

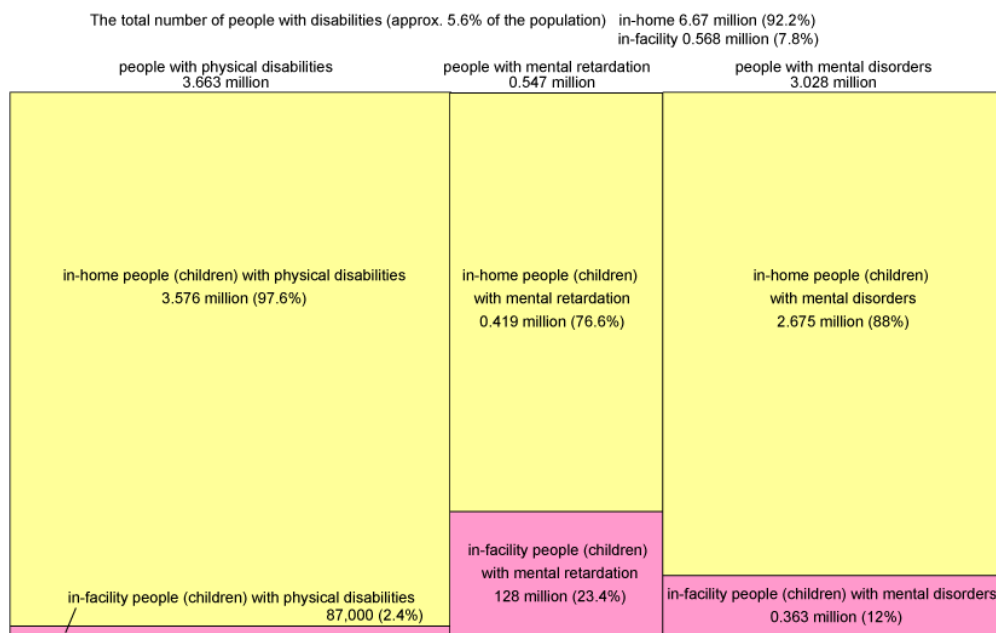
SECTION 3 Self-sufficiency Support for People with Disabilities

1. Circumstances Surrounding People with Disabilities

(1) Overview (Chart 2-3-1)

According to the survey in 2006, the total number of people with disabilities is estimated for 7.238 million and accounts for about 5.6% of the population of Japan. In recent years, people with disabilities are aging and their disabilities tend to be severer and more complicated.

Figure 2-3-1 The number of people with disabilities (in-home/in-facility)



Source: The numbers of people (children) with physical disabilities, people (children) with mental retardation and people with mental disorders are estimated from the survey in 2006, 2005 and 2005, respectively.

(Note) The number of people (children) with physical disabilities does not include that of people with physical disabilities staying in nursing home for the elderly.

The total number of people (children) with physical disabilities is about 3.663 million, and in-home and in-facility physically disabled are 3.576 million and 87,000, respectively in 2006. This was a 22% increase from 1996, and those of 65 and older account for 62% of the total. Furthermore, those with the first or second degree of severe disabilities are 48.1% of in-house people with physical disabilities according

to the degree of disability.

The number of people (children) with mental retardation is about 547 thousand in total, and in-home and in-facility mentally retarded are 419 thousand and 128 thousand, respectively in 2005. This was a 33.4% increase from 1995. A look at the degrees of disability of in-house people (children) with mental retardation shows that those with “the severest” or “severe” disabilities account for 39.3% of the total.

The number of people (children) with mental disabilities is about 3.028 million in total, and in-home and in-facility mentally disabled are 2.675 million and 0.353 million, respectively in 2005. This was a 48.4% increase from 1995, and those of 65 and older account for 31% of the total.

³ People with physical disabilities are based on the “Survey on Persons with Physical Disability in 2006” (MHLW), people with mental retardation are based on the “Comprehensive Survey on Persons with Mental Retardation in 2005 (MHLW),, and people with mental disorders are based on the “Patient Survey “(MHLW) unless otherwise stated.

(2) Daily life

According to Cabinet Office, “Comprehensive survey on measures for people with disabilities” (2008), major means by which people with disabilities earn a living are pension (54.9%), salary (19.9%), family support (18.5%), labor wage (2.8%) and allowance (1.1%). This survey also shows that many people with disabilities live on income ranging from 70,000 to 110,000 yen a month.

As for the place to live, in-facility and in-hospital people with disabilities are 0.568 million while in-house are 6.67 million. The rate of in-house people with disabilities is 97.6 % (physically disabled) 、 76.6 % (mentally retarded) 、 88.3 % (mentally disabled). The rate of those living with their families is 89.1%, 90.9%, and 81.9% respectively.

(3) Employment Status

“Survey on persons with physical disabilities, mental retardation, or mental

disabilities” conducted by MHLW (2006) shows that the rate of working people disabilities from 15 to 64 years old is 43.0% (physically disabled)、52.6% (mentally retarded) and 17.3% (mentally disabled).

And in recent years, the willingness to work of people with disabilities is steadily rising. According to Cabinet Office “Comprehensive Survey on Measures for People with Disabilities” (2008), the number of people with disabilities who hope to live on their working income accounts for 75.4% of the total, that is, they hope to earn not only by disability pension but also by employment income. “Survey on persons with physical disabilities, mental retardation, or mental disabilities” conducted by MHLW (2006) also shows that about half of non working people with disabilities hope to work.

1) Employment and Welfare Employment Status

(Employment and Welfare Employment Status)

The above-mentioned survey shows that of the working people with disabilities, regular employees with physical disabilities are 48.4% against 6.5% of people working in sheltered workshops and factories, regular employees with mental retardation are 18.8% against 59.1% of people working in sheltered workshops and factories, and regular employees with mental disabilities are 32.5% against 37.7% of people working in sheltered workshops and factories.

(Employment Income Status)

Though monthly employment income of employees varies in distribution, employment income ‘more than 70,000 less than 110,000 yen’ is the highest and accounts for 13.9% of people with physical disabilities. Employment income ‘below ‘50,000 yen’ accounts for 67.3% of people with mental retardation. Particularly, employment income ‘below ‘10,000 yen’ is the highest and accounts for 70.7% for mentally retarded people working in workshops.

2) Transfer from Welfare Employment to Regular Employment

The status of transfer from welfare employment to regular employment shows that among users of sheltered workshops, those who leave these facilities due to

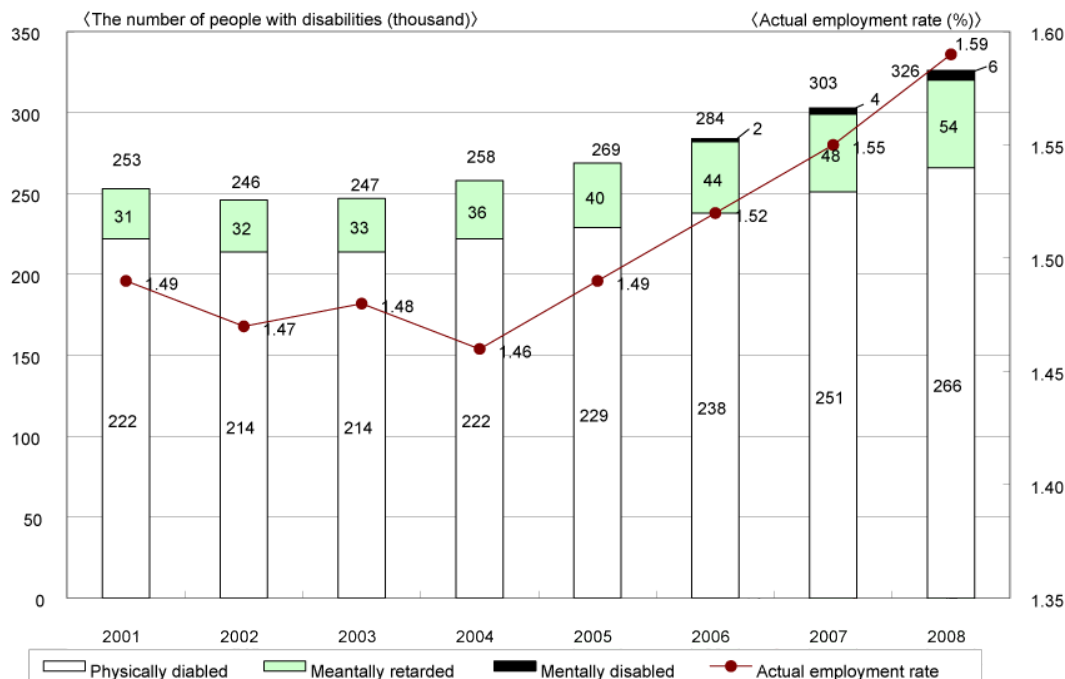
employment remains at about 1% a year. As a result of the enforcement of the "Services and Support for Persons with Disabilities Act", the conventional sheltered workshops have been reorganized into "employment transfer support" for people with disabilities who hope to work regularly and "continuous employment support" for those who have difficulty in regular employment according to purpose and facility. Transform status to regular employment by employment transfer support was 14.4% in April, 2008.

3) Employment in Private Companies

From the viewpoint of the job placement status for people with disabilities, the number of job application case increased from 78,000 in 1998 to 120,000 in 2008 and the number of employment case increased from 26,000 in 1998 to 44,000 in 2008. The employment rate of people with disabilities also showed an upward trend. Under the deteriorating employment conditions, the employment rate remains at 37.1 % in FY2008 and many disabled people of about 140,000 have yet to be employed (effective job seeker).

Furthermore, the employment status of people with disabilities (as of June 1, 2008) shows that under the "Act on Promotion of Employment for Persons with Disabilities, the breakdown of people with disabilities who are employed in companies with 56 and more employees with the obligation to employ people with disabilities is 266,000 (people with physical disabilities), 540,000 (people with mental retardation), and 6,000 (people with mental disorders) (Chart 2-3-2). Compared with those in 1997, the number of employed people with disabilities increased by 18.4% (people with physical disabilities), to 2.1 times (people with mental retardation), which shows a steady increase since 2004. In addition, the actual employment rate of persons with disabilities accounts for 1.59% and has steadily increased since 2005. However, this still remains at low level, and in particular, the employment in small-and-medium sized enterprises need improvement. Actual employment rate of persons with disabilities in companies with 100-299 employees is 1.33% and stays at the lowest level by company size

Figure 2-3-2 Employment status of people with disabilities in private companies



As of June 1, each year

Source: Survey by Employment Security Bureau, MHLW

4) Effect of the Current Recession

The employment of people with disabilities has been affected by rapidly worsening employment conditions from 2008 to 2009. According to the survey by MHLW, the number of Hello Work's placement of people with disabilities generally remains at the lower level from the same period last year. Additionally, the number of dismissed persons with disabilities largely increased to 1,987 in the second half from 787 in the first half of FY2008. There is concern for the deteriorating employment status of people with disabilities in the future (Charts 2-3-3 and 2-3-4).

According to the survey that SELP (Social Employment and Labor Panel) conducted on sheltered workshops between the end of January and the end of February 2009, facilities and workshops which answered "there is a significant effect by the recession" rose to 65.8%, and 34.6% of them were automobile-related facilities and workshops.

Figure 2-3-3 Monthly transition of Hello Work's placement of people with disabilities

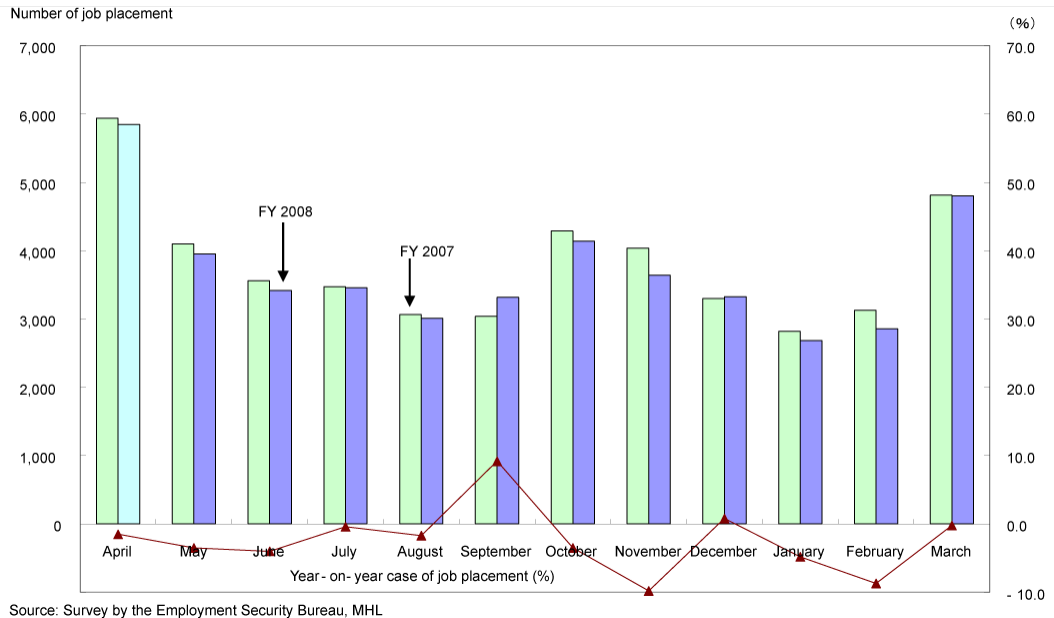
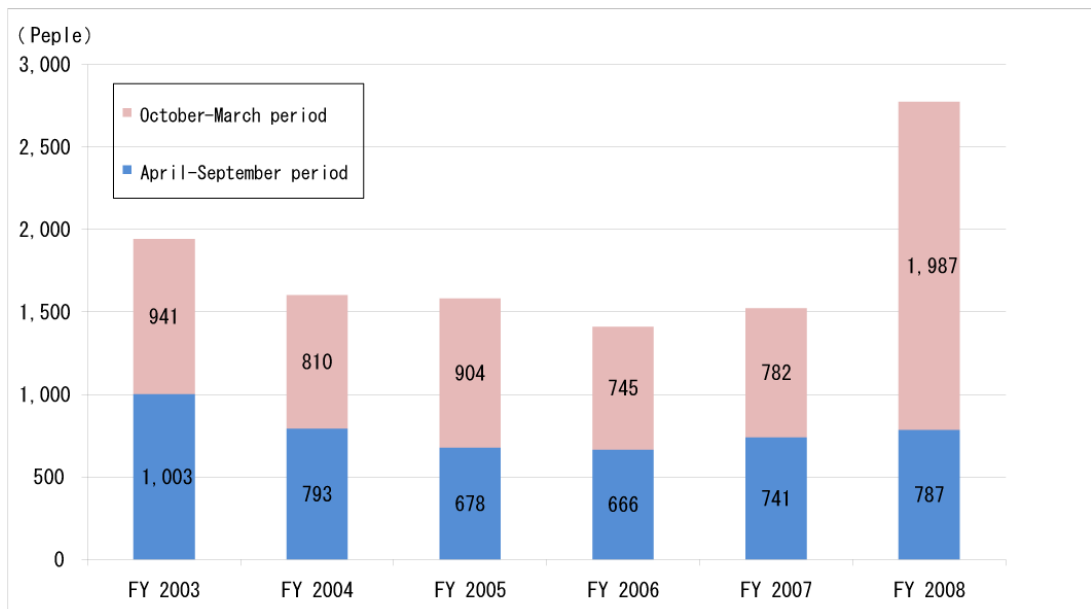


Figure 2-3-4 Transition of number of dismissed people with disabilities



Source: Survey by the Employment Security Bureau, MHLW

2. Efforts to Support Self-sufficiency for People with Disabilities

From a big standpoint of the above-mentioned status, people with disabilities are generally aging and their disabilities tend to be severer and more complicated. Since nearly 90% of them live at home and most of them live with their family, it is important to enable them to live anxiety free in a familiar community and to continue their community life even if they have difficulty in living with their family.

The daily life status of people with disabilities shows that public benefits account for the large part of their income. Thus, income security by public benefit plays the important role to stabilize the life of people with disabilities.

On the other hand, the willingness to work of people with disabilities is steadily rising. Salary income largely contributes to the household budget of employees, especially employed people in private companies. Working income is likely to determine the life of people with disabilities.

However, transfer from welfare employment to regular employment is not enough. Although steady progress has been made in the employment of persons with disabilities, it remains at a lower level in terms of the statutory employment rate, and in particular the improvement in the employment among SMEs has not been progressing. Moreover, there is concern for the effect by the recession.

It is important for people with disabilities with limited activities and social participation to remove their constraint factors and enable them to make the most of their ability in terms of their self-fulfillment and satisfaction of life. Realizing such community is also important in order to maintain and improve the national vitality and secure the social continuous development, which enable people with disabilities to support the society in turn. Under basic plan for people with disabilities, in regardless of disability, people with disabilities are respected for their human rights as equal members of society, participate in every social activity by self choice and self determination and share the responsibility as social members, in harmonious society where all the public can respect each other's personality and individuality and support each other. On the other hand, to realize the social participation of people with disabilities, it is required to remove factors to limit their activities and participations and to support them in making the most of their ability and achieving

self-fulfillment.

In order to enable persons with disabilities to be as self-sufficient as possible in their community, in accordance with the idea of this coexistent society, daily and social life support is important for every motivated person with disability to work according to his/her motivation and ability.

(1) Services Supporting Daily Life under the Services and Support for Persons with Disabilities Act

People with disabilities use a combination of medical care, daily life care, self-supporting training, employment transfer support, continuous employment support, in-home care services, etc. in order to live independently in their familiar community.

1) Service System

The conventional welfare services for people with disabilities were developed on a facility basis and were based on the idea that daily service should be provided by the same facility. Hence, once a person with disability enters a facility, he or she doesn't get services outside the facility, which keeps people with disabilities from being independent. The Service and Supports for Persons with Disabilities Act reviewed the service system and reorganize it into the system based on the "business" unit such as care service and employment transfer support regardless of disability type, by which people with disabilities can use make independent use of each business depending on their own needs.

The system also enables people with disabilities to use a combination of services by dividing the in-facility service into day service (daytime activity business) and night service (in-home activity support) so that they can live naturally interacting with others in their community. The function of in-facility services is classified into two functions: the place for daytime activity and the place to live. For example, people requiring full-time care can use a combination of living support business and in-facility support as stay support, or can use living support business provided by diversified facilities during daytime. Those living in their community can also use the same daytime activity support services including bathing and meals as in-facility

support. The focus of the system is not the use of facility and business but the types of service so that people with disabilities can enjoy an affluent community life.

2) Service Contents

Services are classified broadly into two categories: “welfare service for people with disabilities” in which benefits payment is individually determined taking degree of disabilities and living conditions of people with disabilities into account, and “social rehabilitation support service” in which flexible services are provided according to the regional characteristics and user status.

(Welfare Service for People with Disabilities) (Chart 2-3-5)

There are two types in welfare service for people with disabilities: the care service such as home help service and in-facility service, and the service providing training for a certain period according to the aptitude of persons with disabilities such as self-sufficiency training and employment transfer support.

To actually use the services, beneficiaries are supposed to apply for using the services to municipal offices. For this purpose, the “degree of disability categories” is established to comprehensively represent the physical and mental state of people with disabilities to clarify the necessity of welfare services for people with disabilities because available service is fairly determined according to the necessity of support.

Municipalities determine the type and amount of the service to provide, in consideration of the degree of disability categories, status of social activities, caregivers, residence, etc., intention to use a service, evaluation on training and employment.

Figure 2-3-5 System of Self-sufficiency Benefits, etc. for Welfare Service

Caring benefits	In-home care	Provides care such as bathing, toileting, and eating at home
	Home-visit care for people with severe disabilities	Provides people with severe physical disabilities who always need care with comprehensive care such as bathing, toileting, and eating at home, and transportation and escorting service
	Activity rehabilitation	Provides service necessary to avoid danger or transportation and escorting service when people with limited self-judgment ability are acting
	Comprehensive support for people with severe disabilities, etc.	Provides multiple comprehensive services such as in-home care to people who are in great need for care
	Day service for children	Provides disabled children with training for basic behavior in daily life and group adaptive training, etc.
	Short-term stay	Provides care for bathing, toileting, and eating at facilities including short-stay and night care when family caregiver is sick
	Medical care service	Provides people who always need medical care with functional training, medical control, nursing and daily life care
	Daily life care	Provides care for bathing, toileting, and eating at facilities during the day as well as opportunities for creating or productive activities to people who always need care
	Night care at facility for people with disabilities (in-facility support)	Provides people living in facilities with care such as bathing, toileting, and eating at night and on holidays
	Daily life care in communal living (care home)	Provides people living in facilities with care such as bathing, toileting, and eating at night and on holidays in a commune-based residence
Training benefits	Training for independence (functional training/training for daily life)	Provides training necessary for improving physical or living abilities for a certain period in order to have a dependent daily or social life
	Employment transfer support	Provides training necessary for improving employment knowledge or abilities for a certain period to people who hope to work at private companies, etc.
	Continuous employment support (A type = employment type, B type)	Provides training necessary for improving employment knowledge or abilities as well as workplace to people who have difficulty in working at private companies, etc.
	Daily life support in communal living (group home)	Provides consultation and daily life support services at a commune-based residence at night and on holidays
Social rehabilitation support service	Transportation and escorting support	Provides transportation and escorting support to facilitate the smooth outing
	Community activity support centers	Facilities to provide opportunities for creative or productive activities and social exchange
	Welfare home	Provides residential room at low fare and support necessary for daily life to people who need residence

(Social Rehabilitation Support Service)

The aim of social rehabilitation support services is that municipal and prefectural governments decide services based on the originality and ingenuity of municipalities according to regional characteristics and implement the services in flexible service program form. More concretely, social rehabilitation support services include consultation support service, transportation and escorting service, communication support service such as sign language interpreter dispatch.

(2) Social Rehabilitation Support

To allow people with disabilities to live in familiar communities as long as possible, under “Services and Support for Persons with Disabilities Act”, measures are taken to aim at “development of a community for people with disabilities to live normally”, to promote the community transfer for people with disabilities as well as to allow people living in communities to continue the social living as long as possible.

1) Promotion of Community Transfer

Prefectural and city governments have formulated the welfare plan for people with disabilities² so that necessary welfare services for people with disabilities can be systematically provided in a community, set the numerical goal and estimated amount of necessary services in view of promotion of community and regular employment transfer, and maintained according to the plan.

For community transfer, while municipal governments are setting the goal of welfare plan for people with disabilities in accordance with the basic guidelines established by the Minister of Health, Labour and Welfare Ministry stipulating that 10% or higher of people living in facilities as of FY2005 will be transferred to community life by the end of 2011 and the number of people living in facilities will be reduced by 7% or higher.

On the other hand, for people with mental disorders, the goal has been set in accordance with the policy that aims at discharging people with mental disorders from hospital who could leave hospital under the right conditions by 2012, and community transfer support has been promoted.. Since FY2008, the "Programs of Special Measures to Support Community Transfer for People with Mental Disorders" to place community transfer promotion staff, who will support preparing individual support plans, and community system establishment coordinators, who will promote the establishment of the necessary system for community life by appealing to hospitals and facilities., have been implemented. In addition, in the second state welfare plan for people with mental disorders, the goal of the number of people who leave hospitals as a result of this program will be set.

2) Securing Place to Live

To promote the community transfer for people with mental disorders and to allow them to continue their community life, it is necessary to secure place to live for people with disabilities.

In terms of the place where people with disabilities actually live, it is necessary to provide housing which corresponds to characteristics of people with disabilities such as barrier-free residence, and to secure housing in consideration of the fact that the income of people with disabilities is generally low. Therefore, efforts are being made

to operate in conjunction with housing measures such as promotion of living in public housing, etc.

Moreover, though people with disabilities often have difficulties in living independently even if they receive training for independence, group homes and care homes, which function to help people with disabilities live by themselves as long as possible while receiving support for what they cannot do because of disabilities, play an important role to promote the measures to support self-sufficient community lives for people with disabilities.

And in welfare plan for people with disabilities, the number of accommodation of group homes and care homes will increase from 34,000 in FY2005 to 80,000 in 2011. Since FY 2008, subsidies for maintenance expenses are provided when group homes and care homes are established or renovated.

3) Support of Living Necessary for Community Life

To promote community transfer of people with disabilities and their continued community life, it is important to support their “way of life” for leading community.

It is important to provide support for people with disabilities to be able to live in their familiar community as long as possible and to reduce burden of family care. Therefore, welfare services for people with disabilities such as in-home care (home help service) and short in-facility service (short stay) are provided.

And under “Social Rehabilitation Support Program” of “ the "Services and Support for Persons with Disabilities Act", transportation and escorting service and communication support such as sign language interpreter dispatch are provided according to the regional characteristics and user status. Furthermore, as a result of the originality and ingenuity of municipalities, transportation and escorting service by volunteers and establishment of watching support system by social welfare association in corporation with local residents are implemented.

Moreover, in order to carefully cope with daily needs and problems of people with disabilities and to provide appropriate welfare services for people with disabilities as needed, municipalities provide general consultation support, and designated consultation support providers prepare the plan for using service and confirm the use of service for disabled children who need support based on planned programs.

The program which functionally reinforces the general consultation support includes the request for real-estate agencies to offer residence when people with disabilities hope to rent a regular housing, the residential support service to support in residential agreement procedures and support in emergency, use of guardianship system support service such as financing application for guardianship and payment to guardians in full or part.

⁴ The Service and Supports for Persons with Disabilities Act obliges municipal and prefectural governments to set the numerical goal in view of promoting the community and general employment transfer, and to prepare the welfare plan for people with disabilities to set the estimated amount of services necessary for accomplish the goal. When preparing the plan, they are supposed to take regional status into consideration in accordance with the basic guidance formulated by Minister of MHLW.

(3) Employment Promotion

It is important to promote the employment for people with disabilities so that people with disabilities can make most of their abilities and achieve self-fulfillment and Japanese society can keep its vitality.

For employment promotion of people with disabilities, it is important to make the future perspective clear in consideration of employment trends of the disabled and to promote each measure comprehensively, systematically and gradually. Thus, detailed measures are taken according to the type and degree of disability, in accordance with the Law for Employment Promotion of Persons with Disabilities and the basic guidelines for employment measures for people with disabilities planned under such law.

In addition, the "Services and Support for Persons with Disabilities Act" aims at fundamentally improving the employment support by establishing employment transfer support services and the like. Furthermore, to systematically improve the employment support for the disabled under "Strategy for Improvement of Growth" which compiled in February, 2007, the "5-year Plan to Promote 'a Shift from Welfare

to Employment”³ was formulated in December 2007 in response to these measures that will be promoted through setting concrete goals for next 5 years and with verifying what has been achieved.

Moreover, taking the present severe employment situation into consideration, Ministry of Health, Labour and Welfare utilized the subsidy (See “3) Support for Employers to Expand Some Form of Work for People with Disabilities”) which was established on February 6 2009, in a second supplementary budget in FY2008, and made up the “Employment Maintenance and Enhancement Plan for People with Disabilities” in order to maintain and enhance the employment for people with disabilities.

The government aims at improving the employment support of people with disabilities by carrying out measures steadily based on the above-mentioned plans.

1) Facilitating Regular Employment Transfer for People with Disabilities Working at Welfare Facilities

(Employment Support Based on the Services and Support for Persons with Disabilities Act)

The Services and Support for Persons with Disabilities Act aims at rebuilding the conventional sheltered workshops to “employment transfer support” and “continuous employment support” according to the purpose and function improving the employment support so that people with disabilities can make most of their abilities and are self-sufficient in their communities.

An “employment transfer support program” provides people with disabilities who hope to work regularly with job training needed to improve necessary knowhow and ability for employment in fixed-time programs.

And “continuous employment support program” provides people with disabilities who have difficulty in regular employment with the training to improve necessary knowhow and ability for employment through providing opportunities including production activity.

(Improved Welfare Employment through “5 Year Plan to Double Wages”)

In addition to employment transfer support, improving the wage level at welfare facilities is important for people with disabilities in being financially self-sufficient in communities.

Improved wage levels are included in the "Strategy for Improvement of Growth" which was compiled in February 2007 as part of "improved welfare employment through '5 Year Plan to Double Wages" in promoting unified measures to be taken by the government and the private sector. Prefectures will formulate "plans to double wages" in providing concrete measures to double wages and make efforts to achieve that goal in next 5 years by FY 2011. More concretely, efforts will be made to improve operation and develop administrative sense through accepting business consultants, highly specialized technical experts, and people with business employment experience by using technology and know-how of private enterprises at businesses. In addition, development of products and markets will be carried out in cooperation with general enterprises. Prefectures will provide training for vocational counselors to improve vocational abilities for regular employment of users.

⁵ The 'Strategy for Improvement of Growth' which was compiled in February 2007 is a three-pronged approach to enhance the growth of Japan: 1) manpower strategy aiming at the realization of "ability development society", 2) employment support strategy by formulating and implementing the "5-year Plan to Promote 'a Shift from Welfare to Employment'", and 3) improvement of SMEs strategy to promote the combined management of policy for the "productivity improvement and increase in minimum wage". The concrete goal will be set for next 5 years (by 2011) for the employment transfer for fatherless households, households depending public assistance, and people with disabilities through the "5-year Plan to Promote 'a Shift from Welfare to Employment'", and comprehensive efforts will be advanced both in welfare (employment support) and employment (acceptance promotion).

2) Employment Promotion Based on the Law for Employment Promotion etc. of Persons with Disabilities

(Employment Rate of Persons with Disabilities System)

The Law for Employment Promotion stipulates that employers are obliged to maintain the number of employees with physical disabilities or mental retardation which is equivalent to the employment rate of persons with disabilities (for example, at 1.8% in private enterprises). Though the obligation of employment does not include people with mental disorders, companies may count the number of employees with health and welfare certificate of persons with mental disorders as the employment rate of persons with disabilities.

(Measure to Achieve the Employment Rate)

Hello Works require employers of companies to report the employment status of people with disabilities every year and give guidance to employers who do not satisfy the employment rate. By taking into consideration the fact that actual employment rate of persons with disabilities remains in the low level among SMEs, Hello Works are make clear the focused target to guide and take measures by encouraging the employers of companies whose disabled employees are short by one, which account for the majority of companies that do not satisfy the employment rate, and by improving the number of promoting the employment of persons with disabilities for companies that have never hired people with disabilities

For the purpose of handling the economic burden of employers in hiring people with disabilities and of raising their employment level as a whole, employers of companies that do not satisfy the statutory employment rate (applicable to companies with 301 or more regular employees, and since July 1 2010, applicable to companies with 201 or more since) are required to pay levies, while employers whose rate of employees with disabilities exceeds the specific levels will receive adjustment grants or rewards.

(Revision of the Law for Employment Promotion of Persons with Disabilities in 2008)

The Law for Employment Promotion of persons with disabilities was amended in December 2008 to increase the employment opportunities for people with disabilities to their willingness and abilities. The purpose of this amendment is to revise the employment rate system in accordance with the employment promotion and

part-time working among SMEs because the employment status of disabled employees among SME as a workplace within their local communities does not show much improvement despite growing willingness to work of people with disabilities and there is a remarkable need of people with disabilities as part-time workers in a shift from welfare to employment.

More concretely, SMEs have built the system to employ people with disabilities jointly with cooperative business associations while the applicability of the obligation to pay levies related to the employment of persons with disabilities is gradually expanded from the current definition of companies with 301 or more regular employees to those with 101 or more.. In response to the need of part-time working, measures have been taken to add part-time worker to the applicability of the obligation to employ.

(Response to Convention of the Rights of People with Disabilities)

In response to Convention of the Rights of People with Disabilities signed by Japan in 2007, the government have taken measures for the conclusion thereof while discussions continues to be made in special-interest groups and committee of the Labor Policy Council to provide measures in labour and employment field as well. Japan added a new concept of “reasonable considerations” to Convention of the Rights of People with Disabilities in addition to the ban on discriminations in every form, which . needs enough discussions to provide “reasonable considerations” in labour and employment field as well.

3) Support for Employers to Expand a Workplace for People with Disabilities (The Employment Development Subsidy for Specified Persons with Difficulty in Employment)

Employees who continue to hire people with difficulty in employment such as people with disabilities through Hello Work’s job placement will receive subsidies as part of equivalent to wage.

With severer employment and economic situations, there is a concern that particularly employers of SMEs are likely to show lowering motivation of employment. Therefore, benefit of subsidy targeted employers of SMEs was

extended from a year to one and half year, and from one and half year to two years in case of people with severe disabilities in the first supplementary budget in 2008, while the amount of subsidy benefit was increased from 0.9 million to 1.35 million and from 1.6 million yen to 2.4 million yen in case of people with severe disabilities, etc.

(Incentive for First Employment of People with Disabilities)

Companies that have never hired people with disabilities account for 80% of SMEs that do not satisfy the statutory employment rate and the employment state of people with disabilities is likely to recede due to the current economic downturn. Therefore, incentive for first employment of people with disabilities was established in the second supplementary budget in 2008 to offer a financial incentive (1 million yen) to SMEs that have never hired people with disabilities when they hire people with disabilities for the first time.

(Promotion Subsidy for Establishing Special-purpose Subsidiary)

In order to promote the establishment of special-purpose subsidiaries⁴ and or business places that employ more than the average number of people with disabilities, which are comparably stable in employing the disabled even during the recession period, and to expand as well as to promote the stable local employment of people with disabilities, promotion subsidy for establishing special-purpose subsidiary was established in the second supplementary budget in 2008 to offer a subsidy (more than 20 million yen for establishment of a company and employment of 10 or more people with disabilities) to employers who hired the unemployed people with disabilities and established special-purpose subsidiaries or business places that employ more than the average number of people with disabilities.

(Subsidy for Employment Promotion Program of Business Cooperation)

In the revision of the Law for Employment Promotion of Persons with Disabilities in 2008, the system was established that makes a special provision for counting the employment rate for people with disabilities together when several SMEs employ people with disabilities jointly with business cooperative associations. To improve

the employment of people with disabilities in SMEs by promoting the use of such special provision, employment promotion program subsidiary for business cooperation was established in FY2009 budget to offer a part of the expenses when business cooperative associations carry out the “employment promotion program” (item 3 of paragraph 1 of Article 45-3 of the Act).

(Subsidy for Improving Employment Environment for People with Disabilities)

To employ people with disabilities, subsidies are provided to employers of companies that improve or establish working facilities, or deploy workplace supporter for employment management of people with severe disabilities.

Development Bank of Japan lends the necessary money at low interest rate to employers of companies with 5 or more employees with severe physical disabilities, mental retardation or mental disorders when they establish or improve facilities or purchase the land.

4) Detailed Career Counseling and Job Placement Services According to the Type of Disabilities

(Role of Hello Work Offices)

Hello Work Offices provide people having willingness to work with a consistent service from job application register to after job placement care , and offer detailed career counseling, job placement services, instruction for work adjustment according to the respective type, aptitude, characteristics and desired type of work of people with disabilities through the case work system of specialized staff, etc. In addition, they promote the exploitation of job market and further employment for people with disabilities..

(Promotion of Trial Employment Program for People with Disabilities)

A short-period trial employment program is promoted to encourage business enterprises that have never hired people with disabilities promote to hire the disabled and to facilitate the regular employment transfer. More concretely, when business owners conclude a fixed term contract (for three months) with persons with disabilities through job placement by Hello Work Offices, they will receive a grant.

(Support by Workplace Adjustment Support (Job Coach))

To facilitate the workplace adjustment of employed persons with disabilities, the “Regional Career Center for Persons with Disabilities” which is established in each prefecture as the organization providing specialized employment rehabilitations dispatches job coaches to the workplace, and gives persons with disabilities advice on their abilities to perform, support to improve communication ability in the workplace, and give employers advice on employment management in consideration of characteristics of disabilities. Furthermore, subsidies are provided when social welfare corporations and business owners that have know-how on employment support provide workplace adjustment support by dispatching job coaches.

⁶ Subsidiary established with special consideration for the employment of people with disabilities. If a subsidiary meets certain requirements, employees hired in the subsidiary are considered to be hired by its parent company and the actual employment rate can be applied.

5) Employment Measures for People with Disabilities in FY2009 Supplementary Budget

Under the current severe employment situation, the number of dismissed persons with disabilities has been largely increasing. Therefore, it is required to prevent people with disabilities from leaving their jobs, and to provide thorough employment support for early reemployment for those who were obliged to resign their job. For this, measures have been taken such as raising the rate of the Employment Adjustment Subsidy for people with disabilities when business owners close down, expanding the "Challenge Employment program," which provides job trial opportunities for people with disabilities at public institutions in preparation for finding regular employment, and enhancing the employment support system in Hello Work Offices for people with disabilities.

6) Promotion of Vocational Abilities Development

(Training at Vocational Abilities Development School for People with Disabilities)

General public vocational abilities development schools are promoting barrier-free access to their facilities, promoting the entry of people with disabilities by establishing training courses for vocational training for people with mental or developmental disorders.

There are also vocational capability schools dedicated to persons with disabilities who have difficulty in receiving vocational training at general public vocational abilities development schools, which provides specialized and thorough vocational training according to types of disabilities and needs of job seekers.

With a rapid development of recent technological innovation, employed people with disabilities also need to respond to the change in various job contents. To address this, vocational abilities development schools for people with disabilities provide on-the-job training by using the facilities and establishments.

(Providing Various Trainings by Contract According to Type of Disabilities)

To respond to the increased people with disabilities who are willing to work, vocational training for persons with disabilities is provided by local companies, social welfare corporations, non-profit organizations and private-sector educational training institutions by contract. Further more, opportunities for vocational training are being expanded in consideration of various types of disabilities and needs.

In choosing training, vocational training coordinators for people with disabilities, who are dispatched in prefectures, are looking for the most effective consignees for individual person with disabilities and making arrangement of training by contract curriculum after understanding the individual situation and local employment needs of people with disabilities in order to provide prompt and effective training.

In addition, vocational training trainers for people with disabilities, who have been deployed since FY2009, are providing SMEs implementing practical on-the-job training with the consistent support from formulating training curriculum to employment.

Moreover, training by contract has been applied not only to dismissed people with

disabilities, but also to the employed people with disabilities and vocational training needed for job placement and retention support are provided.

7) Linkage between Employment and Welfare Measures

Linkage between employment and welfare measures are necessary for employment for people with disabilities because there are various types of disabilities and needs, and considerations for daily life are needed in such employment.

Under the provisions of the revision of the Law for Employment Promotion, etc. of Persons with Disabilities in 2005, an organic linkage between employment and welfare measures shall be ensured. In such provisions, services to facilitate employment support through linkage between Hello Work Offices and welfare facilities, and welfare facilities as well as municipalities, which are the responsible organization for services under the Services and Support for Persons with Disabilities Act, shall strengthen the linkage with Hello Work Offices at the same time. Thus, efforts to cooperate with each other are being made.

Actually, at the first stage of employment support services, welfare facilities provide basic training after grasping the aptitude and problems, receiving professional support including career assessment by the Regional Career Support Center for Persons with Disabilities⁵. Furthermore, at the state of job hunting through on-the-job training such as workplace training, Hello Work Offices provide job placement, job hunting support, development of job market. Support for employed persons with disabilities focuses on is mainly provided by the Employment and Life Support Center for People with Disabilities, which provides integrated support for employment and daily life. As a general rule, employment transfer support providers follow up on those who are employed through the use of employment transfer support for six months after starting to work.

⁷ Organization that provides individual disabled person with various specialized employment rehabilitations including career assessment, career guidance, career preparation training and workplace adjustment support, and analyze employment

managerial problems and give advice on employment management to employers. They are placed in each prefecture.

(Support by Employment and Vocational Life Support Centers for People with Disabilities)

In 2002, Employment and Vocational Life Support Centers for Persons with Disabilities was established to provide integrated consultations and support for employment and daily living in neighborhoods. In FY2008, 206 centers were placed and have been managed across the country. The '5-year Plan to Promote "a Shift from Welfare to Employment"' stipulates that Employment and Vocational Life Support Centers for Persons with Disabilities should be established in every Healthcare and Welfare Zone for People with Disabilities (354 places) by FY2011.

Employment and Vocational Life Support Centers for Persons with Disabilities provide integrated employment support such as employment preparation support, on-the-job training, job search support and job retention support, and daily living support such as advice on daily and community life.

(Appeal to Welfare Centers for Understanding of Regular Employment)

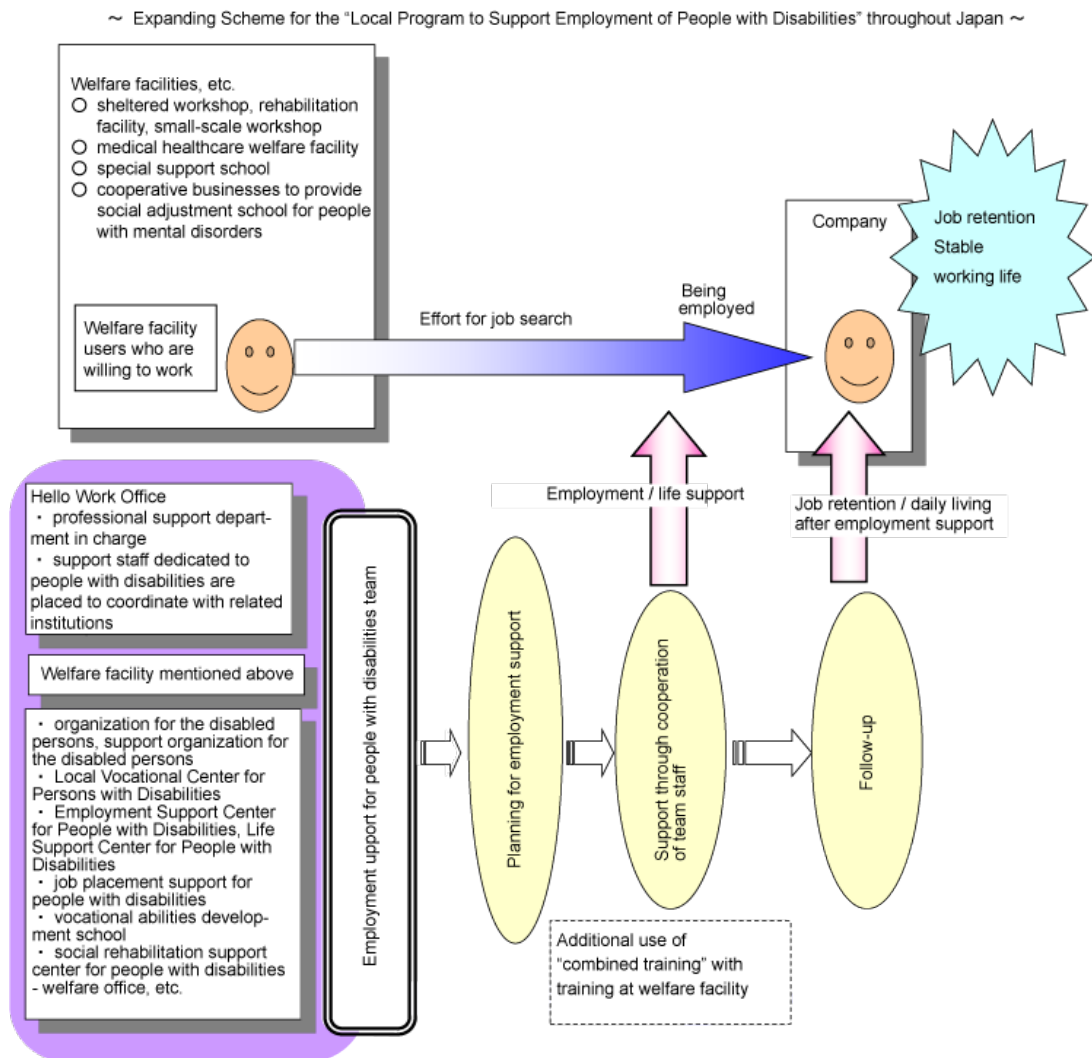
To promote the transfer from welfare employment to regular employment, it is important to appeal to welfare centers to understand regular employment and use various support measures effectively. Hence, an appeal to welfare centers has been made by providing employment support seminars at Hello Work Offices which introduce actual measures in companies proven track record of employing people with disabilities and in facilities proven track record of employment support, or by providing welfare centers with employment advisors for people with disabilities who have experience to control employment in companies and giving advice employment.

(Teamed Support by Hello Work-centered Related Institutions)

In actual support scenes, a steady linkage of support for individual person with disabilities is important between related institutions and facilities. Hence, Hello Work Offices need to take the lead in setting up a employment support team with welfare

facility officials (employment support team for people with disabilities) and in providing total support (teamed support) from preparation for job search to job retention to individual welfare center user who is willing to work (Chart 2-3-6).

Figure 2-3-6 Hello Work Office-centered “Teamed-support”



Hello Work Office staff and welfare facility staff take the lead in joining the employment support team with all concerned parties of Local Vocational Center for Persons with Disabilities, vocational abilities development schools, social welfare

council, professional institutions of welfare facility, commissioned welfare volunteers, group home caretakers, etc. A team is made up for each target person to create a support plan which defines a goal and support schedule, contents in consideration of support needs, sharing roles of team staff. In addition, the follow-up after employment provides support according to each role, and flexibly responds to new needs by having a review meeting as needed.

Since FY2008, the team system and function has been improved by placing the “employment support coordinators” who go off to local welfare facilities, figure out people who are willing to work and make adjustments for employment support.

(4) Income Security by Disability Pension

Income security for people with disabilities plays a crucial role in stabilizing the life for people with disabilities, and is implemented by two systems: the pension system such as Disability Basic Pension and Disability Employees’ Pension and the allowance system which is focused on the burden from disabilities and is provided to reduce the burden.

The monthly payment amount of Disability Basic Pension in FY2008 is 82,508 yen for person with the first degree of disabilities, and 66,008 yen for person with the second degree. In addition, the disabled who joined Employees’ Pension are provided with Disability Employees’ Pension for the first to third degrees of disabilities.

Public allowances include special disability allowance, which especially covers people with severe disabilities, and allowance for children with disabilities, which is provided to children with severe disabilities who do not receive disability basic pension.

Recipients of public pensions account for 67.7% of people with physical disabilities (in-home aged 20 or over) and 67.2% of people with mental retardation (in-home aged 20 or over). As for people with mental disorders, the breakdown of recipients is: in-facility 62.2%, inpatient 12.7%, and outpatient 34.9%. In addition, recipients of public allowances account for 16.6% of people with physical disabilities (in-home aged 20 or over), recipients of special disability allowance account for 5.3% of people with mental retardation (in-home aged 20 or over) and recipients of municipal

benefits account for 5.9%.

(5) Revision of the Services and Support for Persons with Disabilities Act

Under the Service and Supports for Persons with Disabilities Act, its supplementary provisions make provision for its revision in 3 years after enforcement, and discussions were made 19 times toward the revision of the law in Commission on People with Disabilities of Social Security Council since April 2008. The report on “the revision of the Service and Supports for Persons with Disabilities Act after 3 years after being enforced” was compiled in December 2008.

Reflecting these contents, the “bill to partially revise the Services and Support for Persons with Disabilities Act, which includes revision of user’s burden, revision of the range of people with disabilities and degree division of disabilities, improvement in consultation support, reinforcement of support of disabled children, improvement in self-sufficient life support in community and the like, was submitted to the ordinary session of the Diet in 2009, but it was not adopted by the end of the Diet session and discarded.

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For the purpose of their self-fulfillment and satisfaction in life, it is indispensable for people with disabilities to make use of their abilities and live in their community. It is also important from the viewpoint of ensuring the sustainable development in our society because people with disabilities can support the society in turn.

For this purpose, daily and social life support such as disability welfare service are provided under the Service and Support for Persons with Disabilities Act so that persons with disabilities can be self-sufficient in their community as long as possible. It is also important to continually promote employment in private companies as well as regular employment transfer from welfare facilities so that every person with disability who is willing to work can work according to their motivation and ability.

In addition, taking into consideration daily life and a variety of type and needs of people with disabilities, it is important to take related measures such as welfare and employment measures in coordination. Hence, steady linkage of support for

individual person with disabilities is important between related institutions and facilities.

## **Column**

### **Daikyo Seisakusho Co. Ltd.**

Daikyo Inc. is a manufacturer in business for 55 years which handles varnishing metal such as electrogalvanizing and accompanying assembly.

In the company, 38 employees with disabilities account for more than half of 71 employees in all.

What made them decide to employ people with disabilities is that they were asked to accept students in special support class of a junior high school from mid-1950s to mid 1960s. Then, they started to employ people with mental retardation from social welfare corporations through Hello Work's placement as well as from schools for the disabled.

When they employ persons with mental retardation, they determine in principle whether to employ them after seeing the working situation and life and work behavior through two week on-the-job training. Main tasks are simple things on assembly lines for plating and coating including 'arranging parts' and 'hitching a product to a jig'. These tasks are relatively easy if only workers remember security and setup. Therefore, workers can start the tasks immediately after they are assigned to the job site.

The point for employing people with disabilities is that instead of adjusting work to people with disabilities, the company standardizes jobs by mechanizing work process in an unprecedented way so that not only healthy people but the disabled can work easily and efficiently.

With such device on a factory assembly line, since not only healthy people but the disabled do the same work, there is no need to treat them differently as the disabled. Thus, the company thinks it is important to devise working methods without special treatment.

The company says, “In the auto parts industry with severe quality and cost challenges, to position ourselves apart from the rest, we came up with ways to arrange work and changed production methods because we want employees with disabilities to be an asset to our company.”

In addition, one of the reasons why the employment of the disabled works well is that the company employs the disabled, hoping to have them work until retirement age. Whether severe or mild, the company employs the disabled who are likely to work for a long time after watching them getting along with other employees with disabilities and tackle a task during the on-the-job training. And the company gives one-on-one guidance to people with disabilities and provide them an environment in which they can be dedicated to work without showing constraint to healthy employees. Actually, the length of service of our employees with disabilities is as long as 12.8 years in average (14.4 years in case of those at headquarters).

On the other hand, the company also regards the system as requiring in which employees with disabilities can return to welfare benefits when their health declines with aging.

The company says, “Like other companies, our management situation is tough due to slumping economy since the end of last year. However, we would like to try our best for ensuring employment for all of our employees including employees with disabilities.”

## **Column**

### **SKIP (social welfare corporations - Tokyo Parent’s Association for Intellectual Disabilities, Inc.) and Ward Employment Support of People with Disabilities Network in Setagaya Ward**

#### **～Efforts of the Employment Support Center for People with Disabilities ‘SKIP’ ～**

The employment support center for people with disabilities ‘SKIP’ is a ‘sheltered work type employment support center’ where Setagaya ward delegate its operation

to the social welfare corporation, Tokyo Parent's Association for Intellectual Disabilities, Inc. and the program to support employment transfer is implemented for people with disabilities.

More concretely, it supports families and companies as well as people with mental disabilities who are willing to work or want support for working.

SKIP has commuting department and employment consultation department. The commuting department aims to encourage people with mental disabilities to find places to work before they prepare for employment during the two-year training. Users commute to 'workrooms' for training every day by doing linen cleaning work, which is ordered from three facilities for elderly people in Setagaya ward, envelope printing work, which are ordered from Setagaya ward offices and schools, and printing work of business card, etc.

On the other hand, the employment consultation department deals with employment support for users who have reserved at its consultation service. More concretely, it provides training for employment, job search assistance, on-the-job training support by job coaches, job retention support and reemployment after displacement.

The percentage of job-finders in those who left the commuting department is over 90 %. Three factors that realize the high employment rate are: 1) encouraging willingness to work, 2) establishment of system and 3) linkage.

As for 1), first of all, the employment consultation dept. tries to raise users' motivation to be employed by setting the time to report employment and visit alumni at the morning assembly, focusing on encouraging willingness to work one another by users. As for 2), the program has been established to cover from the start to use the facility through employment such as trainings, social life skills training and periodic support plan meeting. As for 3), daily information exchange and linkage with Hello Work Offices are most important. Hello Work Offices frequently provide company information and new job openings and also provide job opening that is suited to individual users after receiving information about SKIP user. Hence, the mutual information exchange leads to introducing appropriate job placement. In addition, SKIP takes the approach to companies that asims to employ people with disabilities in collaboration with Hello Work Offices.

## ～Setagaya Ward Employment Support Network ～

Setagaya Ward aims at realizing a community where people with disabilities can challenge employment and establishes the ‘Setagaya Ward Employment Support Network’ that links Employment and Vocational Life Support Centers for People with Disabilities, Comprehensive Welfare Center, Support Center for People with Developmental Disorders, Hello Work Offices, etc. In the network, for example, vocational life and employment support is provided in a cross-sectional manner by providing special support school graduates with employment support in various facilities in Setagaya ward and transferring from welfare employment to regular employment.

Additionally, efforts to promote companies to employ people with disabilities have been made in the following: in the “Association for Employment Promotion” which is made up of management (Chamber of Commerce), education (special support schools), welfare (facilities), labor (Hello Work Offices) and administration (ward), many activities have been held including award-giving to companies which willingly employ people with disabilities, study session in which business owners visit employment support organizations, and small employment consulting sessions.

Thus, Setagaya ward provides integrated supports for people with disabilities through cooperation with relevant authorities. And it cites long-term initiatives for well-developed employment support for people with disabilities to promote the environmental improvement so that employment transfer support businesses other than SKIP in Setagaya Ward also can provide employment support.

## Column

### **Social Welfare Corporation - Denki Kanagawa Center for Community Welfare**

Social welfare corporation, Denki Kanagawa Center for Community Welfare (hereinafter called “Denki Kanagawa Center for Community Welfare”) is a rare social welfare corporation in the country which was originally established by an industrial union called Kanagawa Prefectural Council of Electrical Electronic and Information

Unions.

Denki Kanagawa Center of Community Welfare provides people with mental disorders employment and job retention in three employment support centers, and manages multifunctional businesses that function as the employment transfer support business, which aims at regular employment, and as continued employment support business B type, which helps the disabled lead a long stable life.

One of the multifunctional businesses is 'Poco a Poco'. "Poco a Poco" prepares an individual development program after individual and family interview. The development program involves processing of parts, recycling, book printing and binding, training for cleaning in a workroom which is similar to a regular workplace in terms of quality, delivery time and severity of work under alumni's guidance who work experience at companies. In doing so, it makes up work groups flexibly according to individual development program and characteristics and arranges individual schedule.

In addition to an experience-oriented training outside a workroom and a systematic on-the-job training before employment every six months, Poco a Poco try to increase the average wage by undertaking value-added jobs as much as possible and make some distinction in wages according to evaluation on individual vocational and life abilities.

The figure of new hiring in FY2007 of Poco a Poco was 31, in lines of work such as secretarial assistance, cleaning, packing and shipping, and laundry. The fact behind the successful employment support is that they provide a careful aftercare of employment support. That is, Denki Kanagawa Center for Community Welfare helps establish special-purpose subsidiary companies that hire people with disabilities in cooperation with its related non-profit organizations, ensure linkages to companies which try to hire people with disabilities. Hello Work Offices also make efforts in building relations with companies, so actually their staff sometimes visits companies.

On the other hand, the number of displaced workers was two in FY2007. The accumulated total of displaced workers is 30 from the establishment, 20 of whom used 'Poco a Poco' again (then 13 gained reemployment and 9 is using it), and 8 used other organizations. 'Poco a Poco' not only gives a chance to move up but also functions as a follow-up after employment, reemployment basis after displacement

and place for reemployment training. 'Poco a Poco' is in charge of the follow-up for the former half of a year after employment, and then the employment support center takes over the job retention for the latter half of a year after employment. In addition to the follow-up for employment, 'Poco a Poco' holds a reunion for employed users four times a year jointly with the employment support center.

Many parents of displaced workers are worried that there is no room for their children to return once they leave their job. However, 'Poco a Poco' think positively saying, 'Employment experience is valuable for people with disabilities. They have only to return if things don't look good after they challenged the employment once.'

## **Column**

### **Product stand - Café Cocoroya (Non-profit organization - Cororon)**

"Product stand – Café Cocoroya" (hereinafter called "Cocoroya") is a snack and coffee shop which sells local products and provides menus using locally produced vegetables. Cocoroya, operated by the non-profit organization, Cororon which supports the daily life of community-dwelling people with mental disorders living, opened in 2006 as a place to provide employment transfer and continued employment support for people with mental disorders.

When Cocoroya opened, the NPO aimed that it would be able to sell high-quality vegetables from neighboring farmers, effectively use grade B foods, provide workplace for facility users and promote community understanding of people with mental disorders. Cororon thought it would bring benefits because even people without special skills could be trained to wait on customers.

Cocoroya has been a space where 17 supported members take shifts together with 4 or 5 NPO staff members and learn the importance of enjoying their work while they experience as many tasks as possible including ordering and displaying goods at the product staff, using cash register, waiting on customers in the coffee shop and cleaning inside the shop according to individual condition. Working at Cocoroya is so



rewarding for many members that the turnover is so small.

Cocoroya continues to be particular about 'safe, secure, fresh and delicious' products and deal with only traceable products. It is currently a certified agent of products made in Fukushima Prefecture that is accredited by Fukushima Prefecture commerce, industry and labor dept. It has a good reputation from customers saying, "Cocoroya serves reasonable and delicious foods and has a comfortable atmosphere." Additionally, the number of farmers who want to sell products to Cocoroya is increasing. Nowadays, sales are steadily rising by sometimes adding seasonal farm products fairs and events to regular business.

Cocoroya's efforts helped to increase the awareness people with mental disorders of working so that those who were frequently absented have come to work with perfect attendance. Furthermore, such efforts have enhanced the linkage with community and advanced the understanding of people with mental disorders.