

Preface

Japan has been in a lengthy recession since the 1990s, and it is only recently that we are finally beginning to see signs of economic recovery and some improvement in the deteriorated labor market conditions. We can observe, however, that there are significant regional divergences: while some regional communities continue to be troubled by high unemployment rates, others are recovering. Against this backdrop, there are calls for promoting policy decentralization and moves to transfer authority on employment policy to regional governments. For example, the Omnibus Decentralization Law of 2000 provided for the devolution of many rights from the state to prefectures and from prefectures to local municipalities. The amendment of the Regional Employment Development Law of 2001 further stipulated that prefectures, rather than the central government, would designate regional areas in which regional employment development programs would be implemented. In fiscal year 2004, the Ministry of Health, Labour and Welfare established the Regional Employment Office in the ministry's Employment Security Bureau and introduced a new project for financing all expenses incurred by regional communities in implementing unique regional employment measures. As a result, more than 100 local municipalities have proposed and introduced unique measures, for instance, of creating job opportunities by linking tourism to agriculture and developing and expanding the sale of regional specialty products.

While the policies already implemented attempt to ameliorate "measures adopted based on centrally planned, nationally uniform rules and standards," we cannot yet say that decentralization of policies to regional governments has been fully completed in Japan. In comparison, the European Union (EU) has succeeded in promoting the role of regional and local authorities in implementing the European Employment Strategy. The United States and Canada have also succeeded in introducing local initiatives in employment policies and establishing partnerships between the various levels of government.

Research and evaluation of these efforts in Europe and North America have significant implications in the Japan Institute for Labour Policy and Training (JILPT)'s research on regional employment in Japan. The JILPT

analyzes factors that create regional divergences in the unemployment structure, and makes proposals on industrial policy and on measures for improving the labor market conditions based on the results of the analysis while considering the unique features of each region of Japan. To this end, the JILPT is carrying out a medium-term research on the analysis of regional unemployment structure. As part of this research on regional employment, it invited researchers from the EU, North America, and the OECD to a research workshop, held in Tokyo, on regional employment development, with the principal objective of learning from international experience.

In organizing the workshop, JILPT was mainly interested in learning about (1) the kind of regional employment policies adopted by EU countries, the U.S., and Canada and their effectiveness, (2) employment issues and needs addressed by those regional policies, and (3) the relation between the EU, member states, and local municipalities in the planning and execution of regional employment policies.

The workshop was held for two days in February 2005. This book contains papers presented at the workshop with report of some successful cases of regional employment development in each country, which was added to the papers based on the discussions at the workshop. While efforts will be made to reflect the results of the workshop on our research on regional employment, this book is intended for use by the wider audience.

Lastly, we would like to thank all the participants at the workshop and particularly Mr. Sylvain Giguère, Deputy Head of the LEED Programme, OECD, and Professor Yoshio Higuchi of Keio University who made invaluable contribution to the organization of the workshop and to the compilation of this book.

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