

Realizing “Investment in People” with a Focus on the Different Challenges Faced by Each Individual

The Japanese government is promoting “investment in people.” The challenges faced by young people, middle-aged people, and the elderly are different depending on their age and the circumstances in which they find themselves. What are the differences in their needs? What are effective policies?

About This Issue

On Policy Calling for “Investment in People”: Toward Careful Measures Accounting for Age and Environment

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The government, which is committed to the realization of a “new capitalism,” has announced a policy to strengthen investment in people, the key to this new capitalism. The issue of “investment in people” may be different for different age groups, such as the young, middle-aged, and the elderly, and for different circumstances. To enhance the effectiveness of policies, it is necessary to determine what the needs of each person are. For the policy to be effective, it is necessary to determine what each person’s needs are and implement the investment in a detailed manner. What are the differences in their needs? What are effective policies? We interviewed experts on capacity building among people of different ages and circumstances.

Keywords...Investment in people, capacity building, meticulousness

Expert Opinions

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Is there a difference in investment in people and the needs of different people?
What are effective policies?

Thoughtful Support for the Needs of Employers, and Employment Support Together with Livelihood Security

Miki Tsutsui

Professor, Faculty of Lifelong Learning and Career Studies, Hosei University

Keywords...Employment Assistance, Recruitment and Retention Assistance for Employers, Metropolitan Coordinating Association (MCA)

Delivering Reskilling Opportunities with Career Development Support to Stagnating Youth

Reiko Kosugi

Director, Japan Institute for Labour Policy and Training

Keywords...Motivation for learning, career development support, career education

The Need for Both Labor and Management to Recognize that Learning is a Lifelong Endeavor

Takumi Miwa

Professor, Faculty of Business Administration, Momoyama Gakuin University

Keywords...Reciprocation between theory and practice, autonomous learning, rewarding management

Reviewing Investments in the Elderly Generation from the Perspective of Contributing to Regional Communities and the Next Generation

Yoshinori Fujiwara

Director of Research, Tokyo Metropolitan Institute of Gerontology

Keywords...Living and working, giving back to the regional community, work-like activities

Creating an Educational Platform to Develop AI Human Resources with Depth

Yasunobu Uchiyama

Dean and Professor of the Graduate School of Artificial Intelligence and Science, Rikkyo University

Keywords...Expert level and entry level, highly specialized courses, increasing faculty headcounts

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Interviewer : Ayumi Kitajima (NIRA Research Coordinator & Research Fellow), Kozue Sekijima (NIRA Research Coordinator & Research Fellow)

About This Issue

On Policy Calling for “Investment in People”: Toward Careful Measures Accounting for Age and Environment



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In recent years, the importance of investing in human resources has received renewed attention. As the industrial structure is rapidly changing due to the advancement of digitalization and the development of artificial intelligence (AI), the importance of skill development adapted to the new environment is garnering attention globally. It has also been pointed out that Japanese companies have not been able to devote time and effort to capacity development in the environment of prolonged low growth of the Japanese economy. Against this backdrop, the Japanese government has launched a policy of “investment in people” to promote investment in human resources.

However, “investment in people,” or human resource investment, has a broad variety of points to consider. One aspect, for example, is that it requires people who can adapt to digitalization and are skilled in cutting-edge data science, while another is that it is necessary to support those who do not have the opportunity to develop their skills due to non-regular employment. Even if we speak of “human resource development” in the same way, what is required for the two is quite different. In recent years, the need has also been pointed out for skill development for middle-aged and older workers in order for them to have fulfilling second careers, but the human resource investment required here would be different from that required for digitalization and non-regular employment. In this way, what is required for human resource investment in a nutshell will vary depending on each individual’s position and environment; as such, a meticulously detailed response is necessary when considering policy.

How to support the capacity development of youth and people with employment difficulties

In this project, we asked each of the experts to discuss necessary human resource investment from the standpoint of their respective fields of expertise. First, Professor Miki Tsutsui of the Faculty of Lifelong Learning and Career Studies at Hosei University discussed this issue from the perspective of employment support. When it comes to human resource development, the focus tends to be on what skills a company should equip its employees with to increase profits. However, from the perspective of society as a whole, it is important to consider how to provide appropriate education and training to those who wish to work but have difficulty in doing so. In this regard, it is argued that “social inclusion,” in which people work and contribute to society and are validated and accepted, is significant. However, employment for people with various difficulties inevitably tends to be low paid; thus, the need to consider this issue in combination with livelihood security is emphasized.

Reiko Kosugi, Director at the Japan Institute for Labor Policy and Training, focuses on career development support for young people. Many young people, who were non-regular staff, are being brought into full-time employment, and the employment environment is improving. However, even among these, some full-time employees are working in fields where productivity and wage levels are low, and young people are less motivated due to a lack of career prospects. Dr. Kosugi points out that

we should turn our attention to them now: it is natural that these young people need skill development, but it is important to point out, based on reality, that this must be accompanied by career consulting and other support. In this case, if the support measures are funded by employment insurance, only those who are enrolled in employment insurance would be eligible. Dr. Kosugi argues that to broaden the support available to most non-regular workers, contributions from the general account are also needed. Further, affording these individuals the experience of constructing their own careers using social resources is critical, and she recommends the enhancement of career education for this purpose.

Toward Better Second Careers for Middle-aged and Older Adults

Takumi Miwa, Professor of Business Administration, at Momoyama Gakuin University, focuses on continuing education for middle-aged and older adults. Japanese companies have traditionally emphasized on-the-job training in the workplace for human resource development; however, he points out, it is now more effective for them to autonomously engage in learning through heterogeneous experiences outside the organization, specialized studies at graduate schools, theoretical learning through the acquisition of official qualifications, and so on. Nevertheless, since it is too late to seek autonomy after middle age, he advocates that young people not be confined to their organizations and develop the habit of autonomous learning. In addition, to revitalize relearning, both labor and management must share the common understanding that learning is a lifelong process and that the government and companies must establish a system that actively rewards relearning.

Yoshinori Fujiwara, Director of Research, Tokyo Metropolitan Institute of Gerontology, focuses on the elderly. He points out that it is desirable for the elderly to engage in “Sanpo-yoshi (three way satisfaction)” activities, in which they are energetic and work not only for money but also to give their lives purpose; they support the work of the working-age population; they are appreciated by others and feel a sense of purpose in life; and they are useful to the local community. He also states that by establishing a link between lifelong learning and community activities, the elderly will be able to make use of the knowledge they have learned and give back to the community. To this end, he argues that the challenge is to secure human resources who can connect the welfare field, which supports the independence of the elderly, with the industrial field, which is a place of work, and that the form of social activities for the elderly should be flexible according to individual circumstances.

What Should be a Priority in Terms of Artificial Intelligence Human Resource Development?

Unlike the previous experts, Professor Yasunobu Uchiyama, Dean and Professor of the Graduate School of Artificial Intelligence and Science, Rikkyo University, focuses on the AI human resources that must be trained in Japan in consideration of the developments and advances in AI technology. He believes that, when AI human resources are divided into three levels, drastic measures are needed for the second and third levels—“experts” and “entry-level workers”—and that it will be difficult to utilize AI in the real world unless the quality and quantity of the human resources in these levels are enhanced. While the development of experts requires graduate-level education, it has been pointed out that it is difficult to attract a sufficient number of students to highly specialized classes. Regarding the education of entry-level workers, he argues that this is an area where training can begin most quickly if measures are taken to create an educational platform and mobilize personnel from companies who can provide specialized training as university faculty.

Expert Opinions

Thoughtful Support for the Needs of Employers, and Employment Support Together with Livelihood Security



Miki Tsutsui

Professor, Faculty of Lifelong Learning and Career Studies, Hosei University

After the collapse of Japan's bubble economy, a cost-cutting mindset became dominant, and investment in people dwindled. In particular, employment support for people with various difficulties has been left behind because it is difficult to see returns. However, the entry of the unemployed and non-employed into the labor market holds the significance of "social inclusion," in that people can work and contribute to society and be validated. It is also critical in terms of preventing division with those who are working. Support for disadvantaged people should thus be positioned as an "investment in society."

Investment in employment support and other measures for people with difficulty finding work should be made steadily, without taking a patronizing stance. It is important to increase opportunities for employers and job applicants to come into direct contact. In particular, people who have been out of work for a long period should not be placed in the workplace immediately after completing job training, but rather, they should be given a series of "trial experiences" leading to employment. It is also essential to take concentrated measures, such as providing targeted support to companies that are willing to hire and provide education and training to people with employment difficulties, but cannot afford to do so in terms of human resources, experience, time, and finances. It would be good for local governments to seek out companies that have needs and willingness to provide such support through, for example, company visits and employment support forums attended by companies. When it comes to support, there is a tendency to be biased toward providing assistance to those who wish to work; however, it is also important to carefully identify the concerns of employers, such as companies, and encourage them to hire people and provide them with education and training.

In Sweden, an organization called the Metropolitan Coordinating Association (MCA) holds coordinated vocational (rehabilitation) training program through the cooperation of local governments, labor unions, social insurance offices, and others that targets a diverse range of workplaces and visits them to find "problems" in the field. On behalf of busy managers, the MCA identifies the "problems" as "new jobs," redesigns job duties to solve these problems, and links jobs to new employment. One of the advantages of this program is that it creates jobs based on the needs of the field, making it easier for workers to be accepted into new workplaces. In Japan, employment support is often administered by the welfare department of the local government, which has a weak link with the industry and it is difficult to reach out to the employers' side. An organization such as MCA and its efforts could serve as a useful reference.

Even if the employer meets the needs and the job applicant can undertake the role, the "investment" is not successful if it does not lead to social inclusion. It is rather unfair to try to make people with various difficulties work for low wages and live solely on the compensation for their labor. An "investment in society" must be considered in combination with livelihood security.

Professor Tsutsui conducts practical research on employment support policies, systems, and organizations for socially disadvantaged people, with a focus on employment support by local governments. She is specialized in sociology of education, and in 2002, she finished coursework at the Graduate School of Education, University of Tokyo. She holds a Ph.D. in Education. After working as an associate professor at the Faculty of Contemporary Society, Kyoto Women's University, and at the Faculty of Lifelong Learning and Career Studies, Hosei University, she has been in her current position since 2015.

Expert Opinions

Delivering Reskilling Opportunities with Career Development Support to Stagnating Youth



Reiko Kosugi

Director, Japan Institute
for Labour Policy and
Training

In the early 2000s, many focused their attention on the increase in the number of “freeters” (part-time, fixed-term workers) and non-regular workers among young people. However, since then, many non-regular younger workers have advanced to full-time positions during the period of economic expansion, and the employment environment surrounding young people has improved. In this context, the group of regular employees working in fields with low productivity and wage levels, such as retail and social welfare, currently warrants focus. Although more people tend to enter this fields when compared to other fields, companies are often reluctant to invest in education and training because of the high turnover; in many workplaces, young people have no choice but to think for themselves and develop their skillsets on their own. The other group that deserves attention is the growing number of young, permanent employees who have spent their entire career in their first company but who do not feel fulfilled in their jobs and do not see a career path within the company. They feel left behind beside their former colleagues, who change jobs and advance their careers. They are unsure if their current job is right for them and have no career prospects. The decline in motivation is also a major problem for companies.

Young people naturally need to develop their skills, but the acquisition of skills cannot proceed without the willingness of the learner. It is important to situate learning in the individual’s career, and this must be accompanied by career consulting and other support. This is especially important in the latter case. Jobseekers can receive free “public job training,” but many courses are based on short-term learning, and it is difficult to reach reskilling (i.e., skill development that can lead to a job change). On the other hand, the Specialized Practical Education and Training Benefits Program subsidizes the cost of attending a professional university, graduate school, or vocational school (up to 70%)—and, in some cases, a portion of living expenses; moreover, the training period is long. Students receive career consulting before enrolling in the program. However, all these programs are available only to those who are enrolled in employment insurance, and those who are not enrolled, such as freeters (part-time, fixed-term workers) or most non-regular workers, cannot take advantage of the program. This benefit program is financed by employment insurance; to make this course accessible to as many people as possible, I recommend that contributions be made not only from employment insurance but also from the general account.

An analysis of the behavior of young people after they leave their jobs reveals that, compared to college graduates, high school graduates are in a distinct situation where their career development is stagnant. Access to employment information is unevenly distributed, and consultation partners are limited. It is necessary to connect these young people to counseling and support at an early stage and link them to job training with career prospects. While Hello Work (a place where national government employees help people find new employment) is relatively well utilized, the Ministry of Health, Labour and Welfare’s job information website (Job Tag) is not yet. It would be better if students could experience building their own careers using publicly provided social resources from the school education stage. In this sense, it is important to enhance “career education” in high schools.

Dr. Kosugi specializes in sociology of education and career guidance theory. Her research focuses on the transition from school to work and the career and professional development of young people. In particular, she has raised social issues related to youth employment, such as freeters and those not in education, employment, or training (NEETs). After graduating from the Department of Sociology, Faculty of Letters, the University of Tokyo, she joined the National Institute of Employment and Vocational Research (now the Japan Institute for Labour Policy and Training). She holds a Ph.D. in Education from Nagoya University.

Expert Opinions

The Need for Both Labor and Management to Recognize that Learning is a Lifelong Endeavor



Takumi Miwa

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To successfully “invest in people” today and into the future, it is important to (1) fundamentally review the method of human resource development and (2) encourage people to continue their learning pursuits. First, regarding a review of human resource development, many Japanese companies have thus far emphasized on-the-job training (OJT) and considered human resource development through on-site experience to be the best way to develop human resources. However, an acquaintance from China once explained to me that “Japanese companies do not train their human resources at all, so talented people quit immediately.” Japanese managers think they are carefully nurturing local staff, but their education that disregards advanced expertise and systematic knowledge is not appreciated by those not raised in the Japanese system.

In fact, my research has shown that those who remain active in knowledge work well into their middle and older years apply not only experiential learning in the workplace, but also learning from heterogeneous experiences outside the organization and theoretical learning in graduate school, obtaining official certification, and so on, to their work. This kind of autonomous learning, which goes back and forth between inside and outside the organization and between theory and practice, is an effective model for developing creative human resources and for relearning and should be given more importance. Many companies are now asking middle-aged and older workers to work more independently, but having always worked under a different paradigm, it is too late to suddenly expect them to be able to do so effectively well into the middle years of their careers. Young people should not be confined to their organizations, but they should be encouraged to develop the habit of this kind of self-directed learning.

In addition to reviewing human resource development methods, an important aspect is the revitalization of relearning. To this end, first, both labor and management must share the common understanding that learning is a lifelong process. Based on this awareness, management and social structures that actively reward autonomous learning and challenges are required. For example, a high school graduate who graduates from university while working will receive the same job duties and benefits as a college graduate; a person who has reached the end of their child-rearing years will find a path to full-time employment after obtaining some qualifications; a middle-aged or elderly person who develops new skills will receive appropriate job duties and benefits; and so on. If employment is tied to educational backgrounds at the time of hiring new graduates, if it does not take advantage of women and middle-aged and older workers, or if wages are uniformly lowered around the age of 60, workers will not invest in themselves and will not work autonomously. The state could create benefits and incentives for companies in recognition of their reforms in employment and human resource development and subsidize active approaches to continuous education. As careers become longer, continuous education will become an important theme for all workers. It is necessary to make such relearning (investment) something that can be expected to yield a return.

Professor Miwa specializes in human resource management and organizational behavior and conducts research on self-directed career development by middle and senior-aged workers with a main theme of career and human resource management in knowledge society. He holds a Ph.D. in Business Administration from Kobe University. After working as a chief consultant at Mitsubishi UFJ Research and Consulting Co., Ltd. and as a professor at the Faculty of Business Administration, Kyoto Sangyo University, he has been in his current position since 2021. He is also the editorial board chairman of the Journal of the Japan Society of Human Resource Management and the public relations chairman of the Japan Society of Human Resource Management.

Expert Opinions

Reviewing Investments in the Elderly Generation from the Perspective of Contributing to Regional Communities and the Next Generation



Yoshinori Fujiwara

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Among working seniors, those who work solely for income have been found to be more likely to suffer from poor health. In contrast, seniors who work not only for money but also to feel a “purpose of living” tend to be in good health. This is the result of a 2-year follow-up study conducted by my research group on elderly workers aged 65 and over. In many cases, a sense of fulfillment in life comes from being connected to society and being appreciated by others, such as by supporting the work of working people in the community where they live, feeling a sense of fulfillment from being appreciated by others, and benefiting the local community—such “Sanpo-yoshi (three way satisfaction)” activities are desirable when it comes to working in old age.

Many municipalities offer lifelong learning programs for the elderly to trigger social activities. However, many of these programs end with learning, and not only do they not lead to activities in the community, but they can even increase the demands and complaints from the regional community. The effectiveness of learning for the elderly has been questioned, and budgets for such programs tend to be lowered in municipalities. However, by designing programs that link lifelong learning with community activities, the elderly can make use of the knowledge they have learned and give back to the community. Some advanced examples have emerged, such as a lifelong learning university in a municipality in Tokyo, where the second half of the program includes practical training in the community, and senior citizens who are already involved in community activities come to recruit, creating a conduit to the community.

In this way, a system should be established whereby elderly people who have worked for companies can soft-land in local communities through learning. Through learning, it is also possible to take on more professional work than paid and unpaid volunteer work. Furthermore, “work-like activities” promoted by the Ministry of Health, Labour and Welfare as a measure to promote social participation in which the elderly can continue to live with role and dignity in the community without being bound by an employment contract, as in the case of regular employment, also reveal the seniors’ potential. The challenge for the widespread adoption of the system is to secure human resources who can connect the welfare field, which is responsible for supporting the social participation and independence of the elderly, with the industry, which is a place of work. Work-oriented activity support coordinators, who find jobs in the community and introduce them to the elderly, will play an important role in helping the elderly find jobs suited to their abilities and circumstances.

The form of social contribution activities for the elderly—whether working or volunteering—should be flexible, depending on individual circumstances. What is important in investing in the elderly is to lower the threshold and broaden the base, so that the elderly can encounter social and community activities that make their lives worth living. “Senior learning” should be placed at the core of the means to achieve this.

Dr. Fujiwara conducts research on dementia and frailty prevention among the elderly from the perspective of intergenerational exchange, multigenerational community development, and social capital. He specializes in public health, geriatrics, and sociology of aging. He graduated from the Faculty of Medicine, Hokkaido University and completed the Graduate School of Medicine, Kyoto University (Doctor of Medicine). After working in the Department of Geriatrics at Hokkaido University Hospital, he was appointed to his current position in 2011. He also serves as Director of the Tokyo Metropolitan Government’s Center for the Promotion and Support of Long-Term Care and Frail Prevention. He has served on numerous committees, including as vice president of the Japanese Society for Intergenerational Communication Studies.

Expert Opinions

Creating an Educational Platform to Develop AI Human Resources with Depth



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Japan's artificial intelligence (AI)-related human resources requiring training can be divided into three levels: (1) "high-level human resources" who are at the forefront of research; (2) the "expert layer" with sufficient specialized knowledge, which includes those who will be responsible for product applications in the real world; (3) "entry-level layer." The challenges for training are different for each of the three layers. The challenge for the high-level human resource layer is that the absolute number is small, but individual abilities are comparable to those in the United States and other countries. More pointed and drastic measures are required for the expert and entry-level workers. Without a greater depth of these human resources in terms of both quality and quantity, it will be difficult to utilize AI in the real world.

Graduate-level education is needed to develop the expert layer. To invite people with cutting-edge knowledge as lecturers, a class size of about 30 students is required, but few universities can attract that many students for highly specialized courses. To solve the problem of the number of students by linking several universities together, the government is supporting the establishment of consortia among universities, but Japanese universities have individual faculty members who are independent and have built "their own castles called laboratories." Trying to collaborate with other universities at the organizational level will be untenable without a shift in mindset. An organizational system with someone wielding great authority and able to decide how researchers are treated, such as the dean of a U.S. university, would be able to create a competitive educational program; in Japan, however, it would be faster to create a university from scratch.

Entry-level workers may not have specialized knowledge or skills, but they know the kind of technology that they are dealing with when it is explained to them. The need for personnel at this so-called "entry-level", is for practitioners who are finding business applications for AI technologies in the real world. As no people who understand the technology and can make judgments at the decision-making level are available, many failures occur during the verification stage, which is the reason why the utilization of the technology has not taken off in earnest. Because this entry-level group includes many people, it is not possible to train them in time if only university faculty members are involved. However, if an educational platform can be created and measures taken to mobilize personnel from companies who can provide specialized training as university faculty for a "side job," this would be the area where training could begin the fastest among the three tiers.

For investments in education and research to flourish, we must look 20–30 years into the future. Short-sighted management that repeatedly overhauls education every few years for the purpose of obtaining subsidies will not foster highly creative human resources. As for research, it starts out on precarious grounds but later finds their footing. A culture in which those who pioneer the frontier are valued in later eras is sorely needed.

With research expertise in both applied AI and high-energy astronomy, Professor Uchiyama has promoted the social implementation of AI technology and led the establishment of Japan's first AI-focused Graduate School of Artificial Intelligence at Rikkyo University in 2020, where he was appointed Dean. He is also the President of AI and virtual reality (VR) startup Galaxies, Inc. He holds a Ph.D. from the Graduate School of Science, University of Tokyo and held positions at JAXA and Stanford University. He was a Panofsky Fellow at SLAC National Accelerator Laboratory before becoming a Professor of Physics at Rikkyo University in 2016 (current position). He is the recipient of the 21st ASJ Young Astronomer Award of the Astronomical Society of Japan and the 5th Society for Promotion of Space Science Award.