
This well-written volume, sponsored by the Nissan Institute/Routledge Japanese Studies Series, seeks to critically assess Japanese practices in vocational education training (VET). Comparisons of the Japanese VET experience with that in Britain provides useful lessons on improvement for both countries. A preface calls into question general assumptions regarding VET training that are not maintained in Japan. Whereas most countries require tests and certification of vocational skills only in the presence of market failure, the Japanese undertake certification to increase standards of competence and raise national efficiency. Instead of testing and certification being carried out by practitioners of a particular field, it is the customer, often with the state as its agent, who has the primary interest in maintaining high standards.

Eight chapters cover the general school system and the sorting of students to various schools, formal and informal vocational training, on-the job and off-the job training, resource allocation for VET, and VET policies carried out by the various ministries. A primary function of the state in Japan is to ensure basic training of all citizens. A consequence of this mission is a thorough sorting of individuals across the spectrum of perceived ability and a “boy scout badge” certification system. This is in contrast to the British view of “whole role” learning in VET. The vocational training process in Japan is highly influenced by the practice of lifetime employment and internal Japanese labor markets. Industrial engineers are heavily involved in part-time teaching and the design of curricula and skill tests.

Interestingly, vocational schools require greater breadth of knowledge in basic subjects, such as math, science, and English, than technical training classes. For example, knowledge of anatomy and physiology is required for barbers and hairdressers to pass their certification tests. The lack of optional classes appears to be motivated by a public good view of education and a philosophy that spending time on subjects that one does not enjoy is good training for life.

While the presumption of lifetime employment in Japan provides a strong incentive for investment in training, firms typically spend more on recruiting workers. Selection criteria concentrate on a potential worker’s ability to learn, rather than their specific competencies. Underlying this selection process is the view that if the right people are chosen, learning will organize itself. Once employed, a worker’s training may consist of self-study through correspondence courses, learning through job rotation and quality circles, and general morale and loyalty building. The prospect of lifetime employment gives employees a greater stake in the firm’s success and helps motivate workers to upgrade and acquire new skills for the good of the firm.

Most tests of vocational skills are officially sanctioned for both white collar and blue collar occupations. Tests can usually be taken at two levels of skill certification, with some tests offering a third, lowest level, to help validate the competence of young people with little work experience. While economists might want open skill tests to prevent labor market barriers, it is common to require certain levels of general education for test taking eligibility. These requirements arise from an educational establishment that wants to maintain demand for its services. Not surprisingly, little protest is heard from those who already hold skill certificates.

The book ends with a chapter on policies and prospects in vocational training. The bursting of the asset price bubble in 1990 led to a severe recession, slow economic growth, voluntary early retirement schemes, and questioning of Japanese internal labor markets and lifetime employment practices. Yet, for all these problems, employment and relative wages across educational and skill levels have changed little. In addition, the various Ministries have paid scant attention to the potential for labor market barriers and allocative inefficiencies arising from skill certification. A loss of national self-confidence has caused some Japanese to ask “Where are our Bill Gates?” Given the seemingly inflexible Japanese labor market coupled with the fine slicing of young people into various educational and labor market segments, one might plausibly answer “He’s taking the level II welding test for Tokyo Mechanics.”