

## “Human resources development revolution” as a priority issue

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### Launch of the “Council for Designing 100-Year Life Society”

On September 11, the government established the Council for Designing 100-Year Life Society. This Council, comprised of the Prime Minister, relevant government officials, and experts, plays a role in mapping out a plan for the “human resources development revolution” which the Abe Cabinet has established as a new priority policy theme. The Society is chaired by Prime Minister Shinzo Abe while Minister Toshimitsu Motegi, who is the newly appointed Minister-in-Charge of Human Resources Development Revolution (serving concurrently in other portfolios including Minister-in-Charge of Economic and Fiscal Policy), serves as the acting chairperson. There are 13 expert members in the Council, including Professor Lynda Gratton from the London Business School (United Kingdom), who is a specialist in human resources theories and renowned for works including *LIFE SHIFT*, as well as Tsuneyasu Miyamoto, a former captain of the Japan national soccer team. The society plans to prepare its interim report by the end of the year, and its final report during the first half of 2018.

The Abe Cabinet, which came into power at the end of 2012, has established the objective of revitalizing the economy through “Abenomics,” which consists of three pillars dubbed as the “three arrows.” These are monetary policy, fiscal policy, and growth strategy respectively. However, since September 2015, it has also positioned measures to counter population decline, as well as the declining birthrate and ageing population, which make up the second stage of Abenomics, as a pivot of its approach. The new stage positions a strong economy, support for childrearing, and social security as the “three arrows,” and sets the goal of realizing a “society in which all citizens are dynamically engaged.” The Japan’s Plan for Dynamic Engagement of All Citizens, drawn up in June 2016, is the document summarizing the policy program toward the realization of this goal. This plan incorporates measures to promote the empowerment of women, to counter the declining birthrate, and to reduce the number of people leaving their jobs to provide their family members with nursing-care. Within this, reform of working styles has been prioritized as a cross-sectional theme. With respect to the reform of working styles, the Action Plan for the Realization of Work Style Reform was formulated in March this year to set out elements such as improvements in the treatment of non-regular employees and setting a cap on the number of hours of overtime work. Going forward, progress is expected to be made on the processes for enacting legislation for these areas.

As described above, the “human resources development revolution” is a theme that follows the themes of “dynamic engagement of citizens” and “reform of working styles.” This time, the experts’ committee is expected

to follow the steps of consolidating the discussions they have engaged in over the half-year period, and releasing a policy package for the public.

### **The growing importance of human resources development and utilization**

In “human resources development revolution,” the focus is, of course, placed on the development and utilization of human resources. Placing the emphasis on infrastructure development and reform for education as a part of the economic policy is most likely a novel approach. Here, I would like to offer an overview on the background leading to the recent focus on human resources development.

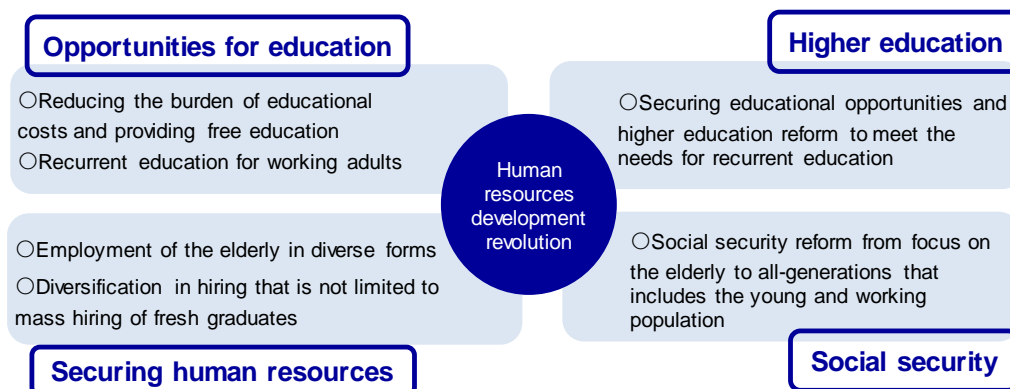
Firstly, amidst the accelerating decline and ageing of the population, it has become a pressing issue to offer a response to the decline of the labor force. Recently, the shortage of labor for specific occupations and regions has also become an increasingly severe problem, and there are calls to promote employment and improve productivity. To that end, improving the capability of human resources becomes an issue. Secondly, in response to the intensifying global competition, the development of outstanding human resources capable of improving competitiveness has become an urgent task. It is vital to raise the level of human resources capable of providing generating innovation. Thirdly, given changes to the industrial structure, technological advancement, and the spread of information and communication technology (ICT), there is a need to improve the skills for responding to these trends. The government is also advocating a “fourth industrial revolution” and “Society 5.0” as the new ideal visions for industry and society, and it is desirable to come up with an approach that can respond flexibly to these changes. Fourthly, there are requests for the labor market to become more flexible. In tandem with the extension of human lifespans and the corresponding increase in the span of working lives, there are now greater opportunities for changing jobs, holding concurrent jobs, and re-employment; socially, there are also growing expectations for such flexibility. We can say that the creation of an environment that allows working adults to return to school or undergo retraining has become a focal point. The fifth point is the need to discuss disparity measures. In recent years, there has been a focus of attention upon widening socio-economic gaps in many countries. In Japan as well, the growth of the low-income group is making inequality an increasingly significant issue. In particular, there are concerns that the lack of financial means will have a negative impact on educational opportunities. Under these circumstances, human resources development has become a greater focal point from the long-term perspective of reducing the burden of education costs.

### **Reviews on making early childhood education free of charge, and expanding recurrent education**

What kind of policy measures are effective in enriching our human resources? The Council for Designing 100-Year Life Society, which reviews future policy measures for human resources development revolution, brought up four areas of focus in the first meeting (**Chart**). The first of these involves a review on reducing the burden of educational costs and providing free education, as well as promoting recurrent education for working adults, with the aim of securing educational opportunities that are open to all people. The second focus area is to draw up concrete reform measures for higher education including university, in order to respond to these issues. In addition, there is a measure for engaging in discussions about the diversification of hiring that is not limited to the mass hiring of fresh graduates, as well as about the ways in which the elderly are being employed. Next, with regard to the social security system that has conventionally been focused on the elderly, incorporate, as one of the themes, efforts to make the transition to “social security for all generations” that covers young people, students, and the working population as well.

In consideration of the current economic and social conditions, there is no doubt that all of the themes in these policy measures have to be dealt with steadily. Of course, in formulating policy measures for these themes, it is necessary to consider and determine how financial resources will be prepared. Making early childhood education free of charge costs more than JPY 1 trillion, while making higher education free of charge costs approximately JPY 4 trillion. While there are proposals to change the uses for consumption tax revenue, to establish an “education government bond” that is issued only for educational purposes, “children’s insurance” that is added to social insurance premiums, and “career advancement payment method” in which the government covers tuition fees and students repay these fees at rates corresponding to their income after graduation. However, it is necessary to put creative effort into the building of the policy measures in a way that does not contradict fiscal rehabilitation. Furthermore, it is also vital to clarify the order of priority before implementation, while assessing the effects of preceding initiatives such as “dynamic engagement of citizens” and “reform of working styles.”

**[ Chart: Major themes of the Council for Designing 100-Year Life Society ]**



Source: Made by MHRI based on materials from the Council for Designing 100-Year Life Society

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