Human Capital Formation in Japan in the Age of AI (Government)

Integrating the worker's perspective into AI strategies and strengthening support of individuals to open up Japan's future

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Summary

■ In this series of reports, titled "Human Capital Formation in Japan in the Age of AI," which will be divided into three sections, we present specific strategic perspectives and action plans in relation to the question of how to develop human capital and ride the waves of change in this new era marked by the arrival of AI and the transformation of Japanese-style employment.

■ The final report, the third of three, analyzes current policies and structural challenges with a focus on government in order to indicate the direction of Japan's human capital strategy in the era of generative AI, and propose specific action plans.

■ Currently, the Japanese government is strengthening its "investment in people". However, due to the historical prevalence of company-led OJT (on-the-job training), the percentage of public spending on training remains low. This differs from the policy designs of other countries, which place greater emphasis on individual initiative and the quality and market relevance of training.

■ There are also structural challenges. Specifically, these include a lack of worker perspectives in the AI strategy formulation process, a bias toward support provided through companies, and factors that hinder individual-led learning (such as market failures and institutional complexity). In addition, there is significant room for improvement in terms of access disparities for non-regular and younger workers, quality assurance of training, and effectiveness measurement (EBPM: evidence-based policy making).

■ In response to these challenges, the following measures are urgently needed: (1) integrating the worker perspective into AI strategies, (2) thoroughly supporting independent learning by individuals through measures such as introducing individual learning accounts and strengthening income security, (3) ensuring inclusive access, (4) establishing evidence-based

policy making (EBPM) by visualizing training outcomes and improving market relevance, and (5) further strengthening labor policies utilizing AI.

Attention
This report is a summary translation. The official document is only in Japanese.