

Employment measures in Post-Financial Crisis Japan

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Ministry of Health, Labour and Welfare

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1 Current state of the economy, employment and unemployment

(Signs of a worldwide depression and impacts on Japan)

- > The global financial capital market is in a “once-in-a-century” period of turmoil, and there are increasing signs of worldwide economic recession.
- > Although the Japanese financial system is healthier than those of other countries, the Japanese economy has already fallen into a recession, which could be longer and deeper.
- > The real GDP growth rate in the 3Q 2008 period declined 0.1% from the previous period (down 0.4% annually), posting a negative figure for two consecutive quarters.

(Current employment/unemployment situation)

- > The current employment/unemployment situation is in a downturn, as shown by the declining ratio of active job openings to applicants.
 - Active job openings ratio has been falling from the most recent peak level of 1.07 in June 2007 to 0.80 in October 2008.
 - Job seekers at Hello Work (the public employment security office), mainly middle-aged or older jobless workers that had to leave their job due to reasons attributable to their business owners, are significantly increasing in September and October 2008.
 - Total unemployment ratio stands at 3.7% in October 2008, hovering around 4%. The number of totally unemployed is 2.55 million.
- > If Japanese economic recession becomes longer, the employment/unemployment situation may deteriorate further.

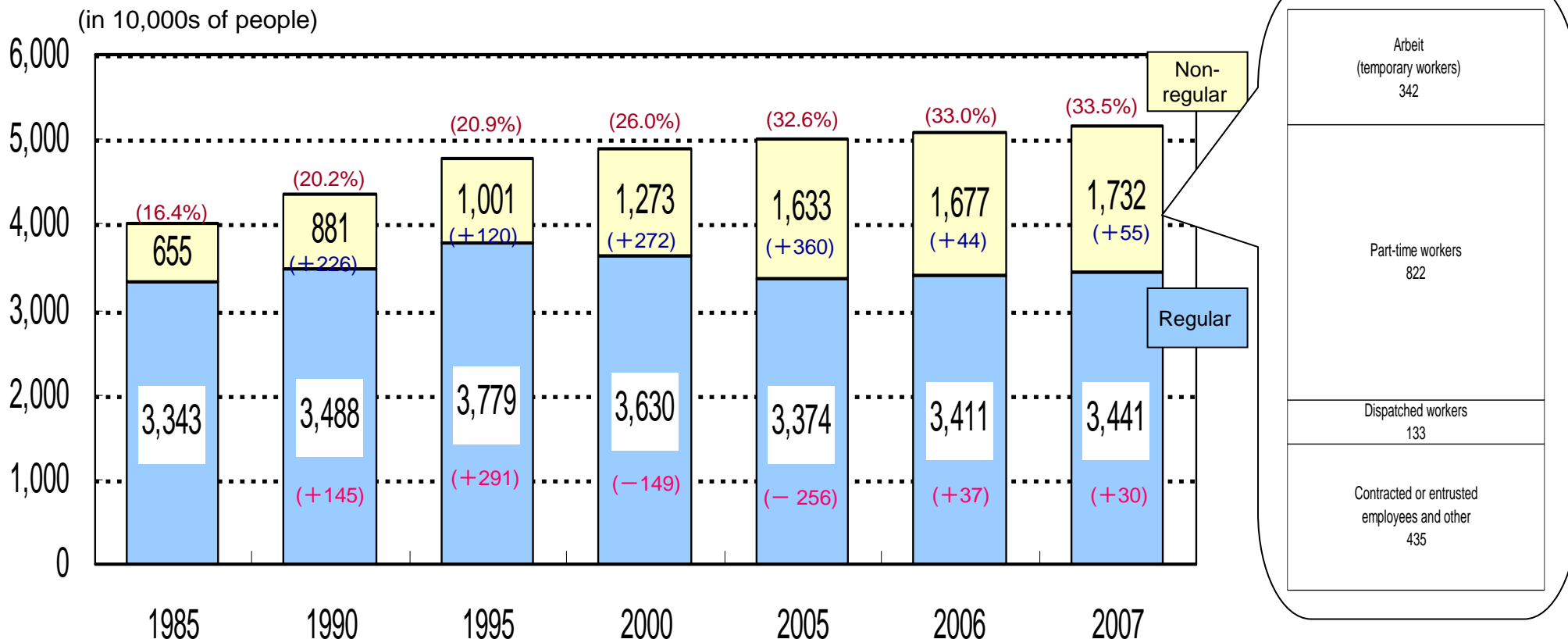
Change in the number of regular and non-regular employees

> The number of regular employees has declined in recent years (after a temporary increase started in 2006, the decline resumed in 4Q/2007). The number of part-time, dispatched, and contracted workers has increased mainly among younger persons.

* The number of part-time, dispatched, and contracted workers (age 15-34) as % of the total workforce (except executives):
4.7% in 1985, 7.3% in 1995, 11.7% in 2005, 11.2% in 2007

> Increase in the percentage of dispatched workers and part-time workers who cited "There was no company to offer me a full-time position" as the reason for their working in current positions.

* Dispatched workers: 19.2% in 1994 → 40.0% in 2003; Part-time workers: 11.9% in 1994 → 21.6% in 2003 **



Source: "Labour Force Survey (Special Survey)" for data through 2000; "Labour Force Survey (Detailed Tabulation)" (annual average) for 2005 and later

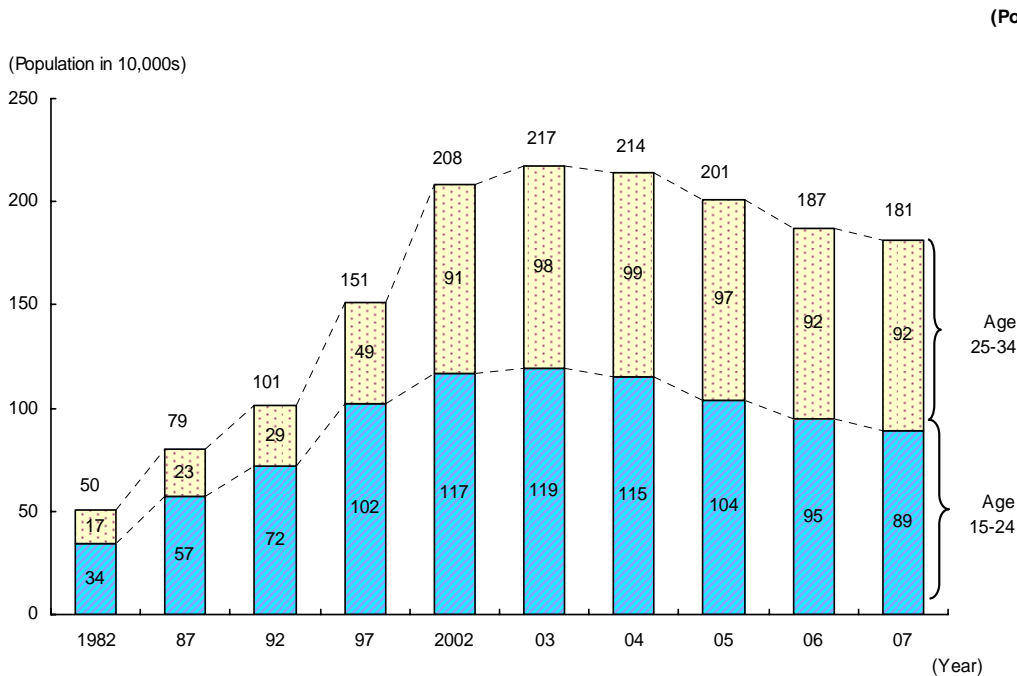
(Note) Employment categories are based on those defined by employers.

* Source: "General Survey on diversified Types of Employment," MHLW 4

Facts about freeters and NEET

The number of so-called “freeters” continued to increase until 2003, reaching 2.17 million, followed by a decline for four consecutive years. The situation with “older freeters,” aged 25 or older, has been slow to improve. The number of so-called “NEET” remains almost flat after the increase from 0.4m (1993) to 0.64m.

Change in the number of freeters

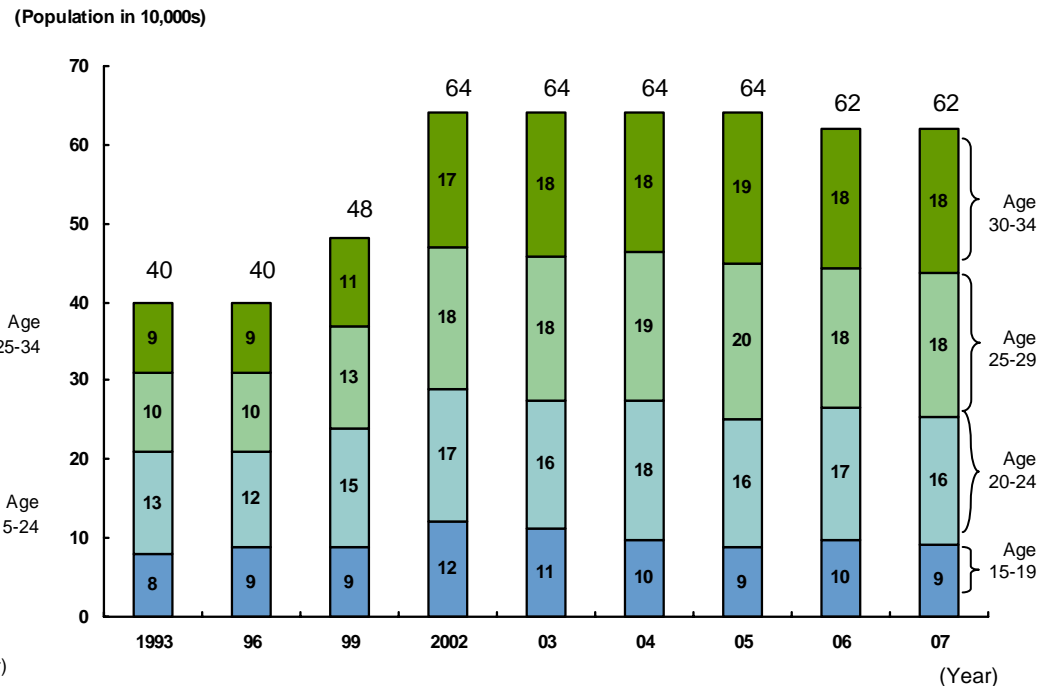


(Source) Data through 1997: Specially compiled by Policy Planning and Research Department, Ministry of Labour, based on “Employment Status Survey” of Statistics Bureau, MIC; Data after 2002: “Labour Force Survey (detailed results),” Statistics Bureau, MIC

(Note) Since 2002, “freeters” have been defined as people aged 15-34 and graduated from school (and unmarried in the case of female), and their population is the sum of the following:

- 1 Workers whose employment category set by the employer is “part-time” or “arbeits” (temporary worker);
- 2 The unemployed who are looking for part-time/arbeits jobs; and
- 3 The part of the non-labour force population that wish to find part-time/arbeits jobs and not are not engaged in household labour or education.

Change in the number of NEET



(Source) “Labour Force Survey,” Statistics Bureau, MIC

(Note) “NEET” is defined as the non-labour force population aged 15-34 and not engaged in household labour or education.

Labour force prospects

○ Japan can make the pace of decline in its labour force slower than that in the total population if it creates an environment where everyone - youth, women and older people alike - can work based on their personal skills and willingness to work.

Labour force population / Total population

52.1%

50.0%

52.7%

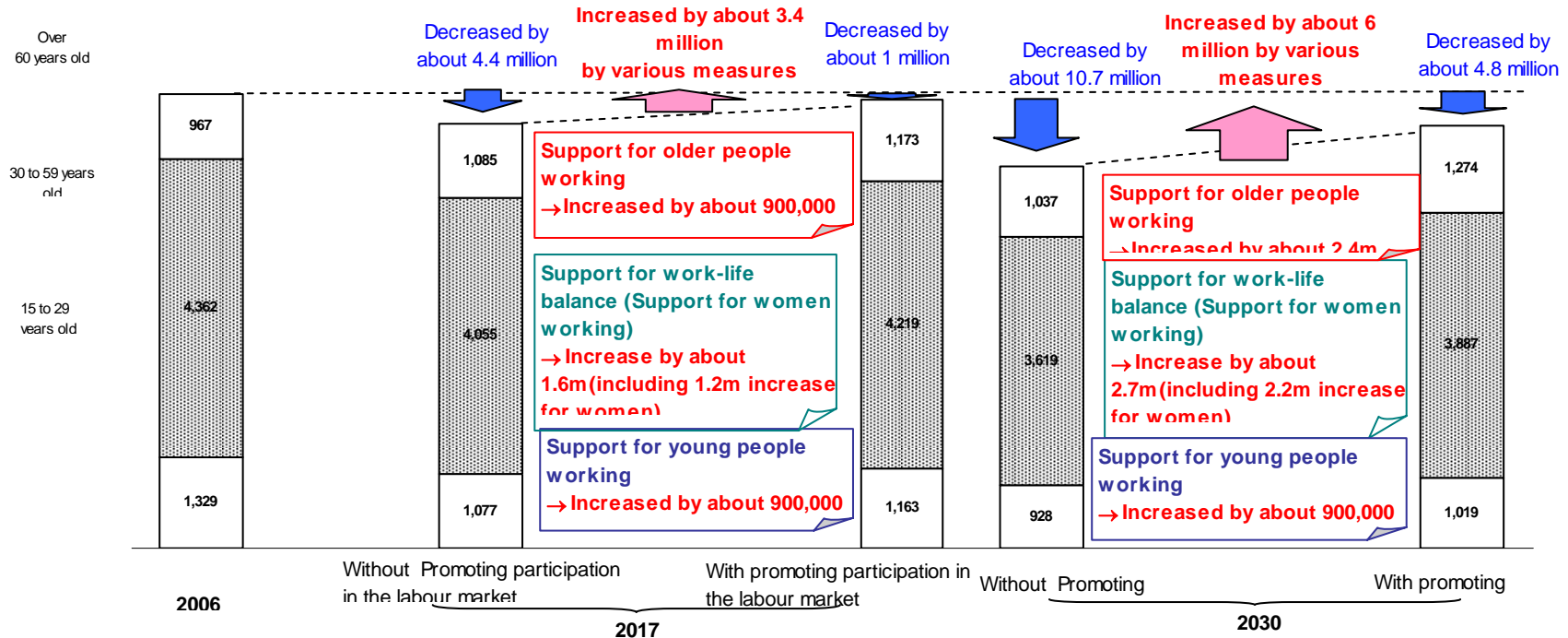
48.5%

53.6%

Total population (127.76m) (124.46m) down about 2.6%
Labour force population (66.57m) (62.17m) down about 6.6%

(124.46m) down about 2.6% (65.56m) down about 1.5%
(115.22m) down about 9.8% (55.84m) down about 16%

(115.22m) down about 9.8% (61.80m) down about 7%



(Source) Total population: For 2006, "Population Estimates," Statistics Bureau, Ministry of Internal Affairs and Communications; for 2017 and 2030, "Population Projections for Japan: 2006-2055, December 2006," National Institute of Population and Social Security Research.
 Labour force population: For 2006, "Labour Force Survey," Statistics Bureau, Ministry of Internal Affairs and Communications; for 2017 and 2030, estimates by JILPT's Study Group on Supply and Demand Estimates for FY 2007.
 (Note 1) "Case promoting participation in the labour market" means a case where it is assumed more people will be enabled to work by taking various measures.
 (Note 2) The percentages beside the total population and labour force population estimates for 2017 and 2030 refer to changes from the total population and the labour force population in 2006, respectively.

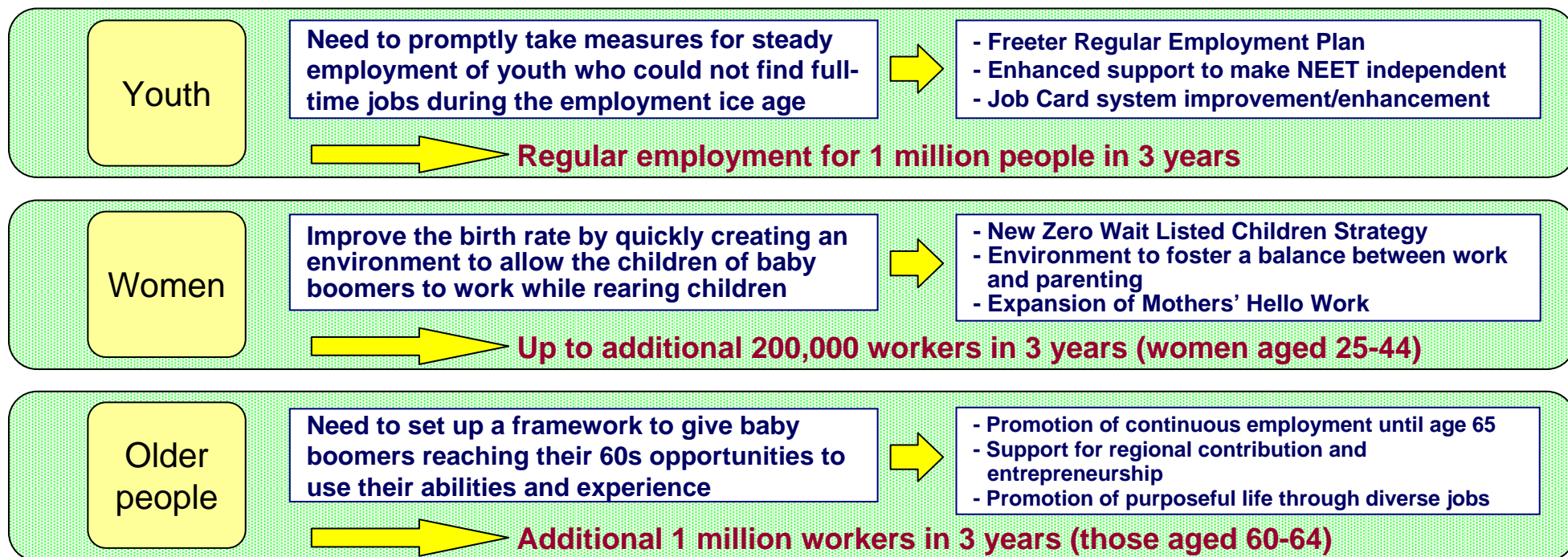
2 Outline of employment and labour policies

- > New Employment Strategy
- > Immediate Policy Package to Enhance Social Security Functions
 - Five Relief Plans (excerpts)

“New Employment Strategy” – Creating “Society in which everyone plays a part” (key points)

To allow everyone willing to work to find a job, Japan should create “Society in which everyone plays a part” where everyone can make the most of their abilities. For this, the next 3 years, during which children of baby boomers will reach their late 30s and baby boomers their 60s, should be designated as “the intensive period” in which detailed support measures adapted to personal needs should be implemented.

Through appropriate economic and fiscal operations, Japan will carry out not only employment and labour measures but also industrial and educational measures in a way that promotes everyone’s participation and human resource development. This will allow Japan to expand its economy and thereby increase its GDP per capita.



Promotion of independence of people with disabilities through employment based on the “Five-Year Plan to Promote ‘Welfare to Employment’” Greater employment support through a combination of employment, welfare and education; priority support for SMEs; employment support for fatherless families and households on welfare.

Efforts toward “steady employment and life” and “creation of an environment to foster working with confidence and satisfaction” Better labour conditions for non-regular workers; work-life balance; regional employment measures; HR support for SMEs; enhanced functions to provide information and counseling

“New Employment Strategy” – Creating “Society in which everyone plays a part”

[Basic direction]

- To allow everyone willing to work to find a job, Japan should create “Society in which everyone plays a part” where everyone can make the most of their abilities. For this, the next 3 years should be designated as “the intensive period” in which detailed support measures adapted to individual needs of youth, women, older people, people with disabilities and others should be implemented. By combining these efforts with appropriate economic and fiscal operations, Japan will seek to expand its economy and thereby increase its per capita GDP.
- To ensure steady employment and life into the future, efforts should be made to
 - Create an environment to foster working with confidence and satisfaction, by improving labour conditions (e.g., converting non-regular workers into full-time employees) and forming an appropriate employment relationship;
 - Create work-life balance, e.g., allowing people to take enough time to live a healthy and rich life and to choose diverse work styles and lifestyles.
- The government should create regional societies in which everyone can live with peace of mind, by working in cooperation with local governments to enhance regional employment measures and provide human-resource-oriented support for SMEs.

Creating “Society in which everyone plays a part”

Youth Fostering independence

Urgent need to provide steady jobs for youth who could not find full-time jobs during the employment ice age as they reach their mid-30s

- Freeter Regular Employment Plan (**Regular jobs for 1m in 3 years**)
- Enhanced support for NEET independence
- Job Card system improvement

[Targets]

* (FY) 2007 figures in []

- * **Male youth (age 25-34) emp. rate**
92-93% in 2010 [←91.0%]
- * **No. of freeters**
1.7m by 2010 [←1.81m]
- * **Job Card obtained by**
0.5m (incl. youth) by FY 2010
- * **Rate of NEET who made career decisions at Regional Youth Support Stations**
30% in FY 2010 [←24.8%]

* The career decision rate in [] refers to Jul/06-Feb/08 results.

Women Making their wish to work a reality

Increase the birth rate by quickly creating an environment that allows children of baby boomers (now reaching their late 30s) to work while rearing children

- Improved quality and quantity of day care measures under New Zero Wait Listed Children Strategy
- Study on new framework for next-generation nurturing support
- Support for work-life balance
- Enhanced support for reemployment, entrepreneurship, cont. employment

[Targets]

- * **Female (age 25-44) emp. rate**
66-68% in 2010 [←65.5%]
- * **Under-3 usage rate of day care service**
26% in 2010 [←20.3%]
(related to New Zero Wait Listed Children Strategy)
- * **Rate of Companies taking positive action**
Over 40% by FY 2010 [←20.7%]

* The positive action rate in [] refers to 2006 results.

Older people Society where they can work regardless of age

Need to quickly set up a framework to give baby boomers reaching their sixties opportunities to use their abilities and experience

- Promotion of employment of older people to allow them keep working if desired
- Baby Boomer Frontier Project, etc.
- Promotion of purposeful life through diverse jobs

[Targets]

- * **Elderly (age 60-64) emp. rate**
56-57% in 2010 [←55.5%]
- * **Rate of companies whose mandatory retirement age is 65+**
50% by FY 2010 [←37.0%]
- * **Companies keeping employment until age 70**
20% by FY 2010 [←11.9%]
- * **Silver HR Center Members**
1 mil. by FY 2010 [←760,000]

People with disabilities Five-Year Plan to Promote ‘Welfare to Employment’

Need to secure the safety net and allow them to live an independent and quality life by working wherever possible

- Greater regional employment support capability through a combination of employment, welfare and education
- Revision of the Law for Employment Promotion etc. of Persons with Disabilities
- Enhanced employment support for fatherless families and households on welfare

[Targets]

- * **Hello Work’s placement of people with disabilities**
144,000 cases in FY08-10
[FY05-07 results: approx. 128,000]
- * **No. of people with disabilities with employment**
640,000 in FY2013 [←approx. 500,000]
- * **Employment rate of people on welfare and mothers in fatherless families**
60% in FY 2010 [←53.0%]

* The number people with disabilities with employment in [] is as of Nov/03.
* The employment rate for people on welfare, etc. in [] refers to results at the end of February.

Building the base for “a society that respects working people” from people’s point of view

- Enhanced information provision
- One-stop counseling
- Enforcement of labour laws and extensive career education
- Policymaking from people’s point of view

1. Allowing everyone willing to work to find a job

Youth – Fostering independence

(1) Promotion of the Freeter Regular Employment Plan (prov.)

- ⊙ Provide intensive employment support mainly for youth who could not find full-time jobs during the employment ice age (older freeters & unstable workers in their late 30s).
- ⊙ Stabilize employment and life through total support extending to job retention.
- ⊙ Provide active support for unstable workers in their late thirties by making them eligible for trial employment.
- ⊙ Promotion of corporate efforts to enhance application opportunities for youth.

(2) Enhanced support for NEET independence

- ⊙ Expand Regional Youth Support Stations to foster regional cooperation.
- ⊙ Change youth's way of thinking and make them willing to work (Young People Self-Support School, etc.).

(3) Improvement of the Job Card system for practical training and capability evaluation

- ⊙ Establish central and regional Job Card Centers and increase the number of partner companies.
- ⊙ Enhance Hello Work and other structures for career consulting.
- ⊙ Provide living assistance during the vocational training period.
 - Increase subsidies for partner companies (reduce wage payment burden during off-JT and other training).
 - Improve loan programs for trainees.

Women – Making their wish to work a reality

(1) Implementation of the New Zero Wait Listed Children Strategy

- ⊙ Improve day-care and after-school measures in quality and quantity.
 - Increase the availability of day care services and diversify the ways they are provided (e.g., home day care).
 - Increase these services in line with the rise in female employment rate.
- ⊙ Promote efforts in the next three years as the "intensive period."
 - * Improvement in quality and quantity requires certain amounts of funds to be secured. With developments in tax reforms in view, the institutional design of a new framework for next-generation nurturing support should be discussed.

(2) Support for work-life balance

- ⊙ Discuss institutional measures to create an environment to foster work-life balance.
- ⊙ Increase support for establishment/operation of on-site day-care centers and make them available to the local community.
- ⊙ Implement the "Two-Year Intensive Plan" to encourage SMEs to formulate action plans.

(3) Enhanced support for reemployment, entrepreneurship and continuous employment

- ⊙ Expand the Mothers' Hello Work program, e.g., by setting up a network with local employment and child-care support facilities.
- ⊙ Support female entrepreneurs through advice provided by successful predecessors.
- ⊙ Take positive action across a broad and provide specific know-how.

Older people - Society where they can work regardless of age

(1) Promotion of elderly employment to enable older people to keep working if they want to

- ⊙ Give employers strict instructions to take elderly employment security measures.
- ⊙ Implement measures to support model efforts to review the pay scheme.
- ⊙ Enhance incentive programs for companies keeping employment until age 70.
- ⊙ Promote health and safety measures taking the physical characteristics of older people into account.

(2) Environment to foster social involvement of baby boomers

- ⊙ Promote the Baby Boomer Frontier Project (prov.).
 - Promote smooth reemployment by distributing elderly Job Cards.
 - Provide community contribution info and work-experience opportunities.
 - Enhance support for smooth transfer of baby boomers' skills to younger generations.
- ⊙ Provide one-stop services to support reemployment and entrepreneurship.

(3) Promotion of purposeful life through diverse jobs

- ⊙ Promote the Silver Human Resource Center program.

People with disabilities - Five-Year Plan to Promote "Welfare to Employment"

(1) Improved measures for people with disabilities

- ⊙ Increase regional employment support capability through a combination of employment, welfare and education.
 - Provide total support from preparations for job search to job retention.
 - Set up an employment and life support center for people with disabilities in every Healthcare and Welfare Zone for People with Disabilities.
- ⊙ Formulate laws to promote employment of people with disabilities.
- ⊙ Emphasize support for SMEs to encourage them to employ people with disabilities.
- ⊙ Enhance vocational training for people with disabilities.
- ⊙ Enhance support measures suited for different types of disabilities (mental disorders, developmental disorders, etc.).
- ⊙ Promote the "Five-Year Plan for Doubling Wages."

(2) Enhanced employment support for fatherless families and households on welfare

- ⊙ Strengthen the structure of Employment Support Teams (partnership between Hello Work and welfare offices) to facilitate one-on-one total employment support.

(3) Promotion of employment support for ex-prisoners

2. Providing steady employment and life and an environment to foster working with confidence and satisfaction

Helping to choose work styles with confidence and satisfaction

(1) Steady employment for youth and others

- ⊙ Promote the Freeter Regular Employment Plan (prov.) (previously listed) and other measures.

(2) Improving labour conditions for non-regular workers

- ⊙ Strictly implement the “Emergency Plan to Wipe Out Illegal Dispatching,” aimed at promoting appropriate operation of daily dispatching through extensive guidance and supervision of companies sending/hiring dispatched workers.
- ⊙ Discuss fundamental issues concerning dispatched workers (incl. how to stabilize their employment) as soon as possible.
- ⊙ Formulate guidelines for improving employment management of fixed-term contracted workers and supporting SMEs actively turning them into full-time employees.
- ⊙ Securing treatment equivalent to full-time employees and foster conversion to full-time employees pursuant to the amended Part-Time Work Law.
- ⊙ Extending social insurance coverage to part-time workers.
- ⊙ Support non-regular workers' conversion to full-time employees by utilizing Job Cards.

(3) Forming an appropriate employment relationship

- ⊙ Increase the understanding of the Labour Contract Law, which clarifies the basic rules on labour contract, especially among SMEs.
- ⊙ Enforce the minimum wage and increase its understanding among the public, especially workers and employers, by means of public relations media and the enforcement of the amended Minimum Wage Law.

Creating work-life balance

(1) Financial independence achieved through work

- ⊙ Promote the Freeter Regular Employment Plan (prov.) (previously listed) and other measures.

(2) Allowing people to take enough time to live a healthy and rich life

(i) Promotion of efforts to review working hours

- ⊙ Publicize the revised “Guidelines for Reviewing Work Hours,” which reflect the essence of the Work-Life Balance Charter.
- ⊙ Foster trade- and area-specific efforts toward work-life balance.
- ⊙ Provide extensive guidance and supervision to restrict long working hours.

(ii) Support for mental health programs by companies

- ⊙ Enhance total programs that address every phase from prevention, early detection, and early treatment of mental problems to support employees who have been absent to return to work.

(iii) Support for career development efforts, incl. long-term education and training leave

- ⊙ Set up a system to support companies introducing programs to offer long-term education & training leave and time for voluntary skills development.
- ⊙ Provide services to diagnose corporate career development programs and support companies introducing career development support programs based on the results.

(3) Choice of diverse work styles and lifestyles

- ⊙ Promote the introduction of the short-work-time regular employment system.
- ⊙ Promote the spread of teleworking under appropriate work conditions by revising the Telework Guidelines.
- ⊙ Consider ways to implement teleworking under desirable work conditions.

Securing regional employment and enhancing support for SMEs

(1) Increased measures for regional employment

- ⊙ Launch the “Hometown Hello Work Promotion Program” (prov.) in which prefectural governments join forces with the central government to provide employment support.
- ⊙ Strengthen support for new businesses based on regional creativity and projects to contribute to job creation in areas facing employment/unemployment situations.

(2) Human resource-oriented support for SMEs

- ⊙ Support SMEs trying to secure human resources to improve productivity.
- ⊙ Intensify government-industry joint efforts to develop human resources for manufacturing.

(3) Human resource security and job retention for long-term care services

- ⊙ Strengthen the matching function of Hello Work and support companies improving employment management.

Building the base for “a society that respects working people”

(1) Enhanced information provision

- ⊙ Enhance capabilities to provide information on labour laws via websites and other media.

(2) Establishment of one-stop counseling structure

- ⊙ Provide one-stop counseling on all kinds of labour issues at the General Labour Counseling Desk.
Handle comprehensive consultation on employment-related subsidies.

(3) Strict instructions and supervision to enforce labour laws and extensive career education

(4) Policymaking from people's point of view

- ⊙ Emphasize deliberation by the Labour Policy Council (consisting of government, workers and employers) in formulating specific labour policies, to ensure the public is the focus of policymaking.

A society that gives dispatched and part-time workers hope for the future

Ensure steady employment and living security for youth (e.g., freeters) and non-regular workers (e.g., part-timers and fixed-term contracted workers)

○ Assist freeters and other youth in finding steady work as soon as possible

→ Comprehensive support, from employment promotion to job retention, will be intensified, especially for older freeters and youth in their late 30s, by using trial employment and other systems.

○ Turn part-time and fixed-term contracted workers into full-time workers and ensure their treatment is equivalent to that of full-time employees

→ Support will be provided for, in addition to companies with programs for conversion to full-time employees, those introducing a short-work-time regular employment system and those treating fixed-term contracted workers in a manner equivalent to that of full-time employees.

○ Totally support the employment and life of unstable homeless workers

→ Support (e.g., loans to cover living expenses and initial costs to rent an apartment) will be provided for unstable workers who sleep in Internet cafes and the like.

○ Extend health insurance and employees' pension insurance to non-regular workers

→ The government will try to pass a bill to integrate employees' pension programs (under Diet deliberation) into law as soon as possible. Then, measures to expand the eligibility for social insurance will be considered.

Support the capability development of non-regular workers and NEET to help them find steady employment and live an independent life

○ Improve the Job Card system (a mechanism in which training courses combining lectures and hands-on training are provided, and information on job experience, vocational training and capability evaluation is used for job search) and enhance support

→ A system to pay living assistance during the training period will be set up, and support for participating companies will be increased substantially.

○ Support NEET for independence

→ The government will increase the number of Regional Youth Support Stations and foster cooperation and information sharing with regional youth support organizations. The Young People Self-Support School will provide a wider variety of training courses.

Revise the Worker Dispatching Act and related regulations to allow dispatched workers to work with confidence and satisfaction

○ Improve labour conditions for dispatched workers by regulating daily dispatching

→ The government will submit a bill to amend the Worker Dispatching Act to the extraordinary session of the Diet and strengthen guidance and supervision to wipe out disguised subcontracting and illegal dispatching.

3 Additional Employment-Security Programs after Financial Crisis

- > Employment Measures in the “Comprehensive Immediate Policy Package to Ease Public Anxiety”
- > Employment Measures in “Measures to Support People's Daily Lives”
- > Employment-Security Programs in “Immediate Policy Package to Safeguard People's Daily Lives”

Comprehensive Immediate Policy Package to Ease Public Anxiety

Three objectives

1. Removing anxiety of the people

2. Accelerating transformation to a “sustainable society”

3. Facilitating adaptation to a new cost structure and boosting growth potential

Eight pillars

(1) Supporting daily life and employment

(2) Upgrading health care, pension and elderly nursing care services

(3) Supporting child care and education

(4) Creating a low carbon society

(5) Redesigning housing and disaster management

(6) Creating strong agriculture, forestry and fishery sectors

(7) Vitalizing SMEs

(8) Supporting local governments

Comprehensive Immediate Policy Package to Ease Public Anxiety (labour issues)

Enhancing employment support ¥9.94bn(incl. ¥1.18bn in General Account)

Promotion of policies for non-regular workers:
¥2.78bn (incl. ¥1.13bn in General Account)

- > Support for steady employment and job retention of daily dispatch workers
 - Strengthen support for daily dispatch workers by enhancing the Hello Work capabilities: ¥0.68bn
- > Job security for non-regular workers: ¥2.1bn
 - Enhance support for employment of freeters as regular workers: ¥0.72bn
 - Improve/enhance the Job Card system: ¥0.97bn
 - Provide comprehensive support to ensure steady employment of unstable homeless workers: ¥0.08bn
 - Develop an employment support structure for non-regular workers in metropolitan areas: ¥0.34bn

Support for employment maintenance in SMEs: ¥6.94bn

- > Support for SMEs affected by soaring raw material prices to maintain employment: ¥4.45bn
- > Enhanced support for businesses to assist job creation in areas facing severe employment/unemployment situations, extensive training for job losers, and job-placement support jointly with prefectural governments: ¥2.49bn

Employment support for women: ¥0.08bn

- > Enhanced employment support for women
 - Expand the Mothers' Hello Work program aimed at assisting parenting women: ¥0.08bn

Employment support for older people: ¥0.04bn

- > Support for employers hiring people aged 65 or older
 - Support employers that hire people aged 65 or older on a trial basis: ¥0.04bn

Employment support for people with disabilities:
¥0.11bn (incl. ¥0.05bn in General Account)

- > Job-placement and retention support for people with disabilities by enhancing the Hello Work capabilities: ¥0.11bn
 - Provide attentive job-placement and retention support through "teamed support" by Hello Work and related agencies.

Promotion of policies for non-regular workers: ¥2.78bn (¥1.13bn in General Account, ¥1.65bn in Special Account)

Support for steady employment and job retention of daily dispatch workers

[Description]

¥0.68bn in G.A.

To help daily dispatch workers to find secure jobs, special counseling services will be provided in Hello Work so that attentive and consistent career counseling and placement services can be provided by counselors in charge.

Job security for non-regular workers

> Enhance support for employment of freeters as regular workers

¥0.45bn in G.A., ¥0.27bn in S.A.

[Description]

Hello Work will provide consistent support for youth who could not find full-time positions during the “employment ice age” (older freeters aged 25-34 and unstable workers in their late 30s) to find regular employment, using grants for trial employment and subsidies for companies that give these workers full-time positions after trial employment. Support measures include providing one-on-one counseling with counselors in charge, securing jobs suited for freeters, offering placement services, and giving post-placement guidance for job retention.

> Improve/enhance the Job Card system

¥0.97bn in S.A.

[Description]

The government will set up a system to pay living assistance to people under job training (by expansion of loans and establishment of a “forgiveness system” under the Japanese Dual System [a training program designed for those who have little experience as full-time employees because of “the lack of opportunity for vocational capability development and building”] for youth who could not find full-time positions in the “employment ice age”) and provide basic and introductory training programs that serve as a bridge to practical job training under the Job Card system.

New career consultants will be assigned to the Job Card Centers to offer career consulting upon request from companies in order to help them convert their non-regular employees to full-time.

Job security for non-regular workers

> Provide comprehensive support to ensure steady employment of unstable homeless workers ¥3m in G.A.
[Description] ¥0.08bn in S.A.

To help unstable workers (such as sleeping in Internet cafes) who are seeking regular employment to find steady jobs, the government will strengthen its capacity to provide career counseling and placement services and lend them money to cover initial costs to rent a private-sector apartment.

> Develop an employment support structure for non-regular workers in metropolitan areas ¥0.34bn in S.A.
[Description]

The “Non-Regular Worker Employment Support Center” (provisional name) will be set up in the 3 metropolitan areas (Tokyo, Aichi and Osaka) as a base to support the employment of non-regular workers. The centers will provide one-stop services to help them find steady jobs.

Job security and employment support measures in areas facing severe employment/unemployment situations: ¥2.49bn (Special Account)

Regional Job Creation Support program (provisional name)

[Description]

¥0.86bn in S.A.

Support will be provided for new efforts effective in creating jobs (e.g., developing regional-brand products, cultivating their markets) in areas committed to job creation.

Extensive training for job losers

[Description]

¥0.57bn in S.A.

To eliminate regional disparities in employment and to stop the worsening economy from exerting an increasingly adverse effect on the employment situation, the government will provide training for job losers in areas facing particularly severe employment/unemployment situations (8 prefectures: Hokkaido, Aomori, Akita, Kochi, Nagasaki, Miyazaki, Kagoshima, Okinawa) in the form of private education and training institutions.

Employment support in cooperation with prefectural governments

[Description]

¥1.06bn in S.A.

In areas facing severe employment/unemployment situations, the government will enhance and strengthen employment support by setting up facilities to provide lectures, job interview sessions, work-experience tours, etc. in an integrated manner in close cooperation with its career counseling and placement services and in conjunction with the original employment measures implemented by prefectural governments.

Employment support for women: ¥0.08bn (Special Account)

Enhanced employment support for women

[Description]

¥0.08bn in S.A.

The government will expand facilities for Mothers' Hello Work (by setting up 10 Mothers' Corners), which is a program to provide comprehensive and consistent employment support for parenting women wishing to find reemployment quickly.

Employment support for older people: ¥0.04bn (Special Account)

Support for employers hiring people aged 65 or older

[Description]

¥0.04bn in S.A.

By supporting employers that hire people aged 65 or older on a trial basis, the government will help older people find steady jobs.

Employment support for people with disabilities: ¥0.11bn (¥0.05bn in General Account, ¥0.05bn in Special Account)

Support for employment and job retention of people with disabilities by enhancing the Hello Work capabilities

[Description]

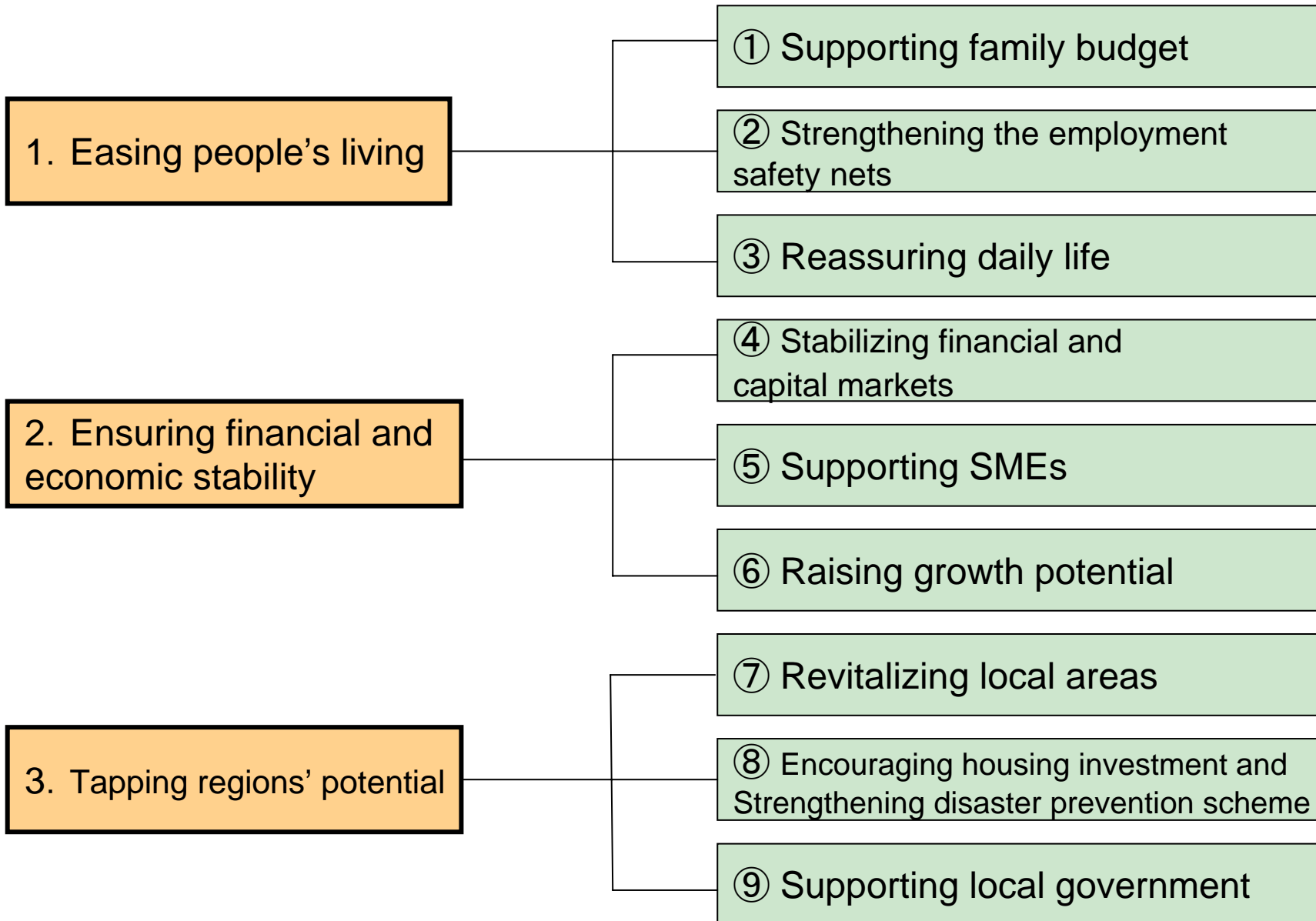
¥0.05bn in G.A., ¥0.05bn in S.A.

To enhance the employment support capabilities of Hello Work, the number of staff dedicated to people with disabilities will be increased to 297 from 227. This will enable Hello Work to help people with disabilities find steady jobs through career counseling and placement services based on "teamed support" with related agencies and will lead to more extensive post-placement guidance for job retention.

Measures to Support People's Daily Lives

3 priority areas

9 pillars



Outline of employment measures included in “Measures to Support People's Daily Lives”

> Reduction of unemployment insurance premiums

[Measures to supporting family budget]

After full consultation with labor and management representatives, the relevant advisory council will discuss and make a decision on possible cuts in the unemployment insurance premiums by maximum of 0.4 percentage points (from current 1.2%) only for the one-year period of FY 2009, as well as on ways to strengthen safety net functions.

> Reinforced measures for non-regular employees [Measures to strengthening the employment safety nets]

◆ Establishment of a special grant program to support older freeters

Grants will be provided for employers that actively hire older freeters (age 25-39) by allocating certain job openings to such applicants (¥1m per person for SMEs and ¥0.5m for large companies). Extensive efforts will be made in the next 3 years to secure job opportunities for older freeters.

◆ Reinforcement of Hello Work capabilities to enhance employment support structure for non-regular workers and intensify search for job openings

A “Non-Regular Worker Employment Support Center” will be set up in Hokkaido and Fukuoka in addition to 3 metropolitan areas (Tokyo, Aichi and Osaka) as a base for employment support for non-regular workers. The centers will provide one-stop services to support steady employment. In prefectures with no such center, the same services will be provided by major Hello Work .

In areas facing severe employment/unemployment situations, Hello Work will have an increased number of “job opening searchers,” who look for job openings.

◆ Expansion of systems to pay life security benefits to people under job training

The Job Card system will be further promoted by enhancing the subsidy program for employment-based training (e.g., raising the subsidy rate) and by improving the system so as to pay living assistance during the training period (e.g., expanding the eligibility for exemption).

> **Reinforced measures to support employment in SMEs** [Measures to strengthening the employment safety nets]

◆ Expansion of the Immediate Employment Security Subsidy for SMEs (provisional name)

To support SMEs trying to maintain employment in the face of the adverse impact of surging raw material prices on their business activities, the Immediate Employment Security Subsidy for SMEs (provisional name, launched in Dec. 2008) will be revised so as to raise the maximum limit of subsidized days (from 200 days/3 yr to 300 days/3 yr) and to eliminate the waiting period thus allowing continuous use of the program.

◆ Amplification of the Employment Adjustment Subsidy

To support companies' efforts to maintain employment, the Employment Adjustment Subsidy will be revised in a way that eases the requirements and raises the subsidy rate.

- Shutdown, etc.: 1/2 (2/3) → 2/3 (3/4)
- Transfer to subsidiaries, etc.: 1/2 (2/3) → 2/3 (3/4) (Parenthesized figures are for SMEs)

> **Creation of regional employment opportunities** [Measures to strengthening the employment safety nets]

◆ Establishment of the hometown employment revitalization special grant

A fund will be established and be used to conduct projects that will create stable job opportunities for regional jobseekers.

◆ Additional training for job losers

Additional training for job losers will be offered through private education and training institutions in 8 prefectures where such training was already conducted using the FY 2008 supplementary budget, as well as in other regions facing severe employment/unemployment situations.

> Improvement of working conditions for securing personnel in long-term care services

[Measures to Reassuring daily life]

◆ Expansion of subsidies for securing and retaining personnel in long-term care services

To improve the employment situation for older freeters and to help employers secure and retain personnel for long-term care services, the subsidy program will be revised to provide employers with a higher subsidy than usual (¥1m per person instead of usual ¥0.5m) only when they hire an older freeter who has never worked in the industry and this person keeps working for at least 6 months.

◆ Establishment of a grant program for equipment introduction for long-term care workers

MHLW will subsidize half (up to ¥2.5m) the cost of introducing long-term care service aid equipment (e.g., powered mobile lifts) that eases the physical burden on workers and prevents backache on the condition that an employer submits an introduction and implementation plan and receives approval from MHLW before introduction.

> Enhanced measures to support childbirth and child-rearing

[Measures to Reassuring daily life]

◆ Expansion of the child-rearing support subsidy for SMEs

The subsidy for SMEs with up to 100 employees will be improved; for the company's first 5 employees (instead of current 2) to take child-care leave or use the short-time work system, the company will receive a subsidy, and the subsidy amount (now ¥1m for the first, ¥0.6 mil. for the second) will be increased for the second and later employees to ¥0.8m

◆ Expansion of subsidies for SMEs subsidizing babysitter costs

Under the subsidy program for employers that have paid the cost of child-care and long-term care services used by their employees, the subsidy rate and limit concerning child-care service costs will be raised for SMEs.

> Enhanced support for handicapped persons [Measures to Reassuring daily life]

◆ Establishment of the First Step Grant for Employment of People with Disabilities (provisional name)

This is aimed at encouraging SMEs to hire people with disabilities. When SMEs that have never hired people with disabilities (SMEs with 56-300 employees, under an obligation to hire people with disabilities) employ for the first time any person with disabilities who falls under the employment rate system, they will receive a grant (¥1m).

◆ Establishment of a subsidy to promote the establishment of special exceptional subsidiaries

To ensure that people with disabilities will have stable employment opportunities, this new subsidy will be given to employers that have set up special exceptional subsidiaries or companies whose policy it is to hire many employees with severe disabilities, for example, by hiring people with disabilities who had been fired or forced to quit due to the recent economic downturn.

Employment-Security Programs in “Immediate Policy Package to Safeguard People's Daily Lives” (December 19, 2008)

- Taking thoroughgoing policy actions to ensure housing and daily life for job leavers before the year-end
- Putting the top priority on employment security

○ Policy Actions Implemented before the Year-End

Housing- and daily life support-related programs for workers who have lost their job or have been denied renewal of their employment contracts (Counseling services at 190 major Hello Work nationwide)

– In total, 3,930 workers are asking advices on their housings (from December 15 to 17 on a cumulative total basis)

> Prolonged use of housings (starting on December 9)

- Subsidizing employers who continue providing charge-free corporate housings for their workers that they have dismissed or declined to renew employment contract

(Monthly subsidy amount: ¥40,000 to ¥60,000 per eligible worker for maximum of 6 months)

> Lending housing- and daily life support-related fund (starting on December 15)

- Providing a loan to finance housing-related moving-in startup costs (¥1.86m at maximum (or ¥600,000 at maximum for unemployment insurance benefits recipients), Labor banks, 1.5% interest per annum)
- Exempting repayment of a portion of the aforementioned loan if a borrower finds a new job 6 months later

> Fully utilizing employment promotion housing units, etc. (starting on December 15) - 382 housing units are already allocated to eligible applicants (from December 15 to 17 on a cumulative total basis)

- Making the most use of employment promotion housing units which are not decided to be abolished (approximately 13,000 vacant units; monthly rent: ¥25,000 on average) to

provide housings for job leavers who are forced to leave from corporate dormitory

> Financial supports to local government's emergency policy actions

- Providing special subsidies to local governments that temporarily hire job leavers

○ Employment-Security Programs in the 2nd Supplementary Budget, FY2009 Budget and onwards

① Employment-security programs

> Expanding the Employment Adjustment Subsidy program

- If a corporation makes efforts to maintain employment, the Employment Adjustment Subsidy program provides subsidies that will finance a certain percentage of wages or fringe benefits (4/5 for a small- and medium-sized enterprise). The government expands this program to non-regular workers serving for such eligible corporation for less than 6 months. (Currently, the Employment Adjustment Subsidy covers workers who have been an insured of the unemployment insurance program for 6 months or longer.)

> Creating a new subsidy program for employers that hire their agency workers as regular workers, etc.

- If an employer directly hires agency workers who are sent to the employer, the government provides such employer with ¥1m subsidy per worker (or ¥500,000 in the case of fixed-term employment) (or, a half of these subsidy amount for large-sized enterprises).

② Reemployment support programs

> Creation of job opportunities by local governments

Preparing ¥400bn fund, which represents the largest job-creation fund so far (the 2nd supplementary budget)

- Immediately implementing “Hometown Employment Reactivation Special Subsidy (tentative name)” (¥250bn through daily life support program (Labor Insurance Special Account))

- Local governments will support job opportunity creation at the private enterprise level (1-year employment contracts in principle)

[Program examples] Programs to develop new local products or cultivate sales channels for local products; meal distribution services for elderly people; and programs to provide child-care services

- Creating “Emergency Job Creation Program (tentative name)” (¥150bn through new employment-security package (general account))

- Prefectural governments and silver human resources centers will create temporary employment/job opportunities (employment contracts of shorter than 6 months) for non-regular workers or middle-aged and older people who have lost their job.

[Program examples] Earthquake-proof projects (surveys for possible earthquake-proof works on schools); environment/regional development projects (forest improvement); nursing-care and welfare services (nursing-care supports for elderly people); and education (math/science and IT education by assistant teachers)

> Supporting active employment of older freeters (daily life support policy package)

- If an employer hires older freeter (age 25 to 39) as a regular worker, the government will provide such employer with ¥1m subsidy per new worker (or ¥500,000 in the case of a large-sized enterprise).

③ Addressing corporate employment offers withdrawals

> Preventing corporate withdrawal of employment offers to new school graduates

- Enhancing counseling services and corporate instructions (such as disclosure of corporate names after January 2009)

> Providing financial incentives to employers that hire as regular workers new school graduates who have been denied employment offers and are still unable to find a new employer

- If an employer hires as a regular worker new school graduates who have been denied employment offers and are still unable to find a new employer, the government will provide such employer with ¥1m per new worker (or ¥500,000 per worker in the case of a large-sized enterprise).

④ Cutting down the unemployment insurance premium

> Cutting down the unemployment insurance premium by 0.4% (insurance premium cut by 0.2% on the employer side and by 0.2% on the employee side) only for FY2009 (¥20,000/year for a standard household)

⑤ Reviewing eligibility of the unemployment insurance program

> Expanding insurance coverage to non-regular workers, and also relaxing applicable eligibility requirements

- Expanding the insurance coverage from the current “Expected employment period of 1 year or longer” to “6 months or longer,” and relaxing the eligible contract period requirement from “1 year” to “6 months”

> Strengthening supports for job seekers facing difficulty in finding a new job

- Providing additional 60-day-worth insurance benefits to job seekers (in particular, job seekers facing difficulty in finding a new job), taking into consideration their age or regional circumstances

Outline of Proposal on New Employment-Security Package

December 5, 2008
Ruling Party Project Team on New Employment-Security Package

This time, the project team has coordinated a policy package in response to Prime Minister Taro Aso's instructions to submit a report on a new employment-security package that focuses on (1) Maintaining job opportunities for workers, including non-regular workers, (2) Supporting reemployment of unemployed job seekers, and (3) Addressing the problem of corporate withdrawal of employment offers to new school graduates.

Ensuring ¥2 trillion budget fund for the coming 3 years (¥1 trillion from 2 unemployment insurance programs (for 3 years) and ¥1 trillion from the general-account budget (i.e., spending ¥150 billion from the 2nd supplementary budget and the remaining ¥850 billion from other revenue sources in a timely and appropriate manner)

Preparing ¥400 billion fund, which represents the largest job-creation fund thus far
2001: ¥350 billion

600,000 workers covered by daily life support program + 800,000 workers (new employment-security package) ⇒ Supporting job opportunities for 1.4 million workers

1. Employment-Security Programs

(1) Preferential measures, such as Employment Adjustment Subsidy program

If a corporation makes efforts to maintain employment by providing educational training programs, temporarily sending its employees to other firms or suspending its business operations, the Employment Adjustment Subsidy program provides subsidies that will finance a certain percentage of wages or fringe benefits (4/5 for small- and medium-sized enterprises). By exceptionally expanding this program to non-regular workers serving at such eligible corporation for less than 6 months (including new school graduates), the government will strongly support corporations that are making efforts to maintain employment of non-regular workers.

(Currently, the Employment Adjustment Subsidy covers only workers who have been insured with the unemployment insurance program for 6 months or longer.)

(2) Creating a new subsidy program for employers that hire their agency workers as regular workers

If an employer directly hires agency workers who are sent to the employer, the government provides such employer with ¥1m subsidy per worker (or ¥500,000 in the case of fixed-term employment) (or, a half of this subsidy amount for large-sized enterprises) to strongly push ahead with direct employment of agency workers.

2. Reemployment Support Programs

(1) Enhancing the unemployment insurance program

- Expanding insurance coverage to non-regular workers
Current requirement: “Expected employment period of 1 year or longer” → Relaxing the requirement to “6 months or longer”
- Relaxing the requirement for workers entitled to receiving the basic allowance of unemployment insurance
Current requirement: Workers who have been insured for 1 year or longer → Relaxing the requirement to “6 months or longer” for fixed-term contract workers who are denied renewal of their employment contract
- Exceptionally providing additional 60-day-worth insurance benefits to jobless workers (in particular, workers facing difficulty in finding a new job), taking into consideration the worker’s age or regional circumstances
Providing insurance benefits for 90 days at the least (e.g., a worker who is younger than 45 years old and has participated in the employment insurance program for less than 5 years) to 330 days at the longest (e.g., a worker who is age 45 or older but younger than 60 years old and has participated in the employment insurance program for 20 years or longer) in the case of corporate bankruptcy, dismissal, etc.

(2) Immediately implementing “Hometown Employment Reactivation Special Grant (tentative name),” and increasing the grant if necessary

By providing subsidies to prefectural governments, the government will support local government programs for creating stable job opportunities (1-year-long employment contracts in principle) in local areas through order placements from local government to private enterprises. (¥250bn through daily life support program (Labor Insurance Special Account))
Program examples: Programs to develop new local products or cultivate sales channels for local products; meal distribution services for elderly people; and programs to provide child-care services.

(3) Creating “Emergency Job Creation Program (tentative name),” and consider expanding the program if situation such as employment condition becomes worse

The government will provide prefectural governments with subsidies to finance their projects or silver human resources center’s projects for creating temporary employment/job opportunities (employment contracts of shorter than 6 months) for non-regular workers or middle-aged and older people who have lost their job as well as projects for comprehensively supporting daily life-related and job-related counseling services to those people. (¥150bn through new employment-security package (general account))
Program examples: Environment/regional development projects (forest improvement); nursing-care and welfare services (nursing-care support for elderly people); and education (IT and cultural education by assistant teachers)

(4) Comprehensive support for agency workers

“Non-Regular Workers Job-Hunting Support Center” and Hello Work (156 centers/offices nationwide) will appoint specialists who will provide fine-tuned job-hunting support services, career advice and job placement services for agency workers, and various counseling services, including vocational training services, life security during vocational training sessions and housing services.

(5) Taking housing-related policy actions on nationwide scale

- Lending startup cost for job leavers who have to leave the corporate dormitory and move into a new residence
The government will lend the moving-in startup cost of ¥500,000 at maximum and daily life/job-hunting support expenses of ¥1m at maximum if a recipient job leaver does not receive any unemployment insurance benefits.
- Fully utilizing employment promotion housing units which are not decided to be abolished (approximately 13,000 vacant units)

3. Addressing the problem of withdrawing employment offers to new school graduates

(1) Enhancing counseling services and corporate instructions in terms of withdrawal of employment offers to new school graduates (including disclosure of corporate names)

(2) Subsidies for corporations that hire new school graduates who have been denied employment offers and are still unable to find a new employer

If an employer hires new school graduates who have been denied employment offers and are still unable to find a new employer as a regular worker, such employer is exceptionally entitled to the special financial incentive program for supporting older freeters. (the financial incentive: ¥1 million per worker in the case of a small- and medium-sized enterprise, or ¥500,000 per worker in the case of a large -sized enterprise)

4 Outline of major employment measures

Housing- and Daily Life Support-related Programs before Year-End

Counseling Services for Eligible Workers

Setting up Appropriate Counseling Service Program

- Providing counseling services at 154 Hello Work nationwide in order to ensure housings and stable job opportunities

Lending housing- and daily life support-related fund

- Financial institutions will provide loans via Hello Work

- Moving-in startup costs (¥500,000 at maximum)
- Rent support (¥60,000 a month at maximum, 6 months at longest)
- Daily life and job-hunting costs (¥1 million at maximum)

* Recipients of unemployment insurance benefits are entitled to the loan for financing their moving-in startup costs (¥500,000 at maximum) and daily life and job-hunting costs (¥100,000 at maximum).

* Partially exempting repayment of the loan if a borrower finds a new job 6 months later

Allocating employment promotion housing units

- Making the most use of employment promotion housing units not decided to be abolished (13,000 vacant units) and providing counseling services at Hello Work in order to encourage eligible workers to quickly move into employment promotion housing units

Requests to Employers

Requesting for prolonged use of corporate housing units

- Labor bureaus and Hello Work will make requests to employers so that dismissed employees would be able to continuously stay in corporate dormitory.
- In addition, Minister of Health, Labour and Welfare will also make similar requests to business organizations.

Subsidizing employers that continuously provide their corporate housing units

- Subsidizing employers who continue providing charge-free corporate housings for agency workers that they have dismissed or declined to renew employment contract
(Monthly subsidy amount: ¥40,000 to ¥60,000 per eligible worker for 6 months at longest)

* This program is applicable to employers that provide their corporate housing units on December 9 or later.

Revision of the Employment Adjustment Subsidy program under the FY 2008 economic measures

<Present>

The current program provides an employer with subsidies that will **finance a portion of its leave payments or wage payments** if the employer has no choice but to scale down its business operations due to economic reasons resulting from such as business cycle fluctuation, change in industrial structures, and **suspends its business operations or temporarily sends its employees to other firms**. The aim is to prevent unemployment.

- > Eligibility
 - Production in the past six months has dropped by at least 10% year on year basis.
 - Employment in the past six months has not increased year on year basis.
- > Subsidy rate, etc.
 - 1/2 (2/3 for SMEs) of allowances for business suspension, education & training, and loan of employees
 - Education & training expenses
 - ¥1,200/day/person
- > Limit to the number of days of payment
 - 150 days in 3 years
- > Restriction on eligibility
 - Once an employer receives the subsidy, the same employer cannot use the program again for another 12 months (waiting period).
- > Eligible workers
 - Workers who has been employed for 6 months or longer as an insured person of the unemployment insurance program
- > Short-time suspension of business operations
 - All eligible workers suspend their tasks for 1 hour or longer all at once.

Expansion/
improvement

1st supplementary
budget

Daily life
protection

Additional
employment-
security
programs

<After revision>

Immediate Employment Security Subsidy for SMEs (prov.)

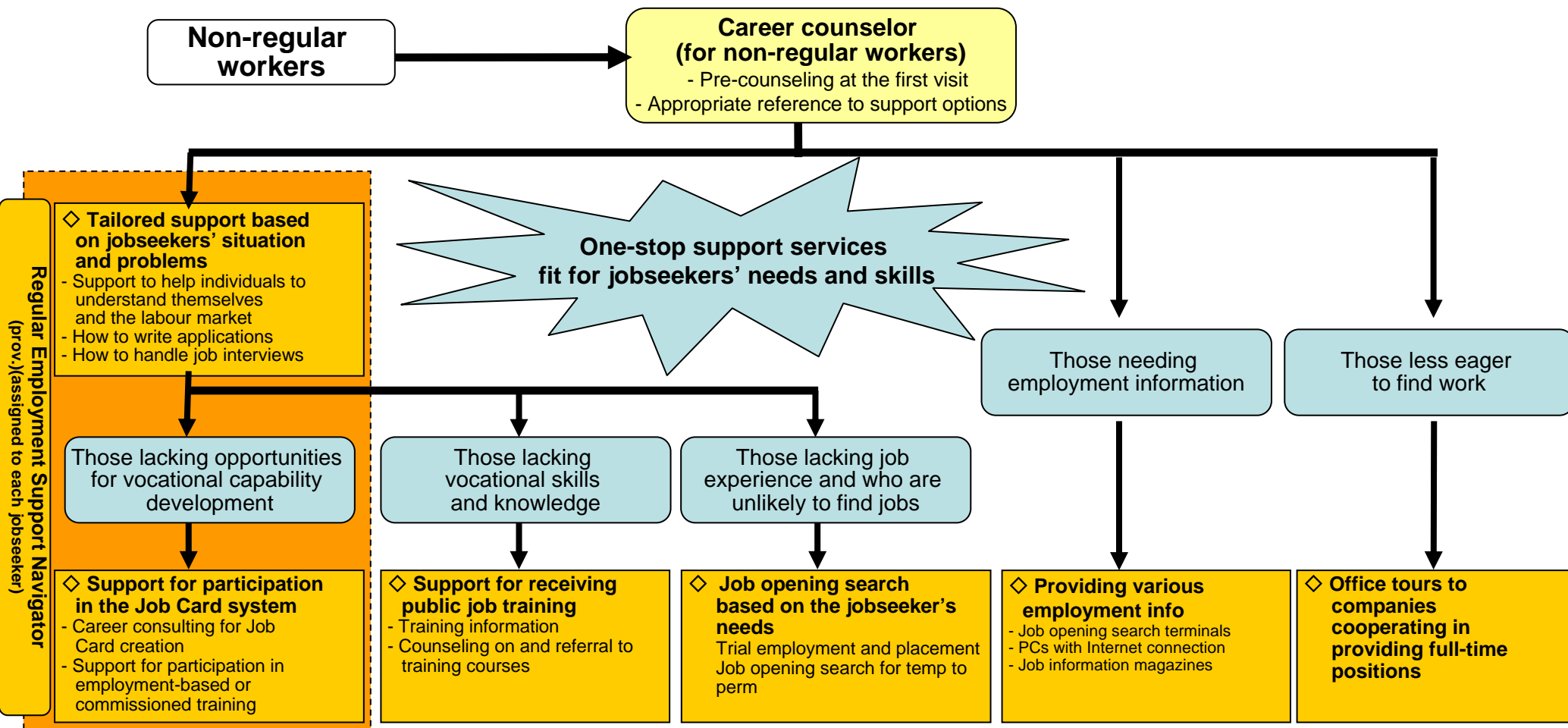
- > Eligibility
 - SMEs that meet the following criteria:
 - (1) Production volume for the recent 3 months has dropped from that of the preceding 3-month period or has dropped on a year-on-year basis;
 - (2) Current-account deficit was posted in the previous or other recent term (**this is not a requirement if the drop in production is 5% or more**);
 - (3) Employment volume for the recent 3 months has not increased from that of the preceding 3-month period or has not increased on a year on year basis
- > Subsidy rate, etc.
 - **4/5 of allowances** for business suspension, education & training, and loan of employees
 - Education & training expenses **¥6,000/day/person**
- > Limit to the number of days of payment
 - 200 days in 3 years**
- > Restriction on eligibility
 - Elimination of the waiting period**
- > Limit to the number of days of payment
 - 300 days in 3 years**
 - 200 days for 1 year
- > Eligible workers
 - Workers who has been an insured person for shorter than 6 months, or uninsured workers who have been employed for 6 months or longer**
 - > Special short-time suspension of business operations
 - Each eligible worker may suspend their operations on an hourly basis.**

Amplification of the Employment Adjustment Subsidy (for large-sized enterprises)

- > Eligibility
 - (1) Production volume for the recent 3 months has dropped from that of the preceding 3-month period or has dropped by at least 5% year on a year-on-year basis;
 - (2) Employment volume for the recent 3 months has not increased from that of the preceding 3-month period or has not increased on a year on year basis.
- > Subsidy rate, etc.
 - **2/3** of allowances for business suspension, education & training, and loan of employees
 - Education & training expenses **¥1,200/day/person**
- > Limit to the number of days of payment
 - 200 days in 3 years**
- > Eligible workers
 - > Special short-time suspension of business operations
- > Restriction on eligibility
 - > Limit to the number of days of payment
- Same as the aforementioned program (Immediate Employment Security Subsidy for SMEs)**

Development of an employment support system for non-regular workers in metropolitan areas

- Pursuant to the Comprehensive Immediate Policy Package to Ease Public Anxiety, “Non-Regular Worker Employment Support Centers” will be set up in the 3 metropolitan areas (Tokyo, Aichi and Osaka) that have a particularly large population of non-regular workers and be used as a base to provide steady employment support for these individuals. The centers will provide one-stop support services, e.g., job opening information provision, tailored career counseling and placement services and work-experience tours.
- Pursuant to the Measures to Support People's Daily Lives, such centers will also be established in Hokkaido and Fukuoka, and the same services will be provided by major Hello Work in prefectures with no such centers.



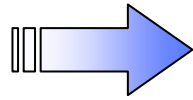
*** In addition to the above, seminars and job interview sessions with SMEs suffering labour shortages will be held.**

Hello Work's support for steady employment of daily dispatch workers

Major Hello Work will set up the "Steady Employment Counter" (prov.) to provide one-on-one (assignment-based) total employment support by "Steady Employment Navigators" (prov.) for daily dispatch workers who wish to find a steady job based on direct employment.



I feel insecure
without a steady job. .



◆ Career counselors (general) guide these people to the appropriate support

- Pre-counseling at the first visit
- Accurate understanding of needs
- Appropriate referral to support options



Appropriate
support options

One-on-one support by Steady Employment Navigator (prov.)

◆ Employment support program

- (1) Support to achieve readiness for job hunting
- (2) Support to help individuals understand themselves and the labour market
- (3) Career inventory
- (4) How to write applications
- (5) How to handle job interviews
- (6) Individualized job opening search
- (7) Placement by visiting the employer with the jobseeker
- (8) Job retention guidance



◆ For those wishing to participate in the Job Card system

- Career consulting to create a Job Card
- Support for participation in fixed-term on-the-job training and commissioned training



◆ Job opening search for short-term employment before steady employment

- For those who have difficulty in finding a long-term regular job immediately for personal reasons, support such as placement in a short-term or trial jobs will be provided with an eye toward regular employment later.



◆ Office tours and opinion exchange sessions for those who have found steady jobs (former daily dispatch workers)



Revision of the Worker Dispatching Act

With the dispatching of workers is expanding rapidly, mechanisms to protect workers should be strengthened by taking measures to address problematic forms of dispatching such as daily dispatching.

Problems

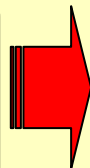
Spread of daily dispatching and other types of business operations that are undesirable as systems for labour supply/demand adjustment



Less transparent labour condition decisions and fixed poor conditions for dispatched workers



More companies engaged in illegal dispatching practices (e.g., disguised subcontracting) and receiving administrative penalties



Measures

Stronger business regulations

- Ban on daily dispatching in principle
- Restriction of dispatching among group companies to 80%

Conversion to permanent type and improvement of labour conditions

- Obligation to make efforts to convert registration-type dispatched workers into permanent type
- Obligation to disclose information on margins, etc.

Prompt and appropriate action against illegal dispatching

- Establishment of a system to recommend that companies accepting dispatched workers should offer employment contracts
- Define ineligibility factors in order to prevent penalty evasion

Expansion of the Mothers' Hello Work program

There are about 1.44 million women who have a child or children aged under 12 and do not look for employment despite their wish to work. To allow everyone willing to work to find a job, it is essential that the female labour force is utilized. In particular, reemployment of women who have quit their jobs for child bearing and rearing should be supported through the Mothers' Hello Work program.

FY 2006
12 Mothers' Hello
Work sites

FY 2007
36 Mothers' Salons

FY 2008
50 Mothers' Corners

<Support provided>

1. Tailored career counseling and placement through one-on-one counseling that takes account of the jobseeker's needs
2. Collection and provision of child care-related information in cooperation with municipal governments
3. An environment that makes it easy for mothers to visit with their children (play area, baby chairs, etc.)
4. Various seminars for employment support

Women wishing to work while rearing children

FY08 supplementary
budget request to set up
10 Mothers' Corners



Expansion of systems to pay living benefits to people under job training

Objective

To ensure that people with few opportunities for vocational capability development can receive training without worry, living assistance will be improved for those getting commissioned training under the Job Card system.

Eligibility

(1) Loan eligibility

People with an annual income of not more than ¥2m (loan amount: ¥46,200, ¥100,000)

→ Loans to those with dependents: ¥120,000

(2) Eligibility for forgiveness

- Older freeters (age 25-34)
- Unstable workers in their late 30s
- Mothers in fatherless families
- Those aged 40 or older

Those who have a little experience as a full-time employee despite their efforts to find full-time jobs are eligible if they meet the above criteria and either of the following criteria:

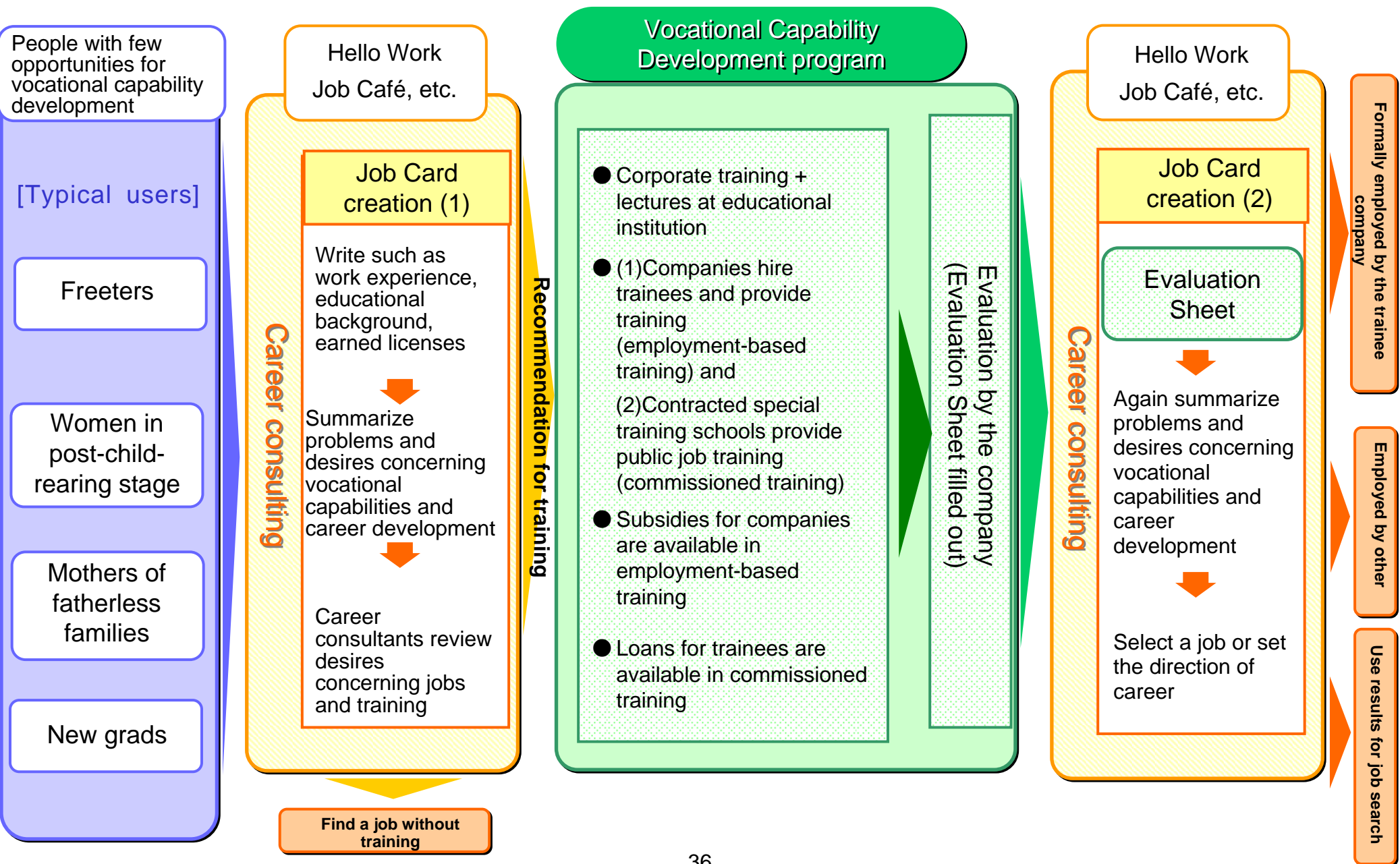
- The family's principal breadwinner with an annual income of not more than ¥2m
- Those having appropriately completed training under the Job Card system (at least 80% attendance rate and a Job Card Evaluation Sheet consisting of at least 80% A's and B's [in A-C grading by the company that offered training])

[Amount of exemption]

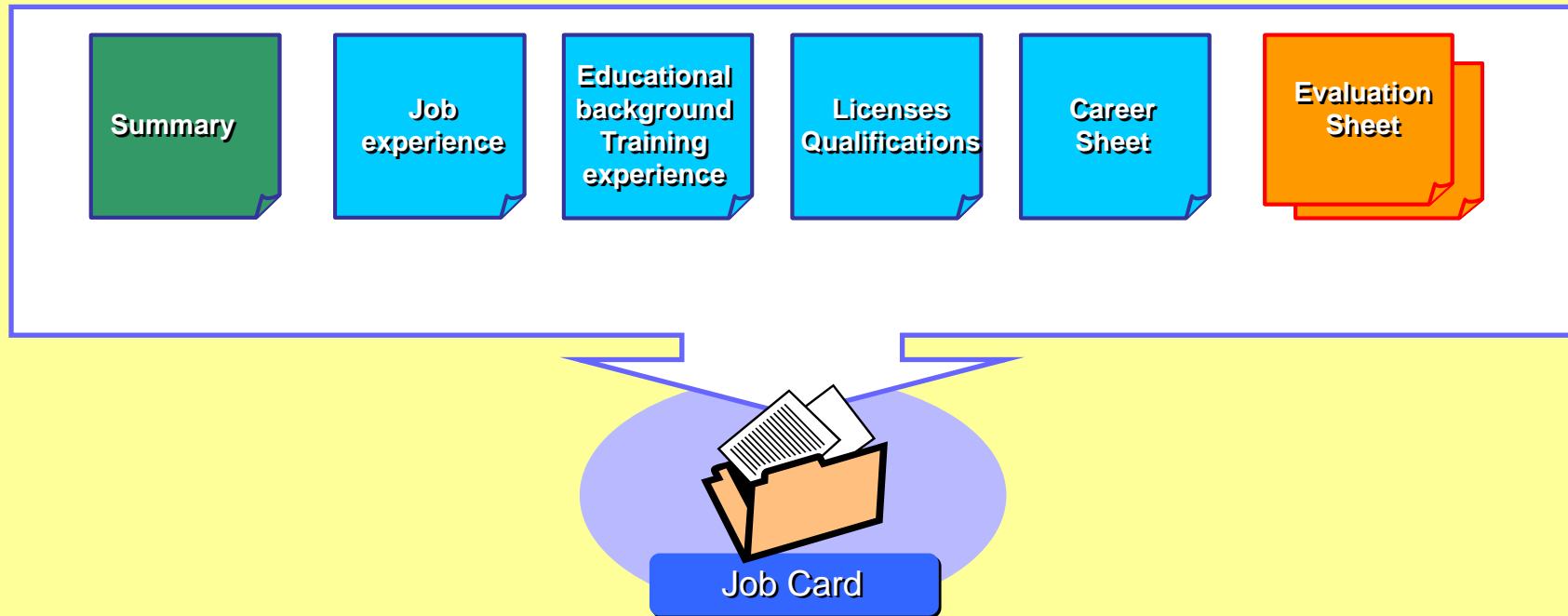
Loan amount	¥46,200	¥100,000	<u>¥120,000</u>
(1) Those seeking jobs	¥36,960	¥80,000	<u>¥100,000</u>
(2) Those found jobs	¥46,200	¥100,000	<u>¥120,000</u>

In case of (1), skilled worker development funds are available; in case of (2), these funds are forgiven.

Overview of the Job Card system



What is a Job Card? Who receives it?



The entire file is called the **“Job Card.”**

This is created by a career consultant during career consulting at Hello Work

Job Cards are issued to jobseekers upon request (*)

Issuance to 1 million in 5 years targeted

Those who have completed the vocational capability development program will receive an **“Evaluation Sheet.”**

Those who have completed the **vocational capability development program:**

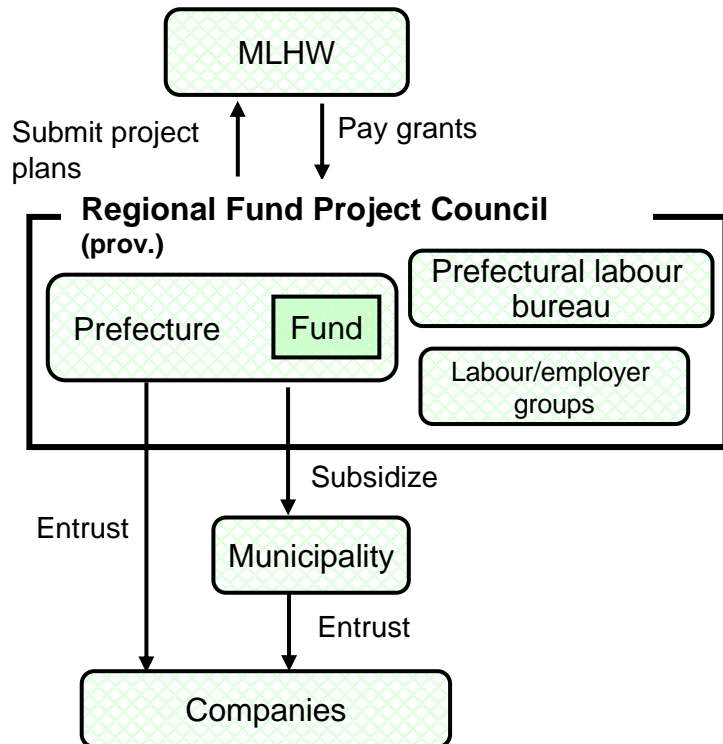
400,000 in five years targeted

(*) The issuance policy and receivers of Job Cards are subject to change due to limited temporary measures that may be taken as needed, based on the track record after introduction.

Hometown Employment Revitalization Special Grant(prov.) (draft)

The Hometown Employment Revitalization Special Grant (prov.) will be established with the aim of supporting efforts to create job opportunities for regional jobseekers in a way that meets regional needs and uses local creativity, in areas facing a severe employment/unemployment situation in the current nationwide downturn. This will be used to set up a fund to support regional businesses.

Implementation scheme



Program description

From businesses that meet regional needs and are expected to contribute to future regional development, a council consisting of regional interested parties will select ones that are highly likely to be sustainable businesses. When selected businesses are launched by hiring local jobseekers, the expenses will be subsidized (Applicable period: at least 1 year, up to 3 years)

(Examples of potential projects)

- Development of regional-brand products and cultivation of their markets
- Development of travel products
- Meal delivery services for older people
- Additional child-care services (e.g., after-kindergarten day care) at private kindergartens
- Businesses to recycle food waste into fertilizer and those to promote the use of such fertilizer for agriculture

(Requirement)

- The business must be entrusted to a private company or other entity (no direct operation by the municipal government).

Measures to promote regular employment

- One-year employment contract with the worker, in principle, which can be renewed as needed
- Payment of lump-sum money as a grant to an employer that hires workers for the business as full-time employees

Amount and job creation effect

Budget: ¥250bn
Job creation effect: Up to 100,000 jobs in 3 years

Target regions

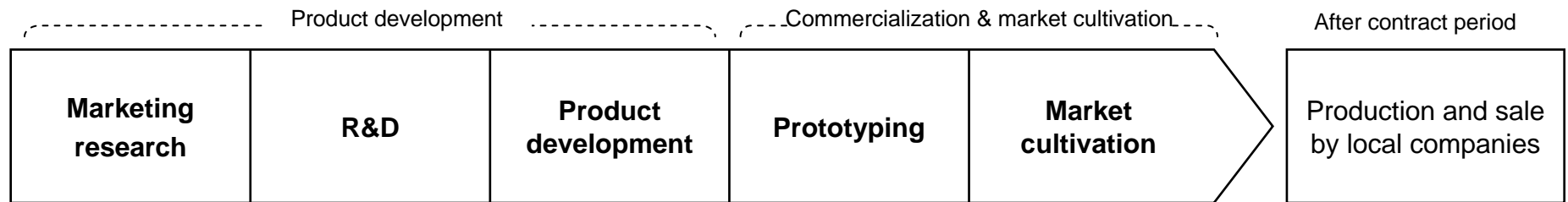
- All the 47 prefecture will establish a fund, which will be allocated with emphasis on employment/unemployment situations
- Requirements for activation must be defined in consideration of employment/unemployment situations.

Regional Employment Creation program

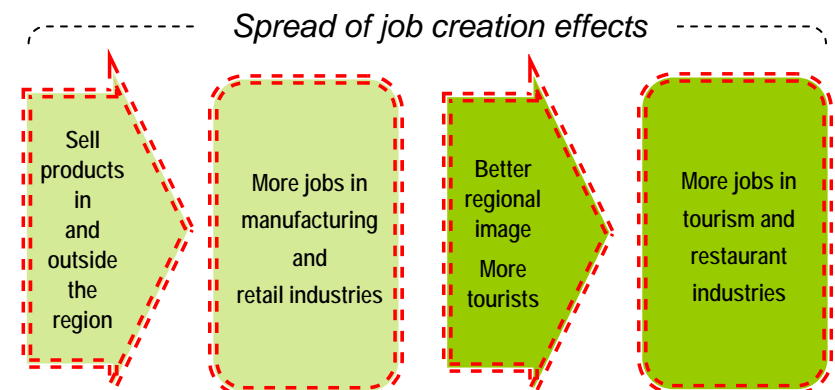
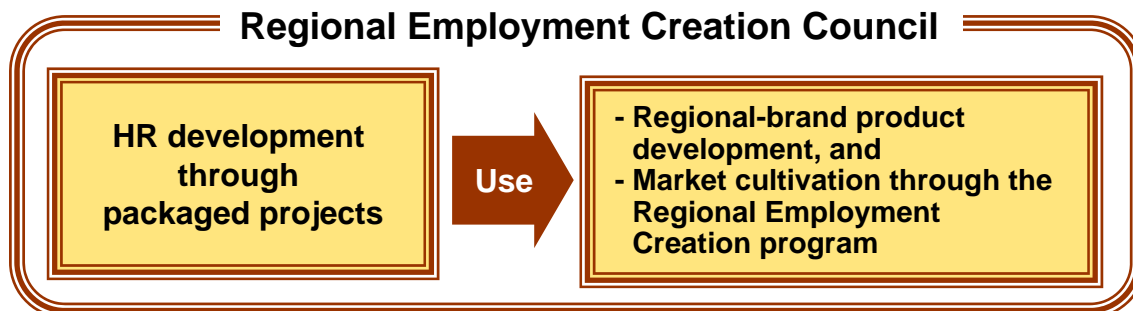
FY08 supplementary budget:
¥0.86bn

Regional Employment Creation Councils, which conduct packaged projects (projects aimed at increasing job opportunities by supporting regional jobseekers' capability development and companies' work force security), will be invited to propose projects to promote job creation by vitalizing regional industries that will be highly likely to produce synergies if combined with their packaged projects and by reviving regional economies. Projects with a high potential for job creation will be selected and will be entrusted to companies. (Project period: up to 3 years; implemented in 87 regions)

<Example of assumed projects> Project to develop regional-brand products and cultivate their markets



*Potential job creation effects



Establishment of the Emergency Prefecture Joint Employment Support program (prov.)

In areas facing severe employment/unemployment situations (21 prefectures), lectures, job interview sessions and work-experience tours will be provided in close collaboration with the career counseling and placement services provided by the central government and original employment measures of prefectural governments.
 FY08 supplementary budget: ¥1.06bn

Objective

- Severe employment/unemployment situation throughout Japan (ratio of active job openings to applicants in Jul 08 at 0.89, down 0.09 points over the past 6 month)
- National employment measures (e.g., career counseling and placement) and prefectural measures (e.g., securing human resource for companies establishing regional sites) that take account of regional situations would be effective and efficient if implemented in close collaboration, but the current situation is not.

The central and prefectural governments should provide one-stop employment support

Outline

Establishment of the Emergency Prefecture Joint Employment Support program

- Establishment of Emergency Prefecture Joint Employment Support Councils
 Formulation of implementation plans (including targets, prefecture's original employment measures [incl. budget] and national employment measures coordinated with prefectural measures)

Prefectural employment measures

- Request to business groups to increase job openings
- Establishment of emergency employment consultation desks
 - HR development training to attract businesses to local regions
 - Consultation on preferential prefecture tax for companies establishing sites in local regions and on securing the work force
 - Provision of information and counseling on programs to loan living allowances to those who lost jobs due to bankruptcy, dismissal, etc.

Close coordination

National measures coordinated with prefectures'

* Entrusted to private enterprises

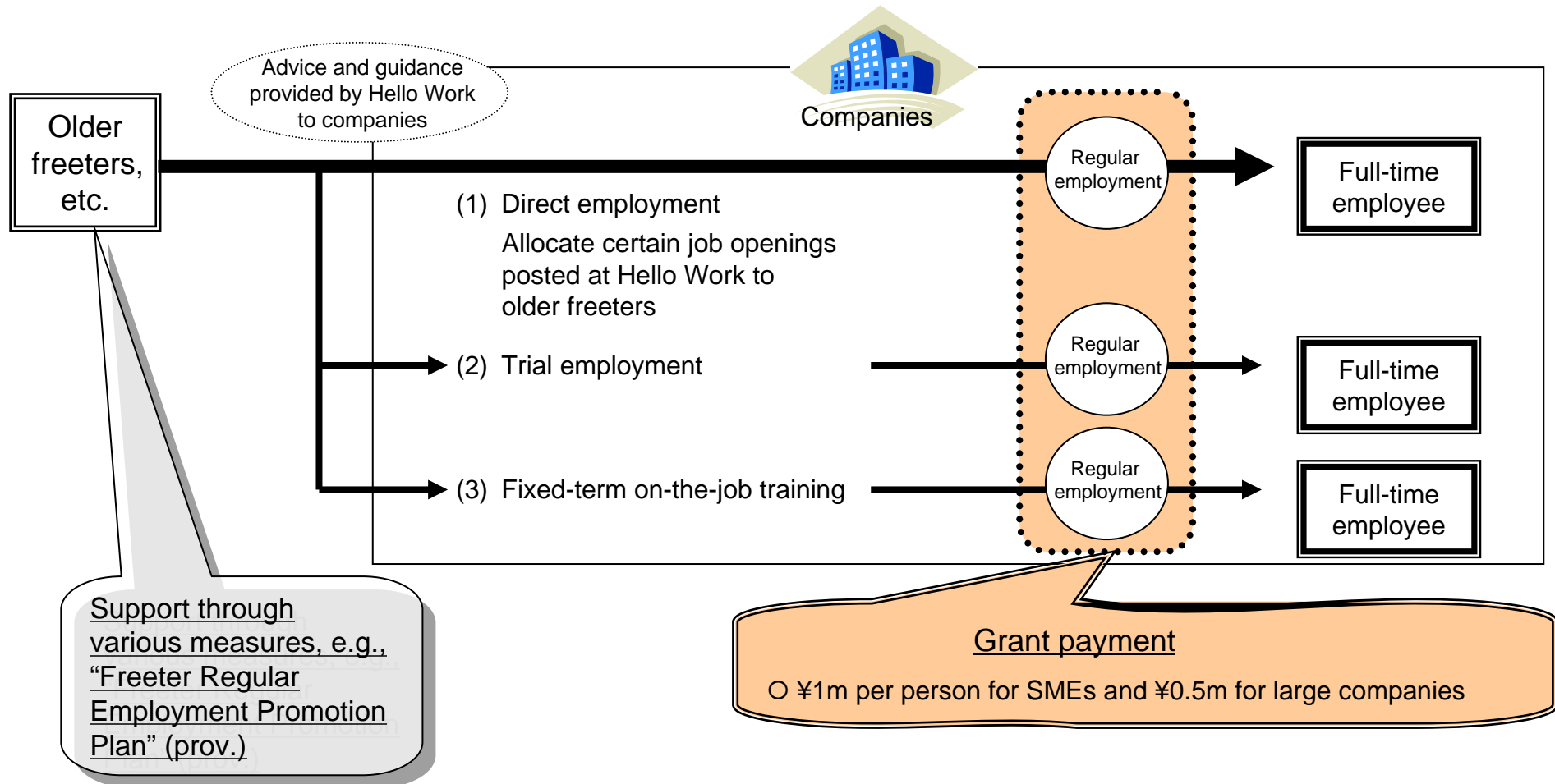
- Joint job interview sessions for those who have completed training, in order to help companies establish new sites to secure the work force.
- Work-experience tours to companies establishing new sites
- Lectures to support job search activities of those using the program

Independent national measures

- Provision of job opening info based on a national network
- Career counseling
- Placement

Establishment of a special grant program to support older freeters

Grants will be provided for employers that are eager to hire older freeters (age 25-39) by allocating certain job openings to applicants (¥1m per person for SMEs and ¥0.5m for large companies). Extensive efforts will be made in the next 3 years to secure job opportunities for older freeters.



<Promotion of the Freeter Regular Employment Plan – targeting employment of 350,000 freeters>

Assisting older freeters to finding regular jobs

¥3.6bn→¥3.7bn

- Assisting older freeters to finding regular jobs
 - Support for search for regular Jobs through “Job Meetings” <new>
“Job Meetings” will be held to give older freeters opportunities to have mock interviews with HR personnel from SMEs with the aim of fostering such HR personnel’s understanding of older freeters and helping older freeters learn how to present themselves during a job interview.
 - Support for regular-job search based on the Job Club scheme
The Job Club (job search club) scheme will be used to support older freeters based on private-sector know-how (club meetings will be held at 14 sites mainly in metropolitan areas with many older freeters). This will provide those incapable of effectively search for jobs with opportunities to exchange information with one another and learn how to find suitable jobs and how to search for jobs so that they will become able to carry out job search activities independently.
 - Special grant to promote youth employment
This grant, aimed at employers that have given young freeters full-time positions after trial employment, will be improved, such as extending the age limit to under 40 from the current 35, increasing grants to SMEs, expanding eligibility to include employers that have given full-time positions after the completion of fixed-term on-the-job training (+¥0.02bn)
- Establishment of self-support capability development system for older freeters
This will be a training system in which older freeters will first participate in training in companies in order to determine their vocational capabilities and then in follow-up training as needed, followed by capability evaluation by the companies that have offered them training. This scheme will be implemented along with the development and provision of training courses aimed at making older freeters capable of meeting employment requirements of industries.

More vocational capability development opportunities for youth

¥14.6bn→¥15.2bn

- Providing youth with vocational capability development opportunities through the vocational capability building system (Job Card system)
The Dual Japanese System will be enhanced. A fixed-term on-the-job training program that offers training in combination with lectures within an employment relationship will be created and promoted. <partially new>
- Trial employment
The age limit for youth trial employment will be extended to under 40 from the current 35. (+¥0.55bn)

Other

¥3.2bn→¥3.3bn

- Promotion of employment support through the Young Work Plaza
- Support for freeters in their regular-job finding activities through Hello Work
Hello Work will provide comprehensive support to help freeters (additionally including unstable workers in their late 30s) find regular jobs by offering one-on-one counseling, securing job openings for them and providing placement services and post-placement guidance. (+¥0.14bn)
- Tailored employment support through Job Cafés

**Underlined and italicized text denotes measures to be expanded by the supplementary budget.*

Near-Term Policy Package

1. Active measures through existing programs

- ① Enhancing employment counseling and job-placement services, providing unemployment insurance benefits, etc.**
 - Enhancing job counseling and job-placement services by utilizing nationwide network of Hello Work
 - Workers who lose their job due to dismissal or corporate bankruptcy are entitled to receive unemployment insurance benefits for 90 to 330 days, which is more hospitable than ordinary job leavers (90 to 150 days).
 - If a job leaver attends a public vocational training session (including a vocational training session of the Job Card program) in accordance with an instruction by a director of public job-placement office, the job leaver is entitled to receive the basic allowance until the vocational training session is over (for 2 years at longest), going beyond the ordinary prescribed period of the insurance benefits.
- ② Creating living assistance program for attendants of vocational training sessions**
 - The government creates a new program that grants living assistance (¥100,000 per month) to jobless persons not eligible for the unemployment insurance program when they attend a vocational training session of the Job Card program. (Starting November 4)
 - The government will selectively provide vocational training sessions for job leavers in areas where employment conditions are extremely difficult. (Now accepting applicable vocational trainees)
- ③ Pushing ahead with employment-security package for non-regular workers**
 - Setting up special counseling desks for daily dispatched workers at Hello Work , and providing employment counseling and job placement services by specialists (Starting October 28 in sequence)
 - Expanding the eligible worker's age of the trial employment incentive program and the youth employment promotion special incentive program (employment subsidy) from ages 25-34 to ages 25-39. (Starting December 1)
 - Increasing government subsidies for small- and medium-sized enterprises that hire part-timers as regular workers or introduce a short-time regular worker program (the subsidy will increase by ¥100,000 for these small- and medium-sized enterprises) (Starting November 28)
- ④ Supporting employment security at the small- and medium-sized enterprise level**
 - Supporting employment security at small- and medium-sized enterprises that are facing negative impacts on their business operations (enhancing the Employment Adjustment Subsidy program (by relaxing applicable requirements and raising the subsidy rate to 4/5 of the allowances)) (Starting December 1)
 - Creating "Regional Revitalization Small- and Medium-sized Enterprise Subsidy Program," which will provide subsidy for finance startup costs and employment-related expenses for new business owners intending to start their business operations in areas where employment conditions are less likely to improve (Starting December 1)
 - Starting employment support programs in collaboration between the central and prefectural governments (Starting November 7 in sequence)
- ⑤ Employment support for female, elderly, disabled and foreign workers**
 - Setting up new Mother's Hello Work in 10 locations (starting October 23 in sequence)
 - Providing support for business owners that hire elderly persons of age 65 or older on a regular worker or trial worker basis (Starting December 1)
 - Expanding supportive measures for small- and medium-sized enterprises that hire disabled persons (¥600,000 → ¥900,000 in the case of disabled workers) (Starting December 1)
 - Providing job-hunting and long-term employment support services for disabled persons by enhancing capabilities of Hello Work (Starting December 1 in sequence)
 - Creating the Nursing Care Inexperienced Worker Subsidy program that provides subsidy to employers hiring new workers who have never engaged in nursing care-related services (Starting December 1)
 - Providing native-language-based counseling, information and job offer searching services at Hello Work in locations where many foreign citizens of Japanese descent live (Starting October 24 in sequence)

- ⑥ **Countermeasures for corporate withdrawal of employment offers to new school graduates** (Starting November 28 in sequence)
- Setting up special counseling desks at student career advice centers to provide counseling services to students who have been denied an employment offer by a company
 - Further getting across "Guidelines on Hiring New School Graduates" by distributing brochures, making requests to trade associations and posting related information on prefectural government websites
 - Strengthening collaboration between universities and Hello Work to collect exact information on corporate withdrawal of employment offers and to provide necessary information

2. New Policy Actions planned before the end of 2008

① **Housing, etc.**

- Requesting employers not to force job leavers to leave corporate housing (Planning to provide subsidies to employers who continue providing free corporate housing)
- Non-regular worker job-hunting support centers (3 locations: Tokyo, Osaka and Aichi Prefecture) and 151 Hello Work nationwide will provide counseling services on housing and stable job opportunities as well as counseling services on loans for financing the housing-related startup costs, rent subsidies and job-hunting expenses possibly incurred by job seekers.
 - Providing loan services for financing housing-related startup costs of homeless unstable workers
 - Making the most use of employment promotion housing units which are not decided to be abolished (approximately 13,000 vacant units) to provide housing for job leavers who are forced to leave corporate dormitory

② **Appropriately addressing working condition-related problems, such as dismissal and refusal to renew employment contracts**

- The government will take the following policy actions to appropriately address working-condition-related problems, such as dismissal and refusal to renew employment contracts
- Labor standard inspection offices will provide information services to prevent corporations from dismissing their employees or refusing to renew employment contracts in an unfair manner.
 - Setting up working conditions special counseling desks at all of the labor standard inspection offices
 - Labor standard inspection offices will provide necessary instructions to business owners who have engaged in massive job cuts.

③ **Requesting for ensuring stable job opportunities for agency workers**

The government will request business organizations to ensure stable job opportunities for agency workers and to pay due attention so that job leavers are able to stay in the corporate dormitory for a certain period of time even after they leave their job.

④ **Addressing corporate withdrawal of employment offers to new school graduates**

- The government will request that business organizations take notice that corporate withdrawal of employment offers to new school graduates would fall under abuse of the right of dismissal, and to make all-out efforts to prevent such problems.
- Plan to revise Job Stabilization Law Enforcement Regulations in January 2009 to strengthen possible instructions to corporations, including disclosure of corporate names

⑤ **Enhancing supportive programs**

- Setting up Emergency Employment-Security Headquarters (chief executive: Vice Minister) to strengthen supportive programs
- Setting up Emergency Employment-Security Headquarters at labor bureaus nationwide by asking prefectural governments for their participation
- Holding the national emergency meeting of employment security directors on December 12, 2008