

Section 2. Creating Employment and Securing Human Resources for Vitalizing Communities

1. Promotion of Employment Creation in Communities where the Employment/Unemployment Situation is Stagnant

(1) Revision of the Law Concerning the Promotion of Local Employment Development

The current national employment/unemployment situation has been improving but some severe aspects with it still remain. Regional differences exist with some regions lagging in terms of improvement. In order to eliminate the regional differences with the employment/unemployment situation, the “Law to Amend the Employment Measures Law and the Law Concerning the Promotion of Local Employment Development” was approved on June 1, 2007 and enforced on August 4, 2007 and focuses on support for regions with severe employment situations (see Figure 4-2-1).

Figure 4-2-1. Summary of the amended Law Concerning the Promotion of Local Employment Development

Reorganizing the regions that are subject to government support into the following 2 categories so as to focus the support.

(1) Regions where employment situation is especially severe

Subsidies are paid to business operators that are creating employment by establishing workplaces or accepting core human resources and also those that are implementing systematic ability development of their workers. (subsidies for promotion of local employment development)

(2) Regions with severe employment situations with highly motivated employment creation

In regions with severe employment situations with highly motivated employment creation, programs are proposed by regional councils and then selected by the government according to their effectiveness in employment creation, and will be entrusted for implementation. (local employment creation promotion programs)

(2) Promotion of Employment Creation in Communities where the Employment/Unemployment Situation is Stagnant

In order to further promote and expand local employment creation measures, subsidies have been established as a special measure for support of business operators starting businesses in important fields which contributes to local employment creation in regions where the employment/unemployment situation is not improving as expected (21 prefectures).

Efforts are being made to further promote voluntary measures being taken in highly motivated regions with employment creation which includes revise of the “local employment creation promotion programs” to support measures mainly implemented by broader areas such as prefectures, in addition to measures mainly implemented by municipalities.

In the mean time, it is important to maintain cooperation with the related ministries and agencies in implementing focused employment creation measures in regions where the

employment/unemployment situation remains severe so that local industries and employment will be effectively revitalized. Hence future support in regional revitalization will be implemented in a comprehensive manner by cross-linking ministries and agencies and basing it on the “Regional Revitalization Strategy” (approved by the Regional Revitalization Headquarters Assembly).

2. Enhancement of Services to Fill Job Openings at Hello Work

At Hello Work, unfulfilled job openings that have not been applied 3 weeks after being accepted are followed up without exception. The reasons they are not being filled will be analyzed and made available to job-seekers and guidance on given on relaxing the requirements and tours of recruiting workplaces are provided.

In addition, recruiter brochures will be created which include content on the service menu of Hello Work, labour market information to facilitate fulfilment of job openings, and check points for respective work types to help in filling out items like field of business, business content, and characteristics of the enterprise in an understandable manner. Furthermore, consulting services will be provided to recruit business operators who are in need of rapid fulfilment of their job openings, including proposing requirements which may lead to employment, holding seminars for creating understandable recruiting forms, and providing consultations on an individual basis.

3. Implementing Support Measures in accordance with the Small and Medium Enterprises Labor Force Security Law

Small- and medium-sized enterprises make available the wealth and services that are essential in people’s lives and play important role in the sound economic growth of Japan through agile activities which can respond to the diverse needs of consumers. They also offer a large number of workplaces where workers can display their personalities and abilities. On the other hand, large differences exist with regard to working conditions and welfare compared to large enterprises and thus making it difficult for small- and medium-sized enterprises to secure workforces and create employment opportunities. This, in turn, increases that disparity even more, thus creating the problem of a vicious cycle.

In the mean time, the “Law Concerning the Improved Employment Management with the Aim of Securing a Labor Force for Small and Medium Enterprises” (hereinafter referred to as the “Small and Medium Enterprises Labor Force Security Law”) enacted in 1991 aimed at the promotion of small- and medium-sized enterprises and stabilizing employment as well as improving the welfare of workers the through promotion of measures to improve their employment management in securing workforces and creating favourable employment opportunities. More concretely, measures to improve employment management implemented by small- and medium-sized enterprises and

cooperative business associations are being supported in such cases as securing high technology workers or starting or entering new business fields.

In FY 2007 the following subsidies for small- and medium-sized enterprises were paid:

- ① Subsidies for promotion programs to secure human resources for small- and medium-sized enterprises

In accordance with the “Small and Medium Enterprises Labor Force Security Law”, part of the expenses spent on the programs are subsidized when cooperative business associations (hereinafter referred to as “qualified associations”), whose plans to improve employment management (hereinafter referred to as “improvement plans”) have been approved by prefectural governors, have implemented programs to improve employment management in securing human resources or that support adaptation in their member enterprise workplaces. Qualified associations that are making the effort to secure successors to skills in the manufacturing industry are given higher priority in particular.

- ② Subsidies for securing core human resources for small- and medium-sized enterprises

Subsidies are paid when individual small- and medium-sized enterprises whose improvement plans have been approved (hereinafter referred to as an “individual small- and medium-sized enterprise”) has employed human resources who will contribute to enhancing the foundation of business (if the employment concerns establishing workplaces in the approved employment development promotion regions, additional subsidies are paid).

- ③ Subsidies for entrusted employment consultations at small- and medium-sized enterprises (discontinued after FY 2007)

Part of the expenses spent with entrustments are subsidized when member enterprises of qualified associations or individual small- and medium-sized enterprises entrust employment consultations, including consultations on mental health, that are particularly needed by special private institutions for 3 months or more for facilitating their workers' adaptation to the workplace.

4. Promotion of Measures for Construction Workers

In recent years, the construction business situation has grown severe due to reduced public investment and intensified market competition, and has affected employment in construction with a shortage of skilled workers and low wage standards.

Hence in accordance with the Law concerning the Improvement in Employment of Construction Workers, measures are being implemented to improve employment management and develop/improve the vocational abilities of construction workers that include the formulation of

construction employment improvement plans. In FY 2008 subsidies were adjusted and integrated to make them easier to understand and use. In particular, subjects eligible to subsidies for employment management improvement programs by construction business operators were enhanced.

In addition, efforts will be made in a nationwide promotion of an adjustment system for use in the supply and demand in the construction market in which construction workers are dispatched and accepted between business operators of construction businesses and organizations to secure construction workers and maintain stable employment.

5. Promotion of Measures for Port Workers

In accordance with the Port Labor Act and the employment stabilization plan for port workers covering the period of FY 2004 to 2008, measures are being promoted to stabilize their employment and enhance the welfare of port workers including the effective operation of the port workers dispatch system.

The port workers dispatch system is a system for mutual utilization of port workers between port transportation business operators fulfilling certain conditions and aims at both stabilizing the employment of port workers and establishing an efficient labour-management system for the port transportation business. Port transportation business operators at specified ports (6 major ports) that have obtained permission from the Minister of Health, Labour and Welfare can dispatch their full time port workers to work for other port transportation business operators. In FY 2007, the number of dispatched port workers (monthly average) totalled 2,635 man days.