

## 1 Overview of Employment Measures

In 2013, with an improvement in business and householder mentality backed by rising share prices due to expectations of economic policies, the Japanese economy turned toward a recovery in a form led by consumer spending and other domestic demand. The economy was subject to temporary downward pressure under the impact of a rebound from rush demand associated with the consumption tax hike in April 2014, but at present there is an ongoing keynote of gradual recovery.

Given this scenario, the employment situation is steadily improving. The ratio of job offers to jobseekers in August 2015 was 1.23, the highest in 23 years and 5 months. For regular employees, the ratio was 0.76, the highest since such statistics were first aggregated in November 2004. The overall unemployment rate was 3.4%, the lowest in 18 years, and there is a growing sense of labor power shortage in companies. By region, too, both the ratio of job offers to jobseekers and the overall unemployment rate are in an improving trend in every part of the country.

Again, the provisional job offer rate for high school students graduating in March 2015 was 98.2%, the highest in 23 years, and the rate for university graduates in the same period was 96.7%, the best for 7 years. As a result of these and other trends, the overall unemployment rate for younger age groups has also improved.

### **Employment and Labor Policies Aimed at Strengthening Employment System Reforms and Human Resource Capabilities**

Amid these developments, an emergency economic stimulus package was drawn up on

December 27 last year, with priority focus on three points: (1) Stimulating consumption while taking account of regional circumstances, (2) Promoting regional revitalization through effective efforts toward job creation and other structural issues facing the regions, and (3) Accelerating emergency response and reconstruction, such as disaster relief. In response to this, a supplementary budget of more than 3 trillion yen for FY2014 was decided on February 3 this year. Then, on April 9, the government approved the FY2015 budget, which is supposed to be a sharply focused budget with the dual aim of achieving economic growth led by the private sector demand and attaining the target of fiscal consolidation. The FY2015 budget incorporates a number of measures such as promoting the active participation of women, addressing the declining birth rate, promoting the active participation of young, elderly, disabled and others, reforming ways of working, securing or creating good employment opportunities to suit each locality, and so on.

A key element in maintaining a positive economic cycle and continuing sustainable growth in the future will be whether a “productivity revolution” can be accomplished to bring the latent ability of individuals and regions to the fore.

The environment surrounding companies and individuals is undergoing dramatic changes due to factors such as the quickening pace of technical innovation, the increasing ferocity of global competition and changes in Japan’s demographic makeup. Given this environment, the “2015 Revision of the Japan Revitalization Strategy” incorporates the following measures designed to ensure that the people benefit from high-quality employment and stable

incomes, at the same time as achieving an improvement in corporate productivity.

1) Implementing and achieving reforms of working styles

While robustly promoting efforts to prevent overwork, steps will be taken to ensure the early establishment of a bill for partial amendment of the Labor Standards Act and other legislation, and a “globally top-level employment environment and ways of working” will be achieved.

2) Enhancing the capabilities of human resources that will sustain Japan in the future

A “Self Career Dock (tentative name)” will be established to create an environment in which working individuals can acquire the habit of thinking subjectively about their own careers.

3) Creating a highly transparent dispute resolution system, etc.

A medium for discussion aimed at defining the nature of a highly transparent dispute resolution system will be launched immediately and studies will be promoted. Then, having reached a conclusion, the requisite institutional measures will be devised via deliberation by the Labor Policy Council.

4) Promoting active participation by the elderly

In order to develop a social environment where older persons with motivation to work can harness their abilities and experience and continue to be actively employed for the whole of their lives regardless of their age, steps will be taken to dramatically improve and strengthen job matching functions as well as diverse employment opportunities for the elderly.

5) Promoting active participation by women

As well as promoting efforts to improve companies’ employment management with a view to correcting prolonged working hours, efforts aimed at introducing diverse regular employment, telework, short-hour regular employment and other flexible employment formats will be promoted.

6) Utilizing foreign human resources

Efforts will continue to be enhanced so that highly skilled foreign human resources and international students will positively choose to come and work

in Japan.

## 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 39,970,000 and 480,000 in FY2014.

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.

## Support System for Job Seekers

The Support System for Job Seekers was introduced in October 2011 as a new safety net for

job seekers who are not eligible for unemployment benefits (specific job seekers), due to the growing need to support these people. Under the system, specific job seekers are given opportunities to attend publicly provided vocational training (job seeker support training or public vocational training). They may also receive vocational training benefits to support their lives during the training period, provided they meet certain conditions on income, assets, etc. Of the above training types, job seeker support training consists of a “Basic Course” for learning the basic skills common to many professions, and a “Practical Course” for learning all the practical skills needed to perform a specific profession.

Hello Work offices provide career consultation for jobseekers and give introductions to appropriate

training. They also offer finely detailed employment support including a system of personal support managers wherever necessary. This continues throughout the training period as well as after completion of the training, based on employment support plans tuned to the situation of each individual jobseeker.

Training institutions offer career advice based on Job Cards as well as employment support in collaboration with Hello Work, such as using information on vacancies and employment interviews received from Hello Work.

As of May 31st, 2015, some 287,000 persons had undergone training since the system was introduced in October 2011.