



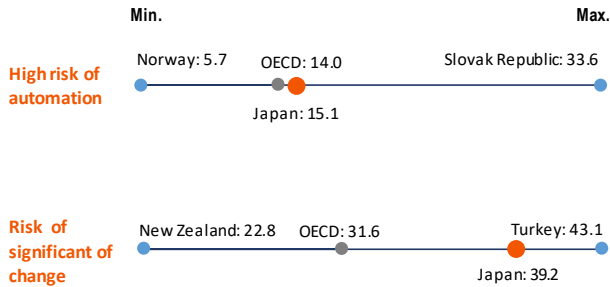
THE FUTURE OF WORK

How does JAPAN compare?

OECD Employment Outlook 2019



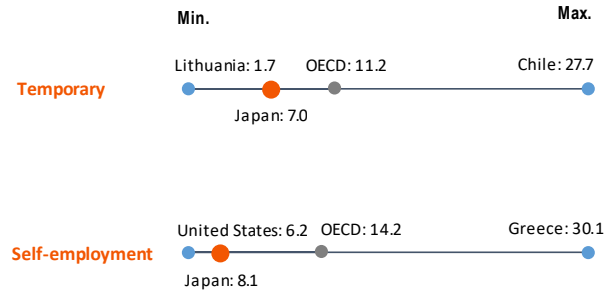
Jobs at risk of automation



Note: High risk of automation corresponds to a likelihood of automation of 70% or more. Jobs at risk of significant change are those with likelihood of automation between 50 and 70%. Percentages. Data refer to 2012 or 2015, depending on the country.

Source: OECD Employment Outlook 2019, The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

Non-standard forms of work



Note: Temporary employment as a % of dependent employment. Self-employment as a % of total employment. Data refer to 2017.

Source: OECD Employment Outlook 2019, The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

The quantity of jobs may not fall, but job quality and disparities among workers may worsen

Despite widespread anxiety about job destruction driven by technological change and globalisation, a sharp decline in overall employment is unlikely. While certain jobs may disappear (14% are at high risk of automation in the OECD), others will emerge, and employment has been growing overall. However, transitions will not be easy. There are concerns about the quality of some of the emerging new jobs and, without immediate action, labour market disparities may grow, as certain groups of workers face greater risks than others.

- Despite a decline in its working-age population (aged 15-64), Japan's total employment has been increasing steadily due to the recent economic expansion, and in 2018 reached its highest level since records began. The share of the population aged 15-64 who are working also reached a new high.
- Nevertheless, as a result of digitalisation and population ageing, Japan faces a number of challenges for ensuring there is also a continuous improvement in job quality.

- 54% of workers are facing a very high or significant risk of automation in their jobs: around 15% of the jobs are likely to disappear entirely and another 39% will probably undergo major changes as a result of the introduction of new technologies.
- After mandatory retirement at the age of 60, many older workers in Japan continue to work but on fixed-term contracts. These jobs typically involve significant wage cuts and under-utilisation of their skills.
- Japan also faces an entrenched labour market dualism between regular and non-regular workers, with a substantial gap in employment conditions and pay between these groups. Some of the factors contributing to this gap include employment practices, such as lifetime employment, seniority wages and mandatory retirement, together with dismissal rules.

Collective bargaining, though under strain, can help shape the future of work

Collective bargaining can help workers and companies define new rights, adopt and regulate new technologies and foster labour market security and adaptability. Yet it is challenged by increases in non-standard work, on top of a decades-long weakening of union representation leaving employers without a clear counterpart. Better including non-standard workers calls for tailored adaptation of regulations and stronger efforts by social partners.

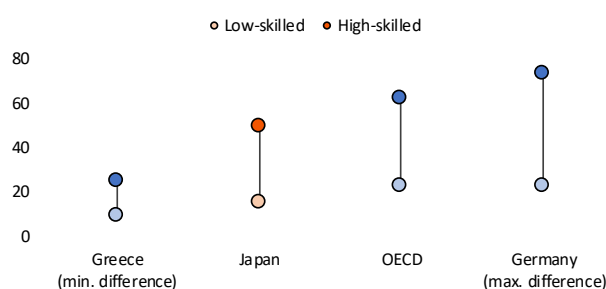
- The proportion of union members among employees in Japan has fallen from 28.8% in 1985 to 17.1% in 2017, while the proportion of employees covered by collective agreements declined from 29% to 16.5% for the same period. However, union membership has increased among part time workers, albeit from a very low base. According to the Japan Labour Institute, union membership has increased from 1.5% in 1990 to 7.9% in 2017 for this group.
- The historical focus of collective bargaining on standard workers has hampered unionisation of non-standard workers. However, research shows that working conditions of unionised non-standard workers are nonetheless clearly improving in Japan. For a more inclusive labour market that help realising *Equal Pay for Equal Work*, which is a Japan's new labour policy goal, the government and social partners should play a key role in promoting access to collective bargaining for all workers.

Adult learning is key to help the most vulnerable navigate a changing labour market

Adult learning is becoming increasingly important to help individuals to maintain and upgrade their skills throughout their working lives. Yet most adult learning systems are ill equipped for this challenge. 40% of adults train in a given year on average across the OECD, but those who need training the most, including non-standard workers, train the least and training is not always of good quality.

- Around 35% of adults in Japan participated in job-related adult learning in 2012, well below the OECD average of 41%. This share drops to 13.5% for low-skilled adults, though the gap between high- and low-skilled adults is smaller than the OECD average (34 versus 39 percentage points).
- Gaps in training participation between temporary and permanent workers are however more pronounced in Japan than in most OECD countries. The gaps is over 15 percentage points in Japan.
- Despite a relatively high willingness to engage in training, older workers on temporary contracts in Japan have few training opportunities to improve their skills and job prospects.
- The Japanese government has started to reform the higher education system and financial aid for ongoing education especially for IT training to respond to a more highly digitalised world. Policy reforms in this area are particularly important for Japan given the significant population decline and technological change that the country is undergoing.

Adult training systems fail to reach the low-skilled



Note: Share of adults who participated in training over the previous 12 months, in percentages. Data refer to 2012 or 2015.

Source: OECD Employment Outlook 2019, *The Future of Work*, <https://doi.org/10.1787/9ee00155-en>.

Contacts: Yusuke Inoue (+33 1 45 24 92 55; yusuke.inoue@oecd.org),

James Browne (+33 1 85 55 60 86; james.browne@oecd.org) or

Mark Keese (+33 1 45 24 87 94; mark.keese@oecd.org)

Directorate for Employment, Labour and Social Affairs

