

Job Markets for Proprietary School Graduates

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I Introduction

A recent substantial increase in the number of proprietary schools (Senshu Gakko)¹⁾ and its enrollees has aroused an interest in educational circles in Japan. For example, in Osaka city in 1976 when proprietary schools were first institutionalized, there were only 27 schools and 9,700 students. Today the numbers have risen to 130 schools and 55,000 students.²⁾ The reasons for this upsurge have been often attributed to the two factors: (1) the population of the young in their high teens is larger due to the second baby boom; and (2) a new trend among high school students is that a career-oriented school is chosen instead of going to the university or junior college.³⁾ Another apparent reason is a favorable job market. Personnel directors of many firms often express their hopes, when interviewed in a newspaper or a magazine, that the graduates from proprietary schools who have acquired "a hands-on skill" would play an important role for the company.⁴⁾

Does this recent phenomenon in Japan imply that the age of Senshu Gakko is coming now and in the near future? The answer is far from simple. The following questions have to be answered. Is the Senshu Gakko system really established in the society (that is, in the minds of students, teachers and parents) as an alternative in postsecondary education in line with university or junior college education? Will the system thereby continue to maintain their present share or even grow in the face of the dwindling youth population anticipated in the coming decade? Do high school students actively (or from their own will) select a Senshu Gakko? Or, is it more accurate to say that the selection of a Senshu Gakko is a "residual" behavior, meaning that if a student is smart enough and his family is rich enough, he would never choose to do so? Do firms recruit proprietary school graduates simply because they need more helping hands in their expansion of business due to an economic boom? Or, do firms have a well-studied blueprint to train and promote these youngsters throughout their working lives? The present state of knowledge in the fields of economics, education, sociology and other fields falls too short

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to answer these vital questions convincingly. The researchers' attention to this small sector of education, the Senshu Gakko system, in comparison with other higher education sectors like universities and junior colleges, has been only recent and the accumulation of research findings has been very little.

The purpose of this paper is therefore to contribute to this underdeveloped field of study by adding several findings obtained from the two micro data. The first data consist of two high-school surveys which give information about high-school seniors' choices of the courses of life after graduation. These surveys are very valuable ones because they show, for each school, how many students went to Senshu Gakko. This is of course rare information. The second data come from a business survey that contains information about which company hired how many proprietary-school graduates for what wages. This is again very rare information indeed.

Section II first describes the findings from the high-school surveys. The section goes on to discuss possible hypotheses about high-school seniors' behavior in the face of several courses of action: to attend college, junior college or Senshu Gakko, or to enter the labor market. Section III considers the job markets for Senshu Gakko graduates in the context of the aforementioned business survey and the related literature on this very important but rarely discussed topic. The last section concludes the paper and the areas of further research needed will be mentioned.

II Who Goes to Proprietary School?

1. Description of Data

My main interest here is who actually goes to Senshu Gakko. Each high school in Japan is legally obliged every May to report to the Ministry of Education (Monbusho) the number of graduating seniors according to the courses of action they took after graduation. Based on these basic figures, reported through each Prefectural government agency, the Ministry publishes the numbers in the form of a *Basic School Survey* (Gakko Kihon Chosa). This very rich source of data gives the number of graduating high-school seniors, by sex and by Prefecture, who went to four-year colleges and universities, junior colleges, proprietary schools, or to vocational training public schools. These whole or aggregated figures are useful to detect a certain trend over the years among the eighteen-year-old youth in their schools-versus-job selecting behavior.

However, as soon as our focus of attention shifts to who actually takes what course of action at the crossroads of their lives, micro data are indispensable. Thus, a

large scale sample survey for high schools must be called for, and the one conducted by Ichikawa and others⁵⁾ signifies one of the first such efforts. Regrettably, Ichikawa and others mix in their analysis high schools of different Prefectures. As is well known, economic and educational environments vary, sometimes significantly, among Prefectures. Moreover, proprietary schools are very unevenly distributed over Prefectures. Therefore, I believe that a detailed Prefectural survey is more suitable than a national survey as the data base, due to the homogeneity of samples in terms of economic and educational environments. Of course, this by no means reduces the significance of the contributions that Ichikawa and others have made to this field, and I refer in this paper quite often to their study.

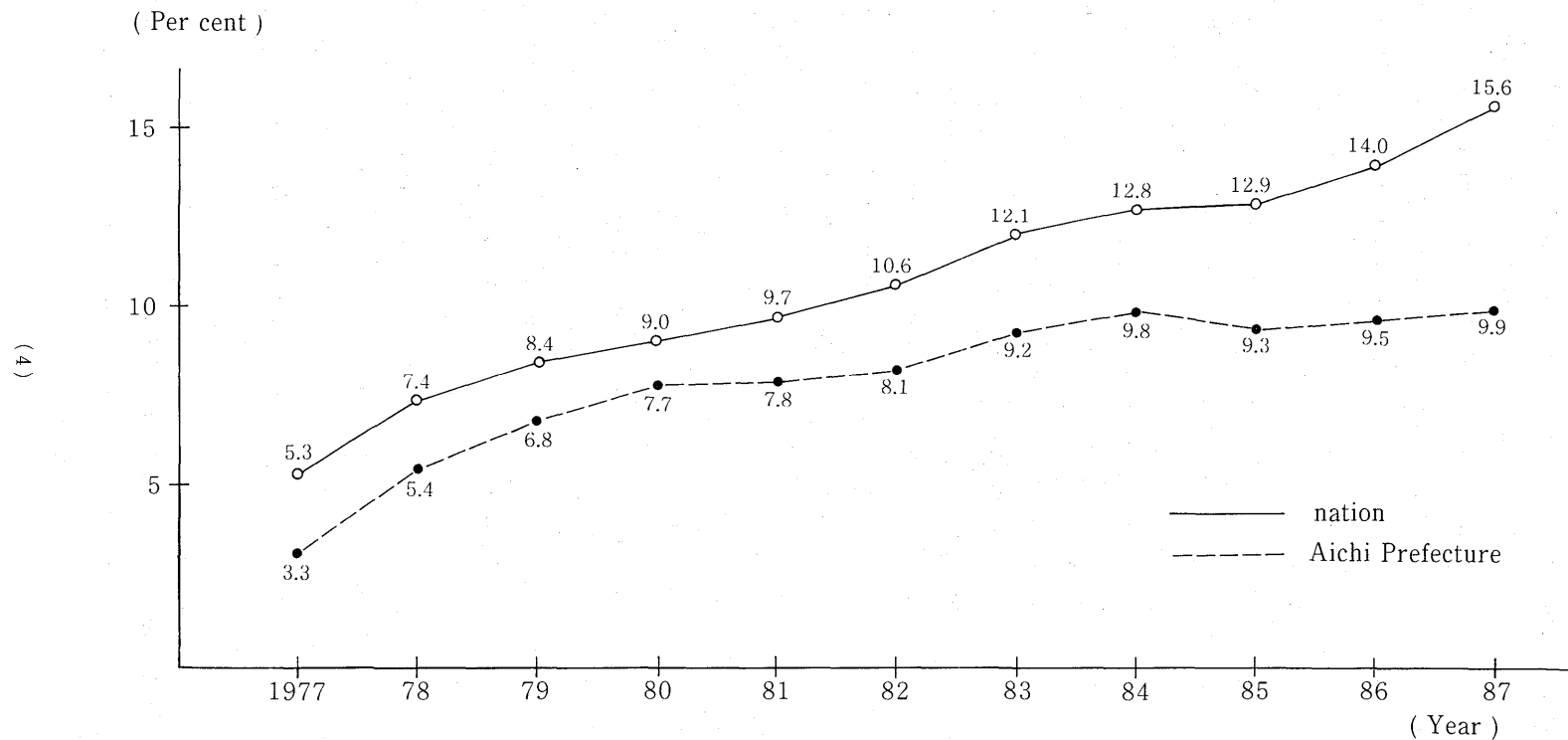
The data I will use in this section come from the two sources: *Guide Book for Public High Schools in Aichi Prefecture* (1987) and *Parents' Guide for Private High Schools in Aichi Prefecture* (1988). Parents, teachers and students in Aichi Prefecture have shown traditionally a strong interest in educational matters. Which high school offers what kind of education to what type of students has been a vital concern. To make matters more urgent, educational reform for school zoning and admission testing procedures is currently under way.⁶⁾ Responding to this need for more information about each high school, the Aichi Prefectural Public-School Principals' Association and the Parents Organization Supporting Aichi's Private High Schools have in recent years both published their own guide books.

With other various information, they list by course of study the number or the proportion of students who went to proprietary schools for the three consecutive years, 1985 through 1987. Since Japanese high schools are quite often grouped according to the ratio of college-going students to the graduating total, as exemplified in Ichikawa's study, I too follow the custom. A high school is classified as a Type I or Job-Oriented High-School if its students' college-going ratio is below 20 per cent. It is called a Type II or Semi-Job-Oriented High-School if the ratio lies between 20 per cent and 40 per cent. A Type III or Job-as-well-as-College-Oriented High-School has its ratio in between 40 and 60 per cent. When the ratio lies between 60 per cent and 80 per cent, a school is called a Semi-College-Preparatory High-School (Type IV). The last category, Type V, is a College-Preparatory High-School where the students' college-going ratio stands above 80 per cent.

2. More Students Now Choose Senshu Gakko

A rise in the number for the past decade of the high-school graduates attending a

Figure 1. The proportion of high-school seniors entering a Senshu Gakko:
1977—1987 (per cent)



Note: The ratio was obtained by dividing the Senshu Gakko entrants by the graduating seniors total for that year.

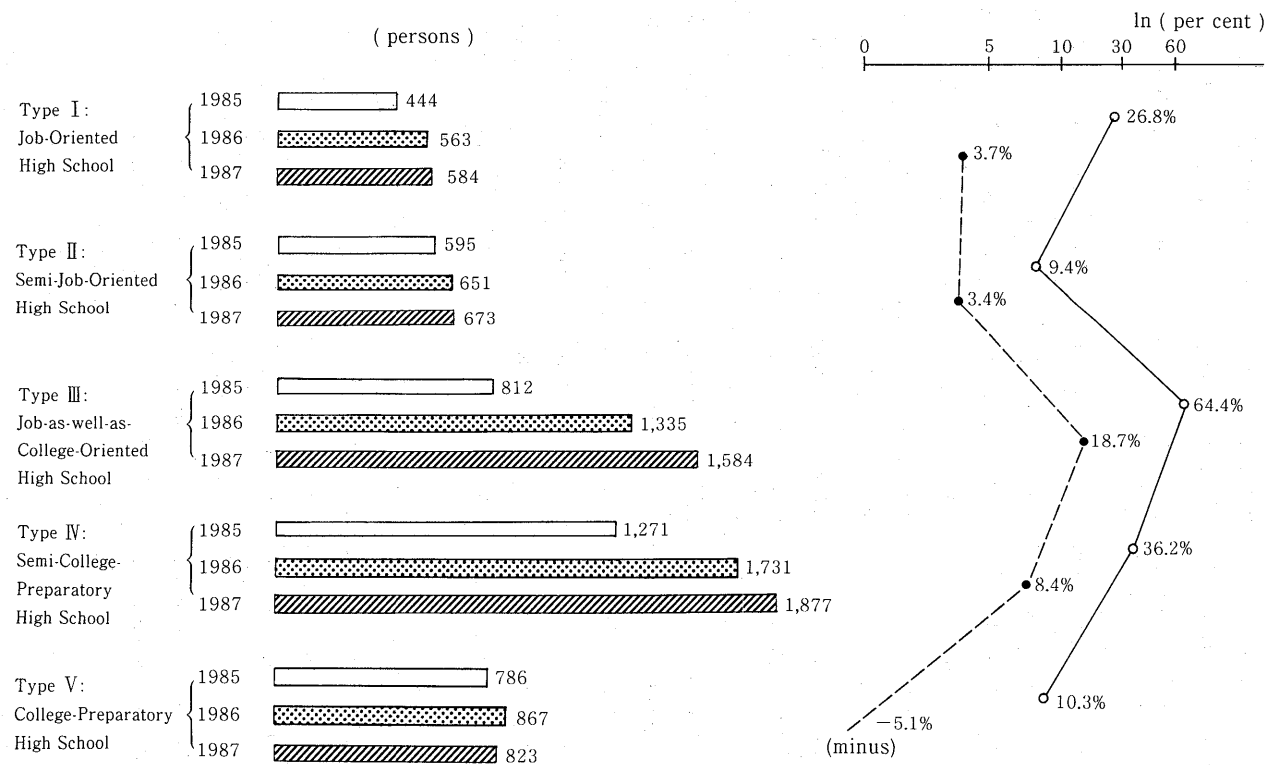
Source: The Ministry of Education, *School Basic Survey*, 1977~1987.

Senshu Gakko is clearly seen in Figure 1.⁷⁾ Figure 1 shows, both for the nation and for Aichi Prefecture, the proportion of high-school seniors entering a Senshu Gakko immediately after graduation from 1976 through 1987. The ratio for Aichi is somewhat lower than that for the nation. The reason for this is usually ascribed to the relatively lower figure for high-school admissions among the junior high school graduates in Aichi Prefecture.

A natural question that comes to mind is then: are the numbers or the proportions of the students who opt for a Senshu Gakko distributed equally among the five different types of high schools? To see this, Figure 2 was prepared to show a three-year trend of both the absolute and relative numbers of graduates entering Senshu Gakko from the five different types of high schools. The Public High-School Guide Book has one regrettable defect in data: it does not specifically indicate those who failed college-entrance exams (the so-called 'Ronin' students). Therefore, some Ronins may have been included in our data category of "Proprietary & Miscellaneous Schools" since in the Japanese statistics a private college-preparatory school ('Yobiko') is classified as one of the miscellaneous schools ('Kakushu Gakko'). Moreover, our data source omits nonclassified statistics in which the Ronins who study on their own without attending Yobiko are included. And those Ronins who succeeded in entering a college in their next trials were included together with the incumbents ('Geneki') in the data category of "Graduating Seniors Entering Universities or Junior Colleges". (However, some vice-principals, in my interviews, assured me that Ronins were not included in the data category of "Proprietary & Miscellaneous Schools").

According to the various beliefs or assumptions often expressed within educational quarters or in the society at large, the following two hypotheses will be formulated a priori: (1) If the high schools in a Prefecture are queued in a hierarchical order of academic grades, (of course, only within parents' and students' mind or inside the desk drawers of the student advisers in high school), and if the Senshu Gakko system plays a role as the caretaker for low-achievers or dropouts,⁸⁾ a larger portion of Senshu Gakko entrants is expected to come from the lower edge of the queue, namely, Job-Oriented High-Schools (Type I) and Semi-Job-Oriented High-Schools (Type II); (2) The perceived changes in the economic or business environments, (such as fewer recruits from high schools due to an economic slump), or in the conditions of the higher education sector, (such as lower rates of admittance to colleges owing to the budget cuts or a change in the policies of the Ministry of Education), would affect the students' decision-making process about the probable courses of action after graduation. Upon these environmental

Figure 2. The number of Senshu Gakko entrants and its growth rates :
1985—1987, Aichi Prefecture



Notes: The number of Senshu Gakko entrants was calculated by adding the number of the graduating seniors listed for each school in the category of "Senshu and Kakushu Gakko entrants" over the entire samples.

The right-hand line (—) shows the growth rates between 1985 and 1986.

The left-hand line (---) shows the growth rates between 1986 and 1987.

Source: Aichi Prefectural Public-School Principals' Association, *Guide Book for Public High Schools in Aichi Prefecture*, 1987.

pressures it is the graduating seniors of Semi-College-Preparatory High-Schools (Type IV), Job-as-well-as-College-Oriented High-Schools (Type III), and Semi-Job-Oriented High-Schools (Type II) who would be mostly affected, (because they are less capable either in academics or in job skills). Therefore, they would choose to go to Senshu Gakko as their "last resort".⁹⁾

Despite the aforementioned defect of the Public High-School Guide Book, I believe that the relative magnitudes of the figures shown in Figure 2 fall well within the estimates. A possible upward bias due to the inclusion of the Yobiko Ronins in our data category of "Proprietary & Miscellaneous Schools" seems to be much smaller than imagined. I say this for the following reasons. First, it is a well-established fact that one out of the three high-school students in Aichi Prefecture attends private high schools. Therefore, unless a disproportionately large number of graduating seniors of private high schools attend proprietary and miscellaneous schools, (the exact figures cannot be easily obtained because Private High-School Guide provides the numbers only in the ratios), the total sum for each year in Figure 2 should be around two thirds of the figure from the School Basic Survey (Gakko Kihon Chosa). In 1985 the total sum in Figure 2 was 3,908, which was 58.5 per cent of 6,679, the reliable figure from the School Basic Survey for that year. Similarly, Figure 2 shows in 1986 the total sum of 5,147, 61.5 per cent of the Monbusho figure. Considering the fact that our data source includes the number of students who went to Kakushu Gakko, but that the Monbusho figures do not, it is rather unthinkable that our data category "Proprietary & Miscellaneous" contains a not negligible number of the Yobiko Ronins.

Figure 2 brings about several surprising results. First, in terms of the absolute numbers the majority of freshman Senshu Gakko students come from Semi-College-Preparatory (Type IV), Job-as-well-as-College-Oriented (Type III), and College-Preparatory (Type V) High-Schools. This was the case every year from 1985 through 1987. This finding strongly contradicts Hypothesis 1 and is insufficiently explained by Hypothesis 2. Second, when the focus of attention is shifted to the relative magnitudes or the growth rates of Senshu Gakko entrants, Job-as-well-as-College-Oriented High-Schools (Type III) dominate: between 1986 and 1987 the number grew as large as 18.7 per cent (Compare this with the average growth rate from the Monbusho data, 7.9 per cent). Note that I here neglect the Kakushu Gakko entrants who are so negligible when the Yobiko Ronins and drivers' school students are excluded. Semi-College-Preparatory High-Schools (Type IV) show a growth rate of 8.4 per cent, which is distant second. The entrants grew at the small rates of 3.7 and 3.4 per cent in Job-Oriented (Type I) and Semi-Job-

Oriented (Type II) High-Schools, respectively. College-Preparatory High-School (Type V) demonstrated a negative growth rate of minus 5.1 per cent. Here again, detailed points aside, Hypothesis 2 seems more applicable than Hypothesis 1 as far as the period from 1986 through 1987 is concerned.

However, it was another story during the period of 1985 and 1986. The numbers of Senshu Gakko entrants grew tremendously (64.4 per cent) from Job-as-well-as-College-Oriented (Type III) high schools, powerfully (36.2 and 26.8 per cent, respectively) from Semi-College-Preparatory (Type IV) and Job-Oriented (Type I) high schools; and modestly (10.3 and 9.4 per cent, respectively) from College-Preparatory (Type V) and Semi-Job-Oriented (Type II) high schools. Hypothesis 1 does have some validity in this time period, and Hypothesis 2 explains only part of the story.

In sum, a substantial rise in the number of Senshu Gakko entrants during the past decade since the inauguration of the system in 1976 apparently was not brought about by an overall leveling-up over the high-school hierarchy. The data samples taken in Aichi Prefecture indicate that the idiosyncrasies in the students' behaviors among different types of high schools have quite disproportionately pushed up the statistics. It seems just a myth or a popular belief that only the low-achievers or the school dropouts would go to Senshu Gakko. The truth is: nowadays everybody goes there. However, it does not appear normally distributed over the whole spectrum of school hierarchies but skewed more to the college-preparatory types (Types III, IV and V) of high schools. In a College-Preparatory (Type V) High School only a small portion of the graduating seniors enter the labor market. Senshu Gakko is a clear alternative for those who, for whatever reason, do not go to the university or junior college. The number of these students is by no means negligibly small as Ichikawa and others assert in their study.

Possible squeezes from both the ends of the spectrum of the school hierarchy, (namely, getting a job or going to college), are, as expected, most strongly felt in the middle of the spectrum: Semi-College-Preparatory (Type IV) and Job-as-well-as-College-Oriented (Type III) High Schools. Getting a job is certainly an alternative if a student in these types of schools does not attend university or junior college; but this option tends to be overshadowed by the alternative of proprietary school attendance as long as the "mood" of the school that has been traditionally formulated by students and teachers has a preference for higher education (instead of the labor sector). In Semi-Job-Oriented (Type II) and Job-Oriented (Type I) High Schools, college-going behavior is exceptional and proprietary schools stand out as a reasonable alternative. The option in this case can be looked upon as a better investment than that of a higher education.

3. Educational Policy, Job Market and the Substitutability of Student Choices

As discussed in the preceding subsection, the perceived changes in the job market conditions, (such as fewer recruits from high schools due to an economic slump or a company's unfavorable personnel policy), or in the educational policies of the Ministry of Education, (such as lower rates of college admissions owing to a cut in the budgets), are expected to influence the shapes of the distribution curves of the graduating seniors' probable courses of action upon graduation. To see this further, the relations among student choices, (i.e., university or junior college attendance, Senshu Gakko attendance, or labor market entry), will be examined here.

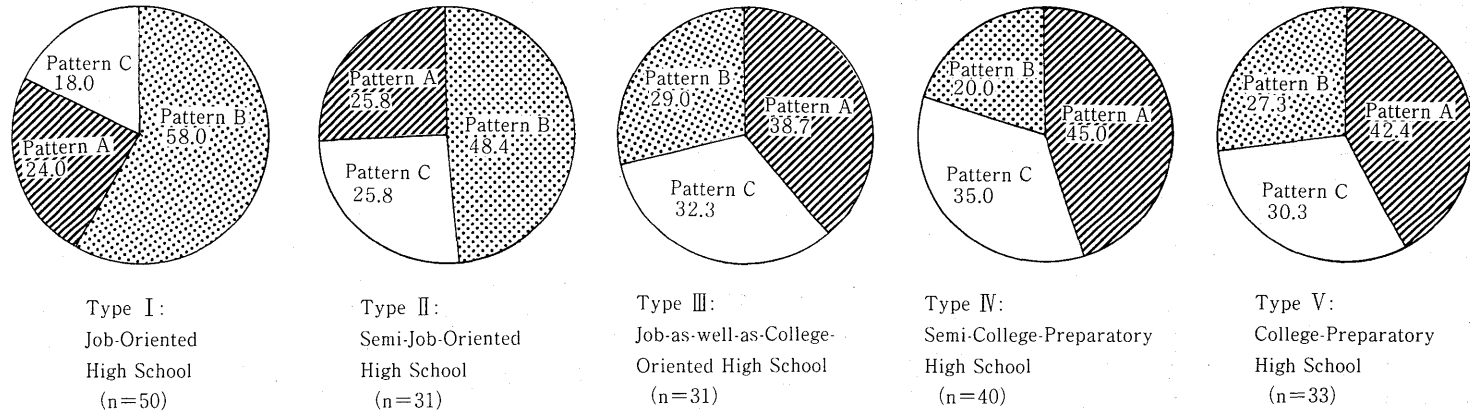
The procedure is as follows: first, for the time period from 1985 through 1987, for each high school in our data samples, year-to-year increases or decreases are checked for each of the student choices; then, the overall positive or negative relations among the student choices during this period are ascertained. The results are shown in Figure 3. Here I categorize three patterns: (Pattern A) in a school of this pattern, college-going and Senshu-Gakko-going behaviors seem competitive with each other but Senshu Gakko going and getting a job seem to be complementary; (Pattern B) in this pattern, getting a job and Senshu Gakko going seem competitive with each other but Senshu-Gakko-going and college-going behaviors appear complementary to each other; (Pattern C) in this, college-going and Senshu-Gakko-going behaviors seem competitive and Senshu Gakko going and getting a job also appear competitive with each other.

The following can be known from Figure 3. Pattern A was found most frequently in the college-preparatory types of schools, namely Types IV, V and III; the less the students go to the university or junior college, the more the students either go to Senshu Gakko or enter the labor market; the number of Senshu Gakko entrants is generally greater than that of the job market entrants. In contrast, Pattern B predominates in the job-oriented high schools, that is, Types I and II; the less the students get a job, the more tend either to attend Senshu Gakko or to go to college, the former being the far greater in number.

Still, Pattern C was found at more than one third of the college-oriented types of schools, namely, Types IV, III and V; the students who are squeezed out from either of the job-oriented or of the college-preparatory groups are likely to go to Senshu Gakko.

Summing up, the high school seniors' behaviors confronting the three choices of attending college, attending Senshu Gakko, or entering the job market, were found to be well structured according to the hierarchies of the high schools. One of the reasons for these relatively clear-cut structured behaviors on the part of students seems to lie in the

Figure 3. The substitutability of student choices among college going, Senshu Gakko attendance, and labor market entry (per cent)



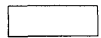
Notes: n is the sample size for each type of high school.



Pattern A: in the school of this pattern, college-going and Senshu-Gakko-going behaviors seem competitive each other but Senshu Gakko going and getting a job seem to be complementary.



Pattern B: in this pattern, getting a job and Senshu Gakko going seem competitive each other but Senshu-Gakko-going and college-going behaviors appear complementary each other.



Pattern C: in this, college-going and Senshu-Gakko-going behaviors seem competitive and Senshu Gakko going and getting a job also appear competitive each other.

Source: Parents Organization Supporting Aichi's Private High Schools, *Parents' Guide for Private High Schools in Aichi Prefecture*, 1988.

Aichi Prefectural Public-School Principals' Association, *Guide Book for Public High Schools in Aichi Prefecture*, 1987.

mood or the tradition of each high school. It is relatively more difficult for a student in a job-oriented school to challenge and to pass a college-entrance exam; his classmates do not study as hard as he does, and even worse, his school curricula do not cater to the preparation for college-entrance exams. As a result, if he does not get a job or does not wish to do so because of the general labor-market conditions in his graduating year, he is left with the only choice of attending Senshu or Kakushu Gakko unless he wants to be an idler ('Mugyosha'). Thus, for the students especially at Type I and Type II schools, getting a job and Senshu Gakko going tend to form a negative relationship.

In contrast, at those schools of Types IV and V (and III) college going is the "main stream" behavior in the minds of students, parents and even teachers. If a student at this type of school fails to pass a college-entrance exam or does not feel like taking such an exam, his only alternative, (because he is least likely to enter a job market, anyway), would be a Senshu Gakko, unless he wishes to be an idler. In this way college going and Senshu Gakko going are shown to have a negative relationship.

III Job Markets for Senshu Gakko Graduates

1. Uneven Job Entry

In the preceding analysis the hierarchies and the traditions of schools are emphasized in the students' choice of going to Senshu Gakko. However, the economic calculations of the benefits and costs of doing so are certainly in the back of the heads of parents and students. In terms of the economics of education, students and parents are said to pursue successive educational qualifications, (i.e., from secondary onto postsecondary education), because they expect better employment opportunities will be opened up due to more education.

Are the employment situations for Senshu Gakko graduates really up to their expectations in terms of jobs and wages? This vital question has long been left unanswered partly because of the unavailability of the appropriate data set, and partly because of the lack of enthusiasm on the part of researchers to conduct their own surveys to gather information.

Aso and Kondo conducted one such rare and pioneering survey in 1983. They obtained replies from the personnel departments to the questionnaires sent out to several hundred listed and unlisted companies in the stock exchanges. One of the findings they made is reproduced here in Table 1.A. Those firms that have hired Senshu Gakko graduates accumulatively in recent years comprise of only 34.8 per cent of the total.

The figure gets even smaller, 32.2 per cent, when only the firms recruiting Senshu Gakko students periodically are counted. Moreover, it can be known from Table 1.A that these hiring firms are very unevenly distributed over the industries. Construction and finance industries actively employ proprietary school graduates, but some other industries are very modest in doing so.

How can this phenomenon of the concentration and the low incidence of Senshu Gakko graduates' employment be explained? Is this telling us that the Senshu Gakko system has not yet been accredited by the business community? Or, is it simply the end result of the interaction of the supply of and the demand for required and qualified manpower under the business circumstances of each industry ?

To answer part of these questions would require a far more detailed data gathering, and to my knowledge Nikkei's *Annual Corporation Reports Unlisted* (Kaisha Sokan) is , at present, our only hope. This micro data source contains, for each firm in the two-digit industries, information about whether the firm for that year recruited male or female university, junior college, Senshu Gakko, or high school graduates. Furthermore, in the case of employment, the Reports provide the first wages paid as well as the number of entrants. Since the Reports list only those unlisted, (therefore usually medium-and-small-sized), firms that voluntarily agreed to disclose their personnel information, the data set is in no way a complete representation of the firms under question. Nevertheless, in view of its richness of information the use of this data set is indispensable in this field of study.

Table 1.B tells us a more detailed but similar story to that obtained from Table 1.A. As many as 63 firms in the service industry hired in the spring of 1985 as many as 335 males fresh from Senshu Gakko. This figure, as far as our data set from 1986 Kaisha Sokan is concerned, amounts to almost half (44.7 per cent) of the total male Senshu Gakko graduates (749 persons) . If the number of female graduates is added, the figure gets larger, but the same pattern holds. Following the service industry, the other two (finance and banking, and construction) industries show higher, (in terms of the proportion of the male Senshu Gakko students hiring firms in that industry) , rates of recruiting male Senshu Gakko graduates. Twenty-four firms in finance and banking and 33 firms in construction actively hired them. However, in such industries as electricity and gas and others, (including agriculture and mining) , no one was hired at all. In terms of the total numbers of male graduates hired, the manufacturing (133 persons, 17.8 per cent of the total) , and the wholesale and retail (132 persons, 17.6 per cent) industries are noteworthy; even in these favorable industries the proportion of the hiring firms are

Table 1. Recruiting of Senshu Gakko graduates into industries

A. Aso=Kondo Study (1983) (per cent)

	Construction n=62	Manufacturing n=319	Wholesale and Retail n=173	Finance and Banking n=74	Transport n=56	Others n=41	Total N=725
Yes	43.5	34.8	32.9	40.5	26.8	29.3	34.8
No	56.5	65.2	67.1	59.5	73.2	70.7	65.2

Notes: "Yes": the proportion of the firms that hired Senshu Gakko graduates in the past.

Source: M. Aso and H. Kondo [3], P. 172.

B. this study (1985) (per cent)

	Construction n=1,338	Manufacturing n=4,472	Wholesale and Retail n=3,826	Finance and Banking n=648	Real Estate n=432	Transport n=854	Electricity and Gas n=87	Service n=1,014	Others n=99	Total N=12,999
Yes	33 (2.47)	59 (1.32)	69 (1.80)	24 (3.70)	6 (1.39)	16 (1.87)	0 (0)	63 (6.21)	0 (0.0)	275 (2.12)
Number of Male Entrants	65 (8.68)	133 (17.8)	132 (17.6)	47 (6.28)	7 (0.93)	30 (4.01)	0 (0)	335 (44.7)	0 (0)	N=749 (100)

Notes: The total number of firms in this data source was 12,999, of which only 275 firms (2.12 per cent of the total) appear to have hired Senshu Gakko graduates in 1985.

"Yes": the number of firms that hired Senshu Gakko graduates for that year. The figures in parentheses show the proportion of the hiring firms in that industry.

"Number of Male Entrants": the total number of male Senshu Gakko graduates who were recruited in that industry for that year.

The figures in parentheses are its percentage ratio to the entire male Senshu Gakko graduates hired in that year.

Source: Nikkei; *Annual Corporation Reports (Unlisted)* (Kaisha Sokan), 1986.

1.32 and 1.80 per cent, respectively, partly due to the largeness in their numbers. Thus, the biggest three employing industries, services, manufacturing, and wholesale and retail, comprise approximately 80 per cent of the entire male Senshu Gakko graduates hired in 1985. This finding further strengthens the unevenness of the distribution of Senshu Gakko graduates employed over the different industries.

2. The evidence for the low accreditation of Senshu Gakko graduates?

As discussed above, it was found that the amount of employment of Senshu Gakko graduates was by no means great enough in many industries of the economy. Since it is generally believed that the employers' hiring strategies are quite different between men and women, the following analysis will be mainly focused on male proprietary school graduates to keep our discussion within some degree of homogeneity.

It can be hypothesized that the Senshu Gakko system has not yet been sufficiently accredited by the business community, and therefore the prospective employers have been reluctant to employ Senshu Gakko graduates. Tests of this low-accreditation hypothesis can be made in the following procedures. First, in what industries no Senshu Gakko graduates are employed will be documented by using our Nikkei micro data. This may be caused by the nonexistence of the corresponding curricula offered at the proprietary schools. Second, is the statement frequently made by the proprietary school managers that their graduates are paid the wages equivalent to those of junior college graduates really justified? Firms that recruited both male junior college and Senshu Gakko graduates in 1985 will be picked from the data, and their starting salaries will be compared. Third, whether the current condition of few hirings in certain industries can be improved in the near future must also be considered from the viewpoint of the supply of and the demand for Senshu Gakko graduates in the labor market. This point will be partly examined on the basis of the existing distribution of the supply of male proprietary school graduates.

A. The school-and-job correspondence

From our Nikkei micro data, no hiring of male Senshu Gakko graduates in the spring of 1985 was observed in the following two-digit industries. The figures in parentheses are the sample sizes of firms. They are agriculture, forestry, fishery and mining (99); chemicals (pharmaceutical) (181); chemicals (resins) (62); rubber and leathers (84); machinery (metal) (75); machinery (others) (44); manufacturing (office supplies and furniture) (43); wholesale and retail (food) (481); wholesale and retail (petroleum

and coal) (239) ; wholesale and retail (department stores and supermarkets) (184) ; wholesale and retail (trade) (96) ; wholesale and retail (office supplies and furniture) (99) ; finance and banking (banks and mutual loan and savings banks) (56) ; finance and banking (insurance) (25) ; finance and banking (other financial institutions) (71) ; transport (sea transport) (211) ; and electricity and gas (87) .

A quick look at this reality gives us a puzzle: when these same 2,075 firms did employ male high school and college graduates, on what ground is this "miserable" fact of no hiring of male Senshu Gakko graduates justifiable ? Out of these 2,075 firms only one firm in manufacturing (office supplies and furniture) , two firms in wholesale and retail (trade) , and two firms in transport (sea transport) employed the total of 9 female Senshu Gakko graduates. Thus, it does not appear that the job market situation is less gloomy for females.

Regrettably, at present, there is no way of knowing the true reasons why these firms did not employ the youngsters from proprietary schools. Nevertheless, I think, a key to solve this puzzle lies partly in the actuality of the school-and-job correspondence. The School Basic Survey of the Ministry of Education provides, for each field of study offered at proprietary schools, the numbers of their graduates who got jobs in related fields (Table 2) . In Table 2, I calculated the rates of employment by dividing the number of the graduates who got a job by the number of the total graduates in that field of study.

In agriculture, the graduates (266 persons) are relatively few in number, (only 0.4 per cent of the entire male Senshu Gakko graduates) , and have a low (75.4 per cent) rate of employment. This may explain the reason for no hiring in our data. As for the chemical and the rubber and leather industries, there exist no corresponding fields offered at proprietary schools to chemistry or rubber and leather. No wonder no incidence of employment was found in our data of those industries.

Although the graduates (35,795 persons) from the fields of engineering amount to almost half of (48.2 per cent) the entire 74,258 persons graduated, the field of machinery produces the least number of graduates (1,042 persons, 1.4 per cent of the total) . This may explain the phenomenon of no hiring in the machinery industries; or perhaps these graduates must be working in related but different industries.

It appears very odd indeed that so many of the wholesale and retail trade industries did not employ male Senshu Gakko graduates at all when the industries on the whole did employ the third largest number of graduates (132 persons, 17.6 per cent of the employed total, as shown in Table 1.B) . This natural feeling is somewhat soothed

Table 2. Rates of employment for male Senshu Gakko graduates, by field of study, 1985

Field of study	Proportion of the total (per cent)	Number of employed graduates (persons)	Rate of employment (per cent)	Proportion of related employment (per cent)
Agriculture	0.4			
agriculture		104	75.4	92.3
others		128	100.0	93.8
Engineering	48.2	33,279	93.0	95.7
land surveying	1.9	1,393	98.4	96.5
civil engineering and construction	7.2	5,069	95.0	95.6
electricity and electronics	7.4	5,030	91.1	96.6
radio communication	1.8	1,087	80.4	96.0
automobile repair	6.2	4,225	92.5	98.3
machinery	1.4	950	91.2	98.2
computer	4.1	2,662	87.2	95.8
data processing	15.1	10,713	95.5	94.4
others	3.1	2,150	93.8	93.0
Business	14.2	9,031	85.4	87.2
commerce	0.5	348	92.1	75.0
accounting and book-keeping	8.1	5,003	82.7	88.4
typing	0.0	39	95.1	75.6
secretariat	0.0	53	88.3	88.7
business management	1.4	846	82.5	85.1
others	4.1	2,742	90.9	87.3
Medicine and health	37.2		(omitted)	
Education				
Housekeeping				
Culture				

Notes: "Proportion of the total" indicates the percentage ratio out of the entire male Senshu Gakko graduates (74,258 persons) in 1985.

"Rate of employment" was obtained dividing the number of the graduates who got a job by the number of the total graduates in that field of study.

"Proportion of related employment" refers to the percentage ratio of the graduates who got a job directly related to his field of study to the total number of employed graduates in that field.

Source: The Ministry of Education, *School Basic Survey*, 1986.

when it is understood that the graduates who are most likely to engage in the wholesale and retail trades must be those who studied the fields of business; however, they (10,572 persons) comprise only 14.2 per cent of the graduating total. Furthermore, as known from Table 2, their rate of employment (85.4 per cent on the average) was relatively low, thus making the availability of commerce graduates further limited. It seems therefore that the supply of commerce graduates has already fallen short, resulting in no hiring in some of the wholesale and retail trade industries, perhaps against the wills of the employers.

Still, the fact remains conspicuous that proprietary school graduates are having a hard time penetrating the industries of department stores and supermarkets, banking and insurance. The industry of securities finance is the sole exception in which as many as 46 persons were employed. A similar story holds true even for the female graduates in the same fields of business (17,106 persons). This is greater in number than the male counterparts. The existence of "discriminatory" hiring practices in those industries may be hinted. Thus, a hard look at the reasons for this peculiarity is needed in future research.

B. The starting salaries

It has been alleged, particularly in the advertisements of proprietary schools, that the Senshu Gakko graduates are treated, in terms of wages, as equal to junior college graduates. If this is indeed a prevalent practice, our low-accreditation hypothesis about Senshu Gakko is in a sense nullified. To test the above allegation will require a glance at the respective wages paid for junior college and Senshu Gakko graduates by the firms that simultaneously recruited them.

In 1985, according to our Nikkei data, there were only ten such firms. Let us look at the wages paid by them. Here the wages for junior college and Senshu Gakko graduates are expressed in the indices when the wage index for high school graduates is assumed to be 100. Remember that all these refer to male figures.

Firm A: wholesale and retail (textiles)		
junior college = 108.3	Senshu Gakko = 118.3	
Firm B: wholesale and retail (wood products)		
Senshu Gakko = junior college = 110.6		
Firm C: wholesale and retail (machinery)		
Senshu Gakko = junior college = 107.5		

Firm D: wholesale and retail (transport)	
Senshu Gakko = junior college (no wage data)	
Firm E: finance and banking (securities finance)	
Senshu Gakko = junior college = 114.9	
Firm F: transport (air)	
Senshu Gakko = junior college (no wage data)	
Firm G: services (hotel)	
Senshu Gakko = junior college (no wage data)	
Firm H: services (data processing)	
Senshu Gakko = junior college = 113.3	
Firm I: services (programming)	
Senshu Gakko = junior college (no wage data)	
Firm J: services (air cargo)	
Senshu Gakko = 106.9	junior college = 109.5

Thus, eight out of ten firms have proved the equal treatment of both junior college and Senshu Gakko graduates. Unfortunately, it cannot be judged solely on the basis of our data whether the fair treatment generally prevails in the wholesale and retail trade and the services industries, or whether the firms in those industries happen to be used here because of their larger sample sizes. Moreover, since it happens that none of these firms belong to construction, manufacturing, or others, it cannot be said conclusively that the equal treatment is adhered to over the entire business community.

Even though the Senshu Gakko graduates are paid as much as the junior college graduates, the absolute level of wages may have been low enough to warrant the low-accreditation hypothesis. Therefore, let us now turn to Table 3 where the average wages and the wage variances of male Senshu Gakko graduates hired in the spring of 1985 were calculated. Here in Table 3.B I calculate the simple averages of the firms from which the wages for male Senshu Gakko graduates are available. The figures were indexed with the base 100 of the wages of male high school graduates hired in the same year.

Among the highest wage paying industries are construction (buildings and houses) (117.8 in index), wholesale and retail (steel and metal) (112.0), wholesale and retail (textiles) (111.4), manufacturing electric machinery) (111.1), and finance and banking (securities finance). These top four industries are perhaps employing the Senshu Gakko graduates who specialized in the fields of engineering, and the students' degree of specialty seems highly valued in the labor market.

On the other hand, the wages are not much higher (101.7) than that of high school graduates in the services (hotels and restaurants) industry. In the services (tours

Table 3. Top 5 industries for recruitment and wages of male Senshu Gakko graduates, 1985

A. Number of male Senshu Gakko graduates hired in 1985

Rank	Classification of industry	Number of hiring firms	Number of male graduates hired
1	Services ('soft houses', etc.)	37	202
2	Services (hotels and restaurants)	14	105
3	Wholesale and retail (electric machinery)	19	62
4	Manufacturing (electric machinery)	16	50
5	Finance and banking (securities finance)	21	46

B. Average wages of male Senshu Gakko graduates hired in 1985

(100: wages of male high school graduates hired in the same year)

(Highest Five)

Rank	Classification of industry	Number of male graduates hired	Average wages (index)
1	Construction (buildings and houses)	23	117.8
2	Wholesale and retail (steel and metal)	3	112.0
3	Wholesale and retail (textiles)	17	111.4
4	Manufacturing (electric machinery)	50	111.1
5	Finance and banking (securities finance)	46	111.0

(Lowest Five)

Rank	Classification of industry	Number of male graduates hired	Average wages (index)
1	Services (hotels and restaurants)	105	101.7
2	Services (tours and leisure)	15	105.5
3	Construction (others)	4	105.7
4	Wholesale and retail (transport equipment)	23	105.9
5	Manufacturing (fabricated metal products)	4	106.6

C. Wage variance of male Senshu Gakko graduates hired in 1985

(100: wages of male high school graduates hired in the same year)

Rank	Classification of industry	Lowest wages (index)	Highest wages (index)	Wage variance (index)
1	Manufacturing (electric machinery)	102.4	134.9	32.5
2	Services (hotels and restaurants)	86.6	115.4	28.8
3	Manufacturing (textiles)	101.8	119.3	17.5
4	Finance and banking (securities finance)	104.7	121.7	17.0
5	Services ('soft houses', etc.)	100.0	114.1	14.1

Notes: Those industries in which there exists only one hiring firm were excluded from the ranking.

Source: Nikkei; *Annual Corporation Reports (Unlisted)* (Kaisha Sokan), 1986.

and leisure) (105.5), construction (others) (105.7), and wholesale and retail (transport equipment) (105.9) industries, the wage conditions are only slightly better. It is particularly noteworthy that as many as 105 persons out of the entire 749 persons employed receive the lowest average wages.

The variances of wages in Table 3.C tell more to us. Although manufacturing (electric machinery) ranks the highest, 4th in its average wages, the wage variance (32.5 in index) is the largest; it apparently matters a lot which company a male Senshu Gakko graduate enters. Finance and banking (securities finance) is another industry that ranks highest (5th) in the average wages, but has a wide variance of 17.0 in index. Surprisingly, the wage variances are the second largest (28.8) in the services (hotels and restaurants) industry, which pays the second lowest average wages among the entire industries. This implies that there exist enormous differences from employer to employer in the working conditions in the services (hotels and restaurants) industry.

C. The supply-and-demand explanation

Table 3.A lists the top five industries which employed the largest number of male Senshu Gakko graduates in 1985. When this Table 3.A is compared with Table 2, certain imbalances are striking. The question boils down to: are the proprietary schools supplying the graduates demanded most by the industries?

Take, for example, the construction industry. This industry employed 65 persons which was 8.68 per cent of the 749 graduates (Table 1.B). On the other hand, in Table 2, the proprietary schools "produced" in the fields of civil engineering and construction 7.2 per cent of the graduating total. Thus, the supply of and the demand for the graduates in construction are almost balanced "in book".

Given the distributions of the supply of the engineering graduates (48.2 per cent in Table 2), a superficial analysis indicates that more graduates must be allocated to the construction and the manufacturing industries (currently 26.5 per cent combined, as shown in Table 1.B). However, in reality, many of the engineering graduates are obviously engaged in "related" jobs in the services industries. And, when the data are looked deeply into, this is not surprising because one out of three males in engineering (11,214 persons, 31.3 per cent of the engineering total) specializes in data processing, for whom the so-called 'soft houses' in the services industry are the big employer.

It is known from Table 3.A that the big employers for male Senshu Gakko graduates are currently the services ('soft houses' and others) (202 persons), services (hotels and restaurants) (105), wholesale and retail (electric machinery) (62), manufacturing

(electric machinery) (50), and finance and banking (securities finance) (46) industries. A change in the industrial structures of the economy in the near future will certainly affect the demand structures for male Senshu Gakko graduates, and this must be a subject for another research paper.

IV Conclusion

When the new (?) age of Senshu Gakko is talked about in Japan, the focus tends to be placed either on the recent decade of substantial increase in the number of proprietary schools (Senshu Gakko) and its enrollees, or on the gradually rising proportions of high-school seniors entering proprietary schools. The (perhaps) "rosy" projections of the contributions of proprietary schools in the future, nevertheless, seem to rest upon sandy foundations.

First, the absolute number of the youngsters will decline in the future, with the end of the second baby boom. This will shrink the whole pie of the youth market, with a possibility that a smaller number of high school graduates than now will enter proprietary schools.

Second, because the numbers of high school seniors are shrinking, these students are more likely to be delicately influenced by the government's educational policies and the general labor market conditions of the economy. As discussed in Section II, there exists a fairly large flow of students who might rather easily switch to and from proprietary schools. Although the academic ranking, (namely, the degree of college-preparedness), of school and the guidance by teachers place a constraint on the student's choices, a student still has an enough leeway to ponder the economic consequences (costs and benefits) of his decision to obtain postsecondary education or to enter the labor market. At any rate, the proportion of high-school seniors entering proprietary schools will hinge upon such a precarious mix of competing alternatives, and there is no guarantee that this proportion will keep on rising in the 1990s.

Thirdly, the curricula currently offered at proprietary schools seem to be very lopsided. They are concentrated on data processing, accounting and book-keeping, and electricity and electronics. This is certainly understandable if the marketable strength of these schools, as is often claimed, is considered to lie solely in their capability of generating youngsters who have "a hands-on skill" in the areas where the demand for them is currently strongest and most urgent. Given this presupposition, it is not surprising that only a limited number of firms, (in comparison with the job markets for high school and

college graduates), in particular industries (services, manufacturing, and wholesale and retail), employ the Senshu Gakko graduates. Since the workers in these jobs are currently in short supply, the proprietary schools in these fields are now enjoying very high rates of placement of their graduates. However, when the economic tide changes, how will these proprietary schools cope with a new situation? They will do so probably by restructuring their curricula toward a different set of skills which will then be in demand. This will, in my opinion, keep the Senshu Gakko remaining as a "residual" sector of postsecondary education, thus hindering its true expansion and development in the 1990s.

Notes

- 1) Senshu Gakko or proprietary school was established by law in 1976. Here in Japan, Senshu Gakko is often in the official documents translated as 'Specialty School' or 'Specialization School'. See, for example, Statistics Bureau, Prime Minister's Office, *Japan Statistical Yearbook*. However, I do not think that this is an appropriate translation. As defined by the Ministry of Education (Monbusho), Senshu Gakko is a school whose objective is "to nourish the capability of leading a vocational or everyday life or to enrich one's education" (Gakko Kyoikuho or the School Education Act, Sub-Section 2, Section 82). And its scope of education is broadly specified to include: (1) vocational education, (2) acquisition of knowledge and technology necessary for everyday domestic life, and (3) liberal arts education. On the other hand, some writers use instead 'proprietary school'. The English meaning of 'proprietary' is "in private ownership licensed". As a third candidate, a 'professional school' may not be overly incorrect. There existing no better alternative, 'proprietary school' or 'Senshu Gakko' is interchangeably used in this paper because I think that the former is better communicable to a Western reader and the latter to a Japanese reader. See Wilms [9] for the Western usage.
- 2) *Asahi Shimbun*, October 6th, 1986, page 1.
- 3) Kaiso-sha Editorial Staff, ed., *A Guide for 'Bypass' Schools—Don't be Afraid of Being a 'Dropout'!* (Ochikobore tatte Kowakunai), Chap. 4, pp, 117-121.
- 4) *Chunichi Shimbun*, April 4th, 1987, page 9.
- 5) S. Ichikawa et al., "A Study on the Mechanism of the Rapid Growth of Entrance from Upper Secondary Schools into Special Training Schools: from the Standpoint of the Structural Model of Students' Career Formation," (Senshu Kakushu Gakko Nyugakusha Zoka Mekanismu no Koko Kaisobetsu Bunseki), Bulletin of the National Institute for Educational Research, No. 112, March 1986.
- 6) For the details on the educational reform in Aichi Prefecture, see T. Ogawa [7].
- 7) A similar graph, but for a slightly different purpose, can also be found in Min Han [4], p. 196.
- 8) There exists some evidence that the teachers at junior high schools in Aichi Prefecture discourage the low-achievers from going on to a senior high school and encourage them to go to Senshu or Kakushu Gakko. See T. Ogawa [7], pp. 17-18.

- 9) Ichikawa and others formulated this same hypothesis in somewhat a different context. See S. Ichikawa et al. [5], p. 45.

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- [1] Aichi Prefectural Public-School Principals' Association, ed., *Guide Book for Public High Schools in Aichi Prefecture* (Koritsu Kotogakko Gaidobukku '87), 1987.
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- [4] Min Han, "The Present Status of Senshugakko: Its Structure and Characteristics in Aichi Prefecture," *Bulletin of the Faculty of Education* (Nagoya Daigaku Kyoikugakubu Kiyo), Nagoya University, Vol. 34, 1987, pp. 193-205.
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- [6] Kaiso-sha Editorial Staff, ed., *A Guide for 'Bypass' Schools—Don't be Afraid of Being a 'Drop-out'!* (Ochikobore tatte Kowakunai), 1985.
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- [8] Parents Organization Supporting Aichi's Private High Schools, ed., *Parents' Guide for Private High Schools in Aichi Prefecture* (Shiritsukoko heno Michishirube), 1988.
- [9] Wellford W. Wilms, "Proprietary Schools: Strangers in their Own Land," *Change*, January/February 1987, pp. 10-22.