is a term used to indicate young adults living with their parents to save on housing and utilities; these people also utilize their discretionary income from their parents to spend on their personal needs⁴⁶. Unlike NEETs and Freeters, most "parasite singles" are able to support themselves financially but their dependence on parents are identical to NEETs and Freeters. On the NEETs and Freeters' side, as they are aware that they will not have to take care of their parents (nor they have to support them financially) thanks to the government's elder-support program, they use that support as excuses

⁴⁵ Chris Farrell, What Can Japan teach us about Long term Care (Forbes, Aug 15th, 2015)

⁴⁶ Glitters start wearing off for aging 'parasite singles' (Japan Today, Feb 20th, 2014)

to quit working or stop looking for jobs. As long as they earn enough money to spend on themselves via the Internet or other methods, why would they bother working if they can rely on their parents (for house, food) and do not have to fulfill their filial duty later? Elder support program is an absolutely necessary solution to deal with the aging population, but it can bring along unexpected effects as well.

Japanese young people's dependence on parents not only demonstrates the contrast between different generations' philosophy about the support among family members, but also expresses youth's growing favor for individualism. Japanese youth's self-centeredness and individualism are portrayed through their job preference as well. Based on a survey carried out by Nihon Rodo Kenkyu Kiko, Freeter's top four answers regarding their orientation towards work are: "I want to experience different jobs", "I don't want to do work that I am not suited to do", "I want to become famous", "I prefer to enjoy life at a leisurely pace and don't want an overly demanding job."⁴⁷ These answers suggest that the young generations have been well pampered by the developed society and living conditions to the extent that it's hard for them to sacrifice their own benefits to contribute to the community and country. This can also be interpreted as a consequence of individualism's penetration in Japanese society. Individualism has been more adored by Japanese society as a result of the Westernization process. The development of this social theory in Japan is reflected through the growth of multiple subculture groups, the new competitive employment system, Japanese Democratic system, etc. "The nail that sticks out gets hammered down" is no longer the dominant social belief in Japan; collectivism has not been eliminated in Japanese society yet but individualism is developing fast, which explains Japanese youth's care for themselves over the community. This tendency of

⁴⁷ Reiko Kosugi, *Escape from Work: Freelancing Youth and Challenge to Corporate Japan* (Trans Pacific Press, 2008, p.40)

prioritizing their personal preference is in contrast to that of the older generations', who dedicated their lives to further develop the nation.

Increasing dependence on parents and self-centeredness is not Japan's issue only; the US is facing the same problem. The growing dependence on parents is another element that boosts the number of unemployed youth in the U.S. The increasing number of "boomerang kids" - college graduates who come back home living with their parents instead of moving out - in recent years is concrete evidence of this issue. With their reasons of cutting down on unnecessary fees so they can pay their debts more easily, many college graduates move back to live with their parents. However, receiving financial support from parents appears to make them more passive in finding stable jobs. Many of them continuously switch jobs due to their reasoning that "they are not what I want to do" or they do not even attempt looking for one.⁴⁸ Undoubtedly, if they were left alone, they would not be picky in choosing jobs; nevertheless, since they are aware that they would not be in serious trouble as long as they live with their parents, these boomerang kids continue to waste their time and opportunities. And after a few years switching jobs and being unemployed, finding proper full-time jobs becomes increasingly difficult.

Different from the U.S and Japan, Vietnam – a developing country - does not seem to be threatened by the youth unemployment issue caused by reliance on family.

COUNTRIES ▼	Youth Unemployment Rate	Reference	Previous	Highest	Lowest	Unit
Japan	5.50	Jul/15	5.60	10.90	4.00	percent [+]
United States	11.00	Sep/15	11.00	19.50	7.80	percent [+]
Vietnam	6.26	Dec/14	6.17	6.26	5.17	percent [+]

⁴⁸ Davidson Adam, It's Official: The Boomerang Kids Won't Leave (The New York Times, June 20th, 2014)

(Source: Trading Economics)

By comparing the Youth unemployment rate, it seems Vietnam is dealing with more serious trouble than Japan since its youth unemployment rate is higher by almost 1%. (Vietnam: 6.26%, Japan: 5.50%). However, in contrast to the high percentage of youth unemployment, Vietnam's general unemployment rate in total is lower than Japan's (Vietnam: 2.36%, Japan: 3.4%). One possible explanation for this contradiction is that the employment rate of the rest of the population has made up for the high percentage of youth unemployment. The general unemployment rate includes the youth unemployment rate and the unemployment rate of those who are over 30. Vietnam's lower general unemployment rate suggests that the unemployment rate of those who are over 30 of Vietnam must be lower than Japan's; if it were higher than Japan's then Vietnam's general unemployment rate would be higher. This could also mean that the unemployed Vietnamese youth has succeeded joining the full-time labor force as they grow older, because if the youth remained unemployed after the age of 30, then Vietnam's unemployment percentage would have been higher than Japan's. Meanwhile, a lot of NEETs and Freeter in Japan remain idle even after they reach their age of 30s.

The lack of government support for elders may be encouraging Vietnamese young people to secure employment. Unlike Japanese parents who can support their children with the financial support from government, elders in Vietnam are not able to provide financial assistance for the whole family as they only receive approximately 150\$ - 250\$/month. Additionally, only people who worked for companies owned by the government can receive financial aid after retiring. As a result, young generations in Vietnam are unlikely to receive financial support from their parents since this would not be sufficient enough or in worse case, does not exist.

Being heavily influenced by U.S culture, Japanese youth are likely to create the same problems that American youth have caused for their nation. Perhaps individualism, modernization processes, as well as other supporting plans have been misused by these young people, which end up creating the crisis for themselves and the nations.

Besides the external influences, mental instability is also one great contributor to the large number of young unemployed Japanese. Many young Japanese have parents who survived through the Lost Decade; the rough experiences eventually make them force their children to become salaryman as they believe this job provides a stable income⁴⁹. Stable income is not the only reason that makes Japanese parents force their children to enter full-time workforce. Although less than 15% of Japanese contemporary population secure their lifetime employment, Japanese people from older generations still have strong favor for white-collar jobs because they perceive attaining white-collar jobs as equal to securing higher social status. Despite the fact that Japanese society is becoming less discriminative, under the influence from the ancient hierarchical society, many people still consider manual laborers or irregular workers as people of low-ranking class. Therefore, most Japanese elders are determined to turn their children into people with high social status by encouraging them to attain good white-collar jobs. Under the pressure of parents, a lot of Japanese youngsters attempt to enter the full-time employment world; however, due to the harsh working environment and the fact that they do not work according to their own will, many of them quickly quit their jobs (Kosugi's survey showed that the 3rd most popular reason for Japanese youth to become NEET or Freeter is working environment and incompatibility with the job)⁵⁰. These adolescents are unlikely to receive

⁴⁹ Mariko Oi, Can Education change Japan's "depressed" generation? (BBC News, March 23rd, 2015)

⁵⁰ Reiko Kosugi, Escape from Work: Freelancing Youth and Challenge to Corporate Japan (Trans Pacific Press, 2008, p.40)

sympathy from their parents as they were able to survive through the bubble economy period by working hard as salarymen. Receiving no sympathy nor encouragement from parents could immensely affect these youngsters' mental state and further develop the rebellious feelings against full-time employment. Along with that, the competitiveness of the job-seeking war is likely to discourage them from entering the full-time employment world again.

Additionally, living in the era when their nation has to face various threats such as natural disaster, nuclear power leak, aging population, declining birth rate, etc. also affects young Japanese mental health and their self-esteem. According to the BBC, one survey shows that 80% of Japanese youth are depressed; one-third of them don't think they will be happy when they are 40⁵¹. Perhaps the dull and chaotic present has made young Japanese people jump to the conclusion that their lives will be no different, if not worse; consequently, a lot of them give up their own employment opportunities because of the pessimism. This idea is partly reflected through their lack of confidence and unwillingness to take risks; for example, in an interview with the BBC, Yoko Sato – an English major said she had no intention of utilizing her language skills to work abroad, which might offer her a better life or working environment. Nevertheless, she assumes that working abroad might be even more difficult so she decides to stay in Japan, although she does not know if she can join Japan's mainstream workforce or not. Even though these youngsters are aware that the job-seeking war in Japan is brutal and they might end up being unemployed, they refuse to find other opportunities as they are heavily influenced by the common pessimistic attitude of public.

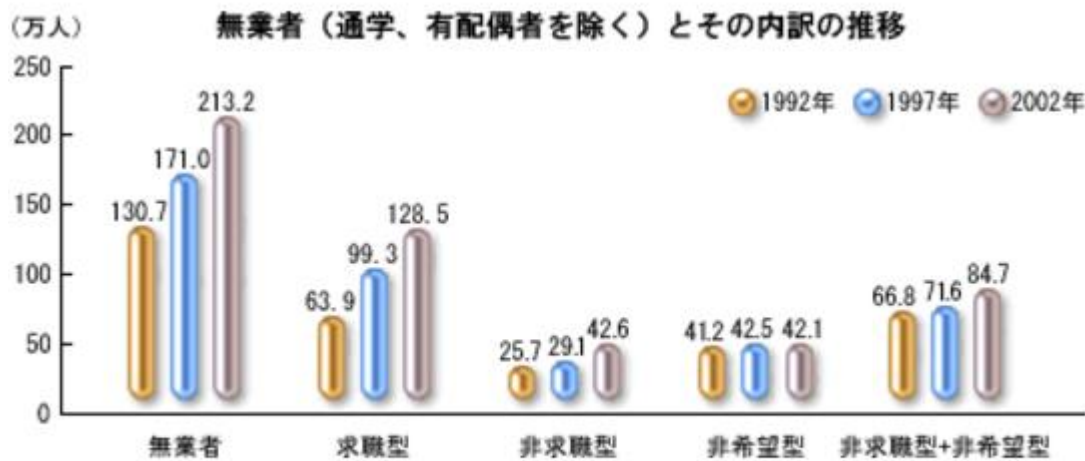
⁵¹ Mariko Oj, Can Education change Japan's "depressed" generation? (BBC News, March 23rd, 2015)

While family influences and Japanese youth's unstable mental health might not be the main causes leading to the existence of NEET and Freeters in Japan, they certainly support these groups' development.

Chapter 6: Are Japanese youth avoiding joining mainstream labor force?

“‘Enjoy today, tomorrow is coming’ encapsulates the mentality that increasingly absorbs Japan’s youth. This ‘consummatory’ mindset is where, rather than striving towards long-term goals, the focus is on having fun in the ‘here and now’. The modern youth of Japan cannot relate to the feelings of their parents or those who experienced the period of rapidly rising living standards and economic growth during the 1980s.⁵²”

This quote from the book *The Happy Youth of a Desperate Country* by Furuichi Noritoshi from Tokyo University shows that limited working opportunities resulted from external factors are not the only reasons impede the improvement of the unemployed youth issue in Japan. Some survey’s results and facts also suggest that becoming NEETs and Freeters is the choice of some Japanese young people because they follow their ideology, which is different from the older generations’.



内閣府の「若年無業者に関する調査」（中間報告）から転載

(Source: 日本の人事部 - 6/13/2013)

⁵² Furuichi Noritoshi, *The Happy Youth of a Desperate Country* (講談社, 2011)

According to the data shown in this chart, the percentage of “People who do not have desire to work nor try to look for jobs” (非希望型) has been steady for ten years (from 1992 to 2002). Perhaps, people belonging to this group might have the opportunities to become full-time employees but they choose to be unemployed instead. Along with the above statistic, the existence of many elites like Pha-san, who decided to quit his job to become a NEET, strengthens the hypothesis that the wave of NEETs and Freeters are growing due to the changes in Japanese young people’s perception of social ideology. With the aim of exposing the relationship between Japanese youth’s philosophical values and the existence of NEETs and Freeters, I will examine the political movements of the NEETs who join the NEET. Inc. Company, and the activities of Freeters within Union Labor.



Source: <http://pha.hateblo.jp/> (Pha の日記)

Pha-san, one such NEET, gave up his full-time job to become an unemployed “IT Otaku”. Pha-san graduated from Kyoto University, one of the best universities in Japan and worked as an

IT developer for several years. When he was asked to explain why he stopped working, he answered “I was fed up with the routine of working every day to earn money.” Despite lacking stable source of income, Pha-san seems to be more content with his current life than the life of a regular employee that he used to lead; “I do not have much money right now, but I am satisfied with my current life” he said in the interview. Pha-san is not the only one who quit his full-time job to become a NEET. In the interviews with other members of NEET. Inc, many of them said that they stopped working so they can enjoy their lives to the fullest⁵³.

Similar to these NEETs, many Japanese Freeters do not consider avoiding full-time employment negative; they rather prefer work as casual employees as opposed to exhausting themselves by working as full-time employees. Although part-time jobs might not offer these Freeters stable sources of income, they offer them the flexibility to stop working if they find the jobs not suitable for them, or they cannot adapt to the working environment. Additionally, once they decide to quit their current part-time jobs, most Freeters can easily find other casual jobs since these do not require much skills or experience, unlike full-time positions. Working as full-time employees, on the other hand, requires them to devote their lives to the company, to obey their employers despite being exploited, in exchange to maintain the position as well as the income. One Freeter interviewed by Kosugi shared his experience of working overtime as a full-time employee:

I got my full-time regular position at a transport company thanks to the placement office at my school. The company’s recruitment information said the position was from 8:30 in the morning until 5:30 in the evening. However, once I was employed they had me coming in from 7:00 until 5:30 or 6:00. As I learned the ropes, I was brought in at 6:00 in the morning...On

⁵³ ニートインタビュー第五回「ニックさん」 (<http://neetportal.blog.jp/archives/1008878787.html>)

some days I was required to work back until after midnight. Ten or eleven at night gradually became the norm. Everyday⁵⁴!

Working as full-time employees not only puts these workers under stress but also hinders them from attaining new full-time positions if they quit working, since the new employer might have a negative impression seeing them quit the previous job, which implies a lack of loyalty to the company. For all these reasons, many elites who graduate from prestigious universities or once had full-time jobs have developed more interest in living as NEETs and Freeters; obviously, these people prefer an easy, leisure life unlike the older generations.

The severe working environment does not seem to weaken Japanese older generations' desire of working as full-time employees however, as with the younger generations. The dedication to work by Japanese elders is reflected through the wave of *karoshi* (death from overwork), which peaked in the 1980s “when several high-ranking business executives who were still in their prime years suddenly died without any previous sign of illness.⁵⁵” To the older generations, working as salarymen not only offers them the secured income for a life-time (which might not be high but help them retain decent lives), but also enables them to support their family as well as to help the nation overcome the financial crisis. 1980s was the period when the bubble economy started to form in Japan; in order to help the nation escape from this situation, Japanese salary men were expected to work hard and dedicate to their companies. After the bubble economy period, Japan entered the Great Economic Recession, which lasted until the late 1990s, this was also when the first generation of NEET and Freeter appeared. The appearance of NEET and Freeter at the end of Japan's Great Recession period suggests that the

⁵⁴ Reiko Kosugi, *Escape from work: Freelancing Youth and the Challenge to Corporate Japan* (Trans Pacific Press 2008 p.121)

⁵⁵ *Karoshi: Death from Overwork* (International Labour Organization, April 23rd, 2013)

nation's economic development could be the factor that deteriorated Japanese youth's passion of working to assist their country or to support their families; as the economy crisis ended, they started to value personal desires more because they no longer needed to work hard to recover the economy. Nowadays, many young Japanese people, still seem to see no point in exhausting themselves by working as full-time employees since they tend to value freedom more than the ability to support their families through stable income sources. Though the interviews with many Freeters carried out by Matthews and White, many of them were optimistic about their lives, and, to a degree, about Japan. "No longer was the Japanese societal lockstep – of husband at work, married to his company, wife at home to become future workers and mothers – necessary to follow.⁵⁶" Undeniably, the conversion regarding life value and philosophy has encouraged more Japanese youngsters to become NEETs and Freeters.

Interpreting from their actions and response against the mainstream ideal of employment and social ideology, it appears that a portion of Japanese NEETs and Freeters gave up their opportunities of working as full-time employee because they yearn to adjust the society and the working environment according to their ideal. More specifically, the operation of NEET, Inc. Company as well as the Freeters involvement with Japan's Labor Union suggests that difference in view of life goal probably has encouraged NEETs and Freeters to change Japanese mainstream social structure. First of all, by recruiting NEETs graduating from prestigious universities or those possessing special working skills to work for the company without receiving any income or rewards, NEET, Inc. is attempting to express their opposition against the wage labor – an essential part of Japan's capitalist system. Collective capitalism (a solution for providing social welfare in a free market capitalist system) - penetrated into Japan after World

⁵⁶ Gordon Matthews and Bruce Whites. Japan's Changing Generations: Are young people creating a new society? (Digital Printing 2006, p77)

War II - offered Japan the experience of tremendous growth, which led to Japan permanently adopting the collective capitalist ideal.⁵⁷ Collective capitalism emphasizes co-operative long term relationship, which is shown through the involvement of Japanese workers – who receive life-time employment and other social protection in return of their hard work and loyalty to the company. The contradiction between the employment system of NEET, Inc. - which consists of no hierarchy, attachment or benefits - and Japan's collective capitalism implies that these people choose to turn into NEETs and found their own company as a way to protest against the conventional social rules in working environment that the majority follows. Perhaps, they are attempting to create a working environment for Japanese employees that does not require them to depend on the companies for social welfare and benefits. If opposition against collective capitalism is actually these elites' reason to live as NEETs, the efficiency of their movement should be put into question. Only by establishing one single company that produces trivial products, such as "air-freshener that has smell of a young girl's room", it is rather difficult for these NEETs to persuade the Japanese government and the public to consider their idea regarding the necessity in changing the economic and political system. It is impossible to confirm that these elite NEETs' motives simply based on the existence of their company and its non-hierarchical, non-wage labor system; but these small portion of NEETs and Freeters (estimated from the size of the community) certainly has a social and political motivation to quit their jobs rather than just because they are lazy or useless.

Unlike those NEETs who choose to stop working, certain Freeters are motivated by social welfare to avoid full-time employment. During the post-war period, Japan witnessed the formation and movement of many Labor Unions; one union that was established during that

⁵⁷ Heywood, Andrew (2002). *Politics*. Palgrave Macmillan.

period is “community union” (komyunitii yunion) (コミュニティーユニオン) “that emerged to cover those outside of the enterprise union system for full time salaried workers (正社員-*seishain*), including part-timers, other non-regular workers, workers in small firms and foreign workers.⁵⁸” However, this type of union was almost invisible at that time; most part-time workers receive little or no social welfare compared to the full-time employees who obtained assistance from their companies. The distinct difference between social welfare provided by the government and by individual companies might be the main motivation for these part-time workers - who yearn for the same social benefits that full-time employees had - to make such movements to claim for more benefits. Freeters and other part-time workers at that time possibly aspired for more social protection and benefits, unlike the current Freeters - who are influenced by the ideal “living for the present”-, and make use of it as an excuse to quit full-time jobs. Over the years, many people in Japan seem to be content with the social welfare that the government offers despite the gap between the benefits they could have received if they worked as full-time employees. For instance, an article published by The Japan Times has shown how Japanese people have grown dependent on governmental social welfare and gradually lose their interest in working:

“NHK visits the apartment of a man who used to work for a real-estate company. He receives ¥126,700 a month, at the end of which he has ¥40,000 left over. Though it’s much less than what he received when he was working, he says he’s “comfortable,” which is why he has no desire to look for a job.⁵⁹”

This example illustrates that although the social benefits offered by the Japanese government are still incompatible with what one might attain from his or her company, it is

⁵⁸ Suzuki Akira: Community Unions in Japan: Similarities and Differences of Region-based Labour Movements between Japan and Other Industrialized Countries. *Economic and Industrial Democracy* 29(4):492

⁵⁹ Philip Brator, Welfare system not Faring well (The Japan Times, Sep 25th, 2011)

sufficient enough to live a decent life. In fact, the Japanese governmental financial support has improved remarkably, which is indicated through the raise of tax – a source of revenue to support Japan’s social security system – to increase resources for those who need financial assistance⁶⁰. This change unfortunately results in the increasing number of Freeters (and NEETs) who give up their full-time jobs as they are granted to support by the government once they become unemployed.

Judging the existence of NEETs and Freeters from this perspective certainly provides one new understanding about these groups of people. NEETs and their attitude against the normal wage labor and capitalist structure proves that rather than lacking motivation, these people are making an effort to change the social structure according to their ideals. Meanwhile, the hypothesis of Freeters’ dependence on social welfare and their participation in union labor not only show this group of people’s desire to obtain social care, but also expose their lack of motivation and the negative consequences of the social welfare system. From a certain aspect, Freeters, similar to the mentioned elite NEETs, were fighting for their ideals and made a move to secure benefits from the government; however, once they achieved their goal, they become dependent on the benefits they receive and refuse to join mainstream labor force.

⁶⁰ Stephen Harner, Japan’s Choice: Shrink the Welfare State or Collapse (Forbes, Oct 21st, 2012)

Chapter 7: NEET/Freeter and Japan's precariousness

One might wonder why NEETs and Freeters are receiving so much attention from the Japanese government and public while the nation's unemployment rate does not seem to be as serious as others' (In 2015 Japan's unemployment rate was 3.3%, U.S: 4.9%, China: 4.05%). Rather than just a threat to national economic development, the existence of NEETs and Freeters could possibly worsen the social issues that Japan is currently facing. A declining birthrate, aging population, deteriorating living conditions are the issues that will continue worsening if the number of NEET and Freeter do not decrease. In this chapter, the possible negative consequences NEET and Freeter can bring along will be analyzed. In addition, the Japanese government's attempt to restrain the growth of NEETs and Freeter as well as factors that impede the success of these solutions will also be presented.

First of all, NEETs and Freeters impede the growth of the national economy. Although "Abenomics" – the economic policies promoted by Japan's Prime Minister Shinzo Abe, whose "aim was to revive the sluggish economy with "three arrows": a massive fiscal stimulus, more aggressive monetary easing from the Bank of Japan, and structural reforms to boost Japan's competitiveness⁶¹" – seems to be a promising solution to revive the country's economy, Japan's GDP shrank 0.8 percent in the third quarter of 2015⁶². The limited source of laborers is one of various reasons leading to this stagnation in Japan's economic development. Due to the aging population issue (with approximately 26% of population is aged over 65 years old, Japan is considered the world's fastest aging nation), the portion that lies within the working age of Japan's total population will continue shrinking if the birth rate does not increase. According to

⁶¹ Abe's master plan (The Economist, May 18th, 2013)

⁶² Keiko Ujikane, Japan's Economy Contracted Again in Final Quarter of 2015 (Bloomberg Business, Feb 14th, 2016)

an article published by The Economist, if the situation is not improved, “Japan’s working population will shrink so quickly that by 2050 it will be smaller than it was in 2015.”⁶³ Based on the data collected by Keizai Koho Center, the percentage of the working population in Japan in 2014 accounts for 61.3% of the total population; meanwhile the predicted percentage of working population in 2060 is 50%⁶⁴. Although the majority of this portion is retired elders, NEETs and Freeters also contribute to this unemployment rate; if the number of NEET does not decrease, there will be approximately 700,000 unemployed people, along with a large number of part-time workers and Freeters. In other words, there is a possibility that more than half the population of Japan will be unemployed by 2060. As the number of full-time employed population continues decreasing, the nation’s total income and the amount of disposable income will also decrease, which will eventually lower the country’s GDP. Negative GDP growth usually results in lower profits for companies, which at the same time means lower stock prices. Japanese NEETs and Freeters, although might not be the main reason leading to the low percentage of working population, are undoubtedly making the issue more serious.

Besides the influence on Japan’s economy, the existence of NEET and Freeter is a possible reason for worsening Japanese people’s living conditions. As I have discussed in Chapter 5, most of NEETs and Freeters live with their parents and depend on their parents’ allowance from the government. In order to survive in a family with two generations on the limited allowance from the government, the living conditions undoubtedly will deteriorate. For the portions of NEETs and Freeters who decide to live independently from their parents, most of them are not living comfortable lives either. Pha-san, a NEET introduced in Chapter 3, expresses his worries regarding his life once he gets older. Although he seems to be living a

⁶³ The older and the older (The Economist, November 19th, 2010)

⁶⁴ Japan 2015: An International Comparison – Projected 2060 Population: Japan (Keizai Koho Center, p.57)

considerable leisure life at the moment, he is in debt most of the time and has no savings for the future. Being jobless with little money and no valuable assets, it is almost impossible to marry or to find someone to take care of him in the future. While he could gain a limited amount of income thanks to his blog and loans from friend, these sources of income are not stable.

Although he will likely receive financial support once he is older, living on such a source alone will be difficult for him to rent an apartment, pay for utilities, food and other services. Similar to Pha-san, most Freeters and Arubaitors in Japan are trying to survive with their limited income.

Many Freeter and Arubaitor in Japan are living in Net Cafés as they cannot afford to buy or rent an apartment. “According to a recent Japanese Government survey of the people the media has dubbed “net cafe refugees”, 5,400 people spent at least half the week living in cafes such as Manga Square. The government survey found that about half of the net cafe refugees worked in low-paid temporary jobs, while 2,200 had no job at all.⁶⁵” The number of these people is increasing so fast that they are categorized as a specific group called “Net Café Refugees.” Inside the Net Café, there are around 50 tiny cubicles; each person can rent one cubicle to sleep and do his or her daily activities such as resting, eating while he or she is not at work.

⁶⁵ New Japanese underclass, “net café refugees” , emerges: homeless and low-paid, living in cubicles, and net lounges (The Canberra Times, November 11th, 2007)



(Source: The Daily Mail - Japan's internet café refugees: The workers forced to move into tiny, dark cubicles because they can't afford to rent a flat)

With the average income of 100,000 to 150,000 yen (approximately 1000 USD to 1500USD) per month, these Freeters and Arubaitors only manage to rent these cubicles with the price of 1400-2400 per night, which is much cheaper than renting a one room apartment that costs around 100,000 yen per month (excluding utilities)⁶⁶. In rare cases, these NEETs or Freeters might manage to rent an apartment; nevertheless, with the limited amount of money that they earn from their temporary jobs, leading a comfortable life while paying rent for the apartment is almost impossible. A recent interview carried out by NHK Asaichi, has revealed the deprived life of Japanese Freeters and Arubaitors. The Freeter in the interview, after paying

⁶⁶ Corley Charlton: Japan's internet café refugees: The workers forced to move into tiny, dark cubicles because they can't afford to rent a flat (The Daily Mail, April 1st 2015)

for her apartment, only has 10,000 yen (= 100\$) a month to pay for utilities and other necessities such as food, transportation, etc. Despite leading such inconvenient lives, these NEETs and Freeters have almost no chance to alternate their lives because they cannot find better jobs nor full-time jobs. Other NEETs and Freeters, like Pha-san, refuse to seek for a better life as they believe enjoying their current life is more important than worrying about the future. If NEET and Freeters increase, they will not only deteriorate the general living condition but also worsen the aging population issue and low fertility rate.

The aging population and low birth rate are among the most urgent issues that Japan is currently facing. Although NEETs and Freeters appears to have no connection to this issue, there exist evidences that prove the existence of this group of people could further degenerate this problem by not getting marriage. The marriage percentage as well as the birth rate in Japan has been shrinking over the years with the main factor contributing to that state is Japanese youth's resistance against marriage and couple's tendency of avoiding having kids. Many married couples in Japan evade having children because of the expense. According to a survey by an organization affiliated with Japan Cabinet Office, "it takes an average of 46,400 yen (approximately 450 USD) per month to raise a child, or 16.1% of a household's total living expenses.⁶⁷" The more children one family has, the higher the costs become; the child-rearing cost for a family with two or three children can take up to 17.9% (50,800 yen) and 19.8% (61,400 yen) of the total living expenses. Additionally, having children also discourages many Japanese women from continuing to work as they cannot take care of their kids; thus, many families' only financial resource solely depends on the fathers' income, which is not sufficient enough to retain a decent life for three or more people. Regarding Japanese youth's trend of

⁶⁷ Child rearing costs average 16.1% of living expenses (The Japan Times, Nov 7th, 2004)

shunning marriage, a survey carried out by Japan Family Planning Association (JFPA) founded that 45% women from the age of 16 – 24 show no interest in or despise sexual contact; more than a quarter of men feel the same way. The first reason leading to this circumstance might originate from the policy encouraging women to remain in the work force after marriage. Taking care of the family while working does not seem to be an ideal plan for Japanese women; being economically independent, Japanese women nowadays no longer have to rely on men for financial support, thus more Japanese women choose to live alone. Women's economic independence also means they expect their life partners to have other qualifications beside stable income. For this reason, Japanese men gradually lose their confidence as they believe they are not qualified enough to date or to marry; economic stability is no longer the only criteria one woman needs from her husband since many Japanese females are now independent in finance. Although this issue starts from the rise of Japanese women's independence, overtime Japanese men tend to emerge themselves into this world of no relationships; even when Japanese women actively seek relationships without setting any requirement for their partners, Japanese men still refuse to respond. Many of them think that having a girlfriend is bothersome (*mendokusai*), and they would rather satisfy their affection and sexual needs with 2D *anime* or *manga* characters⁶⁸. The most outstanding evidence of this tendency is the appearance of “Herbivore men.” “Herbivore men” is a term used to indicate men who have little or no interest in love or sexual activities⁶⁹. Besides the development of pop culture and technology: manga, anime, video game, etc - the main reason causing their indifference in sex and love – the lack of confidence due to

⁶⁸Alexandra Harney: The Herbivore's Dillema

http://www.slate.com/articles/news_and_politics/foreigners/2009/06/the_herbivores_dilemma.html

⁶⁹ Alexandra Harney: The Herbivore's Dillema

http://www.slate.com/articles/news_and_politics/foreigners/2009/06/the_herbivores_dilemma.html

the financial insecurity is another important factor that discourages these men from having girlfriends:

“Before the bubble collapsed, Japanese companies offered jobs for life. Salary men who knew exactly where their next paycheck was coming from were more confident buying a Tiffany necklace or an expensive French dinner for their girlfriend. Now, nearly 40 percent of Japanese work in non-staff positions with much less job security.⁷⁰”

Although life-time employment policy is still preferred by many firms in Japan, a considerable number of companies have stopped applying this policy. Hence, many salary men find it difficult to date and engage in marriage. Compared to the salary men, NEETs and Freeters probably consider marriage an unreachable goal. As the above stated facts and data have shown, most NEETs and Freeters are struggling to live by themselves, therefore, they are unlikely to have enough money to marry and support their families financially. With the already low fertility rate due to the existence of herbivore men, married couples’ tendency to avoid having kids and Japanese youth’s disinterest in marriage, the existence of NEET and Freeter thus, continues stimulating the decrease of young population. The impact NEET and Freeter create might be insignificant since these people are not the majority of Japan’ population, but it certainly strengthens the hypothesis that NEET and Freeter have been negatively influencing Japanese society.

Aware of these possible threats that NEET and Freeter impose on the nation’s social and economic development, the Japanese government has been working to find appropriate solutions to impede NEET’s and Freeter’s growing number. In 2004, the Japanese government’s “Strategic Council for Youth Independence and Challenge” announced its “Plan for Youth

⁷⁰ Alexandra Harney: The Herbivore’s Dilemma
http://www.slate.com/articles/news_and_politics/foreigners/2009/06/the_herbivores_dilemma.html

Independence and Challenge” with the aim to reverse the current trend of increasing numbers of unemployed youth and Freeters⁷¹. Jobs Cafés, included in the “Plan for Youth Independence and Challenge” - one of the main project that is expected to help Japanese unemployed youth find jobs that they can do.

Job Cafés are all-inclusive support centers for job-hunting youth, established (primarily) by public agencies, such as local self-governing bodies. The youth who visit Job Cafés are provided with various services, including information on job vacancies, employment placement services and on-the-spot job consultation⁷².

However, Jobs Cafés, as well as the Japanese government projects to help unemployed youth and Freeters do not seem to be efficient. The first reason leading to the project’s inefficiency is that most of the jobs they offer are similar to jobs that Freeters can obtain by themselves⁷³. As a result, after a few consultations, Freeters will stop looking for help from these agencies as they do not offer any information to alternate their career tracks. Considering the fact that these governmental programs attempt to bring NEETs and Freeters back to the mainstream working environment, those NEETs who are discontent with the common social and employment structure probably have no interest in, if not openly object to, this kind of campaign. The second factor that prevents the Japanese government from assisting NEETs and Freeters is the inability to make those who really need help aware of the project. Most Job Cafés in Japan are struggling with public relations, which hinders their attempt of advertising and informing targeted patrons about their existence⁷⁴. Consequently, the majority of NEET, Freeter and other unemployed youth remain oblivious about the presence of Job Cafés, thus, the percentage of

⁷¹ Yukie Hori: Characteristics and problems of Youth Support Agencies in Japan

⁷² Yukie Hori: Characteristics and problems of Youth Support Agencies in Japan

⁷³ Yukie Hori: The situation of Transitions from School to Work and Related Support System in Japan

⁷⁴ Yukie Hori: Characteristics and problems of Youth Support Agencies in Japan

NEETs and Freeters entering the full-time employment field does not seem to increase despite the government's attempt.

Although the unemployment rate of Japan remains low when compared to other countries', the possible disadvantages that groups of unemployed people and irregular workers like NEETs and Freeters bring along are ringing the alert to Japanese society. Besides the direct effects that NEETs and Freeters are imposing on Japan's economy, they also impact other urgent issues such as decreasing fertility rate and poor living conditions. If the Japanese government does not put more effort in expanding and improving their project of helping NEETs and Freeters find jobs, these groups of unemployed youth will continue making these issues more serious.

Conclusion

Since the first appearance of NEETs and Freeters in the 1980s in Japan, the population of these groups has been increasing steadily over the years. Along with Japan's economic development, modernization processes and many social alterations have been taking places; changes regarding employment system, changes in gender expectations as well as Japanese women's right to work, and the fast development of technology, including the Internet are a few of the most significant transformations. The combined consequences of all these modernizing processes, however, are the main external factors that limit many Japanese people's opportunities to enter the full-time employment world and eventually turn them into NEETs and Freeters. Limited employment opportunities due to modernization processes are not the only reason that extends the number of NEETs and Freeters, nevertheless. Many NEETs and Freeters prefer their being unemployed or working as non-full-time employees despite having chances to obtain full-time jobs. Although this hypothesis has not been confirmed due to the lack of evidence, there is high possibility that changes in philosophical values have encouraged a considerable number of Japanese youth to become NEETs and Freeters. Rather than exhausting themselves by working as full-time employees to guarantee settled lives in the future and to help their nation like older generations, Japanese youth appear to believe that enjoying one's own current life is the most important.

Perhaps the Japanese government has not been able to find an appropriate solution to bring NEETs and Freeters back to the mainstream work force since it has not considered the issue from these people's perspective in order to better understand motivation behind this life choice. Along with that, the lack of support from the public to make NEET and Freeter

assistance campaign more well-known to the targeted patron is the reason why number of NEETs and Freeters in Japan has not decreased.

Considering the facts that the effects of modernization and their contradiction to other traditional values are preventing many Japanese people from engaging in full-time employment, the Japanese government properly should adjust some social elements in order to solve this problem. Specifically, instead of combining the seniority-based system and performance-based employment systems, Japanese companies should apply only one of the two to minimize the disadvantages for both old employees and younger ones. By applying performance-based employment system only, they can create either a fair working system that pays employees according to their abilities – not based on how long they have been working, which might attract more young workers. On the other hand, if the companies choose the seniority-based system they can reduce the number of unemployed older workers; life-time employment might help them attract more employees as well. Regarding the education system, college entrance exams should be modified to adjust to the employment system's change in order to reduce the number of school drop-outs, which plays an important role in increasing full-time employees. For instance, college entrance exams can be changed to create less pressure for the students, so they have more motivation to pursue higher education. Additionally, with the aim to develop NEET and Freeter assistance campaign, such as the Job Café to bring them back to the mainstream workforce, the Japanese government properly needs to take NEET's and Freeter's opinion into consideration rather than constructing the programs based on its subjective goal and judgment only. By doing this, programs like Job Cafés can attract more attention from the NEETs and Freeters, and help them resolve difficulties in entering full-time employment; or it can develop a new kind of

employment system that supports Japan's economy while recognize these people's needs at the same time.

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