

Section 5 Support for non-regular workers who faced life difficulty

1. Situation of non-regular workers

(The non-regular worker increasing in the long term)

As mentioned in section 1, by change of economy / the industrial structure such as globalization and economy being more service orientated, emerging of various views towards work, needs from both companies and workers is causing long-term increase on various ways of working styles.

While number of regular employee stayed relatively unchanged until mid-1990s, it decreased after 1998 to 33,740,000 in 2005, and stayed relatively unchanged to 33,990,000 in 2008.

On the other hand, the number of the non-regular workers increased with influence from the business trend to 17,600,000 people in 2008. The percentage of non-regular workers of all employees (except executive officers) exceeded 30% since 2003, and in 2008, it is at 34.1%.

In addition, the numbers of the temporary workers are increased from 1,330,000 people in 2007 to 1,400,000 people in 2008.

(Increase of worker who wants to become regular worker in future and increase of worker who lives with their own income)

There is a merit for workers in increasing non-regular work style. According to "General Survey on Diversified Types of Employment" (the Ministry of Health, Labour and Welfare, 2007), The biggest reason (in plural answers) of why a non-regular worker got a current work style was "can work in one's convenient time" at 42.0%, and other positive reasons, such as "can be compatible with family circumstances and other activity" at 25.3%. On the other hand, there were answers such as "there was not the company which worked as regular worker" (at 18.9%), so a caution is necessary that those certain percentages of people are getting non-regular work unwillingly (figure 2-5-1).

Furthermore, according to the survey, 22.5 % of the non-regular worker wants to become regular worker in future. This rate is higher for dispatched workers and

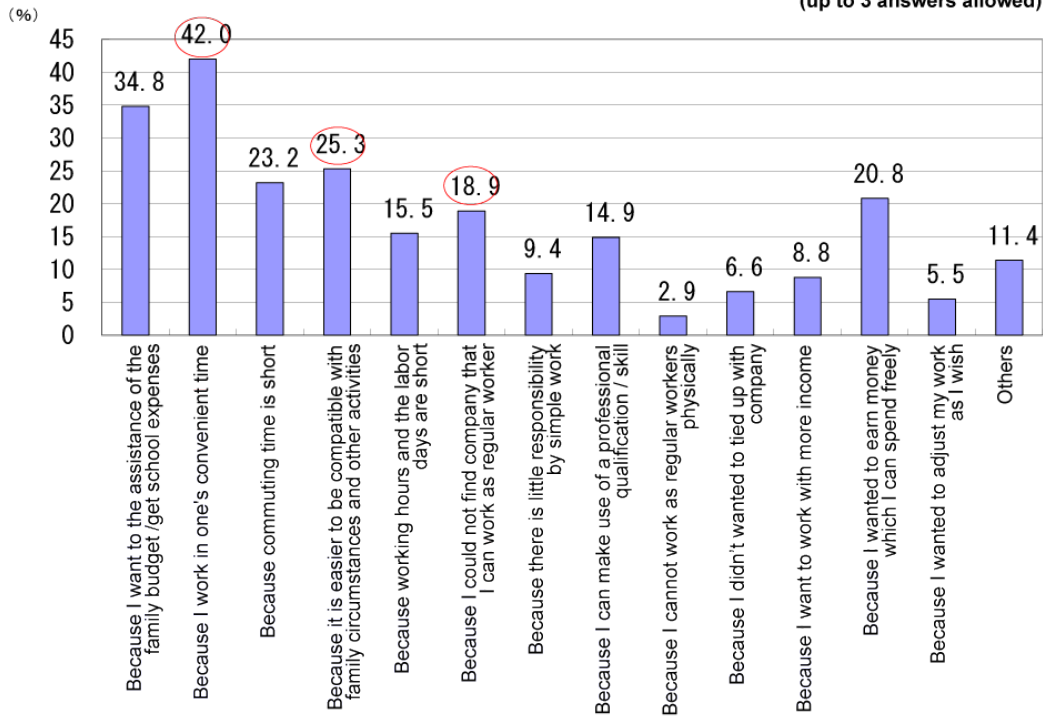
contract workers. Moreover, percentage of non-regular worker who wants to become regular worker in future increased from 2003 survey, except for part-time workers. There were high increases among dispatched workers (27.5% in 2003, 39.5% in 2007) and contract workers (29.5% in 2003, 39.0% in 2007). (Figure 2-5-2).

In addition, comparing 2007 survey results with 2003 results, percentage of those who make living with own income increased especially for dispatched workers (59.5% in 2003, 70.5% in 2007) and temporary workers (44.2% in 2003, 53.3% in 2007) (Figure 2-5-3).

Meanwhile, yearly income of non-regular workers is lower than that of regular workers. For regular workers, the percentage of those earning “2 million to 2.99million yen” through “5.00 million to 6.99 million yen” stands at 15 to 20 percent each, while over half of part-timers earn less than 1 million yen, and about 30% of dispatched, contracted workers or temporary workers for specialized duties earn “2 million to 2.99 million yen” (Figure 2-5-4). According to “Comprehensive Survey of Living Conditions” (MHLW, 2007), household savings is low for “households of contract workers with contract of more than 1 month, less than 1 year” and “households of contract workers with contract of less than 1 month or daily” when compared with “households of self-employed” and “households of regular workers”. While 20.1 % of “households of self-employed” and 18.1% of “households of regular workers” answered either “with no savings” or “less than 1 million yen”, 32.0% of “households of contract workers with contract of more than 1 month, less than 1 year” and 35.8% of “households of contract workers with contract of less than 1 month or daily” answered such (Figure 2-5-5).

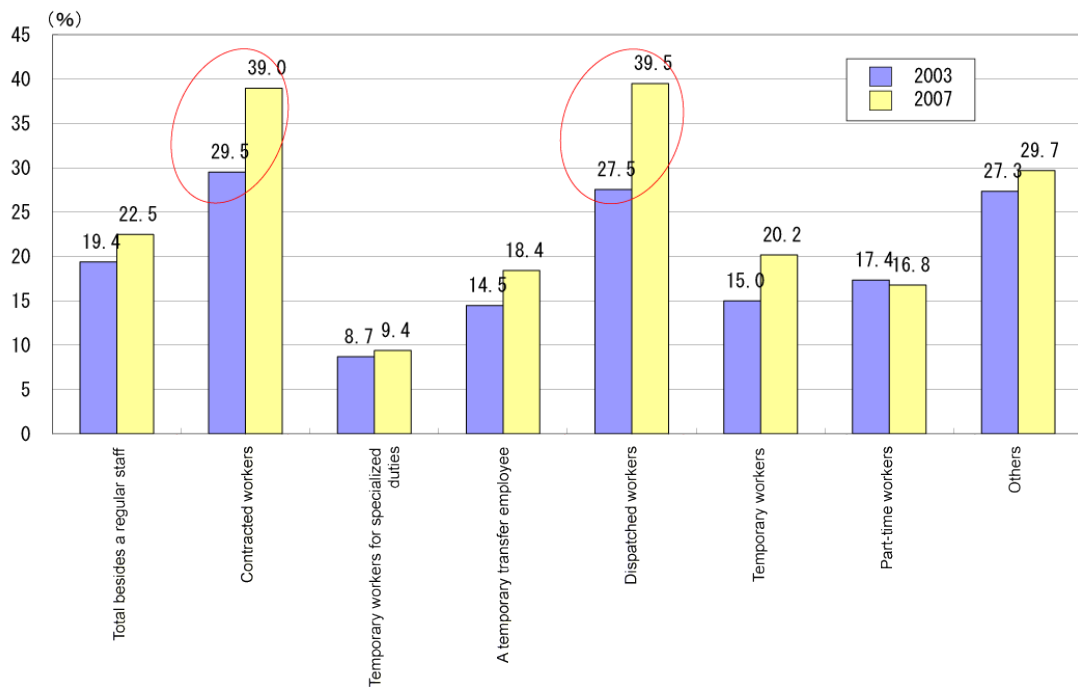
As shown above, in recent years, people who support their living through their income and willing to work as regular workers, but working unwillingly as dispatched or contracted worker at lower income are increasing.

Figure 2-5-1 The reason why worker (except regular and temporary transferred workers) got current job style (up to 3 answers allowed)



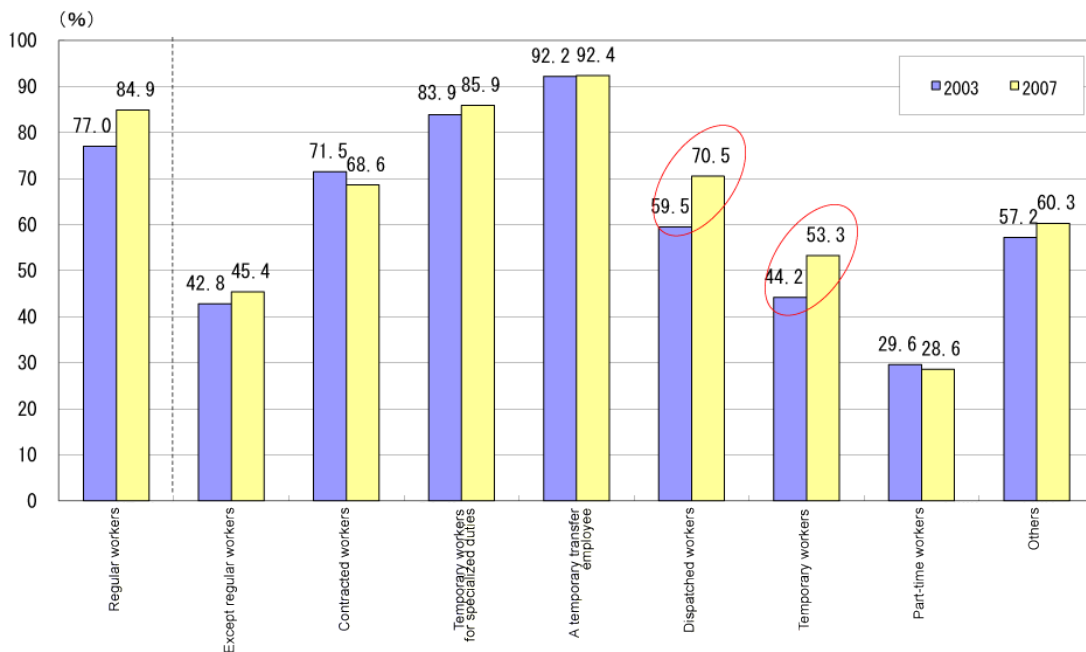
Source: "General Survey on Diversified Types of Employment" (2007) Statistics and Information Department, MHLW

Figure 2-5-2 Percentage of workers who wants to become regular worker in future



Source: "General Survey on Diversified Types of Employment" (2007) Statistics and Information Department, MHLW

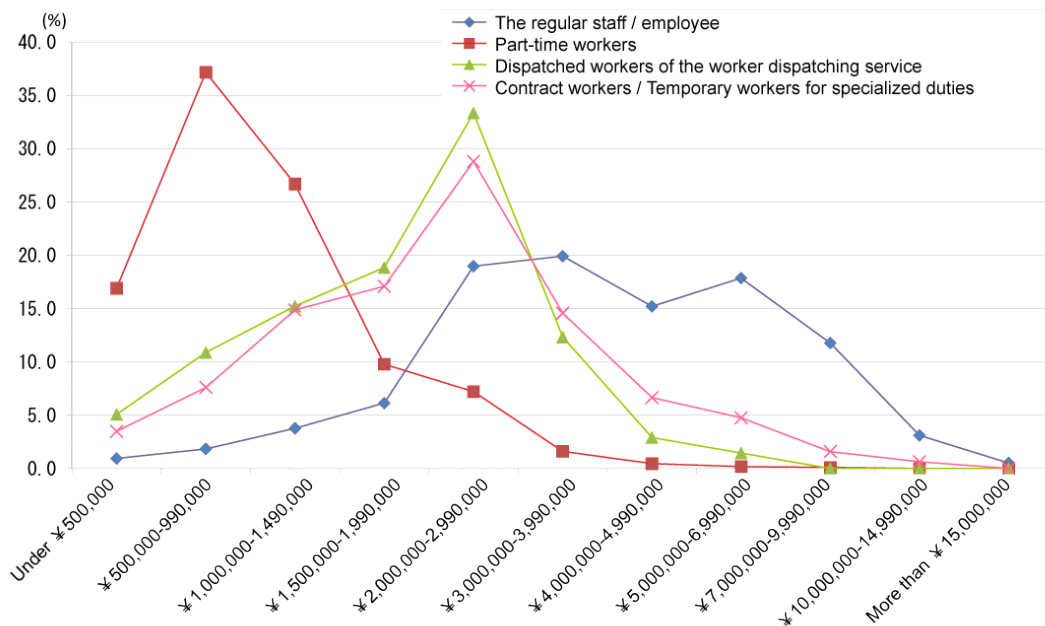
Figure 2-5-3 Percentage of workers who supports their living by their own income



Source: "General Survey on Diversified Types of Employment" (2007) Statistics and Information Department, MHLW

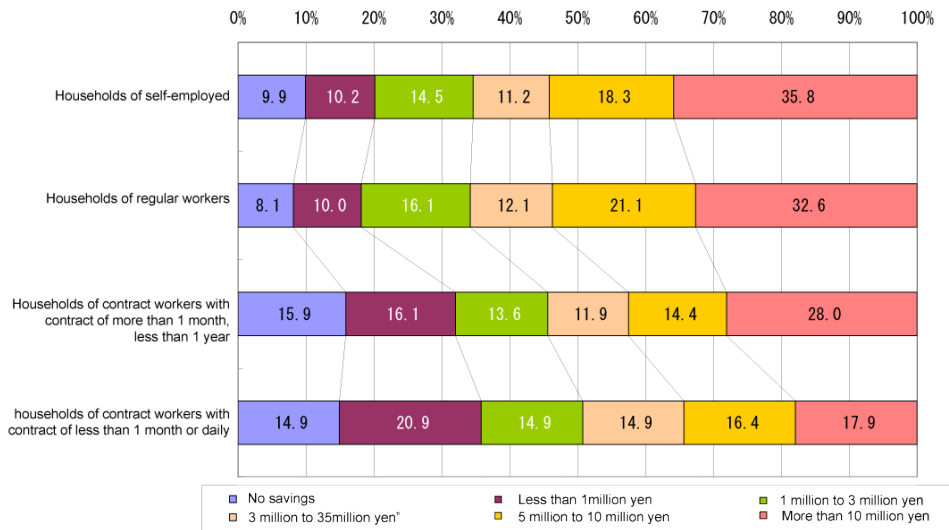
(Note) As other choice of who supports one's living, following was available: self-supported, one's spouse, children, parents, brothers and sisters, and others.

Figure 2-5-4 Yearly income distribution by employment types



Source: Director-General for Policy Planning and Evaluation, MHLW based on "Labour Force Survey (Detailed, 2008 average)" by Statistics Bureau, Ministry of Internal Affairs and Communications

Figure 2-5-5 The amount of savings by the business of the household



Source: "Comprehensive Survey of Living Conditions" (2007) Statistics and Information Department, MHLW

(Note 1) Above percentage were calculated excluding "Have savings but no details about amount" and "Unknown".

(Note 2) Savings were surveyed by total savings of household, and no details are available on savings by classification of savings, such as deposit, premium, securities and others.

(Problems of the employment types outside of regular employment)

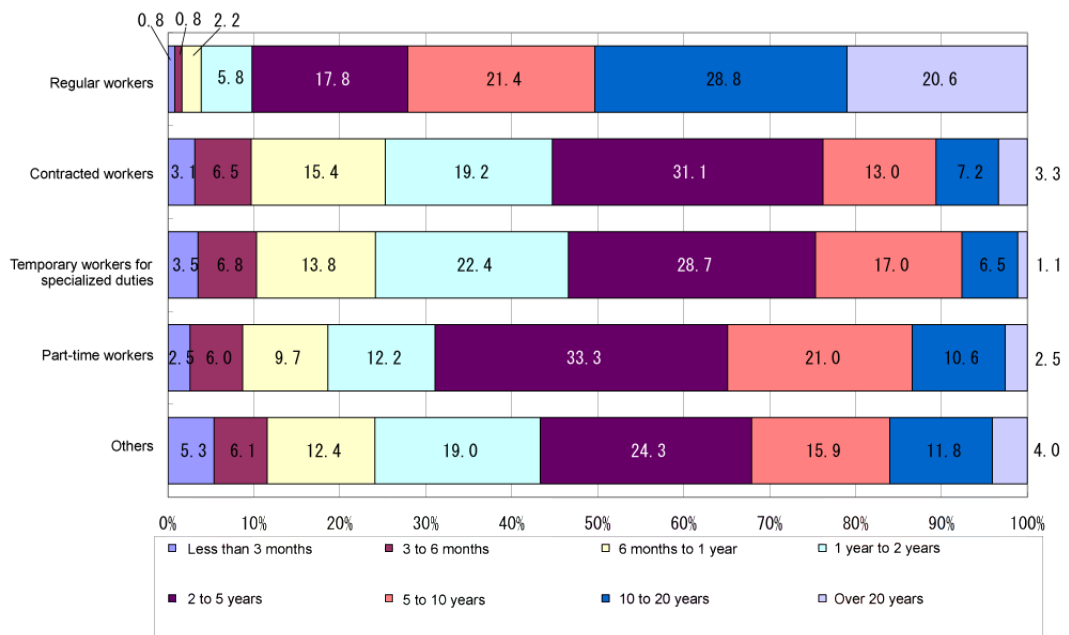
Working styles, other than regular workers, have its merit, but also have problems. Looking at years of work, while percentage of "10 to 20 years" was largest amongst regular workers, percentages of "2 to 5 years" were largest in contracted workers, temporary workers for specialized duties, part-timers and others. 30% to 40% of those workers worked for less than 2 years, showing shorter years of work for these employment types. ("General Survey on Diversified Types of Employment" (2003) Statistics and Information Department, MHLW) If this work style (shorter years at work) does match the needs of workers, there are no problem. However, if it doesn't, this implies unstable working situations (Figure 2-5-6).

In "General Survey on Diversified Types of Employment" (2007) , "regular workers have more stable employment" (80.3%) and "want to have more income" (74.1%) was answered as the reasons (in multiple answers allowed survey) as why non-regular workers wants to become regular workers (Appendix Figure 2-5-1). Meanwhile, according to "General Survey on Diversified Types of Employment" (2003) , reasons for businesses utilize non-regular workers are "savings on wages" (at 40.8%) which was highest, followed by "corresponding to daily or weekly

business cycle” (at 31.8%), “hiring workers with ability and readiness” (at 25.9%), “can’t hire regular workers” (at 22.0%), “to adjust workforce with business climate” (at 21.1%), “savings on costs outside of wages” (at 21.1%), showing cost-cuts and obtaining employment flexibility are the major reasons (Figure 2-5-7).

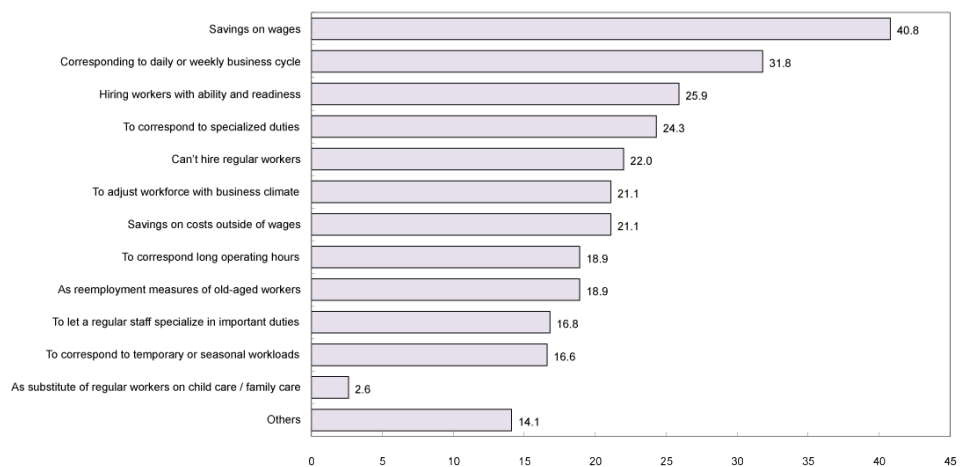
Another large problem is that non-regular workers have less opportunity for their own human resource development. According to “Basic Survey of Human Resources Development (FY 2008)” by MHLW, for regular workers, 76.6% of businesses provided off the job training, 59.4% implemented systematic on the job training and 79.2% provided support for self-development. However for non-regular workers, 35.0% of businesses provided off the job training, 23.8% implemented systematic on the job training and 47.5% provided support for self-development, far less than those of regular workers (Figure 2-5-8).

Figure 2-5-6 Years at work by employment types



Source: “General Survey on Diversified Types of Employment” (2003) Statistics and Information Department, MHLW

Figure 2-5-7 Reasons for business establishments utilizing non-regular workers (up to 3 answers allowed)

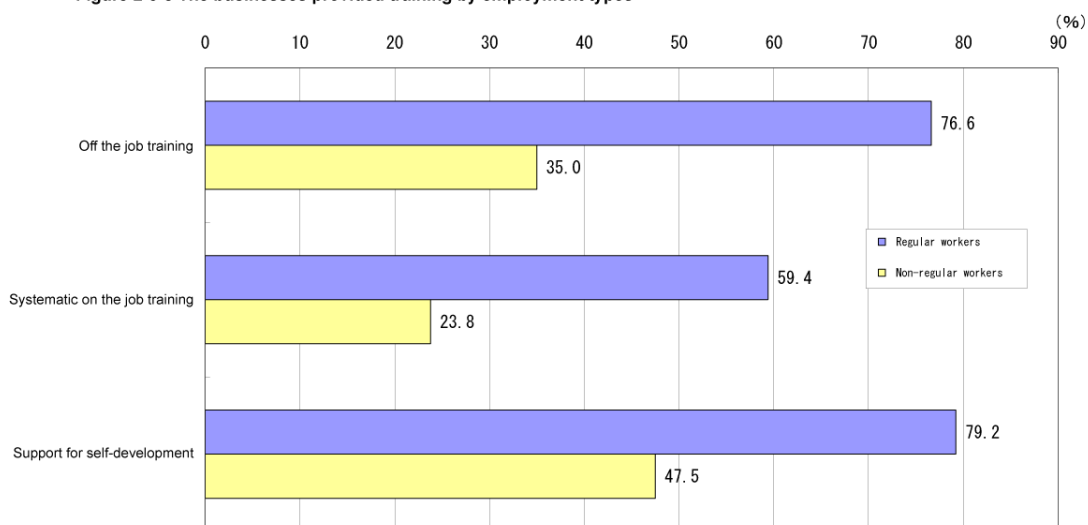


Source: "General Survey on Diversified Types of Employment" (2007), Statistics and Information Department, MHLW

(Note 1) As percentage of all business establishments utilizing non-regular workers.

(Note 2) As the figure was summed up for all employment types besides regular workers, there are business establishments replied more than 4 answers as result.

Figure 2-5-8 The businesses provided training by employment types



Source: "Basic Survey of Human Resources Development (FY 2008)", Human Resources Development Bureau, MHLW

(Note 1) "Off the job training": Work orders requiring employees to attend education and training, which involves temporary departure from normal work

(Note 2) "Systematic on the job training": Education and training that is carried out in the course of daily work. A written plan for education and training is prepared, defining the persons responsible for training, the recipients of the training, the period, content and so on, and the training is carried out gradually and continuously.

(Current harsh job condition)

According to "Survey on Labour Economy Trend" by Statistics and Information Department, MHLW, on employment adjustment during recession, while use of "restrictions on overtime work" and "furlough" increased in this recession (1st quarter

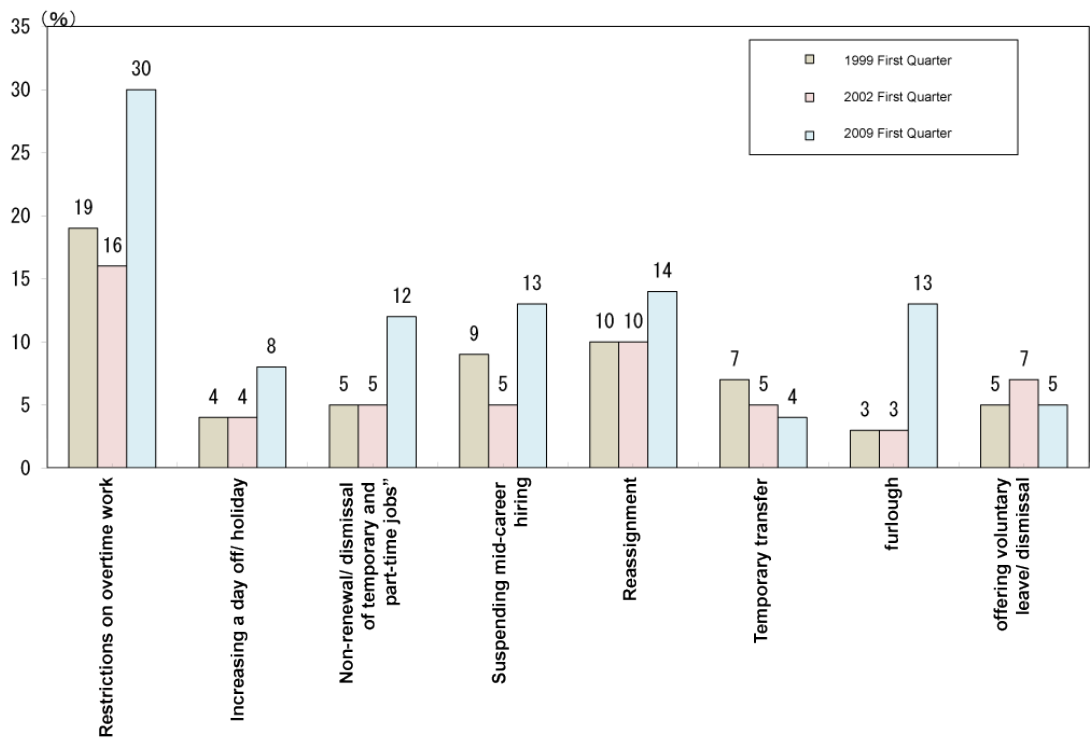
of 2009) compared to last 2 recessions (1st quarter of 1999 and 1st quarter of 2002), use of “offering voluntary leave/ dismissal” decreased, showing employment adjustment with worker reductions of regular workers are prevented through measures such as restrictions on overtime work. However, increase use of “non-renewal/ dismissal of temporary and part-time jobs” show intensive worker reduction for non-regular workers (Figure 2-5-9).

Employment situation surrounding non-regular workers is getting more severe. Employment termination (either carried out or to be carried out between October 2008 through September 2009 confirmed by July 21, 2009) affected 229,000 people (Figure 2-5-10). Furthermore, out of 125,000 people those housing conditions are known, 3,400 (2.7%) have lost their home.

Regarding implementation or consideration of employment adjustment regarding current recession, according to “Survey on corporate attitudes towards employment adjustment (December 2008)” by Teikoku Databank, 8.4% of companies reduced regular workers by end of 2008, 11.2% reduced non-regular workers by end of 2008. 14.7% of companies are considering reduction of regular workers from 2009, 16.9% are considering reduction of non-regular workers from 2009. By industry, more companies in manufacturing industry are considering reduction of workers: 17.4% considering reduction of regular workers and 26.1% considering reduction of non-regular workers. In transportation equipment industries including auto industry, 21.5% of companies are considering reduction of regular workers, and 51.6% are considering reduction of non-regular workers (Figure2-5-11).

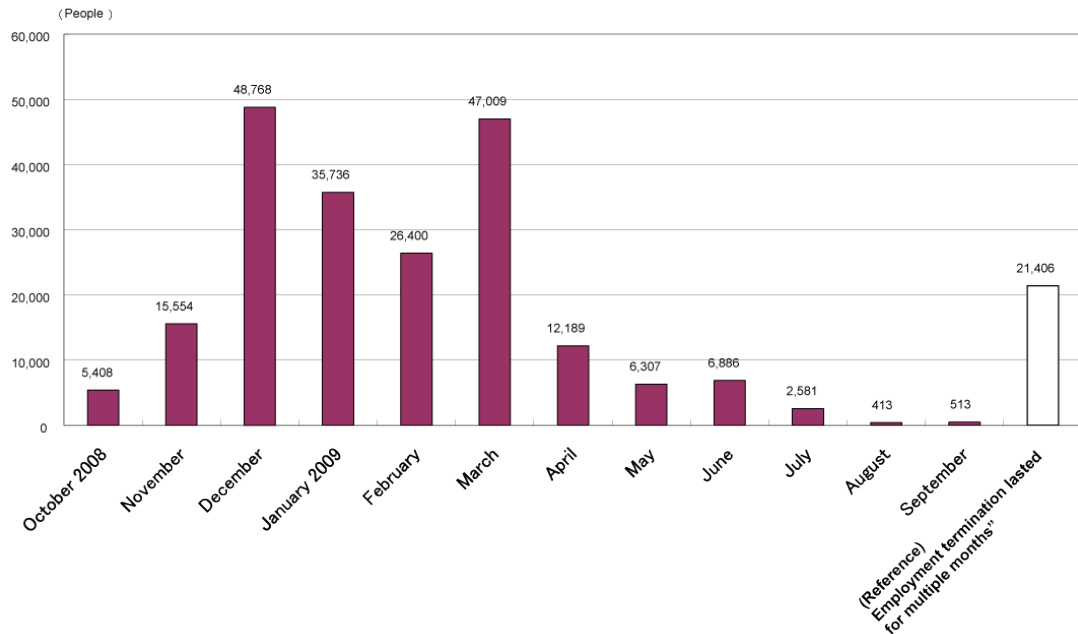
⁸ Employment adjustment either by completion or cancellation within contract period of dispatched/ contracted work, or completion/ dismissal of non-regular workers with definite term contract.

Figure 2-5-9 Employment Adjustment during recession



Source: "Survey on Labour Economy Trend", Statistics and Information Department, MHLW

Figure 2-5-10 Monthly employment termination of non-regular workers (confirmed by July 21, 2009)



Source: Employment Security Bureau, MHLW

(Note) Monthly breakup of 229,170 people affected/ to be affected by employment adjustment either by completion or cancellation within contract period of dispatched/ contracted work, or completion/ dismissal of non-regular workers between October 2008 through September 2009, confirmed by July 21, 2009.

The number of consulted cases of individual labour disputes shows severe conditions surrounding non-regular workers. In FY2008, 25.0% of individual labour disputes cite “dismissal” as reason, and 13.1% cite “lowered working conditions”. Comparing data of FY2002 and FY2008 by employment type, percentage of regular workers dropped from 53.6% to 46.0% and percentage of part-timers stayed at 16.3%, while percentage of dispatched workers increased from 2.6% to 8.3%, and percentage of contracted workers with definite term increased from 3.9% to 8.3% (figure 2-5-12). Comparing data of FY 2007 and 2008, numbers of consultation increased from 197,904 to 236,993, increase of 19.8%. While consultation from regular workers increased by 14.7%, consultation from dispatched workers increased 44.9% and consultation from contracted workers with definite term increased by 42.8%, showing consultation from dispatched and contracted workers with definite term saw massive increase.

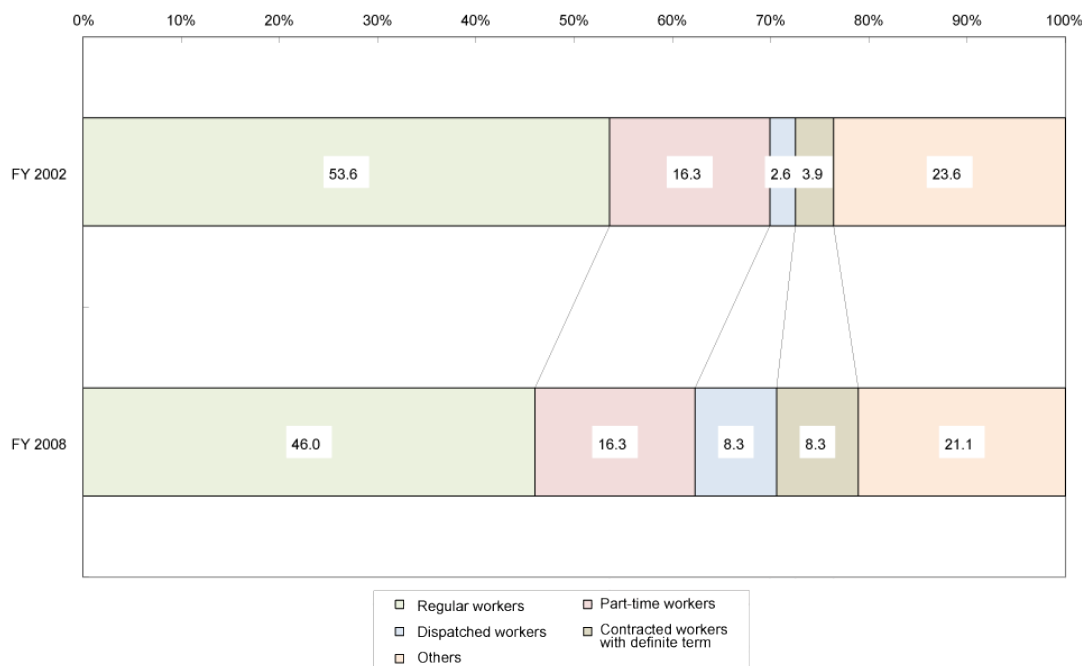
Figure 2-5-11 Companies already reduced/ examining reduce of the workers by size of enterprises and industries

(Unit: %, with numbers within parentheses are number of companies)

	Until the end of 2008		After 2009	
	Regular workers	Non-regular workers	Regular workers	Non-regular workers
All companies	8.4 (902)	11.2 (1,207)	14.7 (1,581)	16.9 (1,810)
Large enterprises	6.4 (150)	13.3 (314)	12.2 (287)	20.6 (485)
Small and medium sized enterprises	9.0 (752)	10.7 (893)	15.5 (1,294)	15.8 (1,325)
Agriculture, Forestry and Fisheries	8.3 (3)	0.0 (0)	2.8 (1)	2.8 (1)
Finance	11.1 (14)	10.3 (13)	11.9 (15)	13.5 (17)
Construction	10.8 (156)	7.3 (106)	15.7 (227)	10.1 (146)
Real estate	18.1 (47)	11.2 (29)	17.0 (44)	12.0 (31)
Manufacturing	7.8 (241)	18.8 (581)	17.4 (537)	26.1 (806)
Food, Beverages and Feed	5.6 (20)	7.0 (25)	8.9 (32)	12.0 (43)
Textiles, Textile products and Apparels	7.1 (8)	9.8 (11)	11.6 (13)	15.2 (17)
Building materials, Furnitures, Ceramics, Stones and Cray	13.1 (34)	20.8 (54)	19.3 (50)	23.9 (62)
Pulp, Paper and Paper products	6.8 (8)	9.3 (11)	16.9 (20)	22.9 (27)
Printing	12.5 (26)	12.5 (26)	26.4 (55)	21.6 (45)
Chemical products	5.8 (24)	20.0 (83)	13.5 (56)	25.4 (105)
Iron and steel, non-ferrous products, Mining	8.1 (41)	22.8 (115)	20.2 (102)	32.9 (166)
Machinery	6.7 (31)	19.8 (92)	18.1 (84)	28.0 (130)
Electrical machinery	8.5 (32)	24.6 (93)	19.3 (73)	31.2 (118)
Transportation equipment	4.3 (4)	47.3 (44)	21.5 (20)	51.6 (48)
Precision and Medical instruments	8.9 (7)	17.7 (14)	16.5 (13)	21.5 (17)
Others	5.8 (6)	12.5 (13)	18.3 (19)	26.9 (28)
Wholesale	7.6 (258)	7.8 (267)	13.2 (451)	12.8 (435)
Retail	7.5 (37)	8.9 (44)	14.2 (70)	16.6 (82)
Transportation and Warehousing	6.7 (26)	11.6 (45)	12.9 (50)	19.5 (76)
Service	8.1 (118)	8.3 (121)	12.5 (182)	14.6 (213)
Others	8.0 (2)	4.0 (1)	16.0 (4)	12.0 (3)

Source: "Survey on corporate attitudes towards employment adjustment (December 2008)", Teikoku Databank
(Note) Data were compiled from valid answers from 10,731 companies.

Figure 2-5-12 Consulted cases of individual labour disputes by employment types



Source: Regional Bureau Administration Division, MHLW

2. Support for non-regular workers facing life difficulty

While non-regular worker has a merit as one of the choice among work styles, but on the other hand, an income is low in comparison with the regular worker and there are demerits like lack of opportunity of the ability development, and particularly, unstable employment. For example, for work contract with definite term, there are rising concerns of “employment termination”, including dismissal through sudden non-renewal of employment contracts which continued for certain period. To prevent dispute between workers and employers at time of signing contract and end of contract period, “Standards for concluding, renewal, termination of work contracts with definite term” were formulated based on Article 14, Paragraph (2) of Labor Standards Act, and guidance are made based on this standards. Regarding dispatching of workers, there are problems such as violation of law and instability of employment in “daily dispatched workers”, which are registered type dispatched workers which term are very short. Thus “Guidelines regarding measures to be taken by dispatching business and its clients for securing employment of daily dispatched workers” are provided for securing employment of dispatched workers which their dispatch period are daily or period of no more than 30 days in 2008.

However, denial of contract renewal (employment termination) and dismissal of non-regular workers have surged amid recent severe economic conditions has become big social problem.

As current economic conditions are getting worse, not only finding new jobs are difficult once after losing jobs, but jobless may face difficulty in living, since in many cases, wages are used for making living and not as secondly income, and as wages are low, savings for living jobless period are not sufficient. Especially concerning housing, there were cases employer provided company housings even for non-regular workers and workers made living based on such condition, in which case employment termination means losing home and losing living foundation, making job-searching activity more difficult.

Non-regular workers becoming needy person are unfortunate for themselves. Also, this is loss for whole society because it means lost chance to show worker's ability. Furthermore, situation which person who could support society becoming supported

makes society unstable, undermining Japan's society's fundamentals.

To prevent such a situation, MHLW must, firstly as administration, has to demand employer to make effort not to discharge through perform easy contract cancellation or employment termination. Also MHLW has to correspond adequately as the administration than ever before. In addition, it is important to support the unemployed to get a new job and be independent without becoming needy. It is necessary to secure employment and support reemployment, together with life support such as housing.

(1) On stability of non-regular workers' employment and life during harsh economy

1) Guidance on the contract cancellation of the dispatched workers and guidance on employment termination of contracted workers with definite term

On employment termination and dismissal of contracted workers from non-renewal or cancellation of contract, MHLW is demanding dispatching businesses to secure employment as employer of contracted workers. Also, strict guidance to secure contracted workers' employment based on "Guideline on measures to be taken by dispatching business" and "Guideline on measures to be taken by dispatching business clients". These guidelines were revised in March 31, 2009 to include a) On cancellation of contracts, dispatching business should secure employment through temporary leave, and have liability to pay temporary leave allowance and such, b) If client cancel contract for reasons attributable on client, client must pay damages caused by cancellation to dispatching business, and c) When signing contract, contract should include terms noted in b) above.

Furthermore, when dismissal or employment termination of contracted workers with definite term and such occurs, both agency of labour standards and agency of employment security jointly give guidance to prevent easy cancellation or inappropriate dismissal/ employment termination, based on Labor Contract Act, Labor Standards Act and "Standards on signing, renewal and termination of contracts regarding labour contracts with definite term".

2) Employment support for those who needs life support, such as unemployed who lost their home

When non-regular worker was discharged, they might face life difficulty as they have no savings, or they lost their home. In such case, before starting employment support, support for building life base is needed. Thus it is important to deliver support for both life and employment support together, and following policies were implemented.

① The reinforcement of the safety net function of the unemployment insurance for non-regular workers

The unemployment insurance is an important system in the safety net which providing an income guarantees during jobless period. From a point of view strengthening a safety net regarding the employment of the non-regular worker and enlarge coverage of non-regular worker, likely period of employment necessary to be covered by the unemployment insurance were relaxed from 1 year to 6 months, and contributed periods needed to be eligible for receiving benefits were relaxed from 1 year to 6 months for unemployed former contracted workers with definite term who became jobless because of nonrenewal of contract. In addition, revision was made to extend the payment for 60 days for those faced dismissal or non-renewal of contract who face severe difficulty in reemployment considering age and regions.

② The foundation of “Emergency fund for training and supporting employment”

The severe employment situation continue recent days, and there is concern for non-regular workers who became unemployed by employment adjustment being jobless for long term. For these reasons, government found "Emergency fund for training and supporting employment" in a revised budget of FY 2009, and general support for vocational training, reemployment and living, targeting those who can't receive unemployment insurance, are given for 3 years until FY2011,.

③ The new safety net for unemployed who lost their home

As the new safety net for unemployed who lost their home, a) Loan for initial fees and such for renting house, and support mentioned in ii), b) Residence allowance and loan for rebuilding life for non-eligible of a), c) Short-term loan until receiving allowance are given.

A) Loan for living assistance and training/ life support by “Emergency fund for training and supporting employment” for jobless who lost their home (One-stop employment/ life support at Hello Work)

One-stop personal support including reemployment, life support like housing, consults on direct employment at dispatched workplaces (for dispatched workers) are given by establishing “reemployment support center for non-regular workers” in urban-area prefectures (Hokkaido, Tokyo, Aichi, Osaka and Fukuoka) where non-regular workers concentrated, and establishing “reemployment support corner for non-regular workers” in other prefectures.

Especially for housing, moving into Employment Promotion Housing is permitted for unemployed who lost home due to cancellation of work contracts and such, and had to leave the company housing. Consultations for these are done at Hello Work. .

(Loan for initial fee in renting house)

Also as policies on securing housing, loan without collateral and guarantor, for initial fee in renting house (previous rent, deposit, key money and such), rent and fees occurred during job-searching aimed for unemployed who lost their home due to unemployment attributable on employer was established. These loans are given through Labor banks, and established by revised budget of FY 2008. Also, Employment Promotion Housing is fully utilized, and mediations for moving in these housing are done aiming those mentioned above.

(A living allowance during a training period)

When a non-regular worker searches new jobs after losing employment, the problem arise because non-regular workers did not heighten their job ability through their jobs. While it is important to receive job training, there is concern for receiving job training without stable life.

Training that put the lecture training at the private education training facilities such as vocational school and on-job training in the company together as practical vocational training (a dual system for Japan) were present from before.

The first revised budget in FY 2008 founded "the mediation training" which includes the improvement of the basic scholastic ability, fundamental training and practical vocational training, for the person who has difficulty attending practical vocational training as they had not receive proper job training.

In addition, in order to let trainees receive training with sense of comfort, "Fund for training skillful workers" (loan for living support during training period) are extended, including full or partial exempt of repayment under certain conditions by revised budget of FY 2008, and more relaxed conditions for loan.

Furthermore, the amount of loan for the person having the dependent was raised to 120,000 yen by the second revised budget in FY 2008, and person attending "mediation training", dispatched workers unemployed by employment termination or dismissal who receive public vocational training are added as those eligible. Moreover, conditions are relaxed in a revised budget in FY 2009 to "the unemployed person receiving training whose annual income are less than 2 million yen, and without unemployment benefits and such" (enforced in May 2009).

Also, "Emergency fund for training and supporting employment" are to be founded by revised budget of FY 2009 to introduce "training and life support benefit" for securing life during vocational training.

This benefit provides monthly benefit of 100,000 yen for single person and 120,000 yen for those with dependents, provided they meet certain conditions such as one's income being main source of income. Additional loan of 50,000 yen or 80,000 yen are available for those who can't make living only on above benefit.

(Support for businesses who secures housing of job-losers)

Meanwhile, to avoid situation where job-losers who was living in company housing losing both source of income and their home at same time, aid for businesses which provided company housing to job-losers at no cost or shouldered housing cost for job-losers, provided cancellation of job contracts or employment termination were necessary, was established by second revised budget of FY 2008. (For each

job-loser, 40,000 yen monthly are paid for maximum of 6 months.)

**B) Support through housing allowance and loan for rebuilding of the life
(The housing allowance based on “Special emergency measures on housing allowance”)**

“Special emergency measures on housing allowance” were established by revised budget of FY 2009. Based on this measure, housing allowance with maximum amount set regionally are paid for maximum of 6 month, for people who are not eligible for measures mentioned in A) and either lost ones home or in risk of losing home, and seeking job with support such as consulting with employment support consultants.

(The radical reform of the life welfare fund)

The life welfare fund was radically revised in revised budget of FY 2009, including founding of the life welfare fund providing loan for living costs and temporary fees together with continuous consultant and support on living to rebuilding life, and relaxing of conditions for lending including abolishment of joint guarantor requirement.

C) Relief loan until receiving benefits

“Temporary Relief Loan”, which gives loan until receiving benefits to cover living expenses up to 100,000 yen, even for those without home, was founded in revised budget of FY 2009.

3) Measures to create employment for job-losers

400 billion yen of subsidies were given to local governments in second revised budget of FY 2008, for creating employment opportunities in regions amid severe unemployment situations. Purposes of this subsidies are to create employment opportunities by making local governments entrusting business and such using funds from these subsidies.

(Special grants for recovery of hometown employment)

This grant is aimed at creating fund in prefectures in severe employment situations, to create employment opportunities through supporting programs for creating

employment involving local job-seekers based on each region's situations. Regional council including prefecture governments and labour bureaus, labour and management decides on which programs is to be supported. Employed workers from these programs are basically employed based on renewable contracts longer than 1 year to create continuing employment opportunities.

(Emergency employment creation measures)

Using fund created in each prefecture, these measures create short-length (less than 6 months) employment opportunities for unemployed non-regular workers and middle to high aged unemployed. Local governments conduct these measures directly or indirectly through private business, to stabilize life of unemployed people mentioned above.

4) Supporting businesses keeping employment

Other than supporting unemployed non-regular workers, government are supporting businesses keeping employment of non-regular workers.

(Employment adjustment subsidy programs and other programs)

Employment adjustment subsidy programs and Emergency employment stabilization programs for SMEs, which are aimed at employers forced to shrink business activities from economic environment, but keeping employment through leave, training or temporary transfer were expanded to include all workers, from workers covered by unemployment insurance more than 6 months, in response to "Immediate policy package to safeguard people's daily lives" formulated on December 19, 2008.

In February 6, 2009, further expansions and relaxing of requirements were made. These include increase of subsidy rates for large-sized enterprises to 2/3 from 1/2; sales figure was added as index of determining business is shrinking or not; removing size requirement on leave and such; raising maximum limit on receiving subsidies (for Employment subsidy programs, 200 days/year and 300 days/3 years from 100 days/year and 150 days/3 years, for Emergency employment stabilization programs for SMEs, 200 days/year and 300 days/3 years from 100 days/year and

200 days/3 years); abolishment of cooling-off period, which prevented using program again on 1 year cooling-off period; leaving by hour are permitted on each worker basis.

Furthermore, subsidy rate for enterprises which didn't dismissal were increased from March 30, 2009. If number of employees in enterprise are more than 4/5 of the average of 6 completed months before the date of first submission of leave implementation plan and enterprise did not dismissed workers during wage calculation period (as basis for determining subsidy) and also for 6 month prior to this period, subsidy rate for Employment adjustment subsidy programs are increased to 3/4 (from 2/3) and for Emergency employment stabilization programs for SMEs, 9/10 (from 4/5), making stronger support towards enterprises those maintaining non-regular workers' employment.

In revised budget of FY 2009, education training subsidy of Employment adjustment subsidy programs were raised to 4,000 yen from 1,200 yen, maximum payable days (200 days/year) were abolished, and subsidy level for disabled were raised.

(Promotion of the Japanese model of work-sharing/The foundation of incentive subsidy for employment maintenance through overtime work reduction)

As part of Employment adjustment subsidy programs, subsidy program for enterprises those keeping employment of contracted workers with definite term and keeping dispatched workers through reducing overtime work were introduced in March 30, 2009.

In this program, enterprises sales or production reduced by certain amount submit overtime reduction plan. If workers were not dismissed during 6 months period (which enterprises can choose), and during this period, average monthly overtime per worker was reduced by over half and by 5 hours compared with average of 6 consecutive completed months out of 7 completed months before date of plan submission, subsidy are paid up to twice (based on individual decisions), maximum of 1 year. Subsidy for SMEs are 150,000 yen (300,000 yen/year) for each contracted workers with definite term, 225,000 yen (450,000 yen/year) for each dispatched worker, and subsidy for large enterprises are 100,000 yen (200,000 yen/year) for

each contracted workers with definite term, 150,000 yen (300,000 yen/year) for each dispatched worker. Maximum number of workers per enterprise eligible for subsidy are 100 workers each for both contracted workers with definite term and dispatched worker.

(Supporting hiring of dispatched workers by clients)

To stabilize employment of dispatched workers, special incentive subsidy for stabilizing employment of dispatched workers was created by second revised budget of FY 2008. If clients of dispatched works hire dispatched workers directly during contract for business used dispatched workers continually for over 6 months, 1 million yen for SMEs and 500,000 yen for large enterprises per person are paid if work contract without definite term are signed, 500,000 yen for SMEs and 250,000 yen for large enterprises per person are paid if term of work contract is longer than 6 months.

(2) Improving working environment

In current severe economic situation, it is emergently needed to support non-regular workers who became jobless to rebuild life and to be independent again through reemployment. Meanwhile, it is important to make environment for non-regular workers to perform their ability in full to be satisfied with their activity and continuous development of Japanese economy through improvement of working environment, including maintaining labour conditions and improvement of employment management. Also, it is important that non-regular workers can change to regular workers if they wish to archive better performance of their ability and stabilize employment. For this object, several measures are introduced.

1) Dispatched workers

Based on “the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers”, and also “Guideline on measures to be taken by dispatching business” and “Guideline on measures to be taken by dispatching business clients” based on this act, MHLW are promoting improvement of working condition of dispatched workers.

Clients are obligated to offer labour contract to dispatched workers when they employ them beyond restriction on length of dispatch worker use, and in case of business not under such restriction, if clients had employed same dispatched workers for over 3 years, priority must be given to dispatched workers when clients hire.

Amendment for Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers including tougher business restriction on daily dispatch, formalizing and working condition better for dispatched workers were proposed to extraordinary session of the Diet of 2008 in November 2008. It was abandoned after discussed again in the ordinary session of the Diet of 2009.

1) Part-time workers

Fixation of part-timed workers is promoted through “Act of Improvement, etc. of Employment Management for Part-time Workers” and “Guideline for employers for improving employment management of part-time workers” based on this act. Amendments to this act was enacted in April 2008, including obligating employers to provide balanced working condition with regular workers for part-time workers and promotion of transfer to regular workers. Other measures for disseminating and fixation of part-time workers are also being done.

2) Contracted workers with definite term

Full-time contracted workers with definite term were not object of law or support based on law. In July 2008, “Guidelines for improving employment management of contracted workers with definite term” including regards on employing contracted workers with definite term based on Labor code, and preferable points for improving employment management were formulated, and improving employment management through promoting this guideline are done. Also in this guideline, it is mentioned that employers should take measures to make these workers transfer into regular workers.

~~~~~

Number of non-regular workers losing jobs increased rapidly amid severe economic conditions. By making these people get employed again and became independent, Japan can maintain its active economy, and continue its social development through these people becoming supporters of social insurance.

For these reasons, stabilizing employment and supporting reemployment, support for stabilized living such as obtaining home is important for non-regular workers who became jobless and facing life difficulties. Also, it is necessary to develop employment environment of non-regular workers those who chose to work as non-regular, in order to let them perform their ability in full and be satisfied with their activity.

## **Column**

### **From non-regular worker to regular worker ~Tokyo career up Hello Work~**

The Tokyo career up Hello Work (Tokyo employment support center for non-regular workers) are specialized Hello Work giving various supports for non-regular workers such as dispatched and contracted workers who want to be employed as regular workers. It was provisionally opened in December 18, 2008 and officially opened in February 2, 2009. This Hello Work provides not only one-stop support to non-regular workers, but also provides staff based individual support through “navigator for supporting regular employment” staffed by career consultants. At Tokyo career up Hello Work, targets employment in 2 months, shorter than other career up Hello Works which set support period of 3 months.

At Tokyo career up Hello Work, after understanding current situations and needs of job-searchers by taking long time at first time consult, personal support on job searching activities mainly from navigator staff and seminars needed in job searching such as using PCs and business manners, along with guidance to writing resume are given. Also, job searching based on information of job-searchers are

done, along with negotiations on job offers with businesses, making into new employment. Although employment support are basically done with taking seminars along with personal support from navigator staff, alternative way such as getting personal support after taking seminars or mini interview are also available. Details of personal support are different based on job-searchers' individual needs.

Many of job-searchers using Tokyo career up Hello Work are jobless without home as result of employment termination. In such case, providing job offer with company housing, consultation on "loans for stable employment" for loans on initial housing costs along with guide to Labor Banks with check for necessary documents, and mediation for moving into Employment Promotion Housing.

## **Column**

### **Support to the people who gathered in "Year-end dispatched workers' village"**

From autumn of 2008, as result of rapid deterioration of economy, dispatched workers and fixed term workers who lost home as result of losing home at company housing because of end of contract term and dismissal increased. To support them, grass-roots group and labour unions organized committee and opened "Year-end dispatched workers' village" in December 31, 2008 at Hibiya Park.

At dispatched workers' village, employment consultations during New Year's holiday (December 31 to January 4), consultations on home and living, and foods and accommodations were given. At December 31, there were 130 people along with 360 volunteers.

By January 2, 300 people gathered and exceeded committee's expectations, and there were not enough tents. In that evening, MHLW hall was opened until morning of January 5 as emergency solution, and 250 people moved in.

Dispatched workers' village closed on January 5, and accommodations for 500 people on 4 public facilities were provided by Tokyo Metropolitan Government and Chuo City government, and 300 people moved in.



At these facilities, health, housing and living consultations were given by Tokyo Metropolitan Government, along with employment consultations with 4,000 job offers with company housing were given by Hello Work. Also, consultation for emergency small loan for covering temporary costs on searching job and house are given by Tokyo council of Social Welfare.

139 jobs was applied at Hello Work consultations, 272 assistance decisions were made at Public Assistance and 259 loans were given on emergency small loans. These decisions were done in short time as special measures, considering realities of people who have gathered.