

1 Overview of Employment Measures

Hit by the “once in a century” global economic crisis, employment conditions in Japan are deteriorating rapidly. The employment and unemployment situation in 2008 is growing more severe, as shown by the active opening ratio’s decline in December to 0.72, its lowest level in five years and a month since November 2003, and an annual average of 0.88 (down 0.16 from the previous year). This was accompanied by a rise in the unemployment rate to 4.4% in the same month, and a 0.1 point rise in the annual average to 4.0% year on year.

Looking at employment conditions across the country, the active opening ratio worsened in 9 regions between 2007 and 2008, and the unemployment rate also deteriorated over the same period in every region except Kyushu. However, while the active opening ratio exceeds 1.0 and the unemployment rate is between 2% to 4% in some regions, such as Tokai (where the respective annual averages were 1.32 and 2.9% in 2008) and South Kanto (1.01 and 3.8%), the active opening ratio remains stuck between 0.4 and 0.7 and the unemployment rate is between 5% and 6% in others, such as Hokkaido (0.44 and 5.1%), Kyushu (0.60 and 4.6%), and Tohoku (0.60 and 4.7%). The regional disparity in employment conditions thus appears to persist.

Broken down by age group, the active opening ratio for 15- to 24-year-olds declined 0.21 points from the previous year to 1.41 in 2008, and the unemployment rate declined 0.5 points to 7.2%, still higher than the rate for all age groups combined (4.0%), indicating that there remains a severe mismatch between supply and demand.

The active opening ratio (original figures) for permanent employees in December 2008 declined 0.16 points to 0.47 from the same month a year earlier, remaining lower than the overall ratio (0.72).

In response, the Government has adopted the following packages as “life security measures” to protect living standards and the economy (formulated at a joint session of the Government and Ruling Parties Council on New Economic Measures and the Ministerial Council on Economic Measures on October 30, 2008) and “emergency measures to defend living standards” (adopted by the Ministerial Council on Economic Measures on December 30, 2008).

Emergency Measures to Improve Employment Situation

- (1) Housing and life security measures
Use of employment-promotion housing units, provision of targeted advice and vocational counseling on finding accommodation and stable employment, and loan of funds to help cover initial moving, rent, and living and job-hunting expenses to assist people who have lost their jobs and homes and workers in unstable unemployment
- (2) Employment maintenance measures
Subsidies for small and medium enterprises (hereinafter referred to as SMEs) that maintain jobs through use of leave, educational support, and temporary transfers in order to help maintain employment at SMEs
Subsidies for employers using temporary staff that directly hire dispatched workers before the end of the of the dispatch term in order to assist the employment of dispatched workers by the companies with which they are placed
- (3) Measures to support job creation and reemployment
Establishment of a ¥400 billion fund for prefectures to create employment opportunities for local job seekers

Subsidies for employers that offer permanent jobs to older freeters (aged 25-39) and dispatched workers, etc.

Establishment of “career boost” centers at public employment security offices in Hokkaido, Tokyo, Aichi, Osaka, and Fukuoka to create a one-stop shop for employment stabilization support measures and enhance employment support for non-regular workers

- (4) Response to problem of withdrawal of job offers
Provision of guidance to enterprises (including “naming and shaming” of those that withdraw offers) and the provision of financial incentives to employers that provide regular jobs to students, etc. who have had offers withdrawn
- (5) Revision of employment insurance benefits
Revision of standards for application to non-regular workers, extension of benefit period to 60 days in the case that finding reemployment is particularly difficult, and easing of eligibility requirements for fixed-term contract workers whose contracts have not been renewed

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 37,130,000 and 570,000 in FY2007.

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.

New Employment Strategy

As the effects of population aging, the low birthrate, and demographic decline take hold, ensuring that Japan's limited valuable human resources can approach their work with enthusiasm and make full use of their abilities will be essential to enhancing the professional life of every individual and revitalizing society as a whole.

To ensure that everyone who wants to work can find employment, the Government has developed a “New Employment Strategy” for intensive action up to 2010 to create “a society in which everyone plays a part” where everyone can make the most of his or her abilities.

Following this strategy, the Government will introduce support measures tailored to meet the specific needs of groups such as the young, women, older people, and people with disabilities, and will develop the conditions to achieve stable employment and living standards and comfortable working conditions.

2 Employment Measures for Young People

Prompted by the severe employment and unemployment conditions faced by young people in recent years, the Youth Independence and Challenge Strategy Council of cabinet ministers (including the Minister of Health, Labour and Welfare) met between FY2004 and FY2006 to develop a concerted government response to youth unemployment with the principal aim of “reversing the upward trend in youth unemployment.” Some progress has been made as a result, including a decline in the youth unemployment rate since its peak in 2003 and a reduction in the number of freeters for five years in succession.

However, there remain many young people who, having failed to become permanent employees during the “employment ice age” when the job market for new graduates was most severe, remain freeters (older freeters aged 25-34), along with many NEETs and others without employment, and these youngsters who did not find permanent jobs at the time of the employment ice age are now entering their mid-thirties. During the present severe economic climate, moreover, there is a risk of more job offers being withdrawn, making the job-hunting situation faced by new graduates even more severe. By pursuing a variety of measures, such as a plan to ease the transition to regular employment for freeters, the Government aims to create a society in which the young people on whom Japan’s future depends can find secure, satisfying jobs in which they can make the most of their drive and abilities.

Main Youth Employment Measures in FY2009

1. Promotion of Plan to Facilitate Freeters’ Movement into Regular Employment (tentative name)

Employment support for young people

- (1) **Employment support focusing on older freeters and workers in late thirties in unstable employment**

- 1) Regular job placement services for freeters, etc. provided by public employment security offices
 - 2) Regular job placement support provided through “job meetings” and job clubs
 - 3) Tailored job placement support in job cafes
- (2) **Promotion of employment through subsidized programs such as trial employment system**
- 1) Promotion of employment through trial employment of young people, etc. and special financial incentives for employers who provide regular jobs to young people in non-regular employment
- (3) **Provision of vocational skills development opportunities for young people**
- 1) Provision of vocational skills development opportunities for young people through vocational skills development system (“job card” system)
 - 2) Development and introduction of “fresh start courses” for older freeters, etc.

Promotion of action by enterprises to expand recruitment opportunities for young people

- 1) Enhancement of guidance and advisory services for employers to encourage expansion of recruitment opportunities for young people, support for model programs, and widespread publicizing of their effects
2. **Enhancement of Vocational Independence Support for NEETs and Other Young People**
- (1) **Expansion of “Community Youth Support Stations”**
- 1) 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

(2) Organization of “Youth Independence Camps”

- 1) Effective organization of “Youth Independence Camps” offering a diverse menu of training activities designed to motivate and instill confidence in young people through training in the routines of daily life and work experience gained from communal living in a training camp format

3. Response to Withdrawal of Job Offers

(1) Enhancement of employment support for students, etc. who have had job offers withdrawn

- 1) Thorough guidance for enterprises (including “naming and shaming”) and provision of financial incentives to employers that give permanent employment to students and graduates without definite employment who have had job offers withdrawn (¥1 million per person for small and medium enterprises (hereinafter referred to as SMEs) and ¥0.5 million per person for large enterprises)
- 2) Support for employers that maintain jobs by using employment adjustment subsidies, etc. and providing training or using temporary transfers or layoffs immediately af-

ter hiring (four fifths of wages plus benefits (two thirds in case of large enterprises)) to stabilize employment of new graduates

(2) Reinforcement of employment support for new graduates

- 1) Organization of job fairs with local enterprises targeting primarily manufacturers, SMEs, and long-term nursing care fields

4. Miscellaneous

(1) Promotion of comprehensive measures to secure stable employment for homeless workers in unstable employment

- 1) Enhancement of targeted vocational counseling and job search services and stable employment through lending of funds to help with the cost moving into new accommodation and living/job-search expenses to enable workers in unstable employment staying in internet cafes, etc. to look for regular employment to find accommodation and stable employment

(2) Support to promote sense of vocation from school age

- 1) Support for development of sense of vocation from school age through such means as promoting understanding of occupations and providing “employment guidance” to high-school students learning how to look for work, etc.

3

Policies Designed to Secure Employment for Older and Disabled Workers

Measures for Elderly Workers

Japan's population is aging at a rate without parallel elsewhere in the world, and it is projected that approximately one in three in total population will be aged 65 or over in 2030. To maintain socioeconomic vitality under these circumstances, it will be necessary for as many elderly as possible to take an active part in supporting society and the economy. To realize this in the future, we need to create a society in which motivated and able persons can continue to work, regardless of age.

Recognizing the above situation, in 2004 the government revised the Elderly Persons Employment Security Act, to ensure employment opportunities until 65 years of age, and to promote reemployment for the middle-aged and older working population, among other measures.

The revised Elderly Persons Employment Security Act aims to ensure stable employment opportunities for elderly persons by obligating employers to ensure employment opportunities to 65 through one of the following: raising retirement age; introducing a structure for continued employment; or abolishing retirement age. In addition, the Law aims to enhance measures to promote reemployment for middle-aged and older workers (45 to 65), and enhance measures to ensure temporary or short-term employment opportunities for retirees and other persons.

The revisions to the Act concerning promotion of reemployment for middle-aged and older workers and securing of employment opportunities up to the age of 65 went into effect from December 1, 2004 and April 1, 2006, respectively.

In accordance with the passage of the revised Act, from FY2005, the following measures for promoting employment in the elderly population have been prioritized.

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

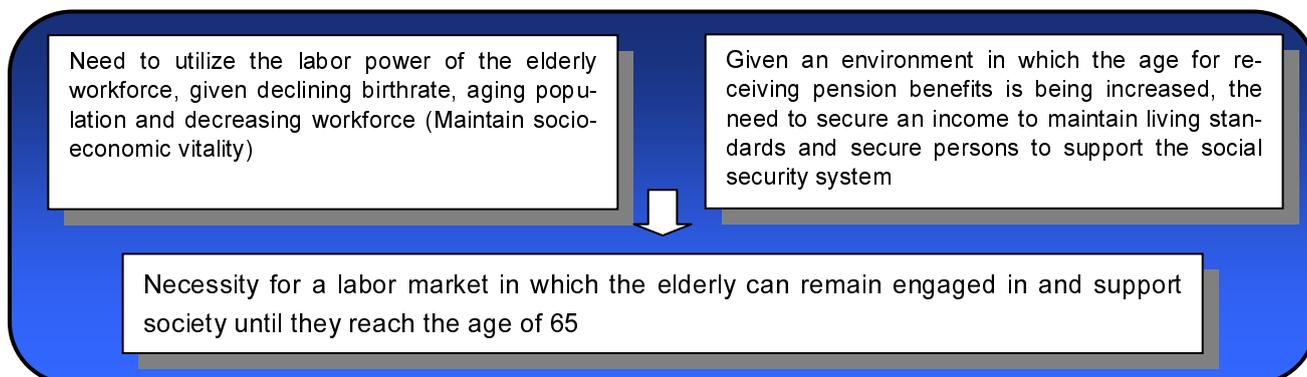
Legal revisions effective from April 2006 have made it mandatory for employers to take steps to ensure the employment of older workers, and those that do not take such steps receive guidance and advice from public employment security offices. Effective counseling and advice is also provided to them by senior citizen employment advisers in partnership with prefectural job development associations.

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.

V-1 Overview of the Act to Partially Amend the Act concerning Stabilization of Employment of Older Persons (Promulgated June 11, 2004)

【Background】



【Content of the Revision】

(1) Securing employment opportunities up to age 65

- Raising retirement age up to 65 and introducing systems for continuous employment are required.
- The system will be designed so that standards concerning workers subject to the continuous employment system through labor-management agreements might not be applied to all candidates.
- A certain period after the enactment of the revision shall be determined with an ordinance (three years for large companies and five years for SMEs) for the formulation of employment standards and regulations, rather than a labor-management agreement.
- Age for introduction of the system for continuous employment shall be raised together with increase in age at which pensions are payable, rising incrementally until FY2013.

(2) Promoting reemployment of middle-aged and older workers

- Requirement that employers provide a reason for setting a maximum age when recruiting/ hiring new workers.
- Requirement that if elderly workers are forced to retire because of circumstances within the employer's control, the employer must provide them with a document detailing their work achievements and skills.

(3) Securing diverse employment opportunities

- Establish a special exception (granting permission) for labor dispatch projects that involve temporary, short-term and light work assignments provided by Silver Human Resource Centers.

【Date for Entry into Force】

(1) entered into force on 1 April 2006, and (2) and (3) entered into force on 1 December 2004.

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

Action is being taken to support employers that provide continued employment for older for enterprises that employ middle-aged and older workers on a trial basis for a fixed period,

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 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.)

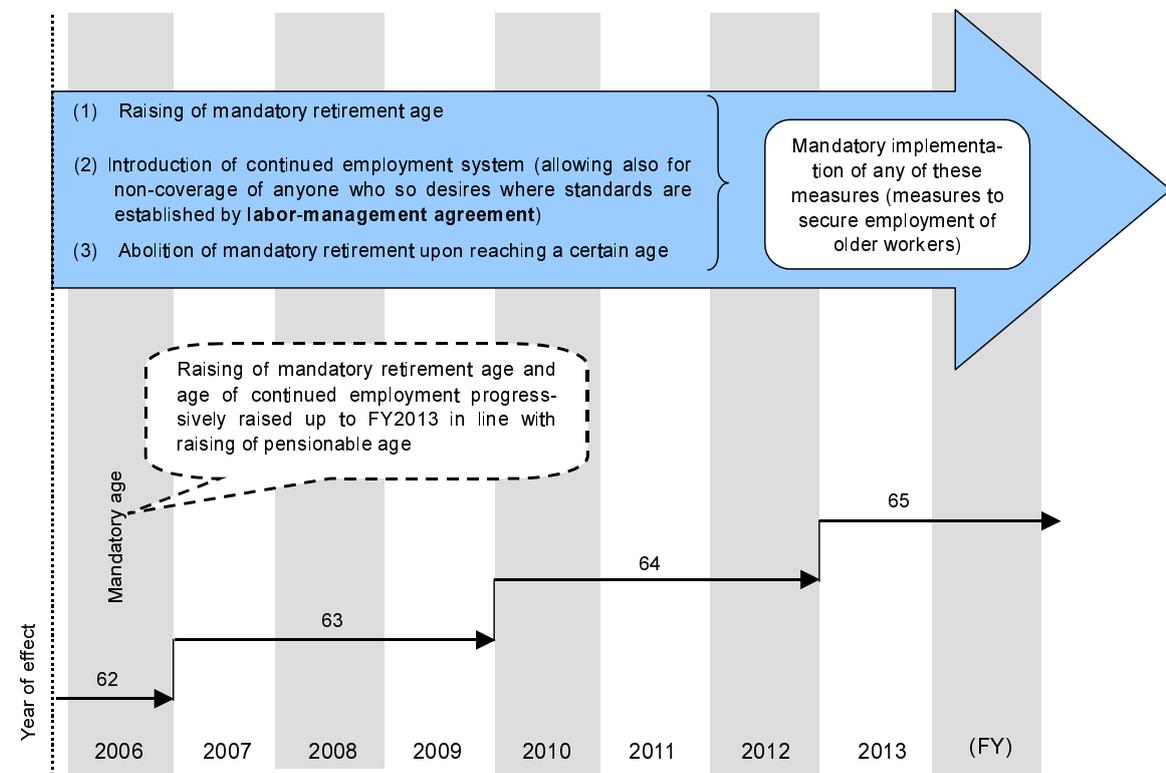
Focusing on the fields of "education, childcare, nursing care, and the environment," these cen-

ters 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.

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



V-3 System of Employment Measures for Older Workers in FY2009

(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 “Work-to-Seventy Employers”
 - Gathering and provision of information on pioneering cases and provision of advice, etc. on revision of pay and promotion schemes, support for action by employers’ groups, etc. to employ more older workers up to age 70 (“Work-to-Seventy Employer” Promotion Project)
- Measures to encourage more enterprises to adopt a mandatory retirement age of at least 65 and to become “Work-to-Seventy Employer”
 - Financial incentives for enterprises that raise the mandatory retirement age (financial incentives for small and medium enterprises (hereinafter referred to as SMEs), subsidies for model employers of older workers, financial incentives for SMEs that secure jobs for older workers)

(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
 - Support for reemployment of baby-boomers who have reached mandatory retirement age provided through local baby-boomer employment support projects, etc.
 - Financial incentives for trial employment of middle-aged and older workers
 - Subsidies to develop employment of certain categories of job seekers
 - Operation of older worker vocational counseling centers
 - Integrated provision of skills courses and job fairs in collaboration with industry groups and public employment security agencies (senior citizen work program activities)
 - Consultations and support for workers’ old age career planning
- 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”
 - Support for expansion of employment opportunities in the community and range of job categories for female members to enhance services provided by Silver Human Resource Centers
- 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)
- Measures to support startups by three or more older people aged 45 or over
 - Use of subsidies for creation of job opportunities jointly by older people

Source: Ministry of Health, Labour and Welfare, Elderly Workers’ Affairs Division (April 1, 2009)

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 (see endnote).

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, pursuant to the amended Act, 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 legal employment quotas are:

- Private corporations: 1.8%
- Special government corporations: 2.1%
- National and local public corporations: 2.1%
- Designated school boards: 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 are collected from companies that fail to fulfill the employment quota, and distributed as bonuses 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.

Future Direction of Measures for the Employment of Disabled Workers

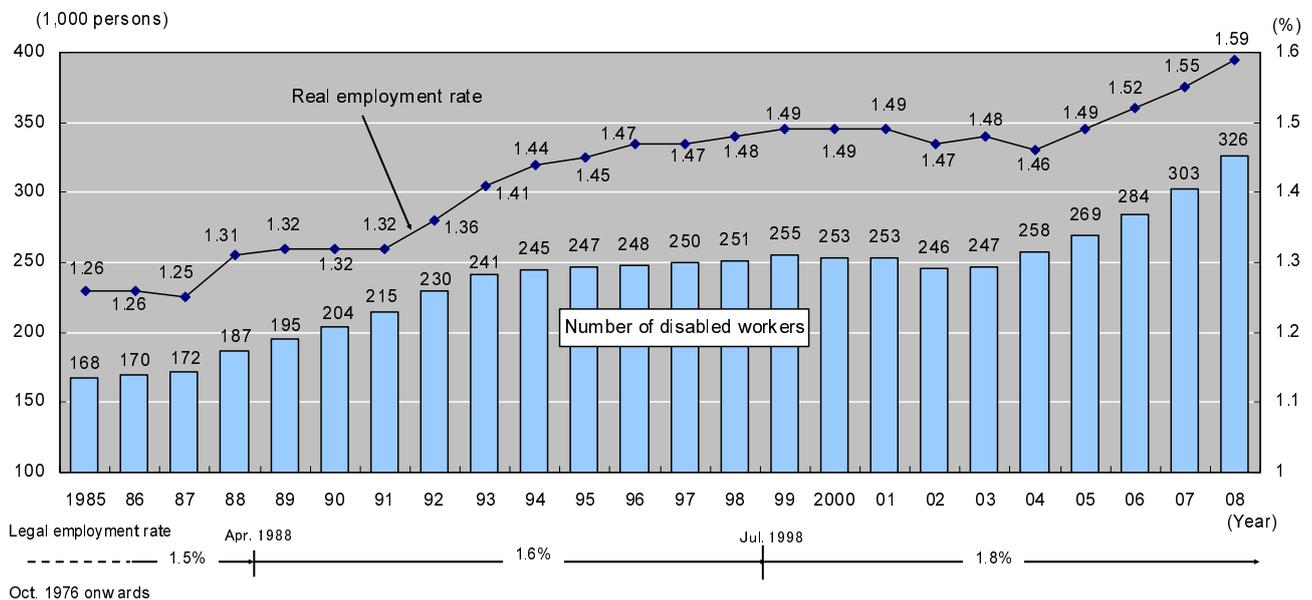
Regarding the employment situation of people

with disabilities, the number finding work through public employment security offices continued to grow year on year by around 10% for several years and in FY2007, growth was 3.6% to 45,565 year on year. In the first half of FY2008, the number then declined owing to the impact of employment conditions in general. While the private sector real employment rate was up 0.04 percentage points from the previous year to 1.59% as of June 1, 2008, indicating that the situation is steadily improving, the fact that the employment quota is met by fewer than one in two enterprises means that there is still considerable room for improvement.

While there were signs in FY2008 of an increase in disabled persons' desire to work, their employment at small and medium enterprises (hereinafter referred to as SMEs), which are important local sources of employment, is on the decline. Because of this and disabled persons' considerable need to work part-time and in view

of employers' employment obligations having been based on providing regular employment for at least 30 hours per week, therefore, the Act on Employment Promotion, etc. of Persons with Disabilities was amended to: (1) promote the employment of disabled persons by SMEs (to expand the coverage of the Disabled Person Employment Payment System to include SMEs with more than 101 regular workers and to provide special standards of calculation to allow for the use by SMEs of cooperative business associations and the employment of disabled persons in collaboration with such associations); and (2) revise the employment quota system to allow for part-time work (to add part-time workers to the workers and employed disabled persons upon which an employer's obligation to employ disabled persons is based). Based on this revision, the aim is to expand employment opportunities for disabled persons in order to assist those who work and those want to work.

V-4 Employment Situation for Disabled Persons at Private Enterprise Trend of employment rate and disabled workers



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

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)

V-5 System of Employment Measures for Persons with Disabilities

Comprehensive promotion of employment measures for disabled persons, aiming at the realization of a society in which persons with disabilities and persons without can participate similarly in their places of employment, according to ability and aptitude.

Basic Plan for Persons with Disabilities and Five-Year Plan for Implementation of Priority Measures

The Fundamental Policy for Employment Measures for Disabled Persons

Comprehensive Promotion of Employment Measures for Persons with Disabilities

(1) Guidance and assistance for business owners

- Employment quota system for disabled persons
 - Stipulated employment rate
 - Private enterprise: General–1.8%, Special government corporations–2.1%
 - National, Local government: 2.1% (selected school boards–2.0%)
 - Guidance in fulfilling quotas through order to prepare “A Plan for Hiring Disabled persons”
- Support, etc. for employers through the system of levy and grant system for employing with disabilities.
 - Adjustment of the imbalance of economic burden between employers by levy and grant system for employing persons with disabilities
 - Support for employers who improve facilities, equipment and so on for disabled employees; assign assistants; give consideration toward housing and transportation; and continue to employ persons who become disabled while on the job
 - Assistance in paying wages through bounty for the employment development for specified job applicants
- Establishment of a system to support working at home by persons with disabilities
 - Payment of special allowance to business owners who outsource jobs to persons with disabilities working at home
- Provision of expertise regarding employment for persons with disabilities
 - Provision of positive examples and employment administration expertise regarding employment for persons with disabilities

(2) Implementation of occupational rehabilitation based on the characteristics of each persons with disabilities

- Offer of advice, referrals, and guidance for adaptation to the workplace according to the needs of persons with disabilities, at Public Employment Security Offices
- Provision of specialized occupational rehabilitation services to persons with disabilities (e.g. performance evaluations) at vocational centers for persons with disabilities (operated by the Japan Organization for Employment of the Elderly and Persons with Disabilities)
Personal support by Job Coaches for adjustment in the workplace
- Enhancement and strengthening of support through linking employment with welfare
 - Advancing a shift from welfare-type jobs in local communities to ordinary employment
 - Promotion of integrated employment and lifestyle support
- Promotion of development of diversified and effective vocational capabilities
 - Promotion of vocational training at schools for development of vocational capabilities of persons with disabilities
 - Vocational training outsourced to various private institutions and other entities in local communities

(3) Education related to employment of persons with disabilities

- Creation of an opportunity for enterprises to employ persons with disabilities through trial employment
- Institution of a promotional month for the employment of persons with disabilities
- Cooperation with the disabled groups in public information and education activities

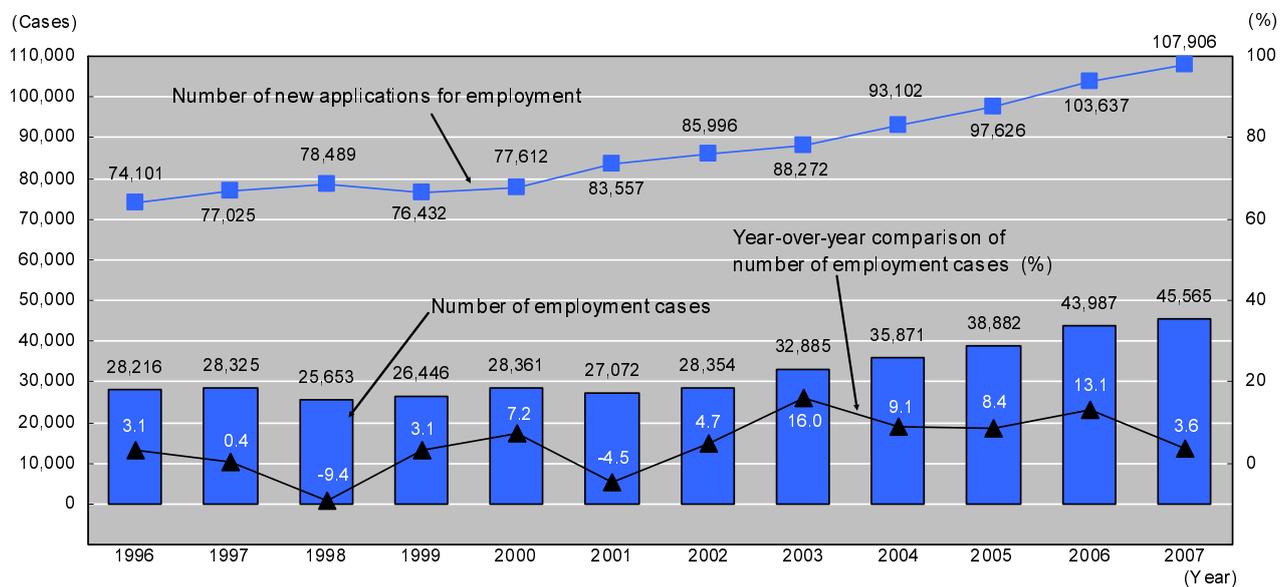
V-6 Situation of Employment Placement of Persons with Disabilities at Public Employment Security Offices

(Persons, %, % points)

Year	Number of new applications for employment		Number of valid applicants for employment		Number of employment cases		Employment rate	
		Year-on-year difference		Year-on-year difference		Year-on-year difference		Year-on-year difference
1998	78,489	1.9	115,848	12.8	25,653	-9.4	32.7	-4.1
1999	76,432	-2.6	126,254	9.0	26,446	3.1	34.6	1.9
2000	77,612	1.5	131,957	4.5	28,361	7.2	36.5	1.9
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

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

V-7 Changes in the Number of Employment Cases and of New Applications for Employment

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

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 41.4% in 2007, and women’s share of managerial positions (assistant manager level or above) has also risen from 2.5% in 1985 to 8.2% in 2007.

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 chil-

dren or relatives requiring nursing care.

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, 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.

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.

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-8 Outline of Revised Part-time Work Act

Establishment of shared rules in the workplace to suit diversified forms of employment

1 Obligation to document and explain working conditions

- (1) Introduction of obligation to set working conditions down in writing (subject to administrative fine in the event of failure to do so)
- (2) Introduction of obligation to explain the matters taken into consideration when determining pay, etc. upon request by part-time workers

2 Promotion of balanced treatment

(Development of rules for determining fair treatment commensurate with work and contribution)

- (1) Introduction of obligation to act to ensure balanced treatment of all part-time workers compared with ordinary workers in respect of wages, education, training, and use of corporate welfare facilities, etc.
- (2) Prohibition in particular of discriminatory treatment of part-time workers who are equivalent to ordinary workers

3 Facilitation of transition to ordinary employment

Introduction of obligation to take any of the following measures to facilitate the transition to ordinary employment:

- 1) Notification of part-time workers of the details of any positions advertised for ordinary workers
- 2) Provision of opportunities for existing part-time workers to apply for any ordinary positions advertised internally
- 3) Introduction of measures, such as examination arrangements for part-time workers, to assist their transition to ordinary status

4 Assistance with resolution of complaints and disputes

- (1) Introduction of obligation to endeavor to voluntarily resolve complaints
- (2) Development of administrative alternative dispute resolution (advice and mediation by the heads of prefectural labor bureaus)



Realization of fair
treatment

Improvement of
labor productivity

Date of entry into effect: April 1, 2008

Action to Ensure Balanced Treatment

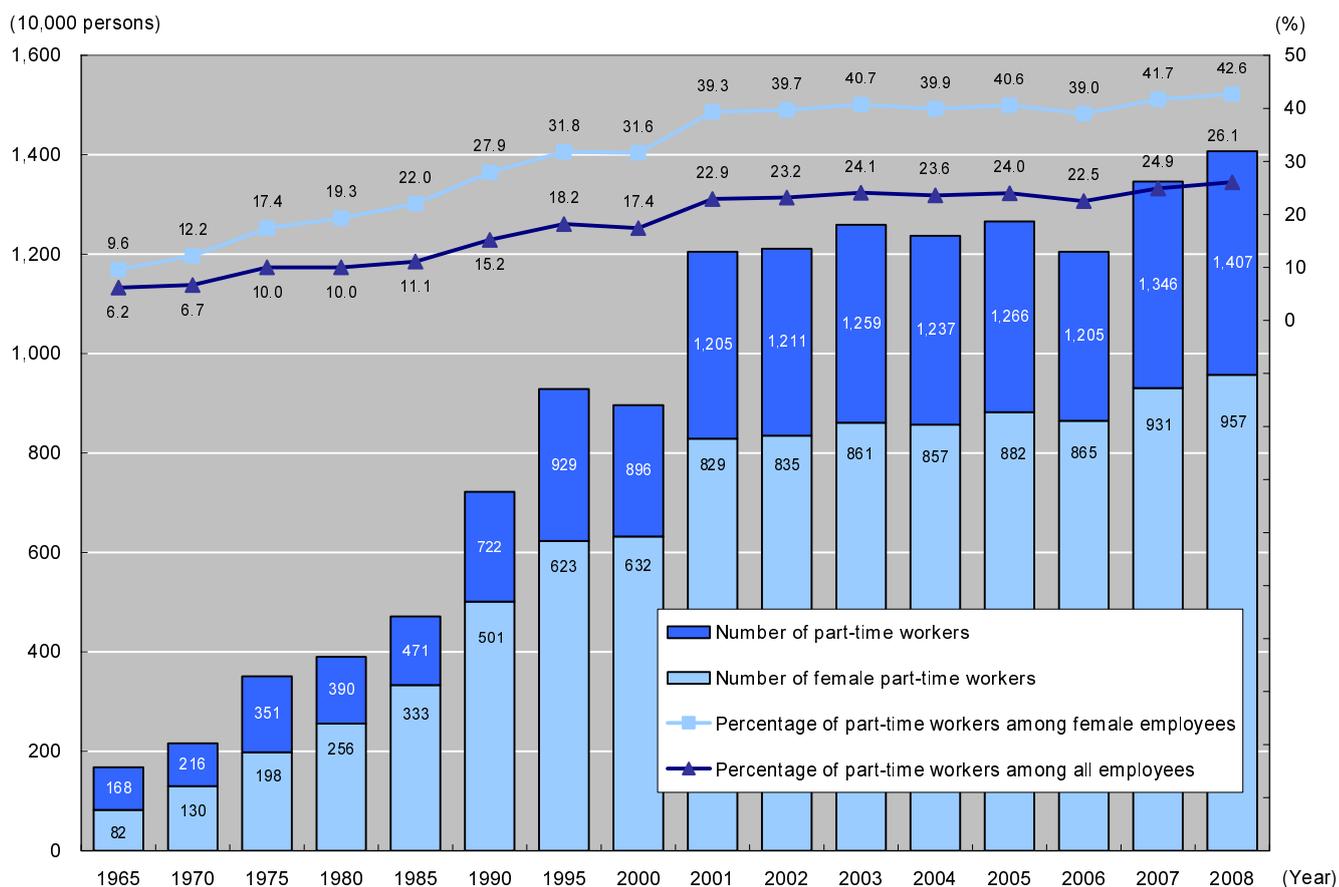
Prefectural labor bureaus' employment equality offices publicize the revised Part-time Work Act by such means as organizing group briefings for employers and distributing pamphlets to labor-management organizations. They also 1) provide consultations for part-time workers, 2) give administrative guidance following consultations or scheduled visits to business establishments, and 3) assist with dispute resolution upon request by workers and employers.

Support for Employers Engaging in Providing Balanced Treatment

Prefectural labor bureaus' employment equal-

ity offices are staffed by experts in personnel and labor management, and provide advice on how to treat part-time and ordinary workers in a balanced manner in practice and improve the transition from part-time to ordinary status. They also help employers to improve their employment management in compliance with the law. Subsidies for employers who work to improve treatment of part-time workers are at the same time being expanded and action is being taken to ensure balanced treatment of part-time workers in order to promote the improvement of employment management in accordance with the revised law.

V-9 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



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

Notes: Excludes employees on leave.

Percentage of women among part-time workers 68.0%

Percentage of part-time workers among all employees 26.1%

Percentage of part-time workers among female employees 42.6%

6 Fixed-Term Employment Measures

Present State of Non-regular Workers including Fixed-term Contract Workers

The workers who fall under the category of non-regular employment are called by a variety of names, including part-timers, dispatched workers, contract workers, and “entrusted employees” (*shokutaku*). Younger age groups have led the growth in this category in recent years, giving rise to concern about their instability of employment and lack of opportunity to develop vocational skills. The number of non-regular workers rose by 7.45 million from 9.86 million in 1993 to 17.31 million in 2007, including an increase of approximately 0.66 million in the number of contract and entrusted employees, who are employed on fixed-term contracts, from some 2.30 million in 2002 to 2.96 million in 2007. Despite the absence of statistical figures, it may be surmised from this that the number of fixed-term contract workers working the same weekly scheduled working hours as ordinary workers (hereinafter referred to as “full-time fixed-term contract workers”) is also increasing.

Commentators have pointed to two factors behind this increase in fixed-term contract workers: on the one hand, moves by enterprises to reduce personnel costs and increase variable costs instead in response to intensifying competition and increasingly uncertain market conditions due to globalization and technological advances; and, on the other hand, employers’ catering to the diverse needs of workers. As well as this quantitative increase, there is occurring a qualitative change in the functions of fixed-term contract workers. The expertise and responsibilities required of fixed-term contract workers in their work, for example, are on a par with or exceed those of permanent employees at many business estab-

lishments, suggesting that fixed-term contract workers are fulfilling the managerial and supervisory functions formerly played by permanent employees, and that they are playing an increasingly core role in the workforce.

Improvement of Employment Management of Fixed-term Contract Workers

Against this background, measures are being taken to improve the employment management of part-timers and dispatched workers in line with the relevant legislation, and systems are undergoing revision. However, full-time fixed-term contract workers have yet to be placed within the scope of application of legislation on the improvement of employment management of part-time workers (Part-time Work Act) or the support measures provided thereunder, and sufficient steps are not being taken to improve their employment management.

In order to improve the employment management of fixed-term contract workers, therefore, the following guidelines (see V-10) have been prepared based on related labor legislation targeting mainly full-time fixed-term contract workers who have renewed their contracts several times:

1. Action that employers are required to take
2. Action that employers are urged to consider in order to improve employment management

Public employment security offices around the country are actively informing and advising employers and other relevant organizations about these guidelines, and are at the same time working to improve employment management through the provision of subsidies to small and medium enterprises.

V-10 Outline of Guidelines on Improvement of Employment Management of Fixed-term Contract Workers

1 Purpose

To indicate what employers should do or consider to improve the employment management of full-time fixed-term contract workers

2 Coverage

Mainly targeted at full-time fixed-term contract workers who renew their contracts several times

3 Required action regarding employment of fixed-term contract workers

Attention must be paid to the following in accordance with related labor legislation (Labor Standards Act and Labor Contract Act, etc.).

- (1) **Development of employment environment taking into consideration stable employment relations**
 - ① Written indication of the term and possibility of renewal of contracts when entered
 - ② Attention to term of contracts
 - ③ Observance of employment agreements
 - ④ Advance notice of non-renewal and indication of reasons
 - ⑤ Prohibition of prejudicial treatment on grounds of pregnancy or childbirth, etc.
- (2) **Improvement of working conditions, etc.**
 - ① Explicit working conditions, etc.
 - ② Development of employment regulations
 - ③ Attention in principle to balance between demands of work and private life
 - ④ Balanced treatment of part-time and ordinary workers
 - ⑤ Provision of annual paid leave
 - ⑥ Provision of childcare and nursing care leave, etc.
- (3) **Concern for career path, etc. (hiring as permanent employees)**
Measures to promote transition to ordinary status
- (4) **Provision of opportunities for training and skills development**
Employers should strive to provide training according to job content and performance, motivation, ability, and experience taking into consideration balance with ordinary workers
- (5) **Legal compliance**
- (6) **Informing of workers about legislation**

4 For better employment management of fixed-term contract workers

The following matters should be taken into consideration as necessary and appropriate in order to improve employment management

- (1) **Development of employment environment taking into consideration stable employment relations**
Assistance with finding reemployment in the case of dismissal or non-renewal of contracts
- (2) **Improvement of working conditions, etc.**
 - ① Appropriate description of working conditions at the time of recruitment and hiring
 - ② Consultation service and personal interviews regarding work content and treatment, etc.
 - ③ Attention to the aims of the Work-Life Balance Charter
- (3) **Concern for career path, etc.**
 - ① Indication of concrete, clear, and diverse career paths
 - ② Evaluation of job content and performance, and reflection of results in pay, etc.
 - ③ Appropriate pay, etc. in light of skills, experience, and length of service as a fixed-term worker following hiring as a permanent employee
 - ④ Consideration of creation of employment categories with limited duties and transfer requirements but no fixed term of employment
 - ⑤ Provision of job experience opportunities to facilitate transition to permanent employment
 - ⑥ Provision of training for freeters and other young people
- (4) **Provision of opportunities for training and skills development**
 - ① Provision of planned training, etc.
 - ② Provision of leave and time off to take vocational skills examinations
 - ③ Provision of information and opportunities for consultations regarding skills and knowledge required for performance of duties
 - ④ Smooth transition to permanent status through worker training
- (5) **Development of arrangements for legal compliance**
Development and improvement of arrangements for labor management, etc. to enable rigorous legal compliance

7 Measures regarding Dispatched and Subcontracted Workers

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.

The dispatch period was subsequently extended to three years in the newly included job categories in 2003. The prohibition of used of dispatched workers in physical manufacturing was also lifted, resulting in large increases in the number of dispatchers and clients to 70,066 and 1,269,823 respectively as of FY2007. The number of dispatched workers, too, has increased considerably to 3.81 million overall (equivalent to 1.74 million regular workers) as of the same year.

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).

At the same time, the number of cases of guidance and supervision of clients has grown considerably, and the rise in the proportion of cases of clients being subjected to supervision in the form of guidance has been especially noticeable. 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.

Non-regular employment as a whole is also increasing, accounting for over 30% of total employment. With the problem of the disparities between regular and non-regular workers frequently drawing attention, the instability of employment of registered dispatched workers in particular, disparities in working conditions between dispatched and regular workers, and the

risk of remaining trapped in non-regular employment are also generating concern.

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.

In the subcontracting business, problems have been observed in manufacturing in particular, including violations of labor legislation such as the Worker Dispatch Act (especially the problem of bogus subcontracting), the need to improve

working conditions and treatment, and workers' unclear career path in these workplaces. To address these problems, a set of guidelines and check sheet were formulated in 2007 to indicate what measures subcontractors and clients should take to rectify the situation regarding subcontracting and improve employment management in manufacturing. The Manufacturing Subcontracting Improvement Council, made up of representatives of subcontractor groups, manufacturers (clients), and academics, was also established to raise knowledge and awareness of these guidelines and the check sheet by organizing seminars, selecting and supporting model businesses that use them to improve and rectify their own employment management practices, and providing consultation services using them.

8 Public Employment Service

The basic purposes of Public Employment Security Offices, which are located in approximately 550 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 Comprehensive Employment Information 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.

Bank of Human Resources

The Public Employment Security Offices established 12 Banks of Human Resources in major cities to introduce able personnel to medium- and small-sized companies and to promote the employment of the elderly. The Bank of Human Resources deals primarily with administrative, professional, and technical positions.

Part-time Job Bank

Public employment security offices have established 66 “Part-time Job Banks” (as of FY2008) in convenient areas, such as station terminals in major cities, in order to offer comprehensive job placement services to people seeking part-time employment.

Mothers’ Hello Work, Mothers’ Salons, and Mothers’ Corners

“Mothers’ Hello Work” public employment se-

curity offices have been established in 12 locations since FY2006 to serve as child-friendly centers of advice for mothers who seek jobs. These provide information on childcare in collaboration with local governments and related agencies, and give access to joined-up support provided by personal advisers who keep track of each job seeker’s situation. These have been joined by the establishment since FY2007 of 36 “Mothers’ Salons” in the main public security employment offices in prefectures without Mothers’ Hello Work centers, and the establishment since FY2008 of 60 “Mothers’ Corners” in employment offices in hub cities in regions that have yet to join the program.

Hello Work Plaza

Hello Work Plazas have been opened in 60 locations (as of FY2008) to help link up job seekers and employers by providing a comprehensive range of employment support services, including direct access to job search engines and employment placement services so that job seekers can search from a wide range of employment information themselves.

Comprehensive Support Center for Student Employment, Student Employment Centers and Counseling Offices

The Public Employment Security Offices established these institutions for the specific purpose of providing employment support to graduating students as well as unemployed graduates. These institutions offer employment counseling to provide not only a variety of employment information but also to offer supplemental assistance to job introduction services offered by universities and other institutions.

9 Employment Measures for Foreign Workers

Basic approach to Employment Measures for Foreigners

The basic approach to employment measures for foreigners under the present legislative framework is to determine the scope of acceptance of foreign workers taking into comprehensive consideration the “effects on Japanese industry and public welfare” (Immigration Control and Refugee Recognition Act).

Further indication is provided in the Basic Guidelines on Employment Policy, 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.

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”).

While the view has been expressed in some quarters that the intake of foreign workers

should be expanded owing to concerns about future labor shortages, there is a risk that this could worsen the dual structure of the labor market and impede improvements to labor conditions and, in turn, the matching and securing of human resources. Rather than simply expanding the scope of acceptance of foreign workers, therefore, it is important that action should first be taken to enable more young people, women, older people, people with disabilities, and so on to participate in Japan’s labor market.

Present Situation regarding Foreign Workers and Issues to Address

Statistics on *Nikkei* (emigrants from Japan and their descendants) and other foreign residents of Japan indicate that the bulk are in unstable forms of employment, such as dispatch and subcontracting employment, and that many are also not enrolled in social insurance, making it necessary to improve employment management by monitoring their state of employment and enhancing guidance for employers based on the Employment Countermeasures Act and Foreign Worker Employment Guidelines.

There are also signs that, under the present social and economic conditions, these foreign resident workers are being made the target of severe employment adjustment. As such workers are not proficient in Japanese, are unfamiliar with Japanese employment practices and labor legislation, and lack sufficient work experience, they face extremely difficult circumstances if they lose their jobs, and appropriate support is required to secure their stable employment as soon as possible.

Regarding foreigners in specialist and technical fields, on the other hand, support services (including assistance to international students to help them find jobs in Japan) are provided via a nationwide network centered on foreigner employment service centers in Tokyo, Osaka, and

Aichi. Despite the wide range of residence statuses allowing foreigners in specialist and technical fields to find employment with Japanese enterprises, including “engineer” and “specialist in humanities/international services” categories, their employment has yet to make much headway due to differences in outlook between foreign workers and employers, and disparities in desired treatment and career development paths.

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

Employment support and assistance with daily living tailored to local conditions are provided through accurate monitoring and analysis of the employment and unemployment conditions of *Nikkei* by public employment security offices and municipalities based on a combination of information culled from the system of notification of foreigner employment status and information obtained over the counter by these agencies, mainly in areas in which *Nikkei* residents are concentrated.

Public employment security offices also provide advice and guidance in a planned and expeditious manner to assist the improvement of employment management and reemployment in accordance with the Foreign Worker Employment

Guidelines. More specifically, they publicize and raise awareness of labor and social insurance and labor-related legislation, and provide guidance and information to employers to help maintain employment, discourage them from seeing layoffs as the easy option, and assist them in their efforts to find reemployment for foreign workers. They are also pursuing improvements in the work environment faced by foreigners by, for example, assisting the career development of young *Nikkei* without jobs.

To promote the employment of foreigners in specialist and technical fields, employment support (including assistance to help international students to find jobs in Japan) is provided in Japan in collaboration with agencies such as universities and local governments using a nationwide network center centered on foreigner employment service centers. Support is also being provided for activities to improve the employment management of foreigners at enterprises and ensure maximum use of their abilities and retention of foreign workers.

In addition, under the “Plan for 300,000 Exchange Students (Outline)” developed by the ministries and agencies concerned, collaboration with universities and business groups is to be enhanced and internships for international students promoted in order to encourage more high-quality international students to take up employment in Japan.

V-11 Categories of Foreigners Working in Japan

Persons granted residence status based on purpose of employment (i.e. foreigners employed in specialist and technical fields)

- Scope determined for each job category taking into overall consideration the "effects on Japanese industry and public welfare."
- Grouped into three main categories: "highly specialized occupations," "graduate white-collar workers and engineers," and "occupations requiring the unique or special skills of foreigners."
- Possible to engage in paid activities to the extent provided for each status of residence.

Persons resident due to their status ("long-term residents" (mainly Nikkei), "permanent residents," "spouses or children of Japanese nationals," etc.)

- No restrictions are placed on the activities of holders of these statuses of residence, and so they can engage in paid activities in a variety of fields.

Specified activities (practical skills training, foreign nurse/care worker candidates provided for under EPAs, domestics employed by diplomats, working holidays, etc.)

- Holders of the "specified activity" residence status who are resident in Japan require case-by-case approval to engage in paid activities.
- Interns enter Japan as "trainees" without being in an employment relation, and transfer to skills training in an employment relationship after one year ("designated activities" status of residence).

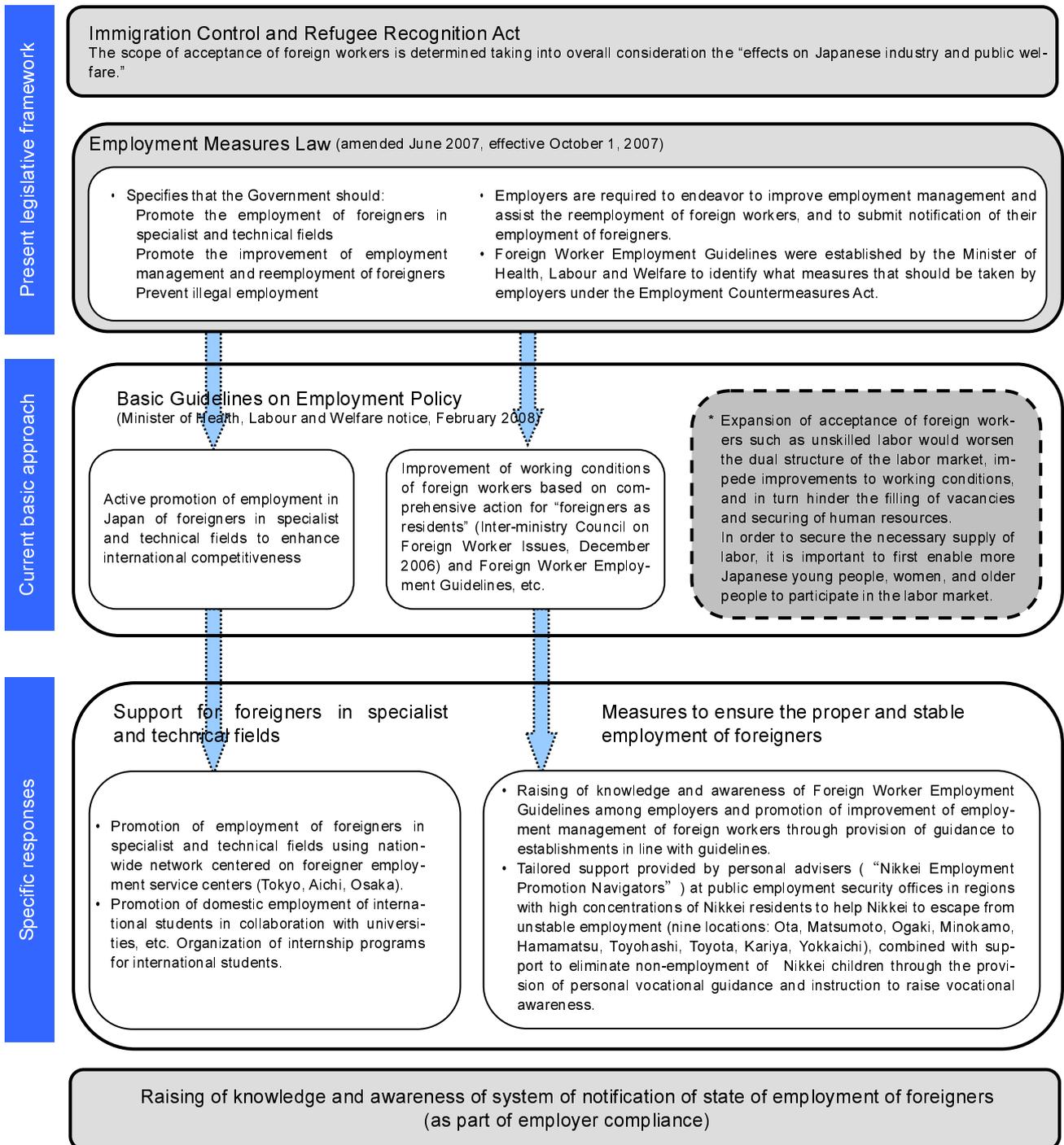
Engagement in activities outside scope of status of residence (part-time work by international students, etc.)

- Foreigners are permitted, where considered appropriate, to engage in paid activities to the extent that this does not impede the activities for which their status of residence was originally granted (not more than 28 hours per week for college-level international students and 4 hours per day for pre-college international students).

Main statuses of residence corresponding to "specialist and technical fields"	
Status of residence	Examples
Engineer	Mechanical and systems engineers
Specialist in humanities	Clerical work (planning, sales, accounts, etc.)
International services	Language instructors at English conversation schools, etc., interpreters/translators, designers
Intra-company transferee	Transferees from foreign offices and the same status as the two above categories
Skilled labor	Foreign cooks, foreign architects, jewelers, pilots, sports instructors
Professor	University professors
Investor/business manager	Executives and managers of foreign-affiliated enterprises
Legal/accounting services	Lawyers, accountants
Medical services	Doctors, dentists, nurses, pharmacists, medical radiologists
Researcher	Researchers at government-affiliated and private institutes, etc.
Instructor	Senior and junior high school language instructors

- Graduate white-collar workers and engineers
- Occupations requiring the unique or special skills of foreigners"
- Highly specialized occupations

V-12 Basic Approach to Employment Measures for Foreigners



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 full text of the Charter and Action Guidelines, see the Cabinet Office website: <http://www8.cao.go.jp/wlb/charter/charter.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

Following the Charter and Action Guidelines, the Ministry of Health, Labour and Welfare (hereinafter referred to as the “MHLW”) is pursuing the reform of working patterns throughout society in order to promote the work-life balance. Measures being pursued include the development of social momentum through national campaigns, and measures to encourage enterprises to limit working hours and ensure that employees take the annual paid leave to which they are entitled.

More specifically, 10 of Japan’s leading socially influential enterprises have been selected as models to raise public awareness of the state of implementation and effects of such measures, and independent action by workers and employers is being encouraged through such measures as a program of support for the establishment of improved working hours and provision of subsidies to encourage enterprises to establish improved working hours and other working conditions. The Guidelines for Revision of Working Hours and Other Conditions were also revised to reflect the Charter and Action Guidelines, and these entered effect on April 1, 2008.

2) Promotion of measures to support balance of work and home

The Japanese birthrate is declining rapidly, and developments such as the decline of the economically active population and the impact on the social security system are likely to seriously affect Japan's society and economy in the future.

In order to eliminate the dilemma of having to choose between work on the one hand and marriage and having children on the other, which is considered to be a cause of the decline in Japan's birthrate, and so arrest its rapid decline, the Government unveiled its "Priority Strategy of a Japan that Supports Children and their Families" in December 2007. This calls for measures on two fronts to assist the work-life balance and to establish social infrastructure such as childcare services.

Due to the particular difficulty of juggling work and family when raising children and caring for older relatives, measures to assist the balancing of work and family life are important to promote the work-life balance.

The Action Guidelines establish the following targets to be achieved by FY2017: 55% of women remaining in employment before and after having their first child, and 10% of men and 80% of women taking childcare leave. To meet these targets and help people to balance the demands of work with family needs such as childcare and nursing care, therefore, the MHLW is taking the following concrete action.

(1) Raising of awareness and compliance with the Child Care and Family Care Leave Act

The Child Care and Family Care Leave Act provides for systems of childcare leave, nursing care leave, and leave for nursing children, limitation of overtime and night labor, shortening of working hours, and other such measures by employers, and action is being taken to raise awareness and provide advice and guidance on these provisions to employers and workers.

A proposal was also made by the Labour Pol-

icy Council in December 2008 that the childcare and nursing care leave systems be revised to make shortened work hours mandatory while caring for children and to introduce measures to encourage men to take childcare leave.

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

The Act for Measures to Support the Development of the Next Generation makes it mandatory for enterprises with at least 301 regular workers to draw up "ordinary business action plans" specifying measures to help workers to balance work and childcare and to notify the Minister of Health, Labour and Welfare of them. 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, and supporting the reemployment of workers who have left the workforce to care for children or relatives.

11 Minimum Wages

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-13 Minimum Wages (Weighted National Average)

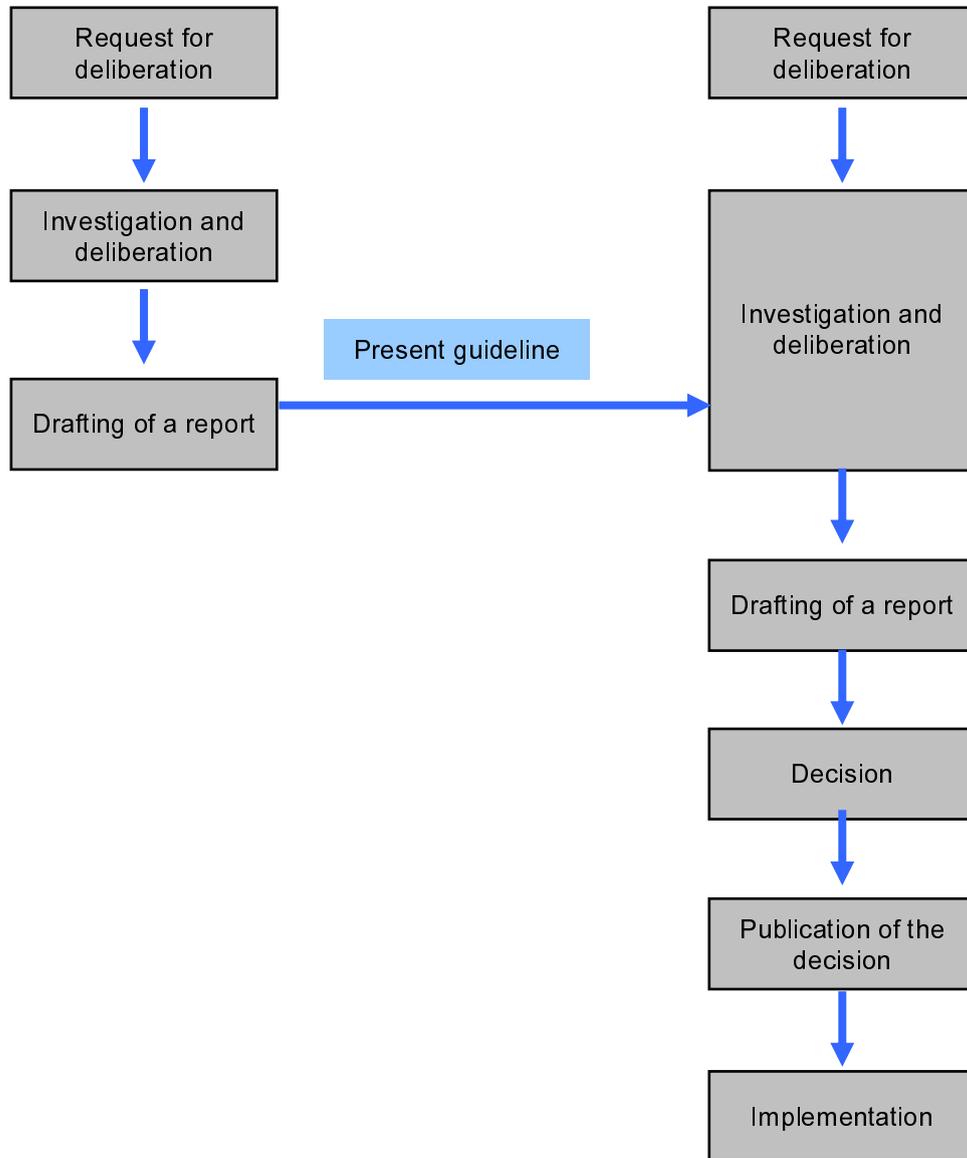
(As of October 1, 2008, yen)

	Hourly rate
Minimum wage by prefecture	703
Minimum wage by industry	786

V-14 Methods Used to Set Minimum Wages
(Minimum Wages Set through Minimum Wage Council Investigation and Deliberation)

Central minimum wage council
【Consideration for guideline】

Regional minimum wage council
【Consideration for regional minimum wage】



Trends of Industry Accidents and Work-related Diseases

Although the number of work-related casualties has a long-term trend of steady decrease, as many as 540,000 casualties are still seen in Japan every year. The number of work-related fatalities marked a new record low of 1,357 fatalities in 2007. 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 Occupational Safety and Health Measures

Since 1958, the MHLW has launched and implemented ten Industrial Accident Prevention Plan (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-17).

(1) Eligibility

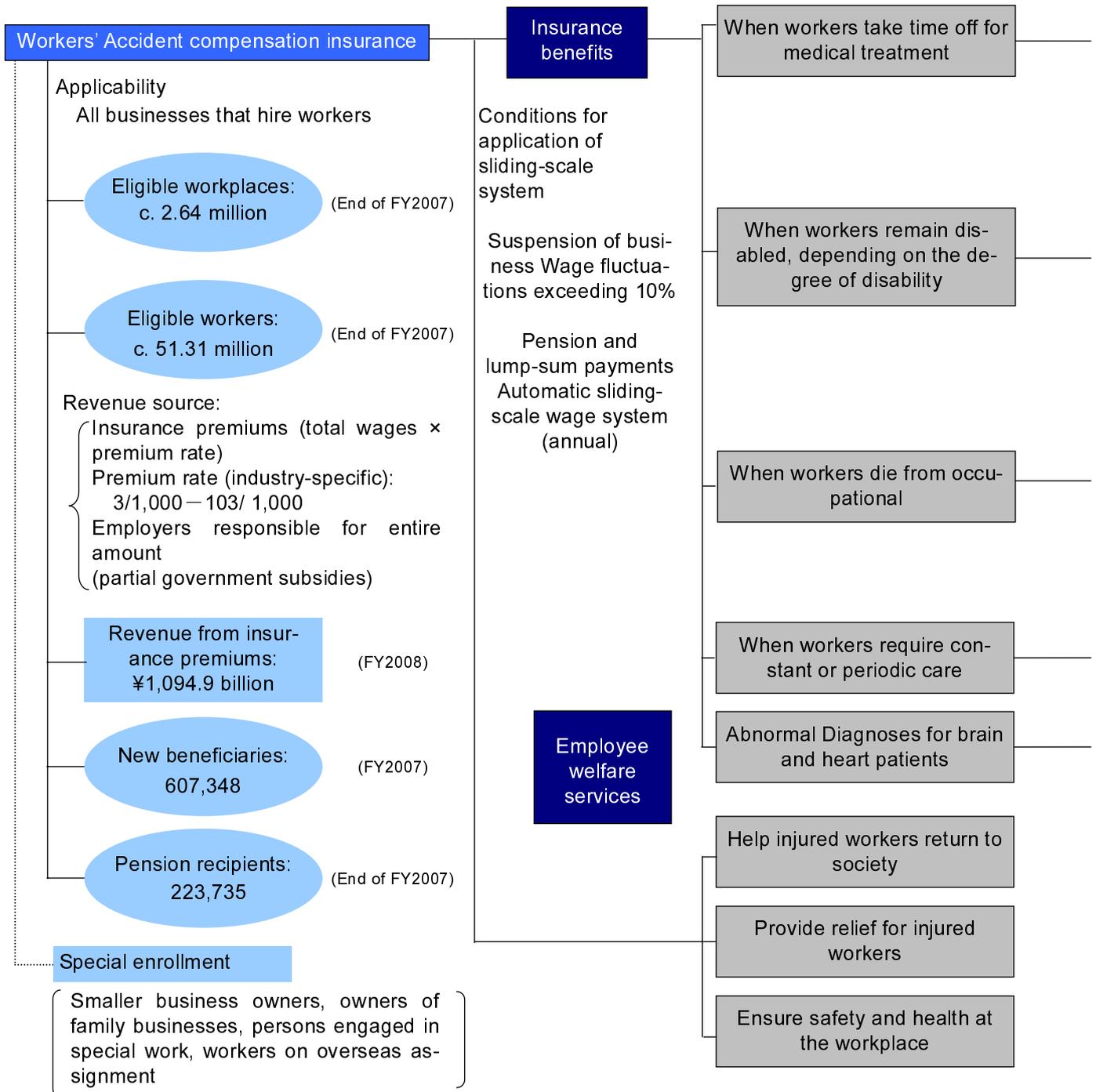
Any business that employs workers may participate in the Workers' Compensation Insurance System, excluding government employees (except local government part-time workers engaged in blue-collar labor) and seamen who are eligible for the Mariners Act. Certain businesses engaged in agriculture, forestry 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.

*Seamen will be eligible for workers' compensation insurance benefits from January 1, 2010.

(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-15 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 ¥104,960 for constant care and ¥52,480 for occasional care, per month	
Payment for a second medical examination	Second exam to ascertain cardio vascular or heart condition and special health guidance by a doctor	

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

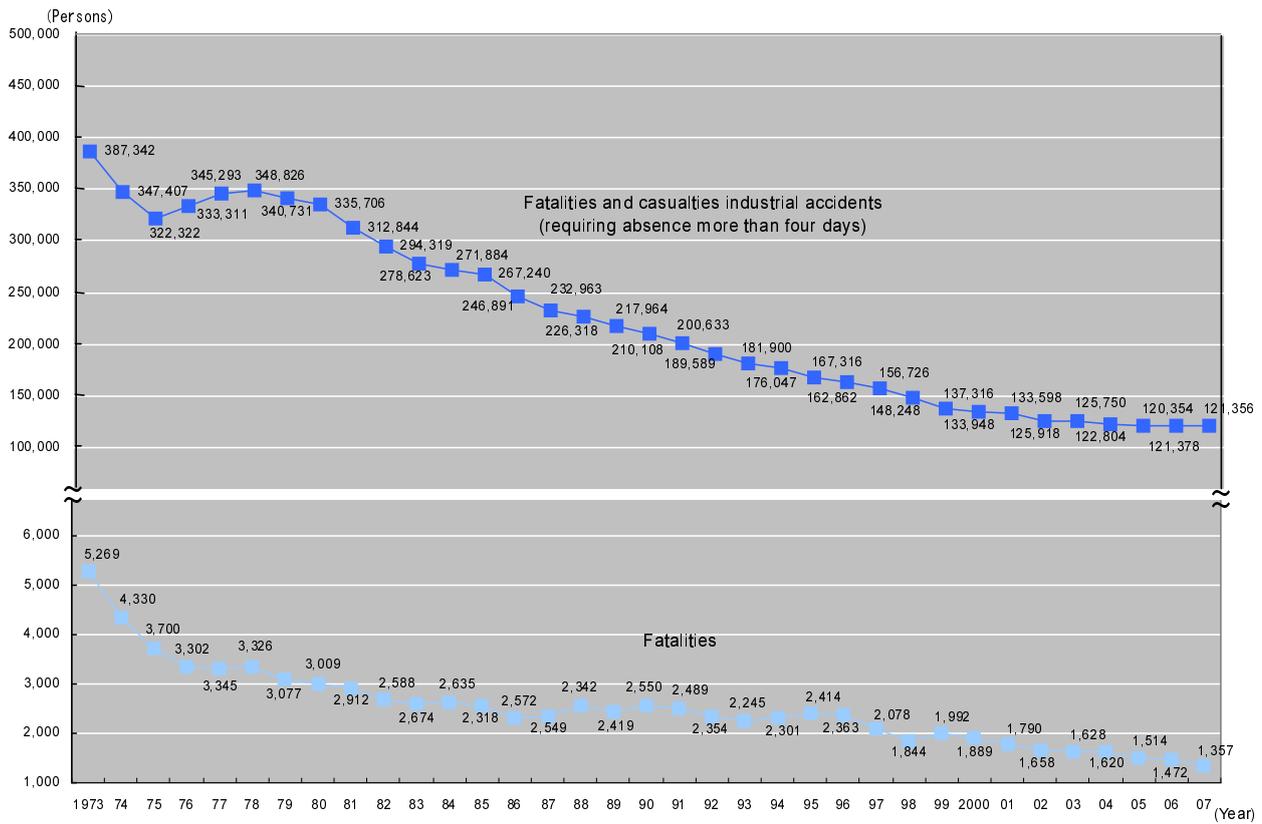
(Special benefits for injured workers; benefits to defray the cost of educating injured workers' children)

(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: ¥4,060).
 - 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).

V-16 Trends in Industrial Accidents



Source: Labour Standards Bureau, Ministry of Health, Labour and Welfare

13 Public Vocational Training Policies

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) Provision of practical vocational training combining practical work experience and classroom study to those with poor opportunities to develop vocational skills, such as freeters, mothers who have finished raising children, and single mothers, to facilitate their movement into stable employment (“Job Card Scheme”).

Table V-23 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.

Furthermore, among the facilities illustrated in Table V-23 is the Lifelong Human Resources Development Center, which acts as a central base facility for the human resource development of white-collar workers.

Steps taken to promote education and training in the private sector are outlined in Figure V-22. Career development promotion grants appearing therein is intended to promote effective career development for employees within the organization. Employers will be subsidized to cover part of the wages and expenses associated with the conduction of educational and training activities they provide, based on a plan created within the business, for the workers employed there. The financial resources for Career development promotion grants come from a separate body established under the employment insurance umbrella and, being funds collected universally from business owners, shall be returned (again, universally) to Employers in the form of subsidies for education and training.

In terms of support for self-education, there is the Education and training grants system introduced in December 1998. This is for workers who have been enrolled in employment insurance for at least three years, and provides assistance to

the amount of 40% of class expenses with a maximum of 200,000 yen* (and in the case of an employment insurance period of at least three years and less than five years, assistance of 20% with a maximum of 100,000 yen) paid by workers who attended and completed education or training designated by the Minister of Health, Labour and Welfare.

As of October 2005, eligible courses numbered 8,807 at 2,552 facilities, and it has become possible to receive benefits for many courses, such as in computers and bookkeeping, as well as preparation for a variety of certifications. Furthermore, starting in April 2002, we are trying to launch the construction of a new system for human resources training—Pushing ahead with Leading Efforts to Create a human resources superpower with cooperation, etc. of industry, academia, and the government.

In addition, the Comprehensive Employment Measures were laid down in September 2001; the three main Programs are creation of employment opportunities by fostering the development of new markets and new industries, corrections in employment mismatches, and improvement of the employment safety net. On the development of professional ability, certain measures have already been put into effect. For example, the promotion of professional capacity development, making use of all educational and training resources such as private education and training institutions, universities and graduate schools, business owners and non-profit organizations. Another measure is the placement at public employment security offices of advisors to support development of abilities. These advisors will do such things as provide consultation for job seekers on capacity development connected with the job search process, based on understanding their work experience and aptitude. Additionally, there will be placement of further advisors who clarify

the abilities required to provide such services to job seekers as consultation support operations for the promotion of information disclosure on the required professional ability.

April 2008 saw the launch of the “Job Card Scheme”. This scheme, which is targeted at people such as freeters, provides practical vocational training combining work experience with classroom study packaged to meet the needs of the individual after awareness raising and identification of challenges through personal career development advice. The results of work experience and enterprises’ evaluations of participants are then entered in “job cards” to assist them in their job-hunting activities.

The scheme provides the following forms of vocational training to give participants the opportunity to develop their vocational skills and facilitate their movement into stable employment:

- 1) Fixed-term practical work experience: Practical training for freeters, etc. who have little permanent work experience provided through employment in an enterprise for three to six months.
- 2) Practical human resource development system: Training targeted mainly at new graduates to develop core frontline human resources provided through employment in an enterprise for six months to two years.
- 3) Japan-style dual education system: Training of freeters and women who have finished raising children, etc. provided mainly by contracted private educational training institutes, typically for a period of four months.

* 20% up to a maximum of 100,000 yen in the case of persons enrolled in employment insurance for at least three years and less than 5 years.