

1 Overview of Employment Measures

The employment situation in Japan has deteriorated rapidly, due to a combination of multiple factors, such as a strong yen and deflation, as well as a worldwide economic crisis that has been referred to as a one-in-a-century event, but in early 2011, moves toward recovery were strengthening. Those moves slowed as a result of the Great East Japan Earthquake in March 2011, but with regard to the employment and unemployment situation for FY2010, the ratio of job offers to job seekers was 0.63 times in March 2011, returning to a level last seen around two years previously, with the average figure for the fiscal year rising 0.11 points on the previous year to 0.56 times; in addition, the overall unemployment fell to 4.6% in February 2011, while the average for the fiscal year fell to 5.0%, down 0.2 points from the previous year, so moves towards a recovery in the employment and unemployment situation were seen.

If one looks at the employment situation by region, one can see that the ratio of job offers to job seekers improved in all regions from FY2009 to FY2010, and the overall unemployment rate improved in seven out of ten regions. However, regional disparities in the employment situation can still be seen, such as the fact that the ratio of job offers to job seekers is almost twice as high in the regions of Chugoku (ratio of job offers to job seekers in March 2011: 0.82 times) and Shikoku (0.79 times (id.)) as in the Hokkaido region (0.44 times (id.)).

Moreover, if one looks at the situation by age, one can see that there is still a considerable mismatch, with the overall unemployment rate among those aged 15 - 24 rising 0.3 points on the previous year to 9.4%, which is even higher than the overall unemployment rate for all age groups (5.1%).

Furthermore, the ratio of job offers to job seekers for regular employee positions (seasonally-adjusted) was 0.34 times in April 2011, an increase of 0.08 points on the same month of the previous year, but it was still low compared with the overall figure (0.61 times).

Promotion of Urgent Countermeasures and Medium- to Long-term Measures to Improve the Employment Situation

Amidst this situation, since the recession in 2008, the government has repeatedly implemented urgent countermeasures, endeavoring to improve the employment situation through such measures as easing the requirements for the Employment Adjustment Subsidy and establishing the Job Creation Fund program.

Furthermore, in order to deal with the harsh employment and unemployment situation resulting from the strong yen and deflation, a set of measures decided upon by the Cabinet on September 10, 2010, entitled The Three-Step Economic Measures for the Realization of the New Growth Strategy is being implemented.

The content consists of the following three steps:

Step 1: "Urgent countermeasures" using the FY2010 contingency reserves detailed in The Three-Step Economic Measures for the Realization of the New Growth Strategy

Step 2: "Comprehensive urgent economic measures to deal with the strong yen and deflation, using the FY2010 supplementary budget"

Step 3: Full-scale implementation of the New Growth Strategy using the FY2011 budget and tax system

More specifically, using measures such as those outlined below, the government is working on a policy of “connecting,” “creating,” and “protecting” employment.

i) Measures aimed at new graduates

As well as deploying twice as many Job Supporters, and aiming to use the “New Graduate Employment Project,” which provides financial incentives to businesses employing those who have graduated within the last three years, New Graduate Support Hello Work branches have been established in all prefectures, to implement support for new and recent graduates in finding jobs.

ii) Employment creation projects in priority fields

In order to create new employment opportunities and develop human resources in fields that are expected to become growth fields, such as nursing care and medical care, funds created by each prefecture with grants from the national government have been used as a source of funding to implement projects that seek to create employment opportunities in these fields; these programs have been expanded by augmenting the funds and extending the duration of the programs.

iii) Employment Adjustment Subsidy

This is a system that subsidizes part of the leave allowance paid by employers that have suspended operations due to being compelled to contract their business activities due to cyclical change, shifts in the industrial structure or other economic reasons; in response to the appreciation of the yen, the requirements relating to this subsidy have been eased. In conjunction with this, measures to prevent fraudulent receipt of the subsidy have been strengthened.

iv) Jobseeker support system

A jobseeker support system that provides financial support for vocational training and living costs during the training period has been created for jobseekers who cannot receive payments under the employment insurance system (to be implemented from October 2011).

Employment Insurance System

The employment insurance system is intended to stabilize workers’ living circumstances during times of unemployment and to encourage the unemployed to quickly find reemployment. It functions as an important employment safety net, and the number of insured persons and persons receiving benefits respectively averaged 38,240,000 and 650,000 in FY2010.

In practice, it takes the form of payment of a daily basic allowance, which is paid for a prescribed number of days to secure income in the event of unemployment.

Because of the need to provide benefits at a sufficient level to enable people to maintain as far as possible their living standards before becoming unemployed and to be able to calmly search for fresh employment, this daily basic allowance is set at a fixed proportion of a person’s wage prior to unemployment. In order to ensure that the period of unemployment is no longer than necessary and that unemployed persons quickly reenter the workforce, however, benefits are gradually decreased as the wage level prior to job loss rises so that they do not exceed wages on the labor market in the event of reemployment. More specifically, the benefit rate is set at 50% to 80% of a person’s wage prior to unemployment (45% to 80% in the case of 60- to 64-year-olds).

The length of the benefit period is determined according to the difficulty faced by job seekers in finding reemployment. It is therefore set at a more generous level for those who are older, have been insured for longer, and have lost their jobs due to bankruptcy or layoff rather than voluntary retirement. More specifically, the benefit period is 90 to 330 days for persons made unemployed by bankruptcy or layoff and 90 to 150 days for persons taking voluntary retirement, depending on the age and length of enrollment of the insured person.

Employment Measures in Relation to the Great East Japan Earthquake

As described above, the Great East Japan Earthquake that occurred on March 11, 2011 had a major impact on the employment situation.

With regard to the employment and unemployment situation in April, immediately after the earthquake occurred, both the overall unemployment rate and the ratio of job offers to job seekers deteriorated, having experienced sustained improvement until March. Moreover, with regard to the three prefectures that sustained the worst of the damage, namely Iwate, Miyagi and Fukushima, the employment situation in the affected areas is bleak, with approximately 120,000 separation notices being issued under the employment insurance system during the three months after the earthquake (more than twice as many as in the previous year).

In response to this situation, the government devised the “Japan as One” Work Project and collaborated with relevant ministries and agencies, publishing the comprehensive emergency measures as Phase 1 on April 5, with the supplementary budget and legislative measures being compiled as Phase 2 on April 27.

More specifically, the government is working on creating, maintaining and securing employment through the implementation of measures such as the following:

Creating employment through reconstruction projects and the expansion of the employment creation fund program

As well as asking private-sector companies to submit details of job vacancies on reconstruction projects to Hello Work offices, the employment creation fund program will be expanded and, as a program aimed at responding to the earthquake, a project will be implemented to create employment opportunities for those affected by the disaster.

Augmenting grants for companies employing those affected by the disaster

A subsidy for developing employment for those affected by the disaster will be created, which will provide grants (¥500,000 for large companies, and ¥900,000 for small and medium-sized enterprises) to companies employing those who have been separated from their jobs due to the disaster and those living in affected areas who are seeking employment.

Special provisions concerning the Employment Adjustment Subsidy

Regarding the aforementioned Employment Adjustment Subsidy, as well as easing the requirements for businesses located in areas to which the Disaster Relief Act is applicable (except the Tokyo metropolitan area), special provisions have been put in place regarding such matters as the procedures and number of days for which the subsidy can be received.

Maintaining employment through special provisions concerning employment insurance

Preferential measures relating to employment insurance will be applied in the event that a worker's company located in the affected area has suspended operations and the worker is unable to receive wages or leave allowance; this will allow the worker to receive unemployment benefit, even if they have not actually left their job.

In addition, with regard to the affected areas, a preferential measure will be implemented, through which the 60-day extended payment period that applies as a general rule can be extended for a further 60 days.

Moreover, in addition to these initiatives, the government will consider its medium- to long-term response based on its overall design for reconstruction.

2 Employment Measures for Young People

As well as reinforcing employment support for new and recent graduates, for whom the employment environment is forecast to be harsh, it is necessary to implement comprehensive support for young people, in order to ensure that the young people who will be responsible for the future of Japan can work with peace of mind and conviction, and can adequately exercise their abilities and motivation, by such means as promoting support at public employment security offices, aimed at helping “freeters” (part-time workers employed on a casual basis) find regular employment.

Major Employment Measures Aimed at Young People in FY2011

1. Employment support for new and recent graduates

- Using School and University Graduate Job Supporters
 - (1) Providing employment support that focuses on high school and university graduates in an integrated manner, and promoting their matching with small and medium-sized enterprises
 - (i) School and University Graduate Job Supporters, whose numbers were doubled in FY2010 under the Contingency Fund for Responses to the Economic Crisis and Regional Revitalization and the supplementary budget, will continue to be deployed in branches of Hello Work; they will cooperate in the organization of job interview sessions, by such means as securing details of vacancies, as well as making visits to corporate briefing sessions organized by universities, in order to undertake consultations in regard to job search activities.
 - (2) Support aimed at looking for employment while still at school, involving guardians as well
 - (i) In collaboration with schools, lectures will be held on the significance of working and job search activities while still at school, involving guardians as well; in addition, corporate briefing sessions involving local companies will be held within high schools and information will be proactively disseminated to relevant parties.
- Using the New Graduate Employment Support Headquarters and New Graduate Support Hello Work branches
 - (1) Using the New Graduate Employment Support Headquarters and New Graduate Support Hello Work branches
 - (i) In order to implement effective employment support based on the actual situation in the region in question, efforts will be made to seek the utilization of the “New Graduate Employment Support Headquarters”, which consists of relevant individuals from Hello Work, local government, the labor sector, business circles and schools, and to implement employment support for new and recent graduates in collaboration with related local organizations.
 - (ii) Efforts will be made to publicize the New Graduate Support Hello Work branches, which specialize in employment opportunities for new and recent graduates; further efforts will be made to promote their utilization, in order to support the employment of new and recent graduates.
 - (2) The New Graduate Employment Project
 - (i) In order to promote the employment of those who have graduated within the last three years, a “Subsidy to Expand Employment of Those who Have Graduated Within the Last Three Years (Treatment as New Graduates)” and a “Subsidy for Trial Employment of Those who Have Graduated

Within the Last Three Years” (“New Graduate Employment Project”) will be created under the Contingency Fund for Responses to the Economic Crisis and Regional Revitalization; these will be augmented under the supplementary budget and extended until the end of FY2011.

- (ii) Under the supplementary budget, a “Subsidy to Support the Development of Recent Graduates” will be established, to provide support to those who require long-term support for their development.

2. Promoting a switch to regular employment among “freeters” and other non-regular workers

- (1) Hello Work support for promoting a switch to regular employment among “freeters” and other non-regular workers
 - (i) Thorough, consistent support for “freeters” wishing to find regular employment, based on a case worker system that operates from the initial career consultation and employment referral, through to the individual becoming settled at their workplace.
- (2) Implementing meticulous employment support at Job Cafes
- (3) Employment support through the utilization of subsidy systems, such as the trial employment system

- (i) Utilizing the trial employment subsidy for young people (¥40,000 per person per month for a maximum of three months), efforts will be made to achieve a switch to regular employment among young people (those aged under 40).
- (ii) Efforts will be made to promote further initiatives aimed at promoting a switch to regular employment among “freeters” and other non-regular employees, by paying employers who employ older “freeters” and other non-regular employees as regular employees a special subsidy, called the “Special Subsidy for Promoting Regular Employment Among Young People” (¥1 million yen per person for small and medium-sized enterprises, and ¥500,000 yen for large companies).

3. Enhancement of vocational independence support for NEETs and other young people

- Expansion of “Community Youth Support Stations”
 - Expansion of number of “Community Youth Support Stations,” which serve as local centers of support for NEETs and other young people, strengthening of network functions in collaboration with educational institutes, etc., and active encouragement of young people and their parents or guardians.

3

Policies Designed to Secure Employment for Older and Disabled Workers

Measures for Older Workers

With the labor force forecast to decline as a result of the rapid aging of society and a decline in the birthrate, it will be necessary to utilize the knowledge and experience of older people effectively in the economy and society, in order to maintain the dynamism of the economy and society, ensure that more people can support the social security system, and increase the sustainability of that system.

In the New Growth Strategy (Cabinet decision taken on June 18, 2010), an objective has been set forth of general mobilization in order to achieve the policy of increasing the employment rate among all sectors of the population, based on the realization of a society (with “opportunities” and “a place” for them) in which all Japanese people can participate in a variety of social activities in the labor market, according to their wishes and abilities. Moreover, it sets forth the target of achieving a labor force participation rate of 63% among those aged 60-64 by 2020.

In order to secure stable employment for older people, as well as imposing on employers the obligation to secure employment opportunities up to the age of 65, either by increasing the mandatory retirement age set by employers, introducing a system of continued employment, or abolishing the mandatory retirement age, the Act on Stabilization of Employment of Elderly Persons seeks to enhance measures relating to the promotion of the re-employment of middle-aged and older people (45-65 years old) and enhance measures aimed at securing opportunities for temporary and short-term employment for those who have retired after reaching the mandatory retirement age.

In line with this law, measures focused on the employment of older people are being comprehensively promoted, with a particular focus on the following measures.

Securing Stable Employment for Older Workers by Raising the Mandatory Retirement Age and Introducing Continued Employment Schemes, Etc.

Legal revisions effective from April 2006 have made it mandatory for employers to take steps to ensure the employment of older workers, and those that do not take such steps receive guidance and advice from public employment security offices. Effective counseling and advice is also provided to them by senior citizen employment advisers in partnership with Japan Organization for Employment of the Elderly and Persons with Disabilities (JEED).

Reflecting the raising of the pensionable age for the fixed portion of the public pension to 65 from April 2013 and the reaching of this age by the first baby boomers in 2012, action is being taken to popularize schemes to enable everyone who so wishes to work up to the age of 65 and, depending on the actual circumstances of the enterprise, up to the age of 70.

Two specific ways in which the creation of a society in which people can work regardless of age is being pursued are the publicizing of pioneering cases via symposiums and similar channels and the provision of individual advice and support for the revision of pay and promotion schemes by work-to-seventy support advisers under the “Work-to-Seventy Employer” Promotion Project, and the securing of employment opportunities up to the age of 65 and promotion of work-to-seventy employers through the provision of financial incentives to enterprises to raise the age of mandatory retirement.

Support and Promotion of Reemployment of Middle-aged and Older Workers

Action is being taken to support employers that provide continued employment for older workers who find it difficult to find jobs by, among other things, providing guidance to employers on how to draw up “job-hunting support documents,” the provision of

financial incentives for enterprises that employ middle-aged and older workers on a trial basis for a fixed period, and referrals by public employment security offices and similar agencies.

Working in collaboration with local related organizations, career counseling is being provided through employers' groups and other bodies to affiliated employers with job openings and baby-boom retirees to assist reemployment. One-stop services are also being developed to provide information to assist startups.

Senior citizen work program activities, such as skills courses and joint job fairs are also being pursued in association with employers' groups and public employment security offices.

Promotion of Diverse Employment and Social Involvement of Older People

The Silver Human Resource Center Program is being promoted to provide convenient community-based temporary and short-term job opportunities to suit older people's needs. (As of March 31, 2008, there were 1,332 centers with approximately 750,000 members).

Focusing on the fields of "education, childcare, nursing care, and the environment", these centers are working with local governments to expand support for ventures planned and put forward by them, and are also expanding secure job opportunities for members in their communities and the range of job categories catered for that appeal to female members.

Senior citizen support program activities, such as workshops and job support courses, are also being organized to register older people's skills, expertise, qualifications, and occupational experience, and to match them to the needs of local enterprises, organizations, families, and communities.

In addition, support is provided for older people seeking to start up in business using their own occupational experience by subsidizing a portion of the startup costs of ventures involving three or more older people aged at least 45 who start up in business together and create continued employment opportunities for workers by hiring them.

The Current Status of the Employment of Persons with Disabilities

With regard to the employment of persons with disabilities, one can see that there has been further progress, with the actual employment rate amongst private-sector companies recording a record high for the fifth year in succession, reaching 1.68% (up from 1.63% in the previous year) as of June 1, 2010. There has been particularly remarkable progress in the employment of persons with disabilities at large companies (those with at least 1,000 employees), at which the actual employment rate is 1.90%, higher than the statutory employment rate (1.8%). Moreover, despite the harsh employment situation, the number of cases of employment gained through Hello Work employment offices in FY2010 grew significantly from the FY2009 level of 45,257 cases, reaching an all-time high of 52,931 cases.

Employment Measures for Persons with Disabilities

Of the policies designed to support persons with disabilities, the following deal with support for employment measures: the Basic Programme for Persons with Disabilities (FY2003 to FY2012) was formulated in December 2002 and provides a basic direction for measures for disabled persons over a ten-year period. Based on that Programme the government has also formulated the Five-Year Plan for Implementation of Priority Measures (FY2003 to FY2007) which incorporates specific priority measures. In addition the Ministry of Health, Labour and Welfare formulated in March 2003 the Fundamental Policy for Employment Measures for Disabled Persons (FY2003 to FY2007). More specifically, employment measures for people with disabilities are being actively pursued to achieve targets—such as employment of 640,000 disabled persons by FY2013, a combined total of jobs found for people with disabilities through public employment security offices between FY2008 and FY2012 of 240,000, and movement into regular jobs of 9,000 people per year—through the further promotion of employment of people with disabilities led by the employment quota system for disabled persons provided for in the Five-Year Plan for

Implementation of Priority Measures, enhancement and reinforcement of “team support” provided mainly through public employment security offices, and facilitation of movement from welfare facilities into regular employment. Furthermore, in FY2005, the Act for Employment Promotion, etc., of the Disabled was partially revised and this revision is being smoothly implemented from April 2009 in line with the Act for Promotion of the Independence of Persons with Disabilities.

Employment Quota System for Disabled Persons and Levy and Grant System for Employing Persons with Disabilities

The Act for Employment Promotion, etc. of the Disabled stipulates that quotas be established for the hiring of the physically and or intellectually disabled, specifying the percentage of a company’s workforce to be occupied by persons with disabilities. Business owners are required to hire persons with disabilities in numbers equivalent to or greater than the legally mandated quota.

From April 2006, moreover, persons with mental disabilities (those holding a Health Welfare Handbook for Persons with Mental Disabilities) are included in the employment quotas of companies.

The current statutory employment rate is 1.8% among private-sector companies (with government-affiliated corporations having a rate of 2.1%), and 2.1% among the national government and local government bodies (with boards of education having a rate of 2.0%).

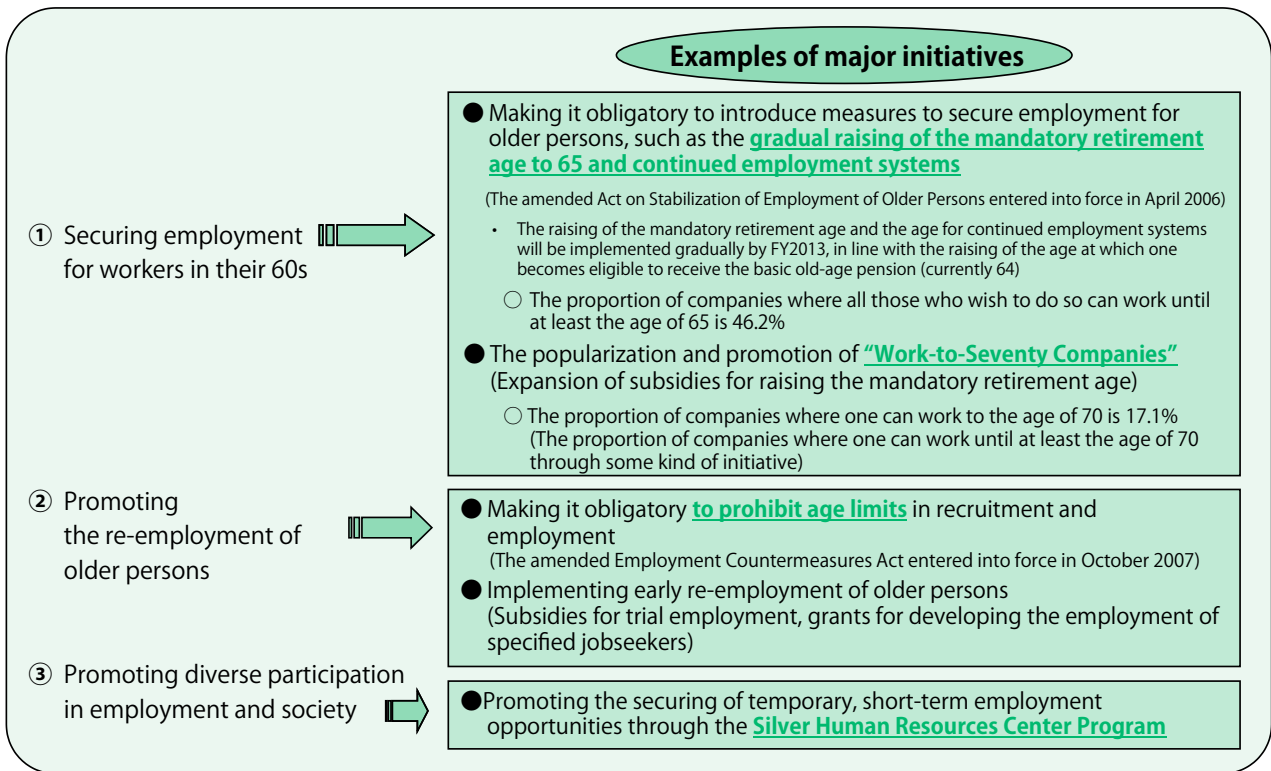
Public Employment Security Offices promote the employment of persons with disabilities by directing the following to submit a hiring plan: (1) business owners whose hiring practices fall significantly below the quota, (2) business owners who need to meet the quota by hiring a large number of persons with disabilities, and (3) business owners in the private sector who plan to hire a large number of workers in the future. A warning is issued to any business owner who does not implement a submitted plan.

The Levy and Grant System for Employing Persons with Disabilities was established to ease the economic burden on business owners who hire persons with disabilities, and to increase job opportunities for the disabled. Levies (50,000 yen) are collected from companies that fail to fulfill the employment quota, and distributed as compensatory payments (27,000 yen) and bonuses (21,000 yen) to companies that employ more physically or intellectually disabled persons than the quota. A number of grants are also awarded to encourage the hiring of the disabled. By informing business owners of these requirements and dispensing grants, we seek to stabilize employment of persons with disabilities and maximize their employment opportunities.

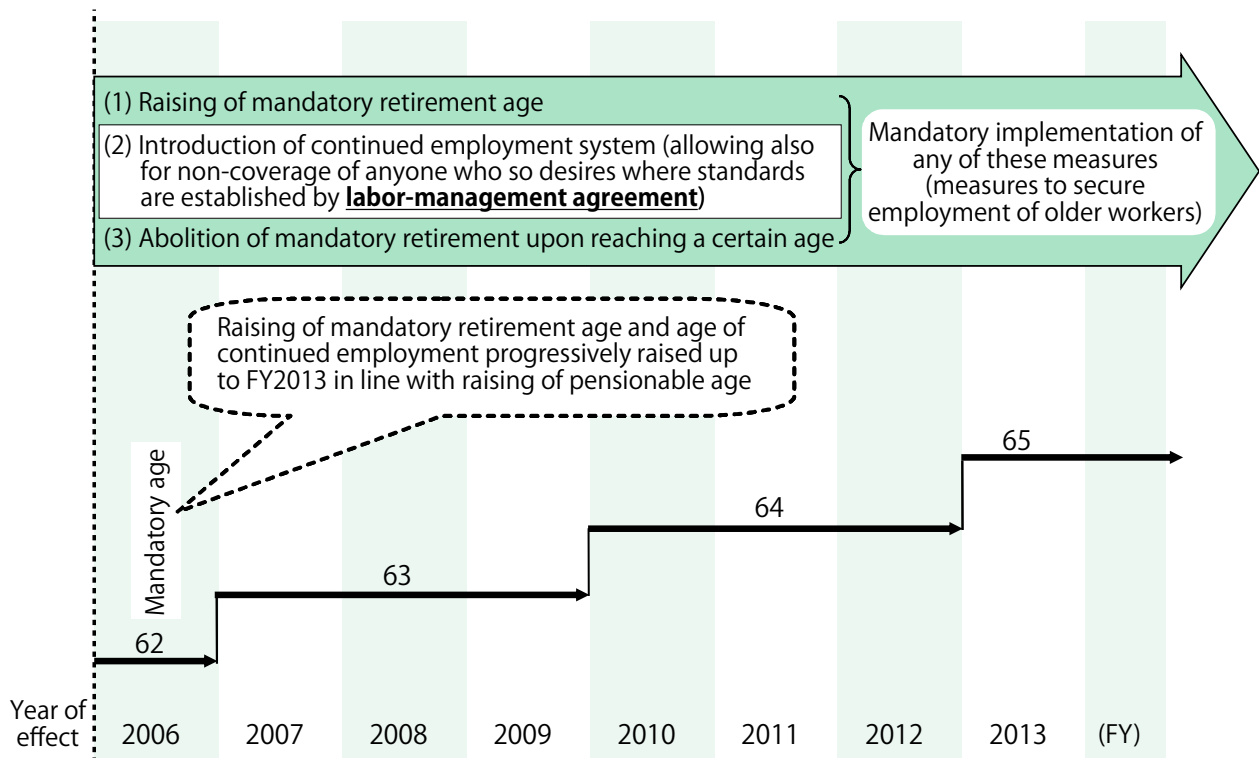
Response to the Convention on the Rights of Persons with Disabilities

At present, the government is considering ways of promoting intensive reforms of Japan’s systems relating to persons with disabilities, including the upgrading of domestic legislation required in order to ratify the Convention on the Rights of Persons with Disabilities. In order to deal with ensuring “reasonable consideration” in the field of employment and labor, which is a new concept in Japan, the Ministry of Health, Labour and Welfare has been holding “Workshops on Approaches to Responses to the Convention on the Rights of Persons with Disabilities in the Field of Labor and Employment” since April 2008 (a total of 11 times) and, since October 2009, it has been holding discussions concerning approaches to that response in meetings of the Labour Policy Council’s Subcommittee on the Employment of Persons with Disabilities (a total of 6 times). In the future, in conjunction with the government’s ratification of the Convention on the Rights of Persons with Disabilities, the Ministry will continue to hold deliberations to enable it to respond to the Convention.

V-1 Organization of Measures concerning the Employment of Older Persons



V-2 Mandatory Action to Employ Older Workers under Revised Act concerning Stabilization of Employment of Older Persons



V-3 FY2011 Organization of Measures concerning the Employment of Older Persons

(1) Securing of stable employment for older workers through raising of mandatory retirement age and introduction of continued employment schemes, etc.

- Promotion of raising of mandatory retirement age to 65 and introduction of continued employment schemes, etc.
 - Publicizing and raising of awareness of measures to secure jobs for older workers
 - Instruction, counseling, and advising of employers by public employment security offices
 - Consultations and support provided by senior citizen employment advisers
- Popularization and promotion of companies where everyone who wishes to do so can work until the age of 65 and companies where one can work until the age of 70 under some kind of initiative, according to the actual status of the company
 - Development and guidance for employers through public employment stabilization offices
 - Gathering advanced examples, providing information and giving advice concerning revisions to the personnel treatment system, as well as building the momentum for initiatives by prefectural labor bureaus focused on a system that will enable all those who wish to do so to work until the age of 65 and a system that will enable people to work until the age of 70. (The "Work-to-Seventy Companies" Promotion Project)
 - Utilizing subsidies for raising the mandatory retirement age (subsidies for raising the mandatory retirement age at small and medium-sized enterprises, grants for expanding the job categories occupied by older persons, and subsidies for further ensuring employment for older persons)

(2) Support and promotion of reemployment of middle-aged and older workers

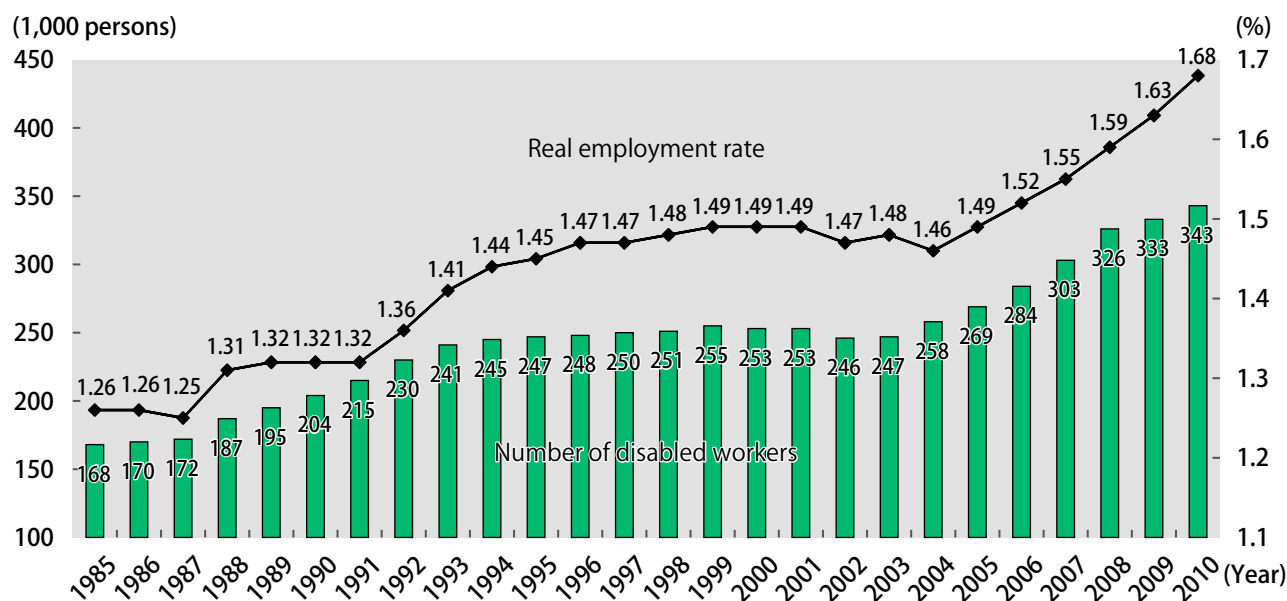
- Promotion of reemployment of middle-aged and older workers
 - Finely-tailored vocational counseling and job search services at public employment security offices
 - Financial incentives for trial employment of middle-aged and older workers
 - Subsidies to develop employment of certain categories of job seekers
 - Integrated provision of skills courses and job fairs in collaboration with industry groups and public employment security agencies (senior citizen work program activities)
- Raising of awareness of prohibition of age limits in recruitment and hiring (obligation to specify grounds for setting age limits where special grounds exist)
- Guidance and support for employers that help middle-aged and older workers who have had to leave their jobs to find reemployment
 - Raising of awareness and provision of guidance regarding requirement to prepare and issue job-hunting support documents in job card format

(3) Advancement of diverse employment and social involvement of older people

- Promotion of projects by Silver Human Resource Centers
 - Joint support by Silver Human Resource Centers and local governments of ventures planned and proposed by them focusing on "education, childcare, nursing care, and the environment"
- Development of system for registration of skills, expertise, qualifications, and occupational experience, etc. of older people and matching of needs of older people with those of local enterprises, organizations, and local communities, etc. (senior citizen employment support program activities)

Source: Ministry of Health, Labour and Welfare, Elderly Workers' Affairs Division

V-4 Employment Situation for Disabled Persons at Private Enterprise



Source: Reports on Employment Situation for Disabled Persons, Ministry of Health, Labour and Welfare

Notes: Figures for companies with employment obligations (those with more than 56 regular employees) are collective.

The collective totals are for the following disabled categories:

- to 1987 Physically disabled persons (double count for those with severe physical disabilities)
- 1988 to 1992 Physically disabled persons (double count for those with severe physical disabilities)
Persons with intellectual disabilities
- From 1993 Physically disabled persons (double count for those with severe physical disabilities)
Persons with intellectual disabilities (double count for those with severe disability)
Severely physically disabled persons as short-term workers
Severely intellectually disabled persons as short-term workers

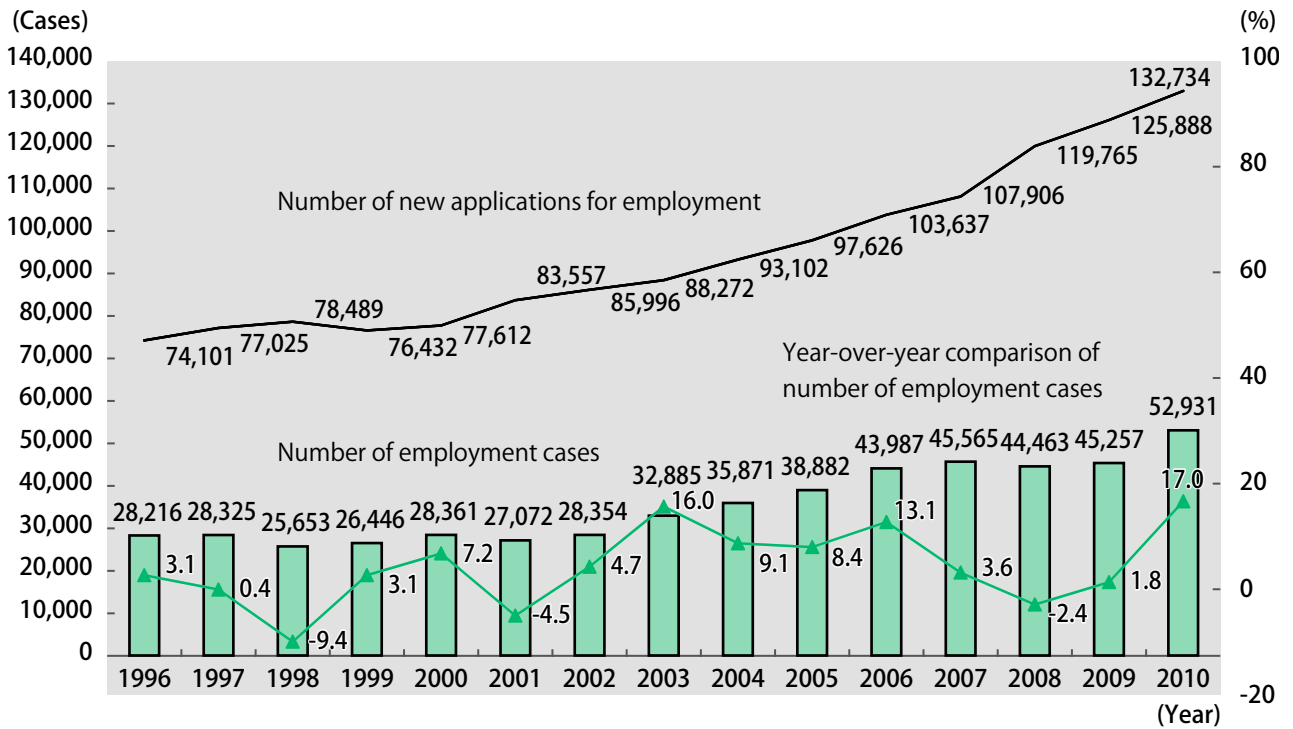
V-5 Situation of Employment Placement of Persons with Disabilities at Public Employment Security Offices

(Cases, persons, % , % points)

Year	1) Number of new applications for employment		2) Number of valid applicants for employment		3) Number of employment cases		4) Employment rate <3)/1)>	
		Year-on-year difference		Year-on-year difference		Year-on-year difference		Year-on-year difference
2001	83,557	7.7	143,777	9.0	27,072	-4.5	32.4	-4.1
2002	85,996	2.9	155,180	7.9	28,354	4.7	33.0	0.6
2003	88,272	2.6	153,544	-1.1	32,885	16.0	37.3	4.3
2004	93,182	5.6	153,984	0.3	35,871	9.1	38.5	1.2
2005	97,626	4.8	146,679	-4.7	38,882	8.4	39.8	1.3
2006	103,637	6.2	151,897	3.6	43,987	13.1	42.4	2.6
2007	107,906	4.1	140,791	-7.3	45,565	3.6	42.2	-0.2
2008	119,765	11.0	143,533	1.9	44,463	-2.4	37.1	-5.1
2009	125,888	5.1	157,892	10.0	45,257	1.8	36.0	-1.1
2010	132,734	5.4	169,116	7.1	52,931	17.0	39.9	3.9

Source: Employment Security Services Statistics, Ministry of Health, Labour and Welfare

V-6 Changes in the Number of Employment Cases and of New Applications for Employment



Source: Employment Security Services Statistics, Ministry of Health, Labour and Welfare

4 Policy on Equal Employment Opportunity between Men and Women

More than 20 years have now passed since the enactment of the Act on Securing, etc. of Equal Opportunity and Treatment between Men and Women in Employment (hereinafter referred to as the “Equal Opportunity Act”) in 1985, and the intervening period has seen major advances in the development of related legislation. In 2006, the act was revised to expand the scope of prohibition of sexual discrimination (to prohibit, for example, certain forms of indirect discrimination), prohibit prejudicial treatment on the grounds of pregnancy or childbirth, etc., and require the introduction of measures to prevent sexual discrimination, and so forth.

The proportion of women in the total labor force population has risen from 39.7% in 1985 to 42.6% in 2010, and women’s share of managerial positions (section manager level or above) has also risen from 1.4% in 1985 to 6.2% in 2010.

Despite these increases, however, there remain large numbers of women who leave work for such reasons as to have or look after a child, making it difficult for them to continuously develop their careers. It is also difficult for many women to put in the long working hours that are often required of core workers, who tend to be men. Further action is therefore being taken to ensure the proper implementation of the Equal Opportunity Act, which, among other things, prohibits discriminatory treatment at every stage of employment management, provides for positive action (voluntary action by enterprises to eliminate the gender gap that arises in practice), and requires that employers endeavor to ensure de facto equality of opportunity by promoting measures to help workers to balance the demands of work and home when caring for children or relatives requiring nursing care.

In the *New Growth Strategy* decided upon by the Cabinet in June 2010, the target of achieving an employment rate of 73% among women aged between 25 and 44 by 2020 was set, and the government is striving to increase the employment

rate among women, above all striving to eliminate the M-shaped curve (the curve representing the employment rate among women by age group) as a crucial task.

In order to ensure compliance with the Equal Opportunity Act, the equal employment offices in the prefectural labor bureaus established in each prefecture as local agencies of the Ministry of Health, Labour and Welfare engage in the following activities:

1. Active dissemination of information about the Equal Opportunity Act and provision of consultation services regarding discriminatory treatment due to sex in recruitment/hiring, assignments, promotions/demotions, education and training, uniform welfare packages, changes in job category and form of employment, encouragement to retire, mandatory retirement, dismissal, renewal of labor contracts, unfair treatment on the grounds of marriage, pregnancy or childbirth, and sexual harassment in the workplace.
2. Advice, guidance, and recommendations by the heads of prefectural labor bureaus and mediation by the Equal Opportunity Mediation Commission to promote the swift resolution of disputes between workers and employers regarding equal treatment, etc.
3. Proactive guidance based on the Equal Opportunity Act to ensure equal treatment of the sexes and monitoring of the actual state of employment management by enterprises.

Moreover, the Ministry is supporting voluntary initiatives on the part of labor and management, formulating the *Guidelines on Support for Initiatives by Management and Labor Aimed at Eliminating Wage Disparities Between Men and Women* in August 2010, with a view to securing equal treatment in practice; a practical support tool was built into this, in the form of a questionnaire for gaining an understanding of the actual situation in regard to

disparities and viewpoints on revisions to pay and employment management, in order to promote “realizations” concerning the understanding of the actual status of disparities between men and women and the necessity of initiatives to address this issue (“making visible” disparities between men and women).

In addition to the above, enterprises that take positive action are publicly recognized and information about them is provided via websites and email newsletters to encourage such action, and

conferences to promote women’s involvement in management and the workforce are organized in collaboration with employers’ associations to encourage employers to take positive action on their own initiative. From 2011, the Ministry will formulate and disseminate “support tools for making visible” the degree of equality between men and women, based on the characteristics of the actual status of employment management in each industry type.

5 Promotion of Part-time Work Policies

Entry into effect of the revised Part-time Work Act

The number of part-time workers has risen in recent years, and an increasing number are playing core roles in the workplace (including in managerial positions) as well as the more conventional auxiliary role of part-timers. At the same time, however, part-time workers are not always treated commensurately, and the need to eliminate unreasonable differences in pay and other treatment between part-time and permanent employees and secure fair recompense commensurate with their work and contributions has

consequently emerged as an issue. It was to address this that the revised Act on Improvement, etc. of Employment Management for Part-time Workers (hereinafter referred to as the “revised Part-time Work Act”) entered force on April 1, 2008, in order to ensure balanced treatment between part-time and ordinary workers on the basis of the work that they actually do and to promote part-timers’ movement into ordinary employment and so develop an employment environment in which part-time workers can more effectively exhibit their skills and abilities.

V-7 Overview of the Revised Part-time Work Act* (*Act on Improvement, etc. of Employment Management for Part-time Workers)

Aiming to increase part-time workers’ satisfaction with their working conditions, secure their equal treatment with ordinary workers, and promote their conversion to regular employee status, in order to develop an employment environment in which part-time workers can demonstrate their abilities more effectively.

1 Duty to issue documents and give explanations concerning the conditions of employment

Imposing an obligation (with administrative fines) to issue documents clarifying the conditions of employment

2 Encouraging companies to ensure equal treatment

- (1) Imposing on employers the obligation to strive to ensure the equal treatment, including in terms of wages, of all part-time workers with regular employees, according to the diverse forms of employment
- (2) In particular, prohibiting discriminatory treatment of part-time workers who should be treated in the same way as regular employees

3 Promoting conversion to regular employee status

Imposing on employers the obligation to implement measures to promote conversion to regular employee status, including giving part-time workers the opportunity to apply when deploying new regular employees

4 Supporting the handling of complaints and resolution of conflict

- (1) Imposing an obligation to make efforts to resolve complaints independently
- (2) Developing administrative ADR (such as arbitration)

Date of entry into force: April 1, 2008

Action to Ensure Balanced Treatment

As well as holding individual interviews for part-time workers and providing consultation and support services for employers, the equal employment offices in the prefectural labor bureaus provide administrative guidance by responding to requests for consultations and making planned visits to businesses, and also provide assistance in resolving disputes, in response to applications from workers or employers.

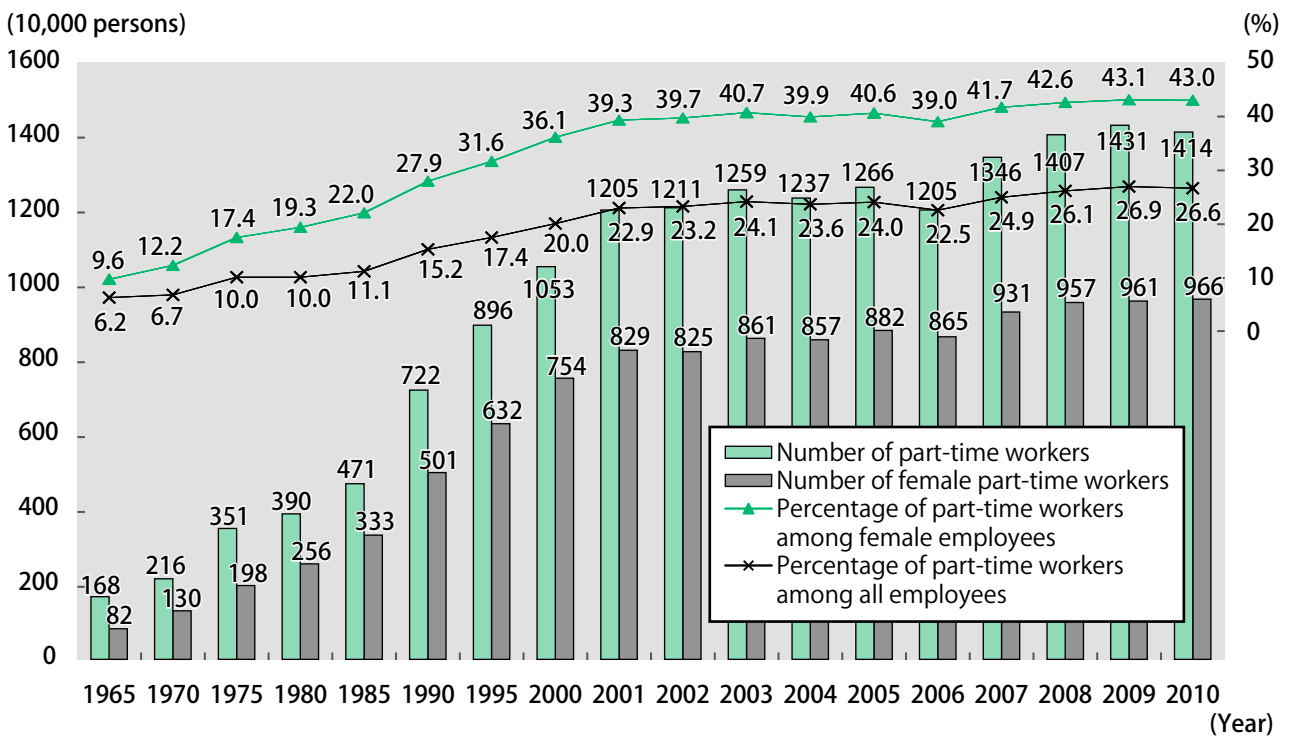
Support for Employers Engaging in Providing Balanced Treatment

Balanced Treatment and Regular Employee Creation Promotion Planners, who are experts in personnel and labor management, are deployed to the equal employment offices in the prefectural labor bureaus; they give advice concerning specific

methods for implementing balanced treatment between part-time workers and regular workers, as well as advice to enable companies to further promote a switch to regular employee status among part-time workers. In addition, they provide support for employment management improvement initiatives by employers, in line with the revised Part-time Work Act.

Moreover, in order to promote improvements in employment management in line with the revised Act, initiatives are being promoted to achieve a switch to regular employee status and secure balanced treatment for part-time workers in comparison with regular employees, by such means as providing subsidies to employers striving to achieve balanced treatment and to promote a switch to regular employee status among part-time workers.

V-8 Changes in the Number and Percentage of Part-time Workers (People Who Work Less Than 35 Hours per Week) in Industries besides Agriculture and Forestry



*The number of part-time workers has increased remarkably in recent years, reaching approximately 14.14 million people in 2010.
 *They account for approximately a quarter of the total number of persons in employment (53.16 million people).
 *Approximately 70% of all part-time workers are women. The number of male part-time workers is also increasing.
 *The number of part-time workers taking on essential roles is also growing.

Source: Labour Force Survey, Statistics Bureau, Ministry of Internal Affairs and Communications

6 Fixed-term Employment Measures

The Current Status of Non-regular Workers, including Workers on Fixed-term Contracts

Among what are referred to as non-regular workers are people referred to by a variety of terms, including part-timers, temporary dispatched workers, contract employees and shokutaku or “entrusted” workers.

The number of non-regular workers has increased from 12.73 million in 2000 to 17.55 million in 2010; moreover, of the fixed-term contract workers who are working under labor contracts that specify their duration, the number of fixed-term contract workers with a contract period of a year or less increased from 6.71 million in 2000 to 7.57 million in 2010.

Improvements in the Employment Management of Fixed-term Contract Workers

Issues that have been pointed out with regard to fixed-term contract workers include the lack of stability in their employment, disparities in treatment, and inadequate professional skill formation.

With regard to part-timers and temporary dispatched workers, measures are being formulated to

improve their employment management based on the relevant laws governing them; in addition, with regard to fixed-term contract employees, who work full-time, the following were drawn up as guidelines based on labor-related legislation, focusing primarily on full-time fixed-term contract employees who have had their contracts renewed several times, in order to improve their employment management:

1. Required measures that all employers should take
2. Measures that it would be desirable to consider in order to seek the implementation of better employment management

At public employment stabilization offices, as well as proactively engaging in publicity, education and consultations concerning the guidelines aimed at employers, the grant system is being utilized and efforts are being made to improve employment management.

Moreover, since October 2010, the Labour Policy Council has been undertaking deliberations concerning approaches to fixed-term labor contracts, and the Japanese government will promote the requisite measures, based on the conclusions of this Council.

7 Measures regarding Dispatched and Subcontracted Labor

1985 saw the enactment of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (hereinafter referred to as the “Worker Dispatch Act”), which unbundled services using workers employed by dispatchers from the labor supply services prohibited under the Employment Security Act to establish a new category of “worker dispatch undertakings,” which are allowed to provide workers in certain job categories based on such factors as the degree of expertise required and the specificity of employment management to the job or industry concerned.

The enactment of this act was prompted by the parallel growth in demand for workers to fill specialist positions within enterprises and the demand from workers for more flexible working patterns, which was resulting in more enterprises dispatching workers in their employ to work at other enterprises despite the prohibition of labor supply services. In some cases, work was in practice being rolled into that performed at the client despite being treated as subcontracting, making it unclear with whom responsibility lay and hindering worker protection. This piece of system was therefore introduced to assist the swift and appropriate matching of supply and demand for labor while helping to stabilize worker protection and employment, and this was achieved by instituting worker dispatch undertakings as a means of adjusting labor supply and demand, and establishing the necessary rules for such undertakings mindful of the need for harmony with Japanese employment practices and paying attention to ensuring that the system would not result in dispatched workers taking the jobs of regular employees.

The core thinking underlying this system remained the same despite the deregulation of the scope of job categories covered by the act’s revision in 1999, and it was positioned as a means of adjusting supply and demand for temporary labor through the imposition

of limits on how long dispatched workers could be used by client enterprises in order to ensure that they would not be used to replace regular employees.

With regard to the dispatch of workers, under deregulatory initiatives subsequently introduced in 2003, as well as extending the period during which dispatched workers could be used by client enterprises to a maximum of three years, the embargo on dispatching workers to companies involved in the manufacture of goods was lifted and the number of dispatched workers increased significantly.

These large increases appear to have been driven by the needs of both management and labor. Among dispatched workers, reasons for choosing this form of work include both the positive (being able to choose what work to do and the ease of finding work immediately) and the negative (inability to find permanent employment).

However, as a result of the rapidly-deteriorating employment situation in the aftermath of the “Lehman Shock” in the autumn of 2008, problems in the employment environment relating to dispatched workers, such as dismissals and cessation of contracts, came to be recognized as a social problem. Amidst the harsh employment situation, the problems that emerged included socially-problematic forms of employment, such as the hiring of day-laborers, as well as the instability of employment in forms of dispatch such as registration-type dispatch and manufacturing operations dispatch. Moreover, it began to be pointed out that these workers were not receiving treatment commensurate with their way of working, with some stating that the pay of dispatched workers was becoming entrenched at a low level.

In light of this situation, in order to seek improvements in the employment stability and treatment of dispatched workers, an amendment to the Worker Dispatch Act that incorporated a ban in principle on registration-type dispatch and manufacturing operations dispatch, as well as imposing the obligation to give consideration to

balanced treatment, was submitted to the Diet in April 2010

The number of dispatched workers after the 2003 amendment was 3.81 million in total, equivalent to 1.74 million regular workers, which was a considerable increase (FY2007). However, due to the rapidly-deteriorating employment situation after the “Lehman Shock” in the autumn of 2008, apart from the number of worker dispatch companies remaining high at 83,677, there was a declining trend among other figures, with the number of businesses to which workers were dispatched falling to 901,935, and the number of dispatched workers decreasing to 3.02 million, equivalent to 1.57 million regular workers (FY2009).

However, on the other hand, amongst cases of guidance and supervision and supervision alone in relation to infringements of the Worker Dispatch Act,

the guidance rate has been increasing annually.

Two particular kinds of violation that have emerged as a problem have been “bogus subcontracting” by enterprises seeking to evade the restrictions imposed by the Worker Dispatch Act, and the “daily hire” dispatch of workers for extremely short periods.

While the evidence thus shows that worker dispatching has become established and is fulfilling a certain function as a mechanism for adjusting labor supply and demand, there remain several issues to be addressed, including the stability of employment, improvement of treatment, and handling of legal violations (including violations committed by clients). Action is therefore being taken in response by, for example, strengthening guidance and supervision and making revisions to the system.

8 Public Job Introduction System

The basic purposes of Public Employment Security Offices, which are located in approximately 545 locations all over Japan (including branch offices), are to provide job seekers with the most suitable job opportunities according to their wishes and abilities and to introduce the most appropriate personnel to employers who are looking for employees.

The Public Employment Security Offices are connected online throughout Japan, and offer service using the Hello Work System to provide information about job vacancies and job searches immediately through computers.

In addition, in order to respond appropriately to the recently diversifying needs of users, we have strengthened our agencies by introducing service such as following measures and operations.

Job Banks

These undertake careers advice and employment referrals, specializing in professional and technical roles and managerial posts for those aged 40 or above, and have been established in 12 major cities across the country, in order to promote the re-employment of those with specialist knowledge and skills.

Part-time Job Banks

Part-time job banks (available in 26 locations as of FY2011) have been established in regions where there is intense demand for part-time employment, in order to provide comprehensive specialist employment referral services relating to part-time employment, such as careers advice relating to part-time employment and employment referrals, and facilitate the job-search activities of those who wish to work part-time.

Mothers' Hello Work, Mothers' Salons, and Mothers' Corners

Since FY2006, Mothers' Hello Work branches

have been established in 12 locations; in addition, since FY2007, Mothers' Salons have been established in key cities in 36 prefectures (36 locations) where there is no Mothers' Hello Work branch. Furthermore, Mothers' Corners have been established as support hubs in Hello Work branches in those regions where the above initiatives have not been implemented, focusing on areas where it is anticipated that there will be a great deal of demand; these corners were established in 60 branches in FY2008, 40 branches in FY2009, 15 branches in FY2010, and five branches in 2011. In total, there are support hubs in 168 locations across Japan (as of FY2011, including areas where establishment is currently planned). While creating an environment which women can visit with peace of mind even if they are accompanied by their children, these support hubs provide services to women who have made preparations to engage in job-search activities and wish to return to work as soon as possible, such as providing meticulous careers advice via a case worker system and finding vacancies based on the needs of the individual, as well as providing information about daycare centers and other local child-rearing support services, in collaboration with local government organizations, thereby providing re-employment support to women who are still bringing up children.

Hello Work Plaza

Hello Work Plazas have been established (in 59 locations as of FY2011) in areas that are convenient for jobseekers, in order to provide the careers advice and employment referral services of Hello Work, thereby enabling jobseekers to use these services effectively and promoting matching between jobseekers and available vacancies.

New Graduate Support Hello Work

New Graduate Support Hello Work branches have been established in all prefectures (in 56 locations as of FY2011) since September 24, 2010, as specialist

branches of Hello Work that are easy to use for students and recent graduates seeking work. These branches provide consistent individual support (such as providing advice on how to undertake job search activities, correcting application forms, and providing guidance concerning interviews) and various kinds of

support for matching jobseekers with vacancies (such as providing information on vacancies across the country, providing employment referrals, developing vacancy opportunities, and holding various seminars) based on a system of caseworkers (called Job Supporters).

9 Employment Measures for Foreigners

Basic Approach to Employment Measures for Foreigners

Within the framework of existing legislation, the scope of acceptance of foreign workers has been determined while giving comprehensive consideration to “factors including but not limited to the effects on Japanese industry and public welfare” (Immigration Control and Refugee Recognition Act).

The Employment Countermeasures Act, revised in 2007, specifies in addition that the Government should take measures to promote the employment of foreigners in specialist and technical fields, improve the employment management and promote the reemployment of foreigners, and prevent their illegal employment. It also makes it mandatory for employers to endeavor to improve their employment management and assist the reemployment of foreign workers, and to submit notification regarding their state of employment of foreigners. In line with the Employment Countermeasures Act, the Minister of Health, Labour and Welfare has issued a notice establishing guidelines concerning the measures that employers should take to improve their employment management of foreign workers and to ensure their proper treatment (hereinafter referred to as the “Foreign Worker Employment Guidelines”).

Further indication is provided in the Basic Guidelines on Employment Policy (Public Notice issued by the Minister for Health, Labour and Welfare, February 2008), drawn up to map out the mid-term direction of employment policy over the next five years or so, which state that the employment in Japan of foreigners in specialist and technical fields should be actively promoted, and action should be taken to attract high-quality international students and help them to find employment in Japan, and to improve the work environment faced by foreign workers.

Moreover, in the “Action Plan on Measures for Foreign Residents of Japanese Descent” formulated in March 2011, based on the “Basic Policy on

Measures for Foreign Residents of Japanese Descent,” it is stated that interpreters and consultants will continue to be deployed at Hello Work and employment training courses will continue to be implemented.

In addition, there are those of the opinion that the scope of acceptance of foreign workers should be expanded, due to concerns about there being insufficient workforce in the future. However, in order to improve working conditions and avoid impeding the promotion of matching and the securing of personnel through this, as well as because of growing fears about the labor market acquiring a two-tier structure, rather than simply responding through expanding the scope of acceptance of foreign workers, it is believed to be important to first of all achieve participation in the labor market on the part of young people, women, older people, and persons with disabilities within Japan, as per the target set forth in the New Growth Strategy (Cabinet decision dated June 18, 2010), which prescribes total mobilization in regard to the policy, in order to increase the employment rates of young people, women, older people, and persons with disabilities, thereby curbing the decline in the number of employees.

Present Situation regarding Foreign Workers and Issues to Address

With regard to foreign workers of Japanese descent (*Nikkei*), it used to be the case that they could dedicate themselves to work, with everything in relation to their lives, such as their place of residence, being arranged through support provided by the personnel dispatch company or contractor. However, as a result of the rapid deterioration of the employment and unemployment situation from the autumn of 2008, many of these people lost their jobs and homes at the same time, and many of them visited the public employment security offices in regions where numerous foreigners of Japanese

descent had settled. Up till that point, they had been employed in unskilled labor for a long time, communicating through interpreters deployed by personnel dispatch companies, so in addition to lacking any ability in the Japanese language and being unfamiliar with Japanese employment practices, many of them had not accumulated adequate skills, so it was extremely difficult to arrange re-employment for these people. In regions where numerous foreigners of Japanese descent had settled, the number of new jobseekers has declined to pre-Lehman Shock levels, but as can be seen from the fact that the number of consultations remains high, at about three times the previous level, although short-term *Arbeit*-type work is returning through “recovery” in the employment situation, the structure in which a large number of people are in unstable employment, namely dispatch work and contract work, remains unchanged. Moreover, competition with Japanese jobseekers is a factor that is increasing the severity of the re-employment situation for foreign residents.

On the other hand, amidst a situation in which the economy is becoming increasingly globalized, the proactive utilization of highly-able foreign personnel is becoming a crucial issue in regard to increasing the dynamism of the Japanese economy. However, there are still few companies in Japan that accept highly-able foreign personnel, and even if one looks at the utilization situation at companies, the current situation is such that mechanisms that enable foreign personnel to exercise their characteristic creative thinking and expertise effectively are inadequate. Moreover, at present, there are more than 140,000 foreign students residing in Japan, who are “embryonic highly-able foreign personnel,” about 60% of whom wish to seek employment at a Japanese company, but the number of foreign students who had actually found employment at a Japanese company was only 9,584 in FY2009 (announced by the Ministry of Justice, July 2010). The obstacles to foreign students finding employment at Japanese companies include the fact that few companies recruit and employ foreign students, the fact that the period when job search activities take place in Japan is early, so it is difficult to engage in job-seeking while also studying, and the

fact that there is a mismatch between the personnel sought by companies and the skills of foreign students.

Improvement of Employment Environment Faced by Nikkei and Other Foreign Residents, Support in the Event of Job Loss, and Promotion of Employment of Foreigners in Specialist and Technical Fields

As well as deploying interpreters in public employment security offices in regions where numerous foreigners of Japanese descent have settled, the Ministry will seek to promote the stable employment of foreigners of Japanese descent by providing young *Nikkei* residents with guidance and career formation advice through individual guidance, as well as providing meticulous employment support through a caseworker system.

Moreover, once one becomes separated from one’s employment amidst the current harsh employment environment, it is exceedingly difficult to find another job. Consequently, in addition to increasing the deployment of interpreters who speak their mother tongues, such as Spanish and Portuguese, in collaboration with public employment security offices and municipalities, the Ministry is building a system for the provision of information and consultations through the establishment of consultation services that can provide one-stop consultations regarding a variety of queries, including issues concerning daily life.

Furthermore, in regard to foreigners of Japanese descent who wish to seek another job within Japan, as well as implementing vocational training for *Nikkei* residents through job training and urgent personnel development projects that aim to enhance their skills, including their Japanese language ability, the Ministry is collaborating with local authorities and striving to secure vocational training opportunities for foreigners.

The promotion of the employment of foreign workers in “specialist and technical fields” – so-called highly-able foreign personnel – is primarily being undertaken by Employment Service Centers for Foreigners, which were established as facilities

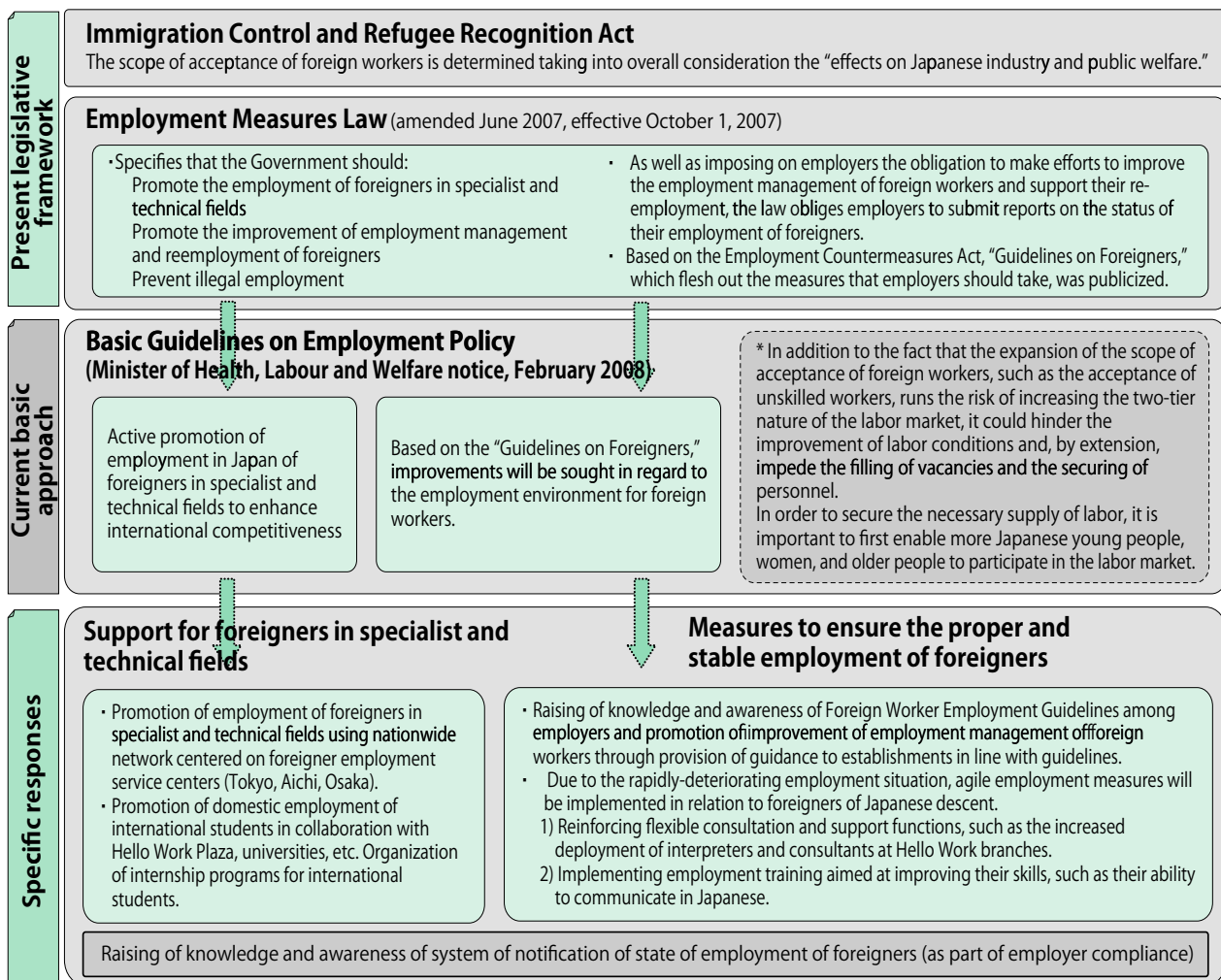
specializing in careers advice and job placements for these foreigners, and providing guidance and advice to employers concerning employment management. In addition, public employment security offices are undertaking such tasks as proactively finding vacancies in “specialist and technical fields” at businesses that are deemed to be able to accept foreign workers in an appropriate fashion.

Moreover, they provide accurate advice and guidance based on the guidelines for foreigners and strive to ensure that the employment of foreign workers in “specialist and technical fields” is promoted through improvements in employment management at companies.

Furthermore, with regard to foreign students who could become highly-able foreign personnel, with the

number of people wishing to find employment in Japan after graduation increasing, in order to reliably connect them to employment opportunities, the Ministry is working on proactively developing employment opportunities for foreign students, providing information to foreign students about job search activities and support for job-seeking, and promoting matching that utilizes the nationwide network. In addition, from FY2008, through the implementation of an internship program aimed at foreign students, the Ministry is promoting mutual understanding between foreign students and companies, and seeking to provide practical preparatory activities aimed at full-scale job-seeking after graduation, thereby further promoting the employment of foreign students within Japan.

V-9 Basic Approach to Employment Measures for Foreigners



V-10 The Acceptance of Highly-able Foreign Personnel Is a National Strategy

① Employment Measure That the Government Should Take

- Clearly positioning the promotion of the employment of foreign people “with advanced expert knowledge and skills” as an employment measure that the government should take. (Article 4 of the Employment Countermeasures Act)
- There are no restrictions, such as labor market tests or limits on the number of people; they can basically be widely employed as long as they graduated from university.

② Expanding the Acceptance of Foreign Students

- Aiming to accept 300,000 foreign students by 2020.
- Implementing systematic support, from when they enter education, including their acceptance into the university and society, through to their career path after graduating or completing their graduate studies, including finding a job. (*Plan to Accept 300,000 International Students (Outline)* (Formulated July 29, 2008))

③ Increasing the Number of Highly-Able Foreign Personnel Living in Japan

- Aiming to double the number of highly-able foreign personnel living in Japan by implementing measures to attract them to Japan.
- Aiming to accept 300,000 high-quality foreign students.
- Furthermore, in order to attract intelligent foreign personnel to Japan, consideration will be given to introducing a “points system” that gives preferential measures in terms of immigration control to advanced foreign personnel with an excellent employment history and record of achievement (*New Growth Strategy*, Cabinet decision taken in June 2010).

④ Ministry of Health, Labour and Welfare initiatives aimed at developing an environment for promoting the utilization of advanced foreign personnel

- Promoting internships and nationwide matching focused on Foreign Worker Employment Service Centers.
- Implementing the “Program to Promote the Utilization of Advanced Foreign Personnel at Companies” in FY2009 & 2010.
Gaining an understanding of needs through questionnaires, formulating practical manuals for companies concerning the previous year’s project, and holding seminars.

10 Promotion of Measures to Assist Work-life Balance

Charter and Action Guidelines to Promote Work-life Balance

Following deliberations by the Top-level Public/Private Council on the Work-Life Balance, consisting of relevant Cabinet ministers, experts, and representatives of business, labor, and local government, a “Work-Life Balance Charter” and “Action Guidelines to Promote the Work-Life Balance” were established on December 18, 2007. In the years ahead, society as a whole needs to take positive action based on this Charter and Action Guidelines. (For the text of the Charter and Action Guidelines, see the Cabinet Office website: http://www.gender.go.jp/english_contents/mge/wlb/index.html)

1) Work-Life Balance Charter

The Charter maps out the overall course of national measures, defining a society in which work and family life are balanced as “a society in which each and every citizen can work and fulfill his or her responsibilities in the workplace while enjoying a sense of worth and fulfillment and at the same time being able to choose and realize various lifestyles at each stage of life—including during parenting and in middle and old age—in regard to their lives at home and in the community.” In line with this definition, the roles of interested parties are described as follows: (1) enterprises and workers should endeavor to work together to raise productivity and take voluntary action to change mindsets and cultures in the workplace and reform ways of working; (2) citizens should consider how to balance their own work and family lives and play an active role in the home and the community; (3) the Government should take active steps to promote and support the development of social momentum, establishment of an institutional framework, and development of necessary conditions; and (4) local governments should develop innovative measures tailored to conditions in their own locales.

2) Action Guidelines to Promote the Work-life Balance

The Action Guidelines set forth principles for effective action by employers and workers and measures for implementation by the central and local governments. To promote voluntary action in society as a whole, 14 numerical targets are set for attainment in five and 10 years’ time, including targets for the labor force participation rates for young people, women, and older people, the proportion of employees working at least 60 hours per week, and the proportion of women remaining in employment after having their first child.

Promotion of Measures to Assist Work-life Balance

1) Promotion of Reform of Working Patterns

Based on the Charter and Action Guidelines, from the perspective of promoting a good work-life balance, the Ministry of Health, Labour and Welfare is undertaking reforms in ways of working throughout society, including promoting corporate initiatives aimed at curbing long working hours and encouraging workers to take paid annual leave.

More specifically, it is supporting endeavors aimed at improving the setting of working hours by small and medium-sized enterprises, through such initiatives as subsidies to promote improvements in the setting of working hours. Moreover, it is publicizing and educating employers about the *Guidelines on the Amendment of Working Hours* (guidelines on improving the setting of working hours), which set forth the matters required for employers to appropriately deal with the setting of working hours, and is promoting autonomous initiatives by labor and management.

2) Promotion of Measures to Support Balance of Work and Home

Upgrading the environment to ensure that it is easy for both men and women to continue working while bringing up children or looking after elderly relatives realizes the wishes of the individual and, by extension, leads to the maintenance and improvement

of Japan's dynamism. However, if one looks at the reality of the situation, one can see that the number of women who leave their jobs when they give birth to their first child has reached 62%, among whom there are quite a few who quit their jobs because it is difficult to combine work with child-rearing. Moreover, irrespective of the fact that more than 30% of men wish to take childcare leave, the proportion of men who actually take childcare leave is still only 1.72%.

Thus, there is a situation in which it is not possible for men and women to combine work with family life, and this is believed to be a factor behind the declining birth rate. Accordingly, in the *New Growth Strategy* decided upon by the Cabinet in June 2010 and the Action Guidelines of the Top-level Public/Private Council on the Work-Life Balance, which were decided upon in the same month, the numerical targets were set of achieving a continued employment rate for women around the time of the birth of their first child of 55%, and a rate of taking childcare leave among men of 13% by 2020. Moreover, the Ministry of Health, Labour and Welfare is implementing the following concrete measures.

(1) Thorough publicizing of the amended Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave

The amended Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave entered into force on June 30, 2010. This obliged employers to implement a system of short-time working for workers caring for children under the age of three and institutionalizes their exemption from working outside their normal working hours, as well as creating additional childcare leave for parents and leave for taking care of family members. Moreover, mechanisms aimed at ensuring their legal effectiveness were established.

In order to support the upgrading of the workplace environment so that both men and women can continue working while bringing up children or caring for family members, the amended law is being

thoroughly publicized. Moreover, prefectural labor bureaus provide the requisite advice, guidance or recommendations concerning disputes between workers and employers, when their assistance in resolving these is sought by the parties concerned.

(2) Promotion of measures by enterprises to support the development of the next generation

The Act on Advancement of Measures to Support Raising Next-Generation Children obliges general employers to formulate an action plan to support employees in combining work with child-rearing and to submit this to their prefectural labor bureau, as well as obliging them to advertise this and publicize it among their employees. The amendment entered into force in April 2011 and the scope of application of this obligation was expanded from companies with at least 301 regularly-employed employees to companies with at least 101 regularly-employed employees.

Moreover, enterprises that develop and implement appropriate action plans and meet certain requirements, such as attainment of their objectives, are accredited by the Minister of Health, Labour and Welfare and allowed to use the "Kurumin" mark in recognition of their family friendliness.

To encourage further action by enterprises, the Act for Measures to Support the Development of the Next Generation was revised in 2008 to expand the obligation to prepare and submit notification of ordinary employer action plans from enterprises with at least 301 regular workers to those with at least 101. It was also made mandatory to disclose and inform employees of such plans.

(3) Support for development of workplaces that facilitate the work-life balance

In addition to (1) and (2) above, the Government is working to develop conditions that facilitate the balancing of work and personal life through such measures as providing various subsidies to enterprises that promote balance, encouraging the spread of "family-friendly enterprises" through the "Equality and Work-Life Balance Enterprises Recognition" program.

11 Minimum Wage System

Purpose of System

The minimum wage system is a system by which the Government establishes legally enforceable minimum amounts for wages that at least employers must pay workers.

The stated objective of the Minimum Wage Act (hereinafter referred to as the “Act”) is “to improve the working conditions of low-paid workers by guaranteeing minimum amounts of wages and thereby to contribute to stabilizing workers’ living, raising the quality of the labor force, and securing fair competition among undertakings, as well as to promote the sound development of the national economy” (Article 1 of the Act).

Methods of Determination and Types of Minimum Wage

In Japan, minimum wages are determined based on investigation and deliberation by minimum wage councils. This is called the “council method”.

*Another method of determining minimum wages, called the “expanded collective labor agreement method”, was discontinued under revisions to the Act effective from 2008.

Minimum wages are of three kinds—regional, industrial, and occupational—of which two are presently set: 1) regional minimum wages and 2) industrial minimum wages.

1) Regional minimum wages

(All 47 prefectures had regional minimum wages in FY2008. These covered approximately 50 million workers, and the weighted average amount was 703 yen).

Regional minimum wages are determined at the level of each prefecture and accordingly named after the prefecture. As a rule, they apply to all workers working at establishments and all employers employing even just one worker in the prefecture concerned.

2) Industrial minimum wages

(There were 251 industrial minimum wages in FY2008, covering approximately 3.81 million workers. The weighted average amount was 786 yen).

Almost all industrial minimum wages (249 of the total) are established for a specific industry in a given prefecture, and accordingly named after the prefecture and industry concerned. One minimum wage covers a specified industry nationwide, and is named accordingly.

Following the recommendations of the Central Minimum Wage Council dated July 29, 1981, and February 14, 1986, industrial minimum wages are established where the employers and workers concerned consider it necessary for wages to be higher than the regional minimum in order to improve working conditions and ensure fair business competition. (247 “new industrial minimum wages” of this kind have so far been set.)

The “former” industrial minimum wages set before these recommendations were made have not, with the exception of those replaced by new equivalents, been revised since 1989, and have been phased out as they have fallen below the regional minimum wage. Presently only three minimum wages of this kind remain.

Standards for Determination of Minimum Wages

Minimum wages are established taking into all-round consideration three factors: 1) workers’ cost of living, 2) workers’ wages, and 3) the capacity of normal industries to pay wages. When considering the first factor, consideration is shown for consistency with measures pertaining to public assistance to enable workers to maintain the minimum standards of wholesome and cultured living (Article 9 of the Act).

Revision of Minimum Wage Rates

Since 1978, guideline increases to regional

minimum wages have been presented every year by the Central Minimum Wage Council to the regional minimum wage councils in order to ensure consistency nationwide. The Regional Minimum Wage Councils then consider revisions to the regional minimum wage in their area based on local conditions and taking these guidelines into consideration.

Industrial minimum wages are revised after deliberation by a minimum wage council where it deems this necessary following a request by a representative of some or all workers or employers (Article 15, Paragraph 1 of the Act).

Expression of Minimum Wage

Minimum wages are presently expressed in the form of an hourly rate as provided for by Article 3 of the Act. (However, some industrial minimum wages are expressed as both a daily rate, as in the past, and as an hourly rate: the daily rate applies to those workers in the industries concerned who are paid a daily wage, and the hourly rate applies to those paid an hourly or monthly wage. Following the entry into effect of the revised Act in 2008, minimum wages expressed as daily rates must also be expressed as an hourly rate when next revised.)

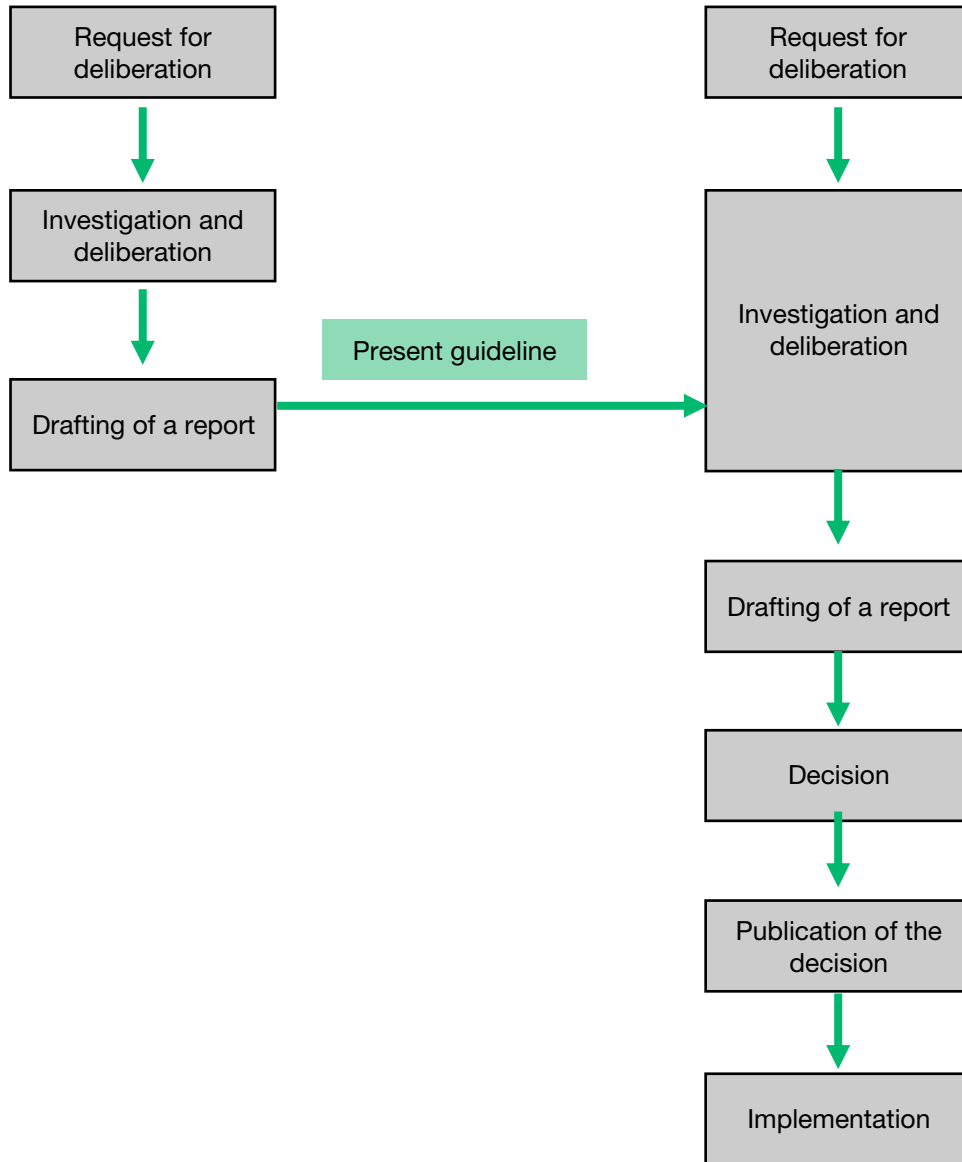
In order to determine whether the wage actually paid meets the minimum wage, therefore, the actual wage received less the allowances for dependents, etc. shown in 5 is compared with the minimum wage by the appropriate method shown below according to the mode of payment of wages (Article 2 of the Rules).

- 1) Hourly wage …… Hourly wage \geq minimum wage (hourly rate)
- 2) Daily wage …… Daily wage / scheduled working hours per day \geq minimum wage (hourly rate)
(Daily wage \geq daily rate of minimum wage in the case of industrial minimum wages to which a daily rate applies)
- 3) Monthly wage …… Wage is converted to an amount per hour and compared with the minimum wage (hourly rate)

V-11 Methods Used to Set Minimum Wages (Minimum Wage Set through Minimum Wage Council Investigation and Deliberation)

Central minimum wage council
【Consideration for guideline】

Regional minimum wage council
【Consideration for regional minimum wage】



V-12 Minimum Wages (Weighted National Average)

(As of December 1, 2010, yen)

	Hourly rate
Minimum wage by prefecture	730
Minimum wage by industry	796

Trends of Occupational Accidents and Work-related Diseases

Although the number of work-related casualties has a long-term trend of steady decrease, as many as 480,000 casualties are still seen in Japan every year. Moreover, if one looks at the number of deaths, one can see that the figure for 2010 was 1,195 people, the first increase in 11 years, since 1999.

Regarding the situation of workers' health, on the other hand, the results of periodic health examinations show around 50% of all workers having some abnormal findings. Besides, a survey conducted by the Ministry of Health, Labour and Welfare (hereinafter referred to as MHLW) in 2007 shows around 60% workers are having some serious anxieties or stresses resulted from their work or working life in the workplace.

Current Situations and Challenges in Industrial Safety and Health Measures

Since 1958, the MHLW has launched and implemented ten Industrial Accident Prevention Plans (5 years each). In accordance with the 11th Industrial Accident Prevention Plan (2008-2012), the MHLW is working on the following challenges:

1. Promotion of risk assessment and implementation of risk reduction measures based on the findings
2. Prevention of accidents caused by machinery
3. Prevention of health impairments caused by chemical substances
4. Promotion of measures against mental disorders in the workplace

Workers' Compensation Insurance System

This government insurance system pays the necessary insurance benefits to workers to give them prompt and equitable protection against injury, illness, disability, death, etc. resulting from employment or commutation. The system also provides welfare services to injured workers to promote their smooth return to society (see V-14).

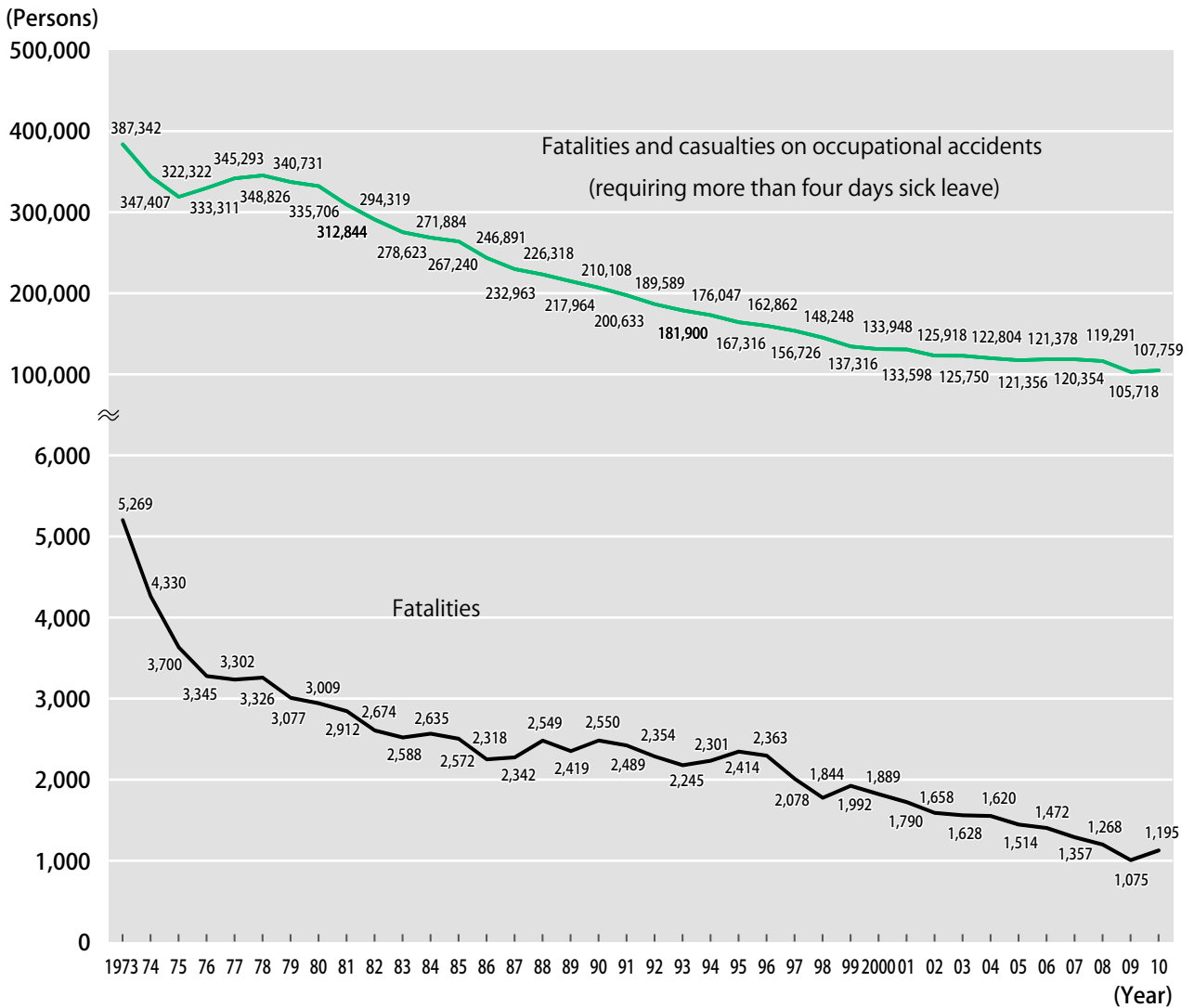
(1) Eligibility

Any business that employs workers may participate in the Workers' Compensation Insurance System, excluding government employees (except local government part-time workers engaged in blue-collar labor). Certain businesses engaged in agriculture, forestry or fishery, and employing five or fewer workers may be eligible on a temporary basis. Additionally, special enrollment may be granted to smaller business owners and their family employees, sole proprietorships, and workers dispatched on overseas assignments. In those cases, they are entitled to receive benefits for injuries sustained at the workplace and, in some circumstances, for injuries sustained while commuting to or from the workplace.

(2) Insurance Premiums and the Burden of Expenses

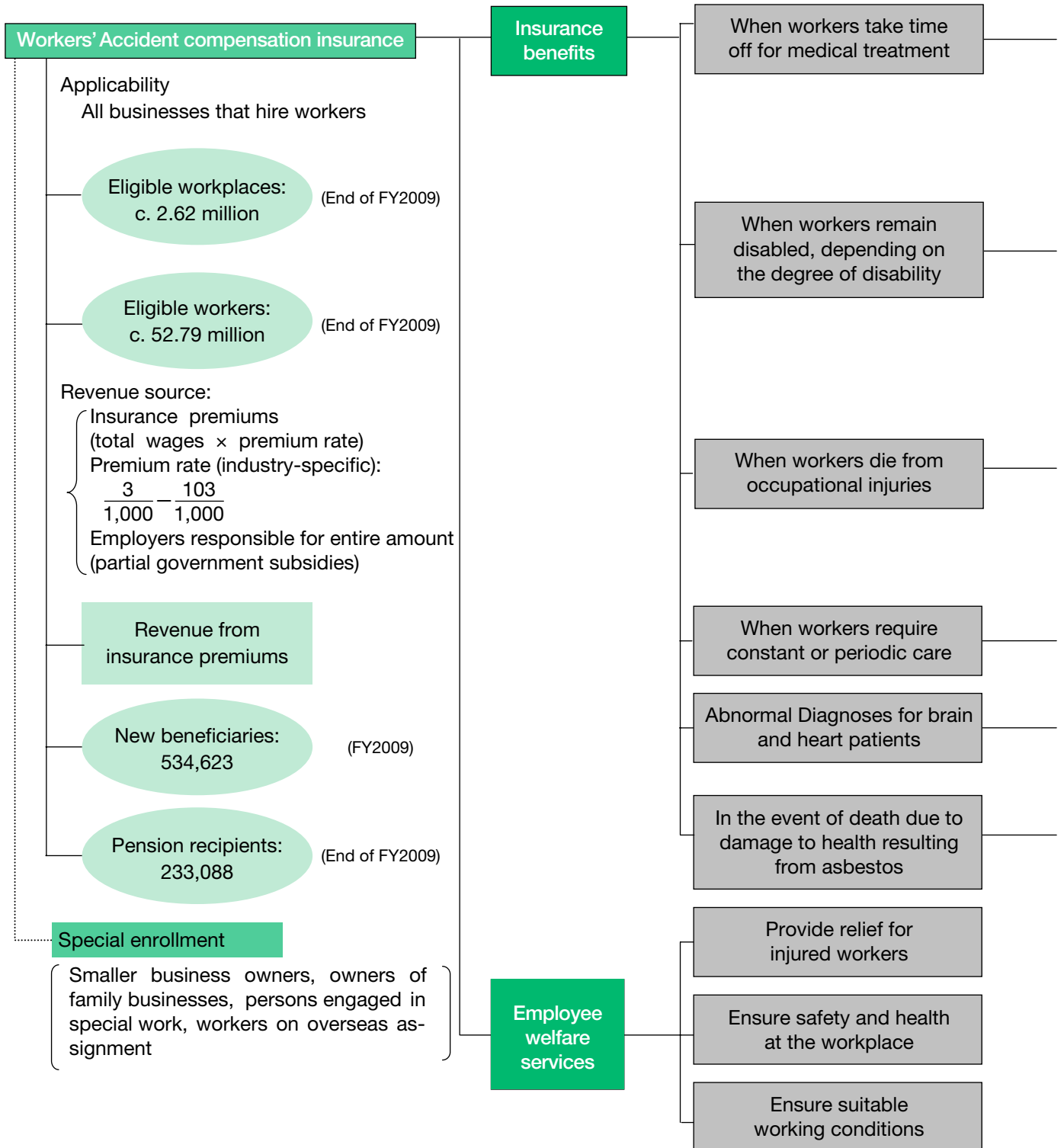
Employers are required to pay insurance premiums, which are calculated by multiplying total payable wages by the accident rate determined for each business category (3/1,000-103/1,000). Companies larger than a specific size may participate in a so-called merit system, whereby premium rates or total premium (excluding those related to accidents occurring while in commute or benefits for a second physical exam) are based on relevant accident rates at each company.

V-13 Changes in Reported Cases of Occupational Accidents



Sources: Research done by Labour Standards Bureau, Ministry of Health, Labour and Welfare

V-14 Outline of Workers' Compensation Insurance System



Compensation for medical expenses	All medical expenses	
Compensation for missed work	60% of standard benefits per day of work missed, beginning on the fourth day of absence	+ Additional special benefits * Special benefits for missed work * Special lump-sum payments * Special pensions
Compensation for illnesses or injuries (pension)	Payment ranging from 245 (Class 3) to 313 (Class 1) days' worth of pension at standard daily rate to those who have not recovered from illnesses or injuries after 18 months of treatment	
Compensation for disabilities (pension)	Payment ranging from 131 (Class 7) to 313 (Class 1) days' worth of pension at standard daily rate	
Compensation for disabilities (lump sum)	Payment ranging from 56 (Class 14) to 503 (Class 8) days' worth of pension at standard daily rate	
Compensation to survivors (pension)	Payment ranging from 153 days to 245 days' worth of pension at standard daily rate, according to number of survivors	
Compensation to survivors (lump sum)	Lump-sum payment amounting to 1,000 days' worth of standard pension to survivors not eligible for pensions	
Compensation to Funeral expenses (Full payment)	¥315,000 + 30 days of standard compensation (minimum compensation: 60 days' worth at standard daily rate)	
Compensation for nursing care	Up to ¥104,530 for constant care and ¥52,270 for occasional care, per month	
Payment for a second medical exam	Second exam to ascertain cardio vascular or heart condition and special health guidance by a doctor	
Special pension for bereaved family members	¥2.4 million - ¥3.3 million a year, according to the number of bereaved family members	
Special lump-sum benefit for bereaved family members	¥12 million yen or the amount remaining after deducting the total amount of sums paid as special pension for bereaved family members from ¥12 million, according to the bereaved family	

(Provision of artificial limbs, establishment and administration of industrial accident hospitals)

(Special benefits for injured workers; benefits to defray the cost of educating injured workers' children)

(Implementation of measures for preventing accidents at the workplace and promoting occupational medicine)

Source: Ministry of Health, Labour and Welfare

Notes: 1) Standard daily rate is calculated by dividing total wages paid to a worker during the three calendar months preceding the injury by the number of calendar days in that period (minimum compensation: ¥4,040).

2) Minimum and maximum standard daily rates for pensions and long-term (18 months) medical treatment are determined according to age group.

3) There are merit systems that increase or decrease health care rate (amount of insurance premium) according to the balance of industrial accident insurance for each business (40% for persons occupied in continual businesses, and among businesses for a definite term, 40% for persons occupied in construction business and 35% for persons occupied in logging business).

13 Vocational Skills Development Policy

The term “public vocational training”, in a narrow sense, refers to vocational training conducted at public human resources development facilities. However, more broadly, public vocational training includes the disbursement of subsidies to defray educational expenses, and is based on the following three policies:

- (1) Providing vocational training at public human resources development facilities (the narrow definition of public vocational training).
- (2) Encouraging employers and employer associations in the private sector to offer vocational training by awarding subsidies, disseminating information, and providing consulting services.
- (3) Motivating workers to acquire skills voluntarily by granting subsidies and providing informational and consulting services.
- (4) Conducting meticulous career consultation services to a wide range of jobseekers, providing opportunities for practical vocational training, and compiling job cards that evaluate their post-training vocational skills and work experience, thereby promoting a shift to stable employment (job card system).

V-16 shows the ways in which public vocational training has been implemented in Japan. Graduates from school are offered mainly long-term training lasting one to two years, while unemployed workers receive mostly training of six months or less and employed workers primarily receive short-term training of only a few days. By act, vocational training is offered to those changing occupations (and currently unemployed) and the physically disabled free of charge, but the cost of texts and other materials is borne by trainees. Some training courses for those changing occupations (and currently unemployed) are entrusted to private sector education and training institutions. Training subjects taught at public human resources development facilities are mostly vocational and technical subjects for industries such as manufacturing and construction, but among

the training commissioned to the private sector, courses are established in various subjects like computers and social welfare. Short-term vocational training for the employed is implemented based on the needs of employers or employers’ associations of the region.

The Polytechnic University, a public vocational capacity development university, provides training and education to cultivate public vocational training instructors and develops textbooks for that purpose.

Of the aforementioned public vocational training, the training provided to those who have become separated from their employment was mainly focused on those receiving employment insurance benefits, and it was difficult for those not receiving employment insurance benefits to obtain such training. Consequently, a fund was created and during the period from July 2009 to the end of September 2011, a system is being implemented to provide those not receiving employment insurance benefits with free vocational training and benefits to support their living expenses during the training period. Under this system, qualification programs submitted by private-sector education and training institutions are accredited and training is implemented. From October 2011, this system will become permanent, under the name “Jobseekers Support System”.

Steps taken to promote education and training in the private sector are outlined in V-15. This system is aimed at workers who have been enrolled in the employment insurance system for at least three years (at least one year in the case of the first time) and provides a supplement of 20% of the course costs, up to a maximum of ¥100,000, in the event that an eligible worker takes and completes an education or training course stipulated by the Minister for Health, Labour and Welfare.

As of April 2011, the system encompassed 7,719 courses at 1,902 facilities, covering a wide range of courses, from computer-related qualifications and courses aimed at preparing participants for

bookkeeping tests, to courses aimed at training home-helpers.

Moreover, in April 2008, the job card system was established. Revised in April 2011, this system targets a wide range of jobseekers, providing practical vocational training opportunities after raising awareness and clarifying issues through meticulous careers consulting, and compiling “job cards” with the results of evaluations from the organizations implementing training and details of work experience, thereby promoting a shift to stable employment.

The vocational training under this system includes the following:

(1) Fixed-term practical training: This is practical

training through which companies employ “freeters” and others with little experience of working as regular employees, for a period of three to six months.

(2) Practical human resource cultivation system:

This is training through which companies primarily employ new graduates for a period of six months to two years, in order to cultivate them as core frontline personnel.

(3) The Japanese-style dual system: This is training outsourced to private-sector education and training institutions for a standard period of four months, aimed at jobseekers who need to acquire practical vocational skills.

V-15 Overview of Support for Vocational Training at Private-sector Companies

<Support for the Formulation of In-House Vocational Ability Development Plans>

○ Support Through Vocational Ability Development Service Centers

At Vocational Ability Development Service Centers, the development of vocational abilities within companies is promoted through the services such as the following:

- Advice and guidance concerning the formulation of in-house vocational ability development plans
- Implementing training for those promoting the development of vocational abilities concerning advice and guidance regarding career formation for workers.

<Support for the Implementation of Vocational Training>

○ Support Through Subsidies for the Promotion of Career Formation

In order to effectively promote the career formation of workers within companies, subsidies will be provided to cover part of the training costs and wages during training periods of workers whose employers implement vocational training with clearly-specified goals and support the independent development of their vocational abilities.

○ Support Through Accredited Vocational Training Systems

Vocational training undertaken by employers that meets the standards stipulated by the Ministry of Health, Labour and Welfare in regard to its subjects, training periods, and equipment, can be accredited as such by the governor of the relevant prefecture, based on an application for accreditation. Vocational training that has received this accreditation is called accredited vocational training, and subsidies are provided to the operators of small and medium-sized enterprises implementing such training, to cover the cost of running accredited vocational training.

V-16 Implementation Status of Public Vocational Training

1. Public Vocational Skill Development Facilities	266 colleges (as of April 1, 2011)
National (Employment and Human Resources Development Organization of Japan)	73 colleges
Polytechnic University	1 college
Prefectural	172 colleges
Municipal	1 college
Vocational Skills Development Center	19 colleges

2. Implementation Status of and Plans for Public Vocational Training

(Persons)

	FY2009 results	FY2010 results	FY2011 plan
Training for unemployed people	191,228	165,307	215,100
Of which, number outsourced	140,690	119,260	170,229
Organization	116,332	68,376	34,191
Of which, number outsourced	79,978	35,429	2,608
Prefectural	74,896	96,931	180,909
Of which, number outsourced	60,712	83,831	167,621
Training for employed people	104,191	91,182	129,199
Organization	42,367	35,778	57,000
Prefectural	61,824	55,404	72,199
Training for graduates	21,139	20,989	23,040
Organization	6,754	6,529	5,880
Prefectural	14,385	14,460	17,160
Total	316,558	277,478	367,339
Organization	165,453	110,683	97,071
Prefectural	151,105	166,795	270,268

Outsourced training includes outsourced training utilization-type dual systems, while training for graduates includes ordinary and specialist course utilization-type dual systems.

(Persons)

Training for disabled people	FY2009 results	FY2010 results	FY2011 plan
Training for unemployed people (within institutions)	2,393	-	2,990
Training for unemployed people (outsourced)	6,067	-	9,000
Training for employed people	343	-	1,550
Total	8,803	-	13,540

Source: Ministry of Health, Labour and Welfare