
Japan's Employment Rate of Persons with Disabilities and Outcome of Employment Quota System

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Although there is no strict international definition of persons with disabilities, I examined the employment situation of persons with disabilities in Japan in this paper using government statistics and statistical surveys by the U.S. and international organizations. The appearance ratio of persons with disabilities is 10% of the world's population while in Japan it is only 5%. It suggests that Japan puts a narrow definition on persons with disabilities. It was also found that Japan's employment rate of working-age persons with disabilities is relatively higher than other countries. From an international standpoint, there are two approaches to expand employment opportunities for persons with disabilities: introduction of (i) a legal system on the antidiscrimination law and (ii) an employment quota system (legally-prescribed minimum employment rate system). Japan has introduced the latter approach. Looking at changes in the number of persons with disabilities working for companies which are covered by the employment quota system for 16 years, the system has brought about substantial results. On the contrary, the employment rate of persons with disabilities in the U.S. which has a typical anti-discrimination law, Americans with Disabilities Act (ADA), is lower than that of Japan and the employment rate has not really increased even after the introduction of ADA. It was confirmed that the strengthening of a typical antidiscrimination law for persons with disabilities does not necessarily bring about the expansion of job opportunities for them.

I. Introduction

The World Health Organization's (WHO) International Classification of Functioning, Disability and Health (ICF) has recently emerged on the basis of a new perspective on persons with disabilities and environmental coordination factors around persons with disabilities have also received attention. In addition, persons with disabilities have been regarded as not non-workforce but participants in the labor market and their employment issues have been emphasized. Partly for that reason, improvement of the legal system on employment of persons with disabilities, government projects and environmental coordination such as companies' correspondence have also attracted attention. However, in Japan, there has been no government statistics introducing this new perspective on persons with disabilities yet.

In this paper, I will reveal the characteristic employment situations of persons with disabilities in Japan utilizing government statistics and statistical surveys by international organizations. First, I will describe the characteristics on definition and scope of persons with disabilities in Japan from an international standpoint. Second, I will examine the level of Japan's employment rate of working-age persons with disabilities except those aged 65 or over from an international point of view. Third, I will examine whether or not the employment quota system for persons with disabilities which plays an important role for the employment of them in Japan

has brought about increase in their job opportunities compared with the government statistics of the U.S. which has introduced a typical antidiscrimination law, Americans with Disabilities Act (ADA).

II. Scope and Definition of Persons with Disabilities

1. Emerging of New Perspective on Persons with Disabilities

Nothing is more varied than the concept of “(persons with) disabilities” in the social science of the 20th century. Different “from attributes like sex and age, the definition and scope of persons with disabilities have drastically changed depending on the country and the period so it is hard to clarify. Recently, aiming to establish a common framework which allows international comparisons, WHO’s (2001) International Classification of Functioning, Disability and Health (ICF) has emerged.

ICF regards “disability” as a comprehensive concept indicating the following three disadvantage levels; (i) impairment, (ii) activity limitations and (iii) participation restrictions. It also considers that disabled states emerge differently depending on the relationship between these three levels or the effect of environmental and personal factors.

Although any definition or classification of (persons with) disabilities which allows strict international comparisons has not been established yet even among developed countries, ICF is expected to expand as a universal language and scale. ICF has been introduced and described at different situations in Japan and the environmental coordination has drawn a lot of attention while there is no new government statistics on disabilities prepared on the basis of this concept so far.

2. Global Average Appearance Ratio of Persons with Disabilities Is about 10%

According to WHO’s statistics, the number of persons with disabilities is 610 million, i.e., 10% of the world’s population (International Labour Organization 2001). In a very difficult situation of international comparison of persons with disabilities, Organization for Economic Cooperation and Development (OECD) collected the government data on persons with disabilities in the late 1990 from member countries (Japan was not included) for international comparisons including the number and employment situations of persons with disabilities (OECD 2003). The ratio of persons with disabilities (appearance ratio) of the total working-age population aged 20 to 64 in twenty countries was 14% on average (11 EU member countries, 16% and the U.S., 11%).

In the survey conducted by EU in 2002, the appearance ratio of persons with disabilities of working-age population aged 16 to 64 is 16.4% (EUROSTAT 2003). The ratio varies depending on the country and shows a wide distribution: the highest is Finland, 32.2%, and the lowest is Italy, 6.6%.

Although a strict international comparison is difficult due to differences on definition and scope of disabilities, it can be said that the appearance ratio of persons with disabilities is gener-

ally the 10% level.

3. Appearance Ratio of Persons with Disabilities Is 5% in Japan

Japanese government has also introduced a new perspective on (persons with) disabilities and emphasized on the environmental coordination in “Basic Programme for Persons with Disabilities” approved in a Cabinet meeting in December 2002. The Basic Act for the Disabled Persons defines persons with disabilities as “persons who are continuously subject to substantial limitations of daily and social living due to physical, intellectual or mental disabilities.” Three welfare acts for persons with disabilities, Physically Disabled Persons Welfare Act, Act for the Welfare of Mentally Retarded Persons and Mental Health Act, correspond to these three disabilities and Japan has had a system of disability certificates issued on the basis of self-certification and judgment by medical staff.

From an international standpoint, Japan's definition and scope of persons with disabilities are narrower and the appearance ratio of them is lower. According to the government's announcement, Japan's total number of persons with disabilities is about 7.09 million (Cabinet Office 2007), i.e., the ratio of them (appearance ratio) is about 6% of the total population, 127.77 million (2005 Census). Focusing on working-age people aged 18 to 64, the number of persons with disabilities is 3.6 million, meaning that the appearance ratio of them is further lower, 4% of the population among that age group, 80.27 million. More than 60% of persons with physical disabilities are elderly people aged 65 or over and the number of persons with mental and intellectual disabilities is equivalent to that of those with physical disabilities. It shows a great difference compared with the U.S. government statistics.¹

Given that there is no significant difference of appearance ratio of persons with disabilities especially among developed countries, since foreign data's scope of persons with disabilities is wider, it is reasonable to compare Japan with foreign countries by the number of persons with severe disabilities.

III. Current Working and Employment Situations of Persons with Disabilities

1. Employment Rate of Persons with Disabilities

It has become very important to recognize modern employment and working issues of persons with disabilities as not welfare problems but problems within the labor market. The best fundamental indicator to understand employment situations of persons with disabilities is

¹ According to the American Community Survey 2006, total number of persons with disabilities aged 16 and over is 38,430,000, the percentage of those aged 65 or over is 37.9% and persons with mental disabilities including those with intellectual disabilities account for 35% of the entire persons with disabilities. These values are significantly different from that of Japan (estimates).

Table 1. Employment Situations of Persons with Physical, Intellectual and Mental Disabilities in 2006

(Unit: 1,000 person, %)

Persons with disabilities	Total	Physical	Intellectual	Mental
a. People aged 15 to 64	2,050	1,344	355	351
b. Employed	826	578	187	61
c. Regular workers	335	280	35	20
d. Workers in welfare setting	172	38	111	23
e. Employment rate (= b/a×100)	40.3	43.0	52.7	17.4
f. Ratio of regular workers (= c/b×100)	40.6	48.4	18.7	32.7
g. Ratio of workers in welfare setting (= d/b×100)	20.8	6.6	59.4	37.7

Note: This table was prepared by the author based on the *Results of Survey on Employment Situations of Persons with Physical, Intellectual and Mental Disabilities 2008* of the Ministry of Health, Labour and Welfare.

“employment rate of persons with disabilities” in which the denominator is the population of working-age persons with disabilities aged 15, 16 or 20 to 64 and the numerator is the number of employed persons with disabilities. Persons with disabilities are often regarded as “non-workforce” due to employment conditions, delayed workplace environment coordination, etc. and therefore, “labor force participation ratio” and “unemployment ratio” which are traditional fundamental indicators to understand the macro-labor market are not effective. EU’s recent statistics also utilized “employment rate of persons with disabilities” (EUROSTAT 2003). “Employment rate of persons with disabilities” should be more emphasized as a numerical policy goal.

Table 1 shows entire employment situations of working-age persons with three disabilities, physical, intellectual and mental ones aged 15 to 64 based on data collected from households with persons with disabilities. Total employment rate of persons with three disabilities is 40.3%. The highest ratio is persons with intellectual disabilities (52.7%) followed by those with physical abilities (43.0%) and mental disabilities (17.4%). In the case of persons with intellectual disabilities, the overwhelming majority is “Workers in welfare setting” (i.e. welfare-oriented employment) who account for 59.4%.

“Welfare-oriented employment”² means activities with income (labor charge, etc.) in welfare facilities such as vocational aid centers and small workshops where staff members (instructors, etc.) are allocated. Since there is no employment agreement, this is not covered in any

² Matsui (2009) positions “welfare-oriented employment” as alternative employment (sheltered employment) for persons with disabilities who can hardly find a job in the labor market and clarifies that their average labor charge is much lower than the minimum wage.

labor relations act and falls into the category of “self-employed individuals,” e.g., “one-man master” with no employee and “individual contractors,” in the government statistics.

Partly for the reason of differences between definitions and scopes of disabilities, there is considerable difficulty in international comparison of statistics on persons with disabilities, especially employment statistics (National Institute of Vocational Rehabilitation 1998). According to OECD (2003), the employment rate of persons with disabilities in 14 OECD member countries in the late 1990s is 41.3%. Focusing on persons with severe disabilities, the employment rate is 24.5%. The employment rate of person with disabilities in 11 EU member countries is 40.8% and that of those with severe disabilities is 24.9%. There is a wide gap of employment rate between persons with and without disabilities and between those with severe and light disabilities. Although there are differences of approaches on policies for expanding employment of persons with disabilities depending on the country, the employment rate of them is low, less than 50%, i.e., there is little difference between counties.

The employment rate of persons with disabilities in Japan is close to above mentioned that of 14 OECD countries and 11 EU member countries, but focusing on persons with severe disabilities, the employment rate is 25%, significantly lower compared with that of Japan's persons with disabilities, 40% (see Table 1). It should be noted, however, that 20% of persons with disabilities in Japan are “welfare-oriented employees” who are not covered in any labor relations act but work with low labor conditions. I will limit “employed” to workers other than “welfare-oriented employees” in the following.

2. Employee Workers with Disabilities

Table 2 was prepared focusing on “employee” workers with disabilities. Currently, there are following two Japanese government statistics which comprehensively clarify situations of employees with disabilities in chronological order: (i) the Survey on the Employment Situation of Persons with Disabilities (latest survey: 2008) which is conducted once every five years by the Disabled Workers' Affairs Division of the Ministry of Health, Labour and Welfare and (ii) the Report on Employee Situations which is conducted in association with the quota system for persons with disabilities. Both collect information from companies and business offices. The former survey is also used for numerical goals of government programs. Since the Survey on Employment Conditions of Persons with Physical, Intellectual and Mental Disabilities used for above employment rate of persons with disabilities collects information from households, the survey method is quite different.

Table 2 summarizes Japan's entire structure of employees with disabilities as of two time points based on fundamental information from these two surveys on the employment of them. It tells that total number of regular workers with disabilities is 488,000 of 2008 including private and public sectors, decreased by 33,000 compared with that in 2003.

More than 90% of employed with disabilities are working for private companies. Focusing on private companies, the number of them decreased by 35,000. According to type of disabilities, the numbers of persons with physical and intellectual disabilities decreased while

Table 2. Situations of Employees with Disabilities: Comparison of 2003 with 2008

		(Unit: 1,000 person)	
Survey		2003	2008
A.	Survey on private establishment with 5 or more employees	483	448
	Persons with physical disabilities	369	346
	Persons with intellectual disabilities	114	73
	Persons with mental disabilities	13	29
B.	Survey on private companies with 56 or more employees	181	242
C.	Survey on public sectors	38	40
	Total (= A+C)	521	488

Sources: Disabled Workers' Affairs Division, Ministry of Health, Labour and Welfare, *Outline of Survey on the Employment Situations of Persons with Disabilities 2003, 2008* for A; Disabled Workers' Affairs Division, Ministry of Health, Labour and Welfare, *Report on the Employment Situations of Persons with Disabilities 2003, 2008* for B and C.

Note: Table 2 was prepared by the author based on the above sources. "Public sectors" include the government, local authorities, special public corporations, prefectural education boards, etc.

that of those with mental disabilities increased. The ratio of persons with physical disabilities accounts for 76 to 77% among those working for private companies and there is no difference between two time points.

The highest percentage of disability types among persons with physical disabilities in private companies which is not shown in Table 2 is "crippled" (37%), followed by "internal impediment" (35%), "auditory/language impairment" (17%) and "visual impediment" (5%) (Disabled Workers' Affairs Division, Ministry of Health, Labour and Welfare 2009a). 58% of persons with physical disabilities had disabling conditions before entering the company while 31% of those who had disorders after entering the company.

Table 2 shows that total number of persons with disabilities working for private companies with 56 or more employees and public sectors which are covered by the system of legally-prescribed minimum employment rate (employment quota system) for persons with disabilities is 282,000 as of 2008, accounting for 57% of entire employees with disabilities. Focusing on private companies, the ratio becomes 54% (=242,000/448,000 × 100). This also tells that the legally-prescribed minimum rate system plays an enormous role in employment of persons with disabilities.

3. Employment Placement Situations at Public Employment Offices and Employment Rate of Special Need Education High Schools

Unemployment rate is a fundamental indicator of labor market conditions. Since there is no statistics for unemployment rate of persons with disabilities in Japan, the number of job seekers surveyed by the public employment offices ("Hello Work") is utilized as an acting

Table 3. Employment Placement Situations at "Hello Work" (2000-2008)

	FY2000	FY2003	FY2006	FY2008
Number of applications for new jobs (a)	77,612	88,272	103,637	119,765
Number of effective job seekers	131,957	153,544	151,897	143,533
Number of employed job seekers (b)	28,361	32,885	43,987	44,463
Employment rate (%) (b)/(a)×100	36.5	37.3	42.4	37.1

Source: Ministry of Health, Labour and Welfare, *Employment Placement Situations for Persons with Disabilities*.

indicator. The number of applications for new jobs has increased from 77,000 in 2000 to 120,000 in 2008 (numbers of persons with physical, intellectual and mental disabilities are 65,000, 24,000 and 28,000 respectively) indicating that persons with disabilities have a strong incentive to seek jobs (see Table 3).

The number of employed job seekers exceeds 30,000 a year which is the target value of the government's basic plan for persons with disabilities. Annual number of employed job seekers has recorded a substantial increase from 28,000 in 2000 to 44,000 in 2008. However, partly for the reason of increase in the number of job seekers, the ratio of employed job seekers against new job seekers (= employment rate) shows little change; 36.5% in 2000 and 37.1% in 2008.

Next, I will discuss new entries to the labor market based on the employment situations of new graduates from School Basic Survey conducted by the Ministry of Education, Culture, Sports, Science and Technology. The number of graduates from high schools for the blind, deaf and other disabled which are special support educational institutions with many of persons with disabilities is more than 10,000 a year (see Table 4). The number of those has increased from 11,000 in 2000 to 14,000 in 2007. After the graduation, however, few people went to colleges and the ratio of people employed as general employment except welfare-oriented employment is also extremely low, at the 20% level. On the contrary, it is notable that more than half of the graduates went to welfare facilities/medical institutions including many of those working as welfare-oriented employment.

Although the number of employed people directly out of special support high schools has increased recently, the employment rate is still at a low level and shows little change. In addition, few people are hired as employees. Young people with disabilities directly move from schools into welfare-oriented employment or unemployment. These are serious problems.

Table 4. Career of Graduates from Special Support High Schools (2000-2007)

	Graduation year			
	March 2000	March 2003	March 2006	March 2007
Total number of graduates	11,223	11,480	13,835	14,284
College students	532	175	542	481
Education/training institutions, etc.	386	390	532	512
Employed people	2,609	2,219	3,148	3,304
Welfare facilities/medical institutions	6,175	6,815	7,769	8,256
Others	1,521	1,881	1,862	1,731
Ratio of employed people (%)	23.2	19.3	22.7	23.1

Source: Ministry of Education, Culture, Sports, Science and Technology, *School Basic Survey*.

IV. Results of Employment Quota System and Antidiscrimination Law

1. Employment Quota System (Legally-Prescribed Minimum Employment Rate System) and Antidiscrimination Law for Persons with Disabilities

Developed countries have changed their policies from conventional negative ones centered on income security to positive ones aiming at participation/integration of persons with disabilities in the labor market with environmental coordination.

Every developed country tries to secure and expand job opportunities for persons with disabilities creating legal regulations on the labor market. There are currently two approaches from an international standpoint: (i) a legal system on the antidiscrimination law and (ii) a legally-prescribed minimum employment rate system (Thornton and Lunt 1997; Japan Institute for Labour Policy and Training 2004, table 10-15).

The typical former approach is Americans with Disability Act (ADA) enacted in the U.S. in 1990 and that act has also been introduced in the U.K., Canada, Australia, New Zealand, etc. Recently, EU and the United Nations have also advocated and strengthened this approach (O'Reilly 2007; Hamaguchi 2001). It can be said that this approach is a system of indirect regulation and intervention in the labor market.

The latter approach legally provides a certain ratio of employment for persons with disabilities (employment quota system = legally-prescribed minimum employment rate system). The stronger type of this approach obliges employers to hire persons with disabilities and calls for a penalty to those who do not meet the minimum employment rate and has been introduced by Japan, Germany and France. There are various types of this approach depending on the degree of legal force and many European and Asian countries have introduced it. It is a system of direct regulation and intervention in the labor market and regarded as one of affirmative actions. ILO and EU also admit the existence of this system.

Looking at differences between these two approaches, the former is a system of indirect regulation and intervention in the labor market, forces employers (companies) to improve

working environment for individual disabilities and calls for a penalty to those who breach the order for improvement as discrimination. The latter is a system of direct regulation and intervention in the labor market, sets a legally-prescribed minimum employment rate for persons with disabilities and obliges employers to hire them to meet the minimum employment rate but leaves the decision on whether or not to improve working environment up to companies.

Regarding the employment quota system for persons with disabilities, the following seven weak points are pointed out (National Institute of Vocational Rehabilitation 2002; Waddington 1995): (i) people are labeled as persons with disabilities in the operation of the system, (ii) companies prefer to pay a penalty rather than employ persons with disabilities, (iii) it is difficult to set effective sanctions to force/strengthen the system, e.g., increase in penalty, (iv) since it is not a qualitative but a quantitative regulation for employment, low wages and underemployment are likely to remain, (v) it is difficult to meet the multiple and diversified needs of persons with disabilities, (vi) there is no evidence that it expanded or promoted the employment of persons with disabilities and (vii) it works for full employment but the effect is diminished in the economic recession.

The weak points of Japan's legally-prescribed minimum employment rate system are often pointed out since more than half of companies cannot meet the requirement and the employment rate of persons with disabilities has shown little rise. On the other hand, the approach of antidiscrimination law for persons with disabilities regards additional expenses for individual employment cases of persons with disabilities as companies' burden and the problem how to deal with such unbalanced burden of additional expenses still remains. The expansion of employment for persons with disabilities cannot be expected with this approach from this point of view (Asao 1998).³

I will compare and verify the results of two approaches on the basis of fundamental indicators such as increased/decreased number of employees with disabilities and employment rate below.

2. Japan's Quota System

Japan's quota system for persons with disabilities has strong compelling force to place an obligation of employment on companies (employers), calls for a levy to those who do not meet the minimum employment rate and provides adjustment subsidies and financial incentives from the levy as resource to those who meet the requirement. It also provides grant to companies which improve the working environment, i.e., it has a mechanism to adjust economic burdens associated with employment of persons with disabilities between companies.⁴ It has also made

³ Sekikawa (2000) also points out that the legal system on antidiscrimination law for persons with disabilities is not directly linked to the expansion of job opportunities and it is important to distinguish the two approaches.

⁴ According to the balance of payments for employment of persons with disabilities in fiscal year 2005 (Labor Policy Council, Ministry of Health, Labour and Welfare 2007a, 2007b), total income of payments is

efforts, e.g., a person with severe disability is counted as two people for calculating the number of persons with disabilities and the employment rate can be calculated including special subsidiaries.⁵

The Act on Employment Promotion etc. of Persons with Disabilities stipulates that companies (employers) shall promote the employment of persons with disabilities with the concept of social solidarity and let companies with 301 or more employees which do not meet the requirement pay a “levy.” Since “levy” is different from “fine,” companies are not excused from the employment obligation with the levy (Soya 1998). This is the important difference between “levy” and “fine.”

In order to clarify the effect and results of Japan’s quota system for persons with disabilities, increased number of persons with disabilities working for private companies which are covered by the legally-prescribed minimum employment rate system for 16 years from 1993 to 2009 is summarized and shown in Table 5.

During this time, the legally-prescribed minimum employment rate was raised from 1.6% to 1.8% and the scope of the law expanded from companies with 63 or more employees to those with 56 or more employees. Although persons with mental disabilities are exempt from the employment obligation, they have been able to be counted for calculating the employment rate since 2006 if already working for companies.

Focusing on “actual employment rate” (average of actual/measured employment rate of persons with disabilities), it increased by 0.22 point from 1.41 to 1.63. It has especially increased since 2003. It should also be noted, however, that the ratio of companies which do not meet the minimum employment rate has expanded from 49% to 55%. The ratio shows downward trend compared with 2003 while more than half of companies still do not meet the legally-prescribed minimum employment rate for persons with disabilities even according to the latest figures.

Looking at Table 5 in greater details, the following five things are found:

- (i) “Actual employment rate” shows upward trend consistently while various conditions such as increase/decrease in total number of workers in the entire company which is a parameter for calculating the employment rate are complicated.
- (ii) The percentage of companies which do not meet the legally-prescribed minimum employ-

23 billion yen. Total amount of “adjustment subsidies” and “financial incentives” paid to companies which met the legally-prescribed minimum employment rate is 9.4 billion yen, 2.07 million yen per company. Total grant for companies employing persons with disabilities are 7.1 billion yen and total number of grant is 17,987, 390,000 yen per case.

⁵ The number of special subsidiaries has been significantly increased recently; 109 in 2000, 129 in 2003 and 242 in 2008. The number of persons with disabilities employed there (a person with severe disability is not counted as two people) has also been largely increased; 2,737 in 2000, 3,491 in 2003 and 7,679 in 2008. See Outline of Employment Measures for Persons with Disabilities of the Ministry of Health, Labour and Welfare (<http://www-bm.mhlw.go.jp/bunya/koyou/shougaisha02/index.html#04>).

Table 5. Results of Quota System for Persons with Disabilities in Private Companies from 1993 to 2009

	Survey year (every June)					2009-1993
	1993	1998	2003	2008	2009	
Actual employment rate (%)	1.41	1.48	1.48	1.59	1.63	0.22
Percentage of companies which do not meet the minimum rate (%)	48.6	49.9	57.4	54.1	54.5	5.9
Number of persons with severe disabilities: A	54,267	63,858	65,652	90,134	92,420	38,153
Number of persons with disabilities other than those with severe ones: B	132,451	123,727	115,789	151,702	155,092	22,641
Total number of persons with disabilities: C (= A+B)	186,718	187,585	181,441	241,836	247,512	60,794
Total number of regular workers in companies covered by the system	17,072,450	17,008,306	16,748,964	20,499,012	20,441,198	3,368,748

Note: Table 5 was prepared by the author based on the *Report on Employment Situations of Persons with Disabilities (as of every June)* of Disabled Workers' Affairs Division of the Ministry of Health, Labour and Welfare. The legally-prescribed minimum rate from 1993 to 1998 was 1.6% and the company size was 63 or more employees. The legally-prescribed minimum rate since 1999 is 1.8% and the company size is 56 or more employees. **A** includes both persons with severe physical or intellectual disabilities working for 30 hours or longer a week and part-time (20 hours or longer but less than 30) workers with severe disabilities. **B** includes persons with physical or intellectual disabilities other than those with severe ones and persons with mental disabilities (2008 and 2009). It should be noted that "a person with severe disability" is counted as two people for calculating "actual employment rate" but is not counted as two for "number of persons with severe disabilities (A)" and "total number of persons with disabilities (C)."

ment rate showed upward trend until 2003 but has shown downward trend since 2003.

- (iii) Comparing 1993 with 2009, total number of regular workers working in companies covered by the legally-prescribed minimum employment rate system increased by 19% while total number of persons with disabilities increased by 33%, i.e., the number of employees with disabilities significantly increased.
- (iv) Among persons with disabilities, the number of those with severe disabilities increased by 70%, more than that of those with non-severe disabilities, 17%. The percentage of persons with severe disabilities in total persons with disabilities also increased from 29% in 1993 to 37% in 2009.
- (v) Total number of persons with disabilities (those with severe disabilities are not counted as double) showed slightly downward trend and maintained the 18,000 level for a decade, from 1993 to 2003. It should be noted, however, that it has shown a significant increase by

66,000 from 2003 to 2009. There was a great change in upward/downward trend of the number of persons with disabilities before and after 2003.

According to the latest actual employment rate of private companies by company size (2009) which is not shown in Table 5, the actual employment rate of companies with 1,000 or more employees in 2009 is 1.83, meeting the legally-prescribed minimum employment rate (Disabled Workers' Affairs Division, Ministry of Health, Labour and Welfare 2009b) while that of those with 500 or more employees but less than 1,000, 300 or more employees but less than 500, 100 or more employees but less than 300 and 56 or more employees but less than 100 are 1.64, 1.59, 1.35 and 1.40 respectively. That is, the smaller the company size is, the lower the actual employment rate becomes.

As for characteristics of disability type (Disabled Workers' Affairs Division, Ministry of Health, Labour and Welfare 2009b), out of 247,000 employees with disabilities in 2009 shown in Table 5, the numbers of persons with physical, intellectual and mental disabilities are 193,000 (78%), 46,000 (19%) and 9,000 (4%) respectively. The number of part-time workers with severe physical and intellectual disabilities working for 20 hours or longer but less than 30 a week is 6,089 and that of those with mental disabilities is 2,063 out of 8,152. The percentage of part-time workers is extremely low, 3%.

For these reasons, total number of persons with disabilities working for companies covered by the quota system for persons with disabilities has increased for 16 years, especially, that of those with severe disabilities has significantly increased. It can be said that this system has a positive impact on the employment of persons with disabilities. In particular, total number of employed persons with disabilities significantly has increased from 2003 to 2009 showing such trend prominently. It is noteworthy that total number of employees working for companies covered by the legally-prescribed minimum employment rate system has decreased due to global recession since 2008 while the number of employees with disabilities has increased. The actual employment rate has also increased but the percentage of companies which do not meet the legally-prescribed minimum employment rate has not decreased. It means the employment of persons with disabilities is concentrated in particular companies.

Companies' (employers') evaluations of the quota system for persons with disabilities are shown in Table 6. More than half of companies feel the legally-prescribed minimum employment rate level is too high while many of them (92%) support the system. Regarding "levy" in which companies pay when they cannot meet the legally-prescribed minimum employment rate, few companies regard they fulfill their social responsibilities for the employment of persons with disabilities by paying it. It should also be noted that few companies think it is deemed desirable to rely on "special subsidiaries." It tells that companies also attach great importance to the legally-prescribed minimum employment rate in order to promote the employment of persons with disabilities.

Table 6. Companies' Evaluations of the Quota System for Persons with Disabilities

		N=1,063
	Item	Percentage of "Yes"
a.	A law obligating the employment of persons with disabilities is necessary to promote the employment of them.	92.1
b.	Legally-prescribed minimum employment rate is too high to achieve.	52.5
c.	Companies fulfill their social responsibilities by paying a levy for the employment of persons with disabilities even if they do not meet the legally-prescribed minimum employment rate.	17.3
d.	It is desirable that special subsidiaries are mainly in charge of the employment of persons with disabilities.	11.9

Source: National Institute of Vocational Rehabilitation (2009).

3. Americans with Disability Act in the U.S.

I will pick up the U.S. which has the most advanced employment statistics for persons with disabilities among developed countries,⁶ enacted ADA, a typical antidiscrimination law for persons with disabilities and has taken a different approach from Japan and verify the results based on the employment rate.

The Current Population Survey (CPS) is the best statistics to understand situations in the labor market. Special surveys conducted every March since 1980 define works disability (Kudo 1993). Table 7 shows that the percentage of person with disabilities (appearance ratio of persons with disabilities) in working-age population (persons with and without disabilities aged 16 to 64) is 9.7 % in 2000 and 10.4% in 2006, i.e., about 10% of the population is persons with disabilities. While CPS's definition of disability is narrower than other surveys, this appearance ratio is nearly double that of Japan.

The employment rate of persons with disabilities in the U.S. shown in Table 7 is considerably lower compared with that in Japan shown in Table 1, the 40% level. In addition, the employment rate decreased from 27.6% in 2000 to 22.4% in 2006. Although the employment rate of persons with severe disabilities shows any change, 8.3%, it is very low level. These data indicate that the U.S. did not succeed in creating job opportunities for persons with disabilities. The survey clarifies that according to the analysis of time series data from 1981 to 2006, longer period than it, the employment rate of persons with disabilities showed downward trend (Burkhauser & Houtenville 2006).

⁶ In the U.S., there are several surveys to understand working situations of persons with disabilities such as Current Population Survey (CPS), Population Census, SIPP Survey, American Community Survey (ACS) and National Health Interview Survey (NHIS). Although definitions and scope of disabilities are different depending on each survey, they are all designed to be able to compare persons with disabilities and others (non-disabled persons) easily (Kudo 2001; National Institute of Vocational Rehabilitation 1998; Weathers & Wittenburg; 2009).

Table 7. Situations of Persons with and without Disabilities in the U.S.
(aged 16 to 64) (2000 and 2006)

Year/Disabilities	Population (1,000 person)	Percentage (%)				Unemployment rate (%)
		Labor force	Employment		Non- labor force	
			Total	Full- time		
<i>2000</i>						
Non-disabled persons	159,356	82.1	78.0	65.0	17.9	4.2
Persons with disabilities	17,089	30.5	27.6	18.6	69.5	9.5
with severe disabilities	11,306	10.1	8.3	3.4	89.9	17.7
<i>2006</i>						
Non-disabled persons	172,494	80.7	76.8	63.1	19.3	4.8
Persons with disabilities	19,977	25.8	22.4	14.0	74.2	13.1
with severe disabilities	14,298	10.1	8.3	3.0	89.9	18.4

Note: Table 7 was prepared by the author based on the *Current Population Survey 2000, 2006* of the U.S. Census Bureau.

Table 8. Employment Rate in the U.S. by Disability Type (2006)

Disability/Type	Population aged 16 to 64 (1,000 person)	Employment rate (%)
Total (= a + b)	193,568	
a. Non-disabled persons	169,705	75.1
b. Persons with	23,863	37.2
Sensorial disabilities	5,423	46.5
Physical disabilities	14,130	31.7
Mental disabilities	9,234	28.4
Disabilities which need care	4,187	16.9
Outing disabilities	6,215	17.1
Employment disabilities	13,667	17.6

Note: Table 8 was prepared by the author based on the *American Community Survey 2006* of the U.S. Census Bureau.

Unlike above CPS, the American Community Survey (ACS), one of population census, maintains accuracy which can be used by local governments. According to Table 8, the appearance ratio and the employment rate of persons with disabilities are low, 12.3% and 37.2% respectively and there is a huge difference with the employment rate of non-disabled persons, 75.1%.

V. Conclusions

WHO's International Classification of Functioning, Disability and Health (ICF) has recently emerged on the basis of a new perspective on persons with disabilities and environmental coordination factors around persons with disabilities have also received attention. In addition, persons with disabilities have been regarded as not non-workforce but participants in the labor market and their employment issues have been emphasized. However, there has been no government statistics introducing this new perspective on persons with disabilities in Japan. It is often said that global average appearance ratio of persons with disabilities is about 10% of the world's population while those in Japan is only 5% of the population according to the data released by the government, i.e., Japan's definition and scope of persons with disabilities are narrower.

Although definitions and scope of persons with disabilities vary in different countries and a strict international comparison is difficult, it can be said that the employment rate of working-age persons with disabilities in Japan is relatively higher compared with data of OECD and the U.S. Nevertheless, the percentage of employees in entire workers with disabilities is low and many of those are working as "welfare-oriented employment."

From an international standpoint, there are two approaches to expand job opportunities for persons with disabilities, (i) a legal system on the antidiscrimination law for persons with disabilities and (ii) a legally-prescribed minimum employment rate system. Japan has introduced the latter approach. 58% of persons with disabilities have been employed in companies and public sectors covered by the legally-prescribed minimum employment rate system. From this point of view, the legally-prescribed minimum employment rate system is important in Japan.

I verified the increase and decrease in the number of employees with disabilities working for private companies covered by the legally-prescribed minimum employment rate system for 16 years and found that the number of entire persons with disabilities has increased and especially that of those with severe disabilities has significantly increased. Partly for the reason of growing debate on corporate social responsibility (CSR), total number of persons with disabilities has greatly increased from 2003 to 2009.

By above indications, Japan's legally-prescribed minimum employment rate system has had a positive impact on the employment of persons with disabilities. On the contrary, the employment of persons with disabilities in the U.S. which has a typical antidiscrimination law, Americans with Disabilities Act (ADA), is lower than that of Japan and the employment rate has not really increased even after the introduction of ADA. It was confirmed that the strengthening of a typical antidiscrimination law for persons with disabilities does not necessarily bring about the expansion of job opportunities for them.

VI. Future Political Issues

Total number of employed persons with disabilities working for companies covered by the legally-prescribed minimum employment rate system has shown a great upward trend especially since 2003 and even as of June 2009 under the global recession since last fall. However, the entire employment of persons with disabilities including those in companies with less than 56 employees which are exempt from the legally-prescribed minimum employment rate has taken a significant downward turn compared with 2003. That is, the number of employed persons with disabilities in companies with less than 56 employees shows a downward trend.

On “Basic Plan for Persons with Disabilities” approved in a Cabinet meeting in December 2002, the government stated a numerical target, 600,000 employees with disabilities by the Survey on Employment Situations of Persons with disabilities 2008 for private companies. According to the results of the survey in 2008 shown in Table 2, however, the number of employees with disabilities is 448,000, i.e., 152,000 short compared with the numerical target stated by the government.

The Ministry of Health, Labour and Welfare announced “Five-Year Welfare-to-Employment Promotion Program: Improvement of Self-Support System for Anybody” starting from fiscal year 2007 on December 26, 2007. The following three numerical targets on the employment of persons with disabilities were stated on the program: (i) 640,000 employees with disabilities by the Survey on Employment Situations of Persons with disabilities 2013, (ii) 240,000 people with disabilities who can find jobs at public employment offices (“Hello Work”) in the period from 2008 to 2012 and (iii) 9,000 people with disabilities who are moved from “welfare-oriented employment” to “general employment” a year by 2011. Many policy issues still remain in order to achieve these high numerical targets.

Relating to the above target (iii), “promotion of the shift from welfare-oriented employment to general employment” and “increase in labor charge of welfare-oriented employment” including restructuring of welfare facilities have emerged recently as large policy issues under Services and Supports for Persons with Disabilities Act. Matsui (2009) says, “As well as welfare factories and employment continuation support project type A, sheltered workshop should also be separated from welfare measures and positioned as one of employment policies, or closely linked with employment policies by revising the law.” In other words, it is time to clearly reposition “welfare-oriented employment” which has many persons with severe disabilities as not a welfare policy but an employment policy.

Recently, the strengthening of legislative response to discriminations against persons with disabilities has been required. Partly for the reason that the Convention on the Rights of Persons with Disabilities including “Labor and Employment” was adopted by the United Nations in 2006 and Japan signed it in 2007, the legislative preparations have emerged as a big issue. As clarified in this paper, however, Japan’s quota system has made considerable achievements such as expansion of job opportunities for persons with severe disabilities and a significant increase in the number of employees with disabilities since 2003. On the other hand, the employment

rate of persons with disabilities in the U.S. which has an antidiscrimination law for persons with disabilities is lower than that of Japan and the employment rate has not really increased. As Asao (1998) and Sekikawa (2000) say, it was confirmed that an antidiscrimination law for persons with disabilities does not expand job opportunities for them in this paper.

In order to further expand job opportunities for persons with disabilities in Japan, the basic concept would be not the choice between two approaches, antidiscrimination law or quota system, but how to maintain balance and establish a mutually complementary relationship between them.

That is, it would be future important issues that companies more actively improve employment conditions and a working environment for making full use of their abilities in consideration of human-rights protection and disabilities at work and establish a mechanism to socially monitor the development process and the government and society develop supporting policies (Kudo 2004).

In the legally-prescribed minimum employment rate system, the restriction of employment amount is the main issue and the adjustment of employment conditions/working environment which is qualitative aspect, i.e., the implementation of "appropriate employment management" conducted by companies ("Responsibilities of Employers," Article 5 of the Act on Employment Promotion etc. of Persons with Disabilities) is the sub-issue. It has become a modern issue to maintain a balance between them.⁷ Moreover, modern companies have been required to be actively involved in vocational rehabilitation processes and the expansion of participants in "job coach supporting project" and "trial employment" indicate that.⁸

In the approach of antidiscrimination law for persons with disabilities, the important requirement for the prohibition of discrimination is to force companies to make consideration for individual conditions of persons with disabilities (reasonable accommodation) and the contents are almost same as "appropriate employment management" aiming at collective response at each workplace. Such contents have been reported on "Basic Policy for Employment Measures for Persons with Disabilities" (Ministry of Health, Labour and Welfare 2007) and "Code of Practice on Managing Disability in the Workplace" (International Labour Organization 2001) as

⁷ O'Reilly (2007) discusses the employment quality of persons with disabilities from the perspective of descent work.

⁸ See Outline of Employment Measures for Persons with Disabilities of the Ministry of Health, Labour and Welfare (<http://www-bm.mhlw.go.jp/bunya/koyou/shougaisha02/index.html#04>). "Job coach supporting project" is a service to dispatch job coaches to workplaces of companies before or after the employment to provide finely-tuned personal support in order to facilitate job adjustment of persons with intellectual or mental disabilities. The number of allocated job coaches as of March 2009 is 970 and the number of treated people is 3,064 in fiscal year 2008. "Trial employment" is a service to sign three-month terminable employment contract and give them a taste of trial employment aiming at transfer to general employment. 40,000 yen per trial employee per month is paid to the companies. The number of persons with disabilities who participated in this project in fiscal year 2008 is 8,321. In these two service projects, supporting services are provided in workplaces. That is a significant difference from conventional supporting services centered on facilities.

a guideline for companies. The future issue is how to implement the socially-enforced guideline.

It will be important to not only strengthen the enforceability against entrance and exit of employment for persons with disabilities but also deal with the implementation of “appropriate employment management” conducted by companies after the recruitment/employment in the labor-management relationship including labor unions linking normal human resource management (HRM) architecture. From the perspective of emphasizing the viewpoint of individual employees with disabilities, it would be important to solve problems such as discrimination against disabilities at work in the same framework as current “individual labor-management dispute settlement” and “equal employment opportunity between men and women.”

It is also important that not only the results of companies’ various efforts on employment of persons with disabilities (real employment rate) but also to make a mechanism to socially monitor the development processes. Modern companies are required to have corporate governance emphasizing corporate social responsibility (CSR) which makes consideration for environment, human rights and labor, and companies’ compliance including observance of the legally-prescribed minimum employment rate is an important precondition (JILPT 2005). There have been advantages for companies to voluntarily disclose “actual employment rate” of persons with disabilities and information on the process of making efforts toward the realization of it. Some companies have already announced the achievement of the legally-prescribed minimum employment rate and situations of employment of them on their websites.⁹ It is desirable that such movements accelerate and expand more and more and the government should further support the movements.

Lastly, I would like to cite the consolidation of employment statistics for persons with disabilities as the government’s important issue. Because, the employment plan for persons with disabilities including numerical targets has been presented and its progress has been announced at the government level recently. This is also fundamental information when considering employment/working issues of persons with disabilities. It is a prominent role and responsibility for the government to consolidate it. Although Japan’s statistics for persons with disabilities is relatively consolidated among developed countries, there are many things to be improved particularly for employment/working statistics. Like the Population Census and the Current Population Survey conducted in the U.S., it is expected to rapidly implement a government survey from a new perspective on persons with disabilities in the form of reliable nationwide population/household survey, i.e., seeing persons with disabilities from not only with or without “disability certificate” but also “limitation of activity/participation.”

⁹ *CSR Companies List* of Toyo Keizai Shinposha has been issued four times since 2006 placing “number of persons with disabilities” and “employment rate of persons with disabilities” in each company.

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