

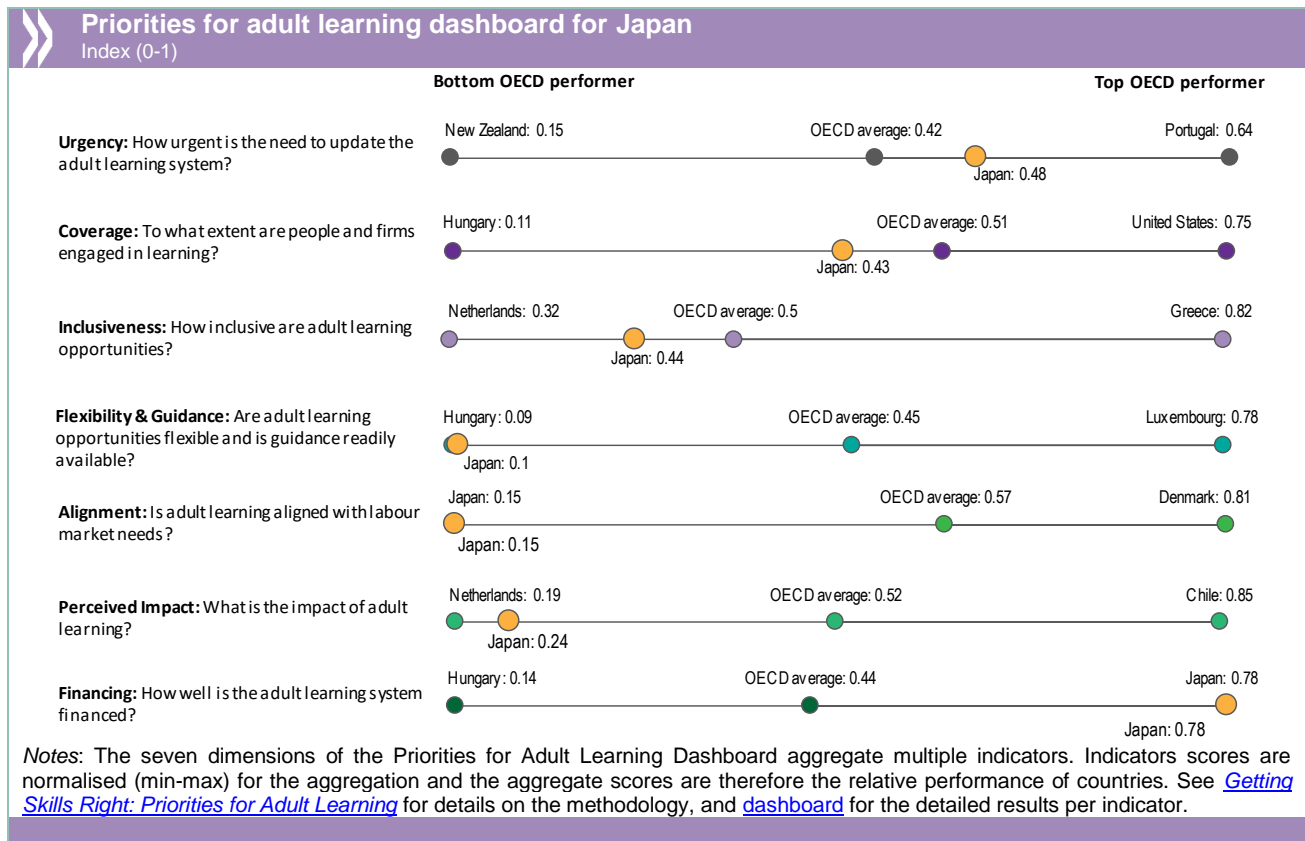


How future-ready is Japan's adult learning system?

The world of work is changing. Digitalisation, globalisation and population ageing are having a profound impact on the type and quality of jobs that are available and the skills needed to perform them. The extent to which individuals, firms and economies can reap the benefits of these changes will depend critically on the readiness of adult learning systems to help people develop and maintain relevant skills over their working careers. To explore this issue, the OECD has developed a new [dashboard on Priorities for Adult Learning \(PAL\)](#) for comparing the readiness of each country's adult learning system to address future skill challenges.

OECD Priorities for Adult Learning dashboard

The PAL dashboard compares the future-readiness of countries' adult learning systems in seven dimensions: i) urgency, ii) coverage, iii) inclusiveness, iv) flexibility and guidance, v) alignment with skill needs, vi) perceived training impact, and vii) financing. The dashboard focuses on adult learning that is job-related, i.e. adult education and training that is expected to have some effect on performance and productivity at work.



Japan's PAL results

Compared to other OECD countries, Japan's adult learning system is facing substantial pressure. Population ageing and automation are putting the country's adult learning system under strain. The old-age dependency ratio is expected to increase from 43% in 2015 to 71% in 2050, and 54% of workers are facing a significant risk of automation in their job, i.e. their jobs are either likely to disappear entirely or change significantly as a result of the

introduction of new technologies. Urgent action is needed to give adults more and easier access to upskilling and reskilling opportunities that can increase their resilience in light of these changes.

Several critical areas emerge from the Priorities for Adult Learning dashboard as Japan performs below average across most of the dimensions, including inclusiveness, flexibility and guidance, alignment and perceived impact. In a given year, 35% of adults participate in job-related adult learning, well below

the OECD average of 41%. This share drops to around 14% when looking at low-skilled adults, and 22% for older adults. Gaps in participation are also more pronounced than in most OECD countries between women and men, and between low-wage and higher-wage workers. A lack of flexibility in training opportunities is likely to contribute to low access to training for certain groups: 22% of adults report time or distance constraints as a reason for not participating in training, and only 14% of learners participated in distance learning (compared to 12% and 19%, respectively, across OECD countries).

Japan is the bottom performer in the area of alignment with labour market needs, with 89% of employers reporting hiring difficulties and 69.5% of workers saying they need more training to cope with their current tasks. Also, workers facing a high risk of skills obsolescence participate significantly less in training than other workers. Workers in jobs with a significant risk of automation, for example, have a participation rate in training that is 22 percentage points lower than workers in jobs with a low risk of automation.

In contrast, Japan scores very well in the area of ensuring adequate and diversified financing. While internationally comparable data on expenditure on adult education and the contribution from the key stakeholders (employers, government and individuals) is limited, the Priorities for Adult Learning indicators suggest that, in Japan, lack of financing is not a key constraint in the provision of training by employers or for participation by individuals.

Future-ready adult learning policies

Japan has already put in place several policy initiatives to ensure that adults have (equal) access

to high-quality training opportunities that are aligned with labour market needs. These include:

- *Alignment*: Results from an analysis of digital skills demand and supply in the Japanese labour market, mainly related to the fourth industrial revolution, were used to develop the Growth Strategy 2017, which includes a significant focus on skills development.
- *Impact and quality assurance*: Guidelines for vocational training services at private providers were developed in 2011, with the aim of improving the quality of training services and management of private providers. Workshops are organised for training providers to become familiar with and better understand the quality guidelines.
- *Financing*: The Subsidy System to Support Human Resource Development (*Jinzai Kaihatsu Shien Joseikin*) co-funds training expenses and subsidises wages in the context of occupational skill development activities in companies. Small and medium-sized enterprises receive higher subsidies.
- *Governance*: The Council for Designing 100-Year Life society was established in 2017, with the aim of bringing together different stakeholders to discuss the policy challenges associated with a rapidly ageing population, including workers' continuous up-skilling and adult learning opportunities.

The OECD report [Getting Skills Right: Future-ready adult learning systems](#) provides a wide range of good practice policy examples from OECD and selected non-OECD countries that could serve as inspiration for Japan to improve further the future-readiness of its adult learning system.

What can policy makers do?

- ▶ *Improve the coverage and inclusiveness of adult learning* by raising awareness among adults and employers about the benefits of training, and helping them make informed training choices.
- ▶ *Make training programmes more flexible* to reduce time and distance constraints, by offering distance training and modular programmes.
- ▶ *Ensure that the skills of older adults remain relevant and up-to-date*, by providing specific training incentives to these adults and their employers and targeted career guidance services.
- ▶ *Align the training content more strongly with the skill needs* of the labour market by collecting skill assessment and anticipation information and using it in adult learning policies.
- ▶ *Assist the transition of adults employed in jobs undergoing structural changes*, by providing targeted support measures and training incentives.
- ▶ *Improve the quality and impact of training provision* by assessing the quality of providers based on the quality guidelines, and making quality information publicly accessible.

Further reading in the “Getting Skills Right” series:

[Future-ready adult learning systems](#)
[Engaging low-skilled adults in learning](#)
[Creating responsive adult learning systems](#)
[Making adult learning work in social partnership](#)

Data

Explore the [Priorities for Adult Learning dashboard](#)

Contact

Marieke Vandeweyer – Labour Market Economist
 ✉ marieke.vandeweyer@oecd.org
 ☎ +33 1 45 24 90 20

This work was prepared with the support of the JPMorgan Chase Foundation

NEW SKILLS AT WORK

JPMORGAN CHASE & CO.