

Key topic

The MHLW Study Group Proposes the Direction of Employment Policy for Post-COVID-19

On December 24, 2020, the Employment Policy Study Group of the Ministry of Health, Labour and Welfare (MHLW), chaired by JILPT President Yoshio Higuchi, compiled a report entitled *Strengthening of the Labor-Market Safety Net Functions and Promotion of Employment Policy and Work Style Through Digital Technologies During the Coronavirus Pandemic* (referred to below as “the report”). Levels of socio-economic activity are fluctuating in sensitive response to the state of the pandemic, and the report notes the need for “flexible and effective employment policy measures” as employment and unemployment levels are expected to continue undergoing “short-term situational change,” and for measures to address irreversible changes such as the adoption of digital technologies.

The report summarizes future directions in employment policy, dividing issues arising from the COVID-19 pandemic into “newly emergent issues” and “issues requiring accelerated response.” Based on this report, MHLW intends to take necessary measures and promote employment policy in response to changes in socio-economic structure and working styles, in anticipation of the post-COVID-19 future.

I. Newly emergent issues

1. Strengthening of the labor-market safety net

The COVID-19 pandemic’s wide-ranging effects on employment and unemployment situation have caused various issues to become apparent, including a rise in the numbers of employed persons not at work, adverse impacts on non-regular employees and female workers, and an increasing number of

employment mismatches and discouraged workers (persons willing and able to work but not seeking employment due to perceived unavailability of suitable jobs). Under these circumstances, special measures for the employment adjustment subsidies (EAS) have been implemented to strengthen the safety net functions of the labor market. Also, grants and allowances for those taking temporary leave (“furlough”) have been created to respond to the COVID-19 pandemic, for which individual workers can apply directly. In light of sharp drops in non-regular employment, various measures have been taken such as strengthening the career counseling support system for non-regular workers at *Hello Work* (public employment security offices) and expanding the scope of job-seeker support training to include those not eligible for employment insurance.

The number of employed persons not at work surged in April and May 2020, but their employment has been secured thanks to the effects of the EAS and other factors, and thus they have returned to work. However, there is a concern that prolonged leave may lead to declines in worker motivation and productivity. Based on this perception, the report calls for continued support for education and training courses through the EAS and support for receiving companies (companies to which workers transfer from elsewhere) through labor mobility support subsidies. In addition, the report calls for establishment of subsidies for both sending companies and receiving companies; strengthening of the matching system run by the Industrial Employment Stabilization Center (established in

1987), which provides free support for reemployment and employee transfer between companies; and support to improve the experience and skills of employees through utilization of career counseling.

2. Prevention of workers' unwillingly leaving the labor force

The industries like “Accommodations, eating and drinking services,” “Retail trade,” and “Medical, health care and welfare” are characterized by a high percentage of part-time (non-regular) female workers, and as a result the pandemic is having a relatively larger impact on female non-regular employment in such industries. The report states that it is important to prevent workers from unwillingly leaving the labor force, by eliminating mismatches and providing support for swift reemployment. With this goal, according to the report, *Mothers' Hello Work* (public employment security offices specializing in services for mothers who want to return to the labor market) are offering support based on the various needs of female job seekers, such as providing them with one-on-one vocational counseling and employment placement, while pursuing job openings with telework options that make it easier to combine work and family obligations.

3. Labor mobility without despair

During the global financial crisis of 2008 and 2009, those who had lost employment frequently found jobs in person-to-person service industries and so forth. The current crisis is characterized by a growing number of mismatches even in the service sector, and there are concerns that those willing to change jobs are unable to find them without significant time spent job hunting. Under these circumstances, the report outlines the goal of “labor mobility without despair,” in addition to the existing principle of “labor mobility without unemployment.” “Labor mobility without despair” means moving to a new job which makes it possible to realize physical, mental, and social well-being and improved productivity, even with some time spent job hunting. Such labor mobility should be supported by specific

measures including career counseling, vocational training for those who have lost jobs, and re-employment support with the aid of tools such as Japan O-NET (Occupational Information Network) (launched in March 2020 by the MHLW) and the Job Card System (a system that records information such as personal history and work experience, which can be used over the course of a lifetime for career development and job-hunting activities), according to the report.

4. Coordination with industrial policy and livelihood support measures

Based on these emergent issues, with regard to future employment policy directions, the report calls for coordination with various policies such as industrial policies and measures for livelihood support, as well as a package of comprehensive employment measures including support for securing employment, reemployment support, and support for workers seeking labor mobility. Also, as companies' economic activities and job seekers' employment-seeking activities are sensitive to changes in the pandemic situation, such as the number of new COVID-19 cases, employment measures must also be able to respond flexibly to changes that occur in the future.

II. Issues requiring accelerated response

1. Promotion of digitization of employment policy'

The *Declaration to Be the World's Most Advanced Digital Nation: Basic Plan for the Advancement of Public and Private Sector Data Utilization* (approved by cabinet decision of July 17, 2020) states that it is necessary to accelerate the shift to online communication for administrative procedures and so forth, which were previously premised on face-to-face communication. With the establishment of a “new normal” in response to the pandemic, there is a greater need than ever to address the digitization of administrative processes. There are job seekers both currently employed and unemployed who are refraining from coming to *Hello Work* to seek employment due to concerns over COVID-19, and vocational counseling at *Hello Work* has been

conducted online on a trial basis. Applications for the EAS are also being accepted online. The report cites steady implementation of online public vocational training as a direction for digitization of employment policy in the future. In addition, applications for other employment-related grants will be accepted online (scheduled for March 2023), and at *Hello Work* the whole process from acceptance of job seekers' applications for placement (scheduled to be online from September 2021) to placement with employers will be completed on the Internet (employers' applications for recruitment are already being accepted online), according to the report.

2. Improvement of recruitment and job placement services

It needs to be possible to carry out the job hunting process remotely and without human contact. The report suggests that *Hello Work* should provide people with difficulty in employment with, in addition to face-to-face services, continuous support while maintaining "connections" with the aid of online communication, as well as more personalized support according to users' situations and needs using resources such as Japan O-NET. In terms of support for employers, Japan O-NET and the Job Card System are to be utilized to support companies which cultivate human resources. Besides, the report proposes providing comprehensive proposal-oriented counseling in order for companies to secure and train human resources and improve employment management in light of changes in the labor market and working styles. In this context, the report highlights the need to strengthen human resource development on the administrative side, such as improving the career counseling ability of *Hello Work* staff and utilizing digital technologies.

3. Implementation and dissemination of telework guidelines

After the COVID-19 pandemic began, work styles with the aid of digital technologies, such as telework and videoconferencing systems, became more prevalent. However, while telework expanded rapidly as the pandemic spread, there was a

subsequent reversion to the standard work-at-the-office model. Many people and companies adopted telework as an emergency measure, but it did not gain ground in any permanent sense after the state of emergency was lifted. At the same time, workers and companies that have telework options in place are exercising them, and telework is becoming a more established paradigm. The report emphasizes the need for constant promotion and establishment of telework from the perspective of enhancing diverse work styles over the medium to long term, aside from the immediate concerns over the infectious disease.

The report builds on discussions by the MHLW Study Group on Remote Working Styles of the Future with regard to managing working hours via telework, scope of applicability, issues related to labor management when shouldering the costs of implementing telework and so on. The report calls for revising and appropriately disseminating the *Guidelines for the Appropriate Introduction and Implementation of Remote Work Using Information and Communications Technologies* which was compiled by this Study Group. Regarding work styles with the aid of digital technologies, the report suggests that both labor and management discuss approaches to working hours, optimal management strategies, personnel evaluations, human resource development and so forth within companies.

4. Improvement of ability to respond to changes and crises

With regard to unforeseen crises, it is important not only to respond flexibly after the fact, but also to boost general responsive ability in advance. The COVID-19 pandemic dramatically underscored the importance of strengthening our ability to respond to changes and crises. From this perspective, the report points out that in order to improve individual employees' abilities to respond to changes and crises, it is vital that they acquire learning habits that allow them to come into contact with diverse values, and that they are offered an easily accessible learning environment. The report also recommends that the contents of Japan O-NET be enriched in

order to visualize the skills required for desired careers and promote independent reskilling (returning to education and training). Based on this, the report suggests that companies utilize the system for

personnel management and so forth and that individuals use it to gain a picture of the skills they lack and are more easily able to have access to the necessary vocational training resources.