

Employment measures in Post-Financial Crisis Japan

July, 2009

Ministry of Health, Labour and Welfare

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1 Current state of the economy, employment and unemployment

(Current state of the Japanese economy)

- > Amid the deepening world financial crisis and the worst global recession in the postwar period, the Japanese economy is facing a severe situation. Although there is a move of improvement in part, it is experiencing an abrupt slump, with the export market rapidly shrinking and the financial environment deteriorating.
- > In addition, there are risks that can drive down the economy even further, such as the worldwide deterioration of the financial crisis and fears of a further downturn in the world economy.
- > The real GDP growth rate in the Q1 2009 period declined 3.8% from the previous period (declined 14.2% annually), posting an even greater fall as a result of negative growth for five consecutive quarters.

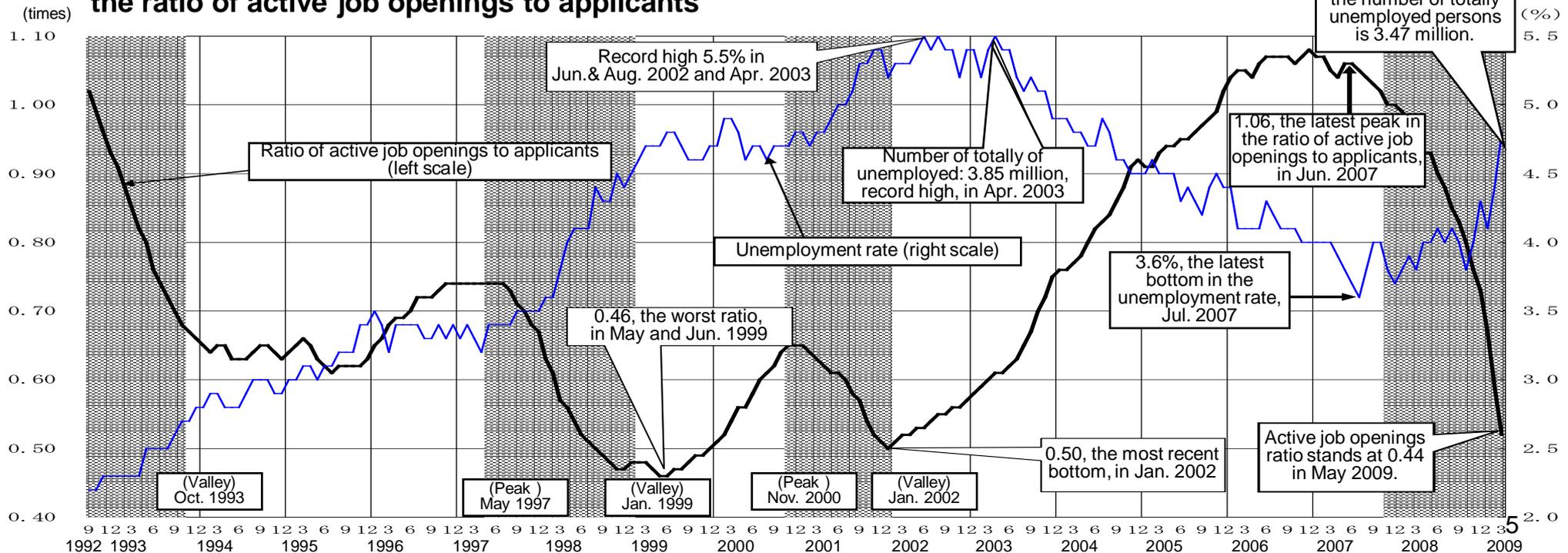
(Current employment/unemployment situation)

- > The current employment/unemployment situation is deteriorating furthermore, as shown by the total unemployment ratio which is now over 5%.
 - Active job openings ratio has been falling from the most recent peak level of 1.06 in June 2007 to 0.44 in May 2009.
 - Job seekers visiting Hello Work (the public employment security office), mainly middle-aged or older jobless workers who had to leave their job due to reasons attributable to their employers, have increased considerably since September 2008.
 - Total unemployment ratio is continuously rising and it was 5.2% in May 2009, with a total of 3.47 million people unemployed.
- > Since production activities are still very sluggish despite the improvement, the fear of large-scale employment adjustment remains.

Current employment/unemployment situation—deteriorating

- > Total unemployment rate stands at **5.2%** in May (increase of 0.2 points from the previous month).
- > Ratio of active job openings to applicants was **0.44** in May which was the lowest rate so far (decline of 0.02 points from the previous month.).
- > The number of **jobless workers** who visit Hello Work after **leaving their jobs due to reasons attributable to their business owners** (new job seekers) **increased 88.8% from the same month last year.**
- > The judgment of employment conditions (index of “Excessive employment” minus “Insufficient employment”) in the Bank of Japan’s Tankan (June survey) indicates that **the excessiveness increased among all industries** of all sizes (from +20 to +23),. **The excessiveness among manufacturers** of all sizes is still at a higher level. (from +38 to +37).
- > The number of people received employment insurance benefits in May increased 70.3% to reach 940,000, showing a sharp rise. (The number of people who became qualified increased 38.8% from the same month last year.)
- > According to reports published by Prefectural Labour Bureaus in June, **223,000 non-regular workers** were (or will be) denied the renewal of employment contract, etc. with **3,716 business establishments** between October 2008 and September 2009.

Trends in the ratio of unemployed in labour force/unemployment rate and the ratio of active job openings to applicants



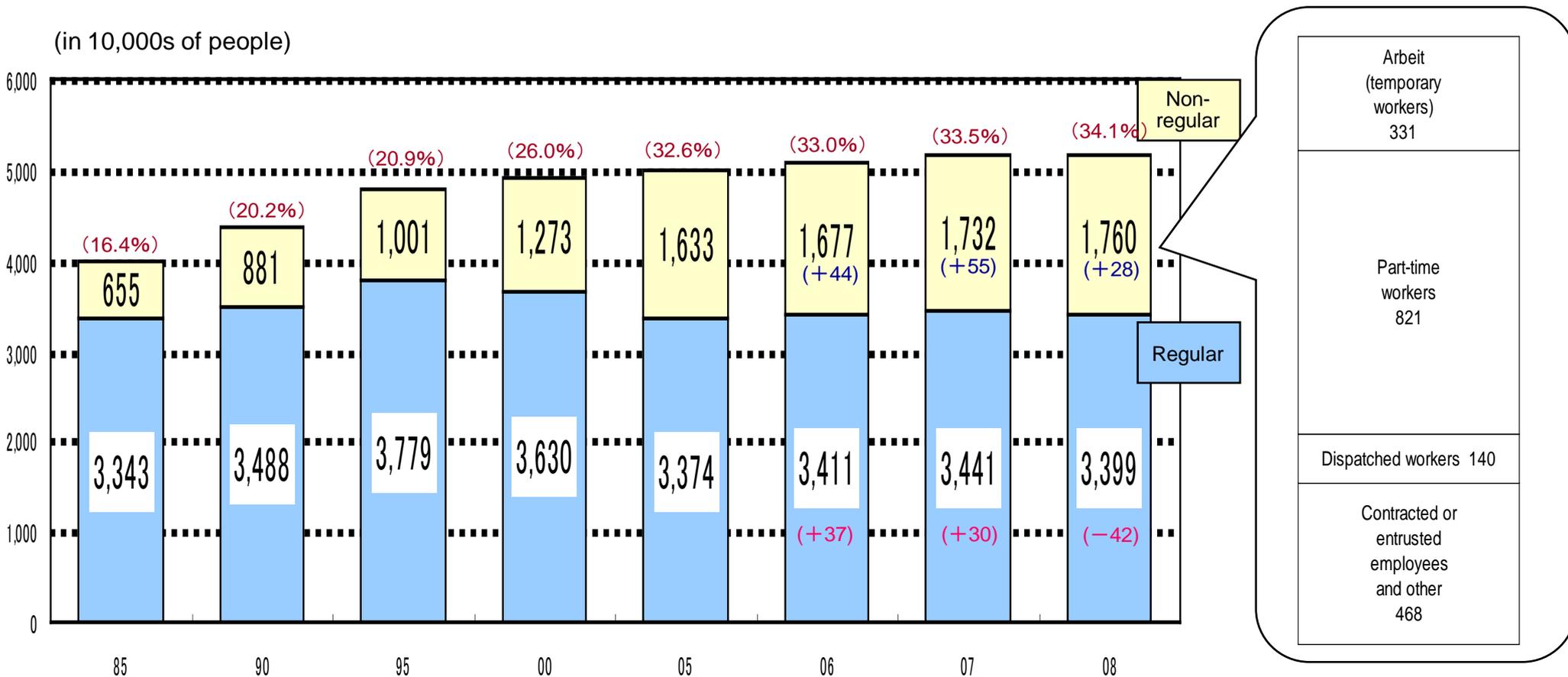
(Source) “Labour Force Survey,” MIC, “Employment Security Statistics,” MHLW

*The grey zone shows the recession period.

Change in the number of regular and non-regular employees

- > The number of regular employees has declined in recent year, while the number of part-time, dispatched, and contracted workers has increased mainly among younger persons.
- > Increase in the percentage of dispatched workers and part-time workers who cited “There was no company to offer me a full-time position” as the reason for their working in current positions.

* Dispatched workers: 19.2% in 1994 → 37.3% in 2007; Part-time workers: 11.9% in 1994 → 12.2% in 2007 **



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

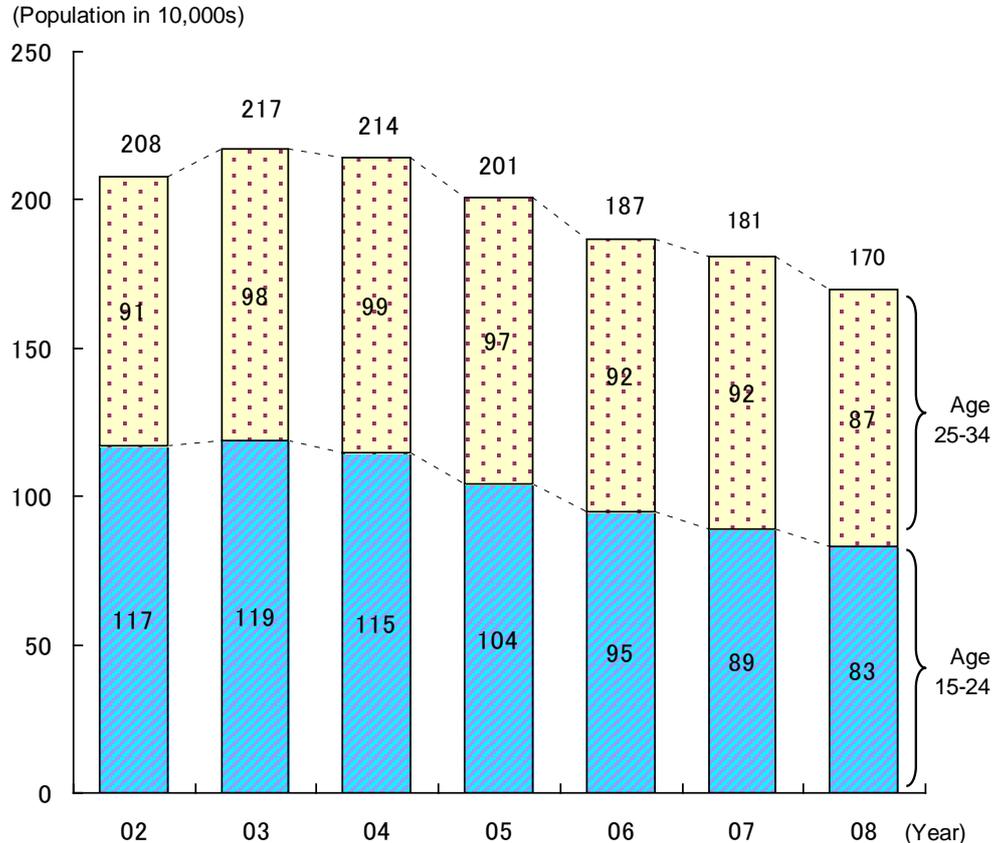
(Note) Employment categories are based on those defined by employers.

* Source: “General Survey on diversified Types of Employment,” MHLW

> Facts about freeters

> The number of so-called “freeters” continued to increase until 2003, reaching 2.17 million, followed by a decline for five consecutive years.

Change in the number of freeters

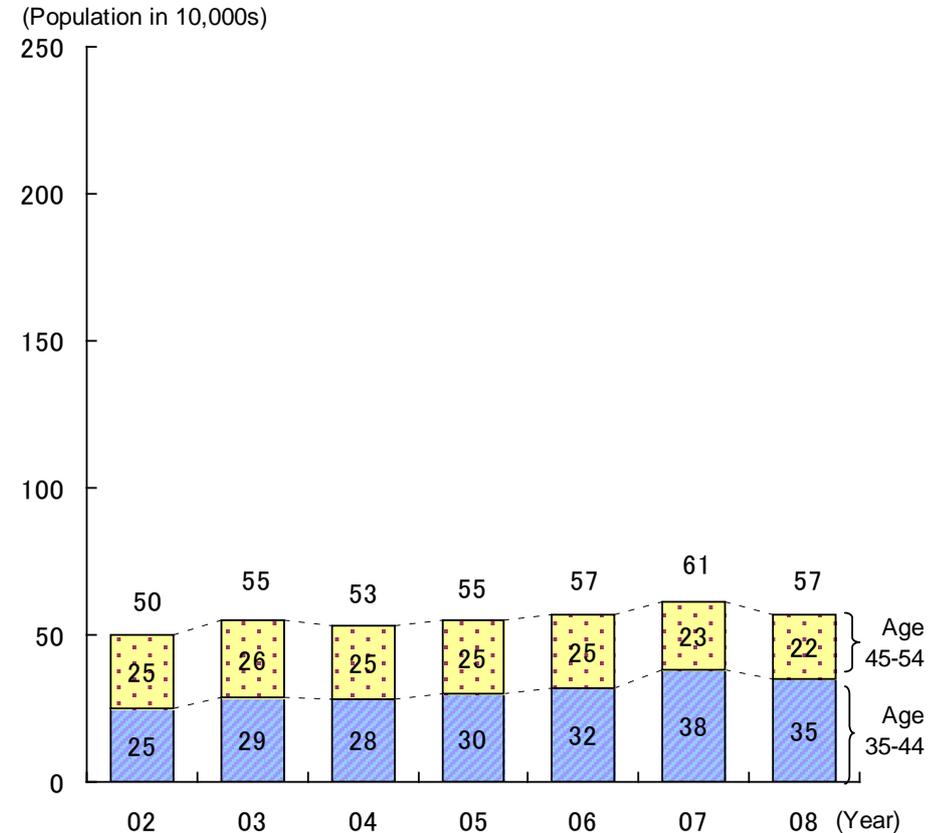


(Source) “Labour Force Survey (Detailed Tabulation),” Statistics Bureau, MIC

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

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

(For reference) Change in the number of part-time workers and those seeking part-time jobs (ages 35–54)

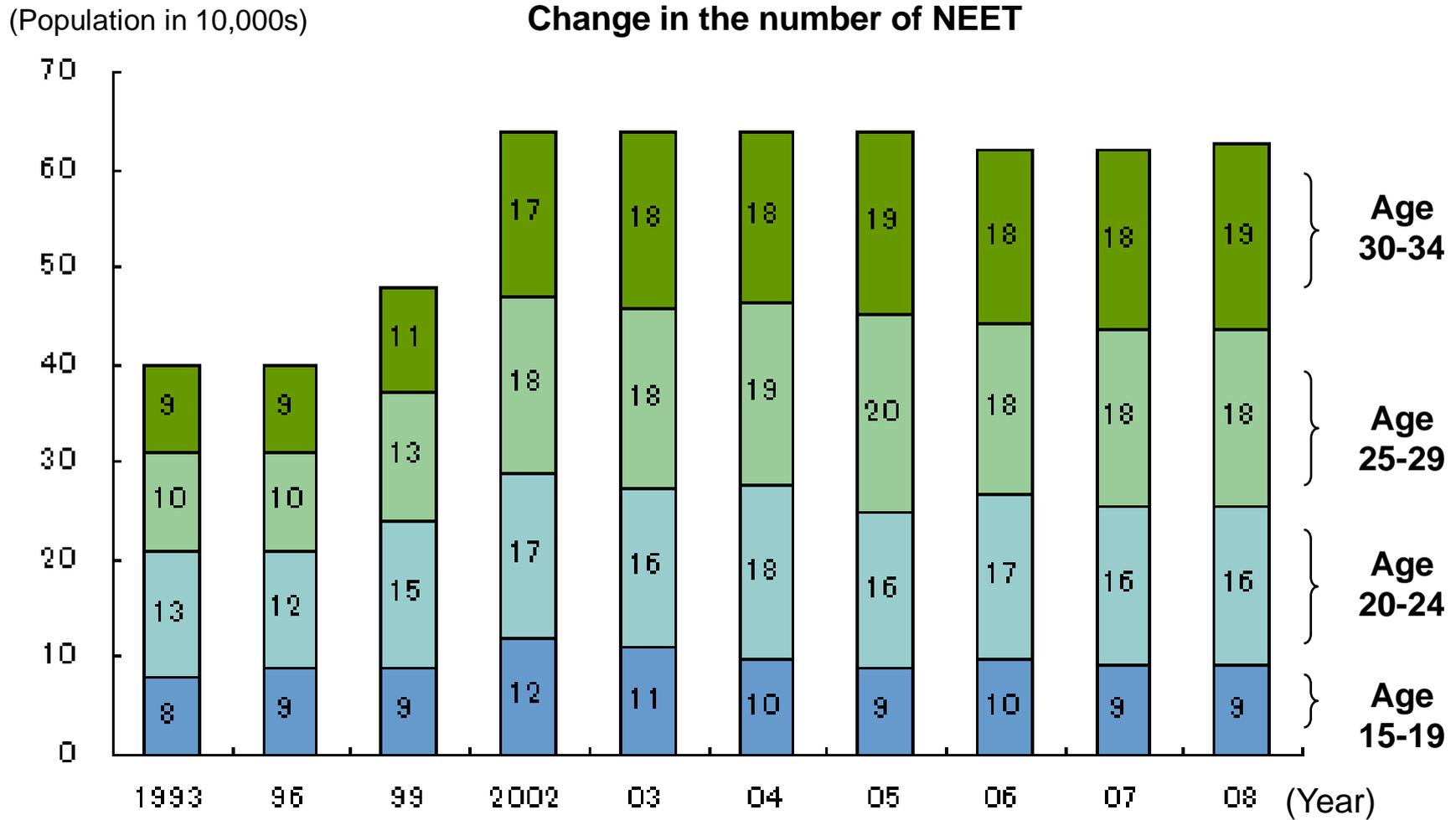


(Source) “Labour Force Survey (Detailed Tabulation),” Statistics Bureau, MIC

(Note) The data were compiled by using “ages 35-54” as the freeter’s age definition instead of “ages 15-34.”

Facts about NEET

> The number of so-called “NEET” remains almost flat after the increase from 0.4 million in 1993 to 0.64 million in 2002. It decreased to 0.62 million in 2006 and 2007 before but increased again to 0.64 million in 2008.



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

※ “NEET” have been defined as people aged 15-34 who are the part of the non-labour force population and are not engaged in household labour or education.

2 Additional employment measures in post-financial crisis

(1) Employment measures in the “Comprehensive Immediate Policy Package to Ease Public Anxiety” (Formulated on August 29, 2008)

(2) Employment measures in “Measures to Support People’s Daily Lives” (Formulated on October 30, 2008)

(3) Employment-security programs in “Immediate Policy Package to Safeguard People’s Daily Lives” (Formulated on December 19, 2008)

(4) Employment measures in “Policy Package to Address the Economic Crisis” (formulated on April 10, 2009)

Employment measures in recent economic policy packages

Comprehensive Immediate Policy Package to Ease Public Anxiety

(August 29, 2008)

FY08 1st supplementary budget: **¥9.94bn**
(**¥1.18bn** in General Account)

(Outline)

1. Promotion of policies for non-regular workers [**¥2.8bn**]

- Support for steady employment of daily dispatch workers, etc. (0.68)
- Enhanced support for employment of freeters as regular workers (e.g., by additionally making those aged 35-39 eligible for the trial employment program) (0.72)
- Establishment of a life security benefits for those under vocational training (loan of ¥0.1m/mo., exemption of repayment) (0.97)
- Establishment of three "Non-Regular Worker Employment Support Centers" (NRW Centers) (0.34)

2. Support for employment security in SMEs [**¥6.9bn**]

- Enhanced support for to maintain employment SMEs (formulating Immediate Employment Security Subsidy for SMEs) increasing wage subsidization rate from 2/3 to 4/5 (4.5)
- Extensive training for job losers (0.57)

3. Employment support for women [**¥0.08bn**]

- Expansion of the Mothers' Hello Work program (additional 10 Mothers' Corners) (0.08)

4. Employment support for older people [**¥0.04bn**]

- Extension of eligibility for Subsidies for Specialized Employment Applicants for Developing Employment (Subsidies for SEADE) to people aged 65 or older and support for employers hiring such people on a trial basis (0.04)

5. Employment support for people with disabilities [**¥0.11bn**]

- Extension of the payment period of Subsidies for SEADE (1 yr → 1.5 yrs)
- Increasing the number of employment support staff dedicated to people with disabilities (227 → 297)

6. Ensuring long-term care services (request for system)

- Establishment of subsidies for securing and retaining personnel in long-term care services (¥0.5m provided for employers having hired persons who have never worked in the industry)

Measures to Support People's Daily Lives

(October 30, 2008)

2nd supplementary budget: **¥250.5bn**
FY09 budget (additional): approx **¥30bn**

(Outline)

1. Supporting family budget urgently

- Make an effort to reduce employment insurance premiums (1.2 → 0.8%)

2. Strengthening the employment safety nets [**¥276.6bn**]

- Establishment of a special grant program to support older freeters (¥1m for SMEs; ¥0.5m for large firms) (21.8)
- Construction of more NRW Centers (3 → 5 sites) (0.12)
- Expansion of life security benefits during training (e.g., ¥0.1m → ¥0.12m in benefits)
- Expansion of the Immediate Employment Security Subsidy for SMEs and the Employment Adjustment Subsidy (e.g., providing qualification to those having been insured for less than six months) (3.5)
- Establishment of the hometown employment revitalization special grant (250)
- Additional training for job losers (0.42)

3. Reassuring daily life [**¥7.5bn**]

- Expansion of subsidies for securing and retaining personnel in long-term care services (grant for employment of older freeters: ¥0.5m → ¥1m) (5.7)
- Establishment of a grant program for equipment introduction for long-term care workers (subsidization of half the cost) (0.38)
- Expansion of the child-rearing support subsidy for SMEs (expansion of eligibility [2nd → 5th employee]; increase in subsidy amount from ¥0.6m to ¥0.8m for the second employee and thereafter) (0.34)
- Establishment of the First Step Grant for Employment of People with Disabilities (¥1m grant for employers having hired any disabled person for the first time) (0.5)
- Establishment of a subsidy to promote the establishment of special exceptional subsidiaries (¥20m for the first fiscal year) (0.45)

Immediate Policy Package to Safeguard People's Daily Lives

(December 19, 2008)

2nd supplementary budget: **¥154.2bn**
(**¥150bn** in General Account)
FY09 budget (additional): Approx. **¥130bn**

(Outline)

1. Housing and daily life support [**¥29.3bn**]

- Giving subsidies to employers who continue providing company housing (for dismissed workers) (¥40,000-60,000/mo., up to six months) (4)
- Lending housing- and daily life support-related funds (up to ¥1.86m) (25.2)
- Fully utilizing employment promotion housing units

2. Employment security programs [**¥50.4bn**]

- Expanding the Employment Adjustment Subsidy program (subsidy rate for large firms: 1/2 → 2/3) (41)
- Creating a new subsidy program for employers that hire their agency workers as regular workers (¥1m for SMEs; ¥0.5m for large firms) (8.9)
- Appropriately responding to labour condition issues, e.g., dismissals and refusal to renew employment contracts (0.5)

3. Reemployment support programs [**¥207.5bn**]

- Creating the Emergency Job Creation Program (150)
- Increasing the amount of the Subsidies for SEADE (¥0.9m → ¥1.35m) (37.8)
- Providing long-term training conducive to job security, e.g., training for job losers on a larger scale (up to two yrs) (11.9)

4. Addressing corporate employment offer withdrawals [**¥0.33bn**]

- Enhancing counseling services and corporate instructions
- Extending eligibility for special grants to support older freeters to new school graduates who have been denied employment offers and are still unable to find a new employer (0.24)

5. Reinforcing the functions of the employment insurance system

- Reviewing eligibility for the employment insurance system, etc.

Policy Package to Address the Economic Crisis

(April 10, 2009)

FY09 supplementary budget: **¥2,512.8bn**
(**¥1,256.1bn** in General Account)

(Outline)

1. Increasing the subsidies for employment adjustment etc. [**¥606.6bn**]

- Raising the subsidy rate for employers avoiding dismissal etc. (4/5 → 9/10 for SMEs; 2/3 → 3/4 for large firms) and additionally giving non-regular-employee-related subsidies to employers avoiding dismissal by radically reducing overtime work (¥0.45m/yr per dispatched worker for SMEs; ¥0.3m/yr for large firms)

2. Measures to support reemployment and development of vocational skills [**¥741.6bn**]

- Comprehensive support for vocational training, reemployment and life security through the "Emergency Human Resource Development and Employment Support Fund" (daily-life support during vocational training, (benefits of ¥0.1m-0.12m/mo.; loan of up to ¥80,000/mo.) etc.) (7,000)
- Expansion and enhancement of support for the development of vocational skills (14.5)
- Employment measures for people with disabilities (0.55)
- Radicale enhancement of Hello Work's capabilities, etc. (26.5)

3. Measures to create new jobs [**¥300bn**]

- Expansion of the Emergency Job Creation Program (300)

4. Measures to protect dispatched workers prevent withdrawals of job offers and provide support to foreign workers, etc.

[Part of the ¥700bn budget and other: ¥10.6bn]

- Enhancement of the protection of dispatched workers, including the prevention of premature termination of temporary work contracts
- Measures to prevent withdrawals of job offers (7.6)
- Support for foreign workers

(Part of 7,000 and other: 16)

5. Measures to support housing and daily-life, etc.

- Support for those who have lost jobs and homes, including assistance in finding a home and loans of funds for daily living, along with continuous life counseling/assistance (emergency funds of up to ¥0.1m; loan of funds for daily living [not more than ¥0.2m/mo.] for up to one year; housing allowances for up to six months) (170.4)

*1) The abovementioned figures are subject to change depending on the results of data organization.

*2) The first supplementary budget was enacted on October 16, 2008; the second one on January 27, 2009; and the FY09 budget on March 27, 2009.

*3) The parenthesized numbers denote the budget amount in billions of yen.

Employment measures in recent economic policy packages (by budget category)

1st supplementary budget: ¥9.94bn (¥1.18bn in G.A.) (Enacted on October 16, 2008)	2nd supplementary budget: ¥404.8bn (¥150bn in G.A.) (Enacted on January 27, 2009)	FY09 budget: ¥793.4bn (¥45bn in G.A.) (Enacted on March 27, 2009)	FY09 supplementary budget: 2,512.8bn (¥1,256.1bn in G.A.)
<p>Comprehensive Immediate Policy Package to Ease Public Anxiety (August 29, 2008)</p> <p>1st supplementary</p> <p>1. Promotion of policies for non-regular workers [¥2.8bn] - Support for steady employment of daily dispatch workers ,etc (0.68) - Enhanced support for employment of freeters as regular workers (0.72) - Improve/enhance the Job Card system (e.g., Establishment of life security benefits for those under vocational training, (providing a loan of ¥0.1m/mo., exemption of repayment), etc. (0.97) (Request for system) (0.08) - Secure equal treatment of part-time workers (0.34)</p> <p>2. Support for employment security in SMEs [¥6.9bn] - Enhance support for SMEs to maintain employment (increase wage subsidization rate from 2/3 to 4/5) (4.5) - Support job security and job search in areas facing severe employment/unemployment situations (2.5)</p> <p>3. Employment support for women [¥0.08bn] - Expand the Mothers' Hello Work program (set up additional 10 Mothers' Corners, and another 40 under the FY09 budget) (0.08)</p> <p>4. Employment support for older people [¥0.04bn] - Support employers hiring people aged 65 or older (0.04)</p> <p>5. Employment support for people with disabilities [¥0.11bn] - Increase supports to SMEs who hired people with disabilities (Request for system) (0.11) - Increase the number of employment support staff dedicated to people with disabilities (227 → 297)</p> <p>6. Ensuring long-term care services (Request for system) - Promote measures to secure and retain personnel in long-term care services (establish a program to provide a ¥0.5m grant for employers having hired persons who have never worked in the industry)</p>	<p>Measures to Support People's Daily Lives/Immediate Policy Package to Safeguard People's Daily Lives (October 30, 2008/December 19, 2008)</p> <p>2nd supplementary</p> <p>1. Housing and daily life support [¥4bn] - Provide housing and employment support for those who have lost jobs and homes (e.g., loans of up to ¥1.86m) (4)</p> <p>2. Employment security programs [¥0.05bn] - Enhance support for SMEs to maintain employment (Request for system) (58.1) - Support employers that hire their dispatched workers as regular workers (e.g., ¥1m in subsidies for SMEs) (Request for system) (8.9) - Appropriately respond to labour condition issues, e.g., dismissals and refusal to renew employment contracts (0.05) (21.1)</p> <p>3. Reemployment support programs [¥400.6bn] - Establish the hometown employment revitalization special grant (250) (-) - Create the Emergency Job Creation Program (150) (-) - Enhance vocational training to meet the deteriorating employment/unemployment situation (Request for system) (0.42) (-) - Support regular employment of older freeters , etc. (e.g., ¥1m in subsidies for SMEs) (Request for system) (22) - Expand support to SMEs that hire people having trouble finding a job (Request for system) (62.6) - Expand employment support structure for non-regular workers (0.23) (4.8) - Increase financial assistance , etc. during vocational training (e.g., ¥0.1m/mo. → ¥0.12m/mo.) (Request for system) (3.5) - Promote employment measures for people with disabilities (e.g., ¥1m in subsidies for employers having hired disabled persons for the first time) (Request for system) (1.2) (-) - Expand support for securing and retaining personnel in long-term care services (e.g., grant for employment of older freeters: ¥0.5m → ¥1m) (Request for system) (15.2) - Expand the child-rearing support subsidy for SMEs, etc (Request for system) (3.1) - Conduct vocational training for job losers on a larger scale, etc. (-) (24.1)</p> <p>4. Addressing corporate employment offer withdrawals [¥0.03bn] - Strengthen employment support for students , etc. who have been denied employment offers , etc. (0.03) (0.7) - Ensure stable employment of new school graduates (Request for system) (0.06)</p> <p>5. Reinforcing the function of the employment insurance system (-) - Review eligibility for the employment insurance system (Reference) - Reduce employment insurance premiums , etc. (-) Unemployment benefits ¥1,579.8bn (¥170bn added)</p>	<p>FY09 budget</p> <p>1. Housing and daily life support [¥25.5bn] - Provide housing and employment support for those who have lost jobs and homes (e.g., loans of up to ¥1.86m) (25.5)</p> <p>2. Employment security programs [¥88bn] - Enhance support for SMEs to maintain employment (58.1) - Support employers that hire their dispatched workers as regular workers (e.g., ¥1m in subsidies for SMEs) (8.9) - Appropriately respond to labour condition issues, e.g., dismissals and refusal to renew employment contracts (21.1)</p> <p>3. Reemployment support programs [¥164.9bn] - Establish the hometown employment revitalization special grant (-) - Create the Emergency Job Creation Program (-) - Enhance vocational training to meet the deteriorating employment/unemployment situation (-) - Support regular employment of older freeters , etc. (e.g., ¥1m in subsidies for SMEs) (22) - Expand support to SMEs that hire people having trouble finding a job (62.6) - Expand employment support structure for non-regular workers (4.8) - Increase financial assistance , etc. during vocational training (e.g., ¥0.1m/mo. → ¥0.12m/mo.) (3.5) - Promote employment measures for people with disabilities (e.g., ¥1m in subsidies for employers having hired disabled persons for the first time) (1.2) - Expand support for securing and retaining personnel in long-term care services (e.g., grant for employment of older freeters: ¥0.5m → ¥1m) (15.2) - Expand the child-rearing support subsidy for SMEs, etc (3.1) - Conduct vocational training for job losers on a larger scale, etc. (24.1)</p> <p>4. Addressing corporate employment offer withdrawals [¥0.76bn] - Strengthen employment support for students , etc. who have been denied employment offers , etc. (0.7) - Ensure stable employment of new school graduates (0.06)</p> <p>5. Reinforcing the function of the employment insurance system (-) - Review eligibility for the employment insurance system (Reference) - Reduce employment insurance premiums , etc. (-) Unemployment benefits ¥1,579.8bn (¥170bn added)</p>	<p>Policy Package to Address Economic Crisis (April 10, 2009)</p> <p>FY09 supplementary budget</p> <p>1. Increasing the subsidies for employment adjustment [¥606.6bn] - Raise the subsidy rate for employers avoiding dismissal and additionally give non-regular-employee-related subsidies to employers avoiding dismissal by radically reducing overtime work (700)</p> <p>2. Measures to support reemployment and develop vocational skills [¥741.6bn] - Provide comprehensive support for vocational training, reemployment, and life security through the "Emergency Human Resource Development and Employment Support Fund" (700) - Expend and enhance support for the development of vocational skills (14.5) - Employment measures for people with disabilities (0.55) - Enhance Hello Work's capabilities radically (26.5)</p> <p>3. Measures to create new jobs [¥300bn] - Amplify the Emergency Job Creation Program</p> <p>4. Measures to protect dispatched workers and prevent withdrawals of job offers and provide support for foreign workers [Part of the ¥700bn budget and other: ¥10.6bn] - Enhance the protection of dispatched workers, including the prevention of premature termination of temporary work contracts, etc. (-) - Measures to prevent withdrawals of job offers (7.6) - Support foreign workers (Part of 700 and other: 1.6)</p> <p>5. Housing and daily-life support measures [¥170.4bn] - Support those who have lost jobs and homes, including offering assistance in finding a home and loans for daily living, along with continuous life counseling/assistance (emergency funds of up to ¥0.1m; loan of funds for daily living [not more than ¥0.2m/mo.] for up to one year; housing allowances for up to six months, etc.)</p> <p>○Secure funds for unemployment benefits, etc. [¥683.6bn]</p>

*1) The abovementioned figures are subject to change depending on the results of data organization.*2) Only principle measures are listed.

*3) The FY09 budget refers to all the expenditures related to employment measures, including programs to be implemented under the first and second supplementary budgets.

Comprehensive Immediate Policy Package to Ease Public Anxiety

Three objectives

1. Removing anxiety of the people

2. Accelerating transformation to a “sustainable society”

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

Eight pillars

(1) Measures to support daily life and employment

(2) Measures to up grade health care, pension and elderly nursing care services

(3) Measures to support child care and education

(4) Measures to create a low carbon society

(5) Measures to redesign housing and disaster management

(6) Measures to create strong agriculture, forestry and fishery sectors

(7) Measures to vitalize SMEs, etc.

(8) Taking local governments into account

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

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

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

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

Support for employment maintenance in SMEs: ¥6.94bn

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

Employment support for women: ¥0.08bn

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

Employment support for older people: ¥0.04bn

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

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

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

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

Support for steady employment and job retention of daily dispatch workers

[Description]

¥0.68bn in G.A.

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

Job security for non-regular workers

> Enhance support for employment of freeters as regular workers

¥0.45bn in G.A.,

[Description]

¥0.27bn in S.A.

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

> Improve/enhance the Job Card system

¥0.97bn in S.A.

[Description]

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

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

Job security for non-regular workers

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

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

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

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

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

Regional Job Creation Support program (provisional name)

[Description]

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

¥0.86bn in S.A.

Extensive training for job losers

[Description]

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

¥0.57bn in S.A.

Employment support in cooperation with prefectural governments

[Description]

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

¥1.06bn in S.A.

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

Enhanced employment support for women

[Description]

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

¥0.08bn in S.A.

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

Support for employers hiring people aged 65 or older

[Description]

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

¥0.04bn in S.A.

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

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

[Description]

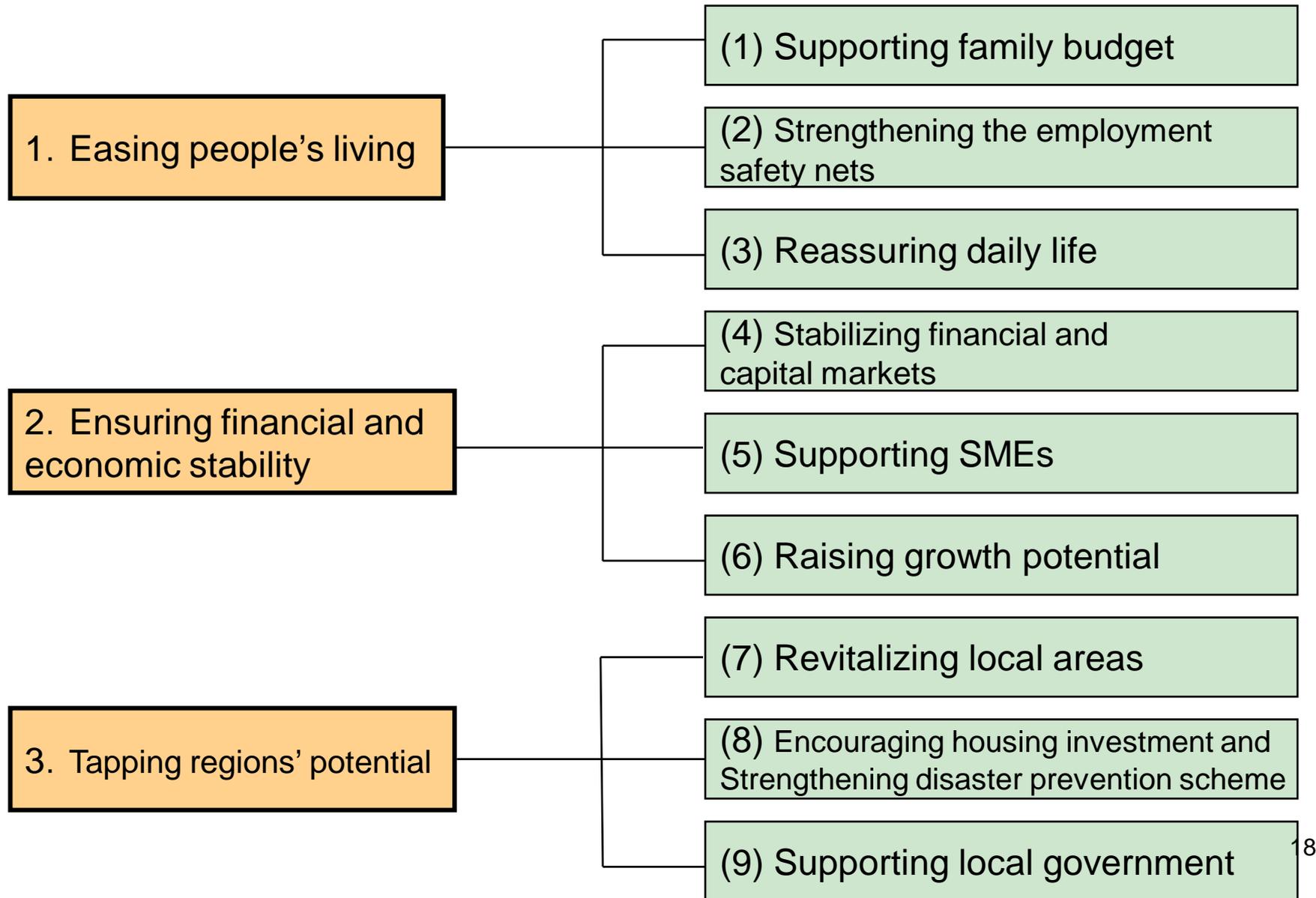
To enhance the employment support capabilities of Hello Work, the number of staff dedicated to people with disabilities will be increased to 297 from 227. This will enable Hello Work to help people with disabilities find steady jobs through career counseling and placement services based on "teamed support"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

¥0.05bn in G.A., ¥0.05bn in S.A.

Measures to Support People's Daily Lives

3 priority areas

9 pillars



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

> **Reduction of unemployment insurance premiums** [Measures to supporting family budget]

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

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

◆ Establishment of a special grant program to support older freeters

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

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

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

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

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

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

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

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

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

◆ Amplification of the Employment Adjustment Subsidy

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

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

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

◆ Establishment of the hometown employment revitalization special grant

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

◆ Additional training for job losers

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

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

[Measures to Reassuring daily life]

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

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

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

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

> Enhanced measures to support childbirth and child-rearing [Measures to Reassuring daily life]

◆ Expansion of the child-rearing support subsidy for SMEs

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

◆ Expansion of subsidies for SMEs subsidizing babysitter costs

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

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

◆ Establishment of the First Step Grant for Employment of People with Disabilities

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

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

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

Total (excluding redundant items)

Approx. ¥64 trillion

Financial measures: Approx. ¥10 trillion
(about 2% of the GDP)

Monetary measures: Approx. ¥54 trillion

> Measures to Support People's Daily Lives (formulate on October 30, 2008)

Approx. ¥26.9 trillion

Fixed-sum benefits, emergency credit guarantee and loans, reduction of expressway tolls, temporary grant for regional revitalization and measures to support people's daily lives, measures concerning healthcare, long-term care and welfare, etc.

> Immediate Policy Package to Safeguard People's Daily Lives (formulate on December 19, 2008)

(1) Financial measures:

Approx. ¥10 trillion

- | | |
|---|---------------------|
| - Employment measures (year-end measures [housing and daily-life support, etc.] | Approx. ¥1 trillion |
| - Increase in the amount of local allocation tax for job creation, etc. | ¥1 trillion |
| - Establishment of a reserve fund for immediate economic measures | ¥1 trillion |
| - Tax reform (tax cuts [housing tax cuts, etc.] (full year) | Approx. ¥1 trillion |
| - Implementation of the Measures to Support People's Daily Lives (above financial measures) | Approx. ¥6 trillion |

(2) Monetary measures:

Approx. ¥33 trillion

- | | |
|--|-----------------------|
| - Increased capital participation of the government under the Financial Function Strengthening Law | ¥10 trillion |
| - Enhancement and utilization of Banks' etc, Shareholdings Purchase Corporation | ¥20 trillion |
| - Application and expansion of "crisis response operations" through financing by government policy | ¥3 trillion |
| - Measures to address the housing and real-estate markets | Approx. ¥0.2 trillion |

Employment measures

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

○ Policy Actions Implemented before the Year-End

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

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

Prolonged use of housings (starting on December 9)

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

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

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

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

- Making the most use of employment promotion housing units which are not decided to be abolished (approximately 13,000 vacant units; monthly rent: ¥25,000 on average) to provide housings for job leavers who are forced to leave from corporate dormitory

> Financial supports to local government's emergency policy actions

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

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

(1) Employment-security programs

> Expanding the Employment Adjustment Subsidy program

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

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

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

(2) Reemployment support programs

> Creation of job opportunities by local governments

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

- Immediately implementing "Hometown Employment Revitalization Special Grant" (¥250bn through daily life support program (Labor Insurance Special Account))

- Local governments will support job opportunity creation at the private enterprise level (1-year employment contracts in principle)
[Program examples] Programs to develop new local products or cultivate sales channels for local products; meal distribution services for elderly people; and programs to provide child-care services

- Creating "Emergency Job Creation Program" (¥150bn through new employment-security package (general account))

- Prefectural governments and silver human resources centers will create temporary employment/job opportunities (employment contracts of shorter than 6 months) for non-regular workers or middle-aged and older people who have lost their job.
[Program examples] Earthquake-proof projects (surveys for possible earthquake-proof works on schools); environment/regional development projects (forest improvement); nursing-care and welfare services (nursing-care supports for elderly people); and education (math/science and IT education by assistant teachers)

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

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

(3) Addressing corporate employment offers withdrawals

> Preventing corporate withdrawal of employment offers to new school graduates

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

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

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

(4) Cutting down the unemployment insurance premium

> Cutting down the unemployment insurance premium by 0.4% (insurance premium cut by 0.2% on the employer side and by 0.2% on the employee side) only for FY2009

(5) Reviewing eligibility of the unemployment insurance program

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

- Expanding the insurance coverage from the current "Expected employment period of 1 year or longer" to "6 months or longer,"
- Relaxing the eligible contract period requirement from "1 year" to "6 months" to period contract workers.

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

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

Outline of Proposal on New Employment-Security Package

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

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

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

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

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

1. Employment-Security Programs

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

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

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

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

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

2. Reemployment Support Programs

(1) Enhancing the unemployment insurance program

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

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

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

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

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

(4) Comprehensive support for agency workers

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

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

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

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

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

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

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

Outline of the Policy Package to Address Economic Crisis

(Formulated on April 10, 2009)

A Path for Overcoming the Economic Crisis

1. The Japanese economy is facing “twin crises”

- > The short-term crisis (the risk of a negative spiral)
- > The structural crisis (responding to a “great adjustment” of the global economy)

2. Basic principles for overcoming the economic crisis

Basic principle 1: Nationwide cooperative actions

Basic principle 2: Actions suited to various economic phases

Basic principle 3: Taking a comprehensive approach over a multi-year time horizon

3. Size and impact of the policy package

- Size:

[Approx. ¥15.4 trillion in national expenditure;](#)
[approx. ¥56.8 trillion in enterprise expenditure](#)

- Effect of boosting the real GDP growth rate in FY 2009:

[Around 2 %](#)

- Job creation from increased demand:

[0.4-0.5 million jobs \(in one year\)](#)

I. Immediate measures – Avoiding a negative spiral

[Approx. ¥4.9 trillion in national exp.; approx. ¥44.4 trillion in enterprise exp.]

1. Measures to support employment

[Approx. ¥1.9 trillion in national exp.;
Approx. ¥2.5 trillion in enterprise exp.]

- Subsidies for employment adjustment, measures to support reemployment and develop vocational skills, job creation, protection of dispatched workers, etc., housing and daily-life support, etc.

2. Financial measures

[Approx. ¥3.0 trillion in national exp.; approx. ¥41.8 trillion in enterprise exp.]

- Financing for SMEs, support for the stock market, financing for mortgages and land transactions, etc.

3. Front-loading of enterprises

- Front-loading of enterprise on the largest-ever scale

II. Growth strategy—Investing for the future

[Approx. ¥6.2 trillion in national exp.; approx. ¥8.8 trillion in enterprise exp.]

1. The low-carbon revolution

[Approx. ¥1.6 trillion in national exp.; approx. ¥2.2 trillion in enterprise exp.]

- (1) Solar power generation
- (2) Fuel-efficient vehicles and energy-efficient equipment
- (3) Revolution in transportation and infrastructure
- (4) Turning Japan into a resource-rich country

2. Health, longevity, and child-rearing

[Approx. ¥2.0 trillion in national exp.;
Approx. ¥2.8 trillion in enterprise exp.]

- (1) Local health care services and new medical care technologies
- (2) Improvement of working conditions for long-term care workers and enhancement of long-term care capacity
- (3) Support for child-rearing and education

3. Realization of the potential of the Japanese economy and development of infrastructure to deal with the challenges of the 21st century

[Approx. ¥2.6 trillion in national exp.; approx. ¥3.8 trillion in enterprise exp.]

- (1) The agricultural, forestry, and fisheries sectors
- (2) Development of cutting edge technologies, enhancing human resources, and offering support for SMEs
- (3) Development of infrastructure for cooperation between regions and for the enhancement of the competitiveness of regions
- (4) Utilization of IT
- (5) “Soft power” and tourism

III. Easing anxiety and enhancing vitality —Employing every policy tool

[Approx. ¥4.3 trillion in national exp.; approx. ¥5.0 trillion in enterprise exp.]

1. Revitalization of regions

[Approx. ¥0.2 trillion in national exp.; approx. ¥0.4 trillion in total exp.]

- Revitalization of regional transportation, etc.
- Support for town development and promotion of revitalization corresponding each region, etc.

2. Securing safety and security

[Approx. ¥1.7 trillion in national exp.; approx. ¥2.2 trillion in enterprise exp.]

- Social security
- Drastic enhancement of consumer policy
- Disaster management and safety measures
- Improvement of systems for safety and security, etc.

3. Talking local governments into account

[Approx. ¥2.4 trillion in national exp.; approx. ¥2.4 trillion in enterprise exp.]

Fiscal support for local governments, etc.

IV. Tax reform

[Approx. ¥0.1 trillion in national exp.; approx. ¥0.1 trillion in enterprise exp.]

- Temporary reduction in gift tax for purchasing houses as a temporary measure
- Reduction in tax on social expenses of SMEs
- Expansion of tax incentives for Research & Deropments

Fiscal resources, etc.

National expenditure and the total size of the enterprise

Fiscal resources

[Total: approx. ¥15.4 trillion in national exp.; approx. ¥56.8 trillion in enterprise exp.]

Primary measures under the Policy Package to Address Economic Crisis (concerning employment)

FY09 supplementary budget (draft): Approx. ¥2.5 trillion

I. Measures to secure employment

(Increasing the subsidies for employment adjustment, etc.)

¥606.6bn

- Raise the subsidy rate for employers avoiding dismissals, etc. of workers including dispatched workers
- Extend eligibility for subsidies to employers avoiding dismissals, etc. by radically reducing overtime work
- Raise education and training subsidies for large firms
- Eliminate the annual limit on the number of days eligible for granting subsidies, which is currently capped at 200 days per year
- Secure the necessary budget amount

II. Measures to support reemployment and develop vocational skills

> Comprehensive support through the “Emergency Human Resource Development and Employment Support Fund” (provisional name)

¥700bn

- Radically amplify vocational training for non-recipients of employment insurance benefits and provide the “Training and Daily-Life Support Benefit (provisional name)” aimed at guaranteeing the livelihood of people under training
- Give incentives to SMEs to hire job seekers without sufficient skills and experience as interns or full-time employees, in consideration of SMEs’ human resources needs
- Offer work-experience tours and office tours in the long-term care service and manufacturing sectors, etc. in cooperation with business associations, etc.
- Provide reemployment, housing, and daily-life support for the long-term unemployed and those having trouble finding a job due to the loss of home, through programs entrusted to private job placement agencies

> Expansion and enhancement of support for the development of vocational skills:

¥14.5bn

- Expand support for vocational training for workers who lack the opportunity for vocational skills development
- Expand the scale of training programs entrusted to private education and training institutions, etc. and provide child-care services for trainees, etc.

> Radical enhancement of Hello Work’s capabilities: ¥26.5bn

- Radically enrich and expand the human resources and organizational structure of Hello Work

III. Measures to create new jobs

- Expansion of the Emergency Job Creation Program (fund): ¥300bn

IV. Measures to protect dispatched workers and to prevent job offer withdrawals, etc.

> Enhancement of the protection of dispatched workers, including the prevention of premature termination of temporary work contracts, etc.

- Secure compensation for losses caused by the premature termination of temporary work contracts by companies that had accepted dispatched workers
- Ensure that temporary staffing agencies adhere to the Labour Standards Law and secure jobs for their staff
- Emphasize supervision of the dispatching of manufacturing workers
- Impose stricter requirements for assets, cash and deposits, etc. to obtain a permit to operate worker dispatching undertakings

> Prevention of job offer withdrawals, etc.: ¥7.6bn

- Disclose to the public the names of the companies that withdrew job offers
- Organize job interview sessions for students, etc. who have not received job offers, etc.
- Appropriately respond to disadvantageous treatment of workers who took childcare leave, etc.
- Respond to the increase in claims for payment of unpaid wages on behalf of employers

> Employment measures for people with disabilities: ¥0.55bn

- Raise the rate of the Employment Adjustment Subsidy for people with disabilities
- Expand the Challenge Employment program, which provides job trial opportunities at public agencies
- Increase the number of employment support staff dedicated to people with disabilities at Hello Work

> Support for foreign workers

Emergency Human Resource Development and Employment Support Fund (provisional name) part of the ¥700bn budget + ¥1.6bn

- Improve the counseling and assistance capacity, e.g., by allocating more interpreters and counselors
- Offer employment preparation training for foreigners of Japanese ancestry who wish to continue working in Japan, including training to develop Japanese language skills
- Aid unemployed foreigners of Japanese ancestry and their family in returning to their countries if they wish to do so
- Aid foreign trainees and technical interns in returning to their countries

V. Measures to support housing and daily-life support, etc.

> Housing and daily-life support: ¥170.4bn

- Provide support for those who have lost jobs and homes, including assistance in finding a home and loans of funds for daily living, etc. along with continuous life counseling/assistance

Amplification of the Employment Adjustment Subsidy, etc.

Current situation

> To cope with the severe economic and employment situation, the government has been revising the Employment Adjustment Subsidy since last year, including relaxing the eligibility criteria and raising the subsidy rate. Amid the rapid deterioration of the employment situation, an increasing number of companies are using this subsidy program.

* Notifications of temporary suspension of business to receive Employment Adjustment Subsidies were submitted by
79 business establishments for 2,601 employees in May 2008
→ 67,192 business establishments for 2,338,991 employees in May 2009

Outline of measures

As a means to immediately address the deteriorating employment/unemployment situation, the government will expand the current framework for the Employment Adjustment Subsidy.

(1) Raising the subsidy rate for employers avoiding dismissals, etc. of their employees

	[Regular rate]		[Raised rate]
Employment Adjustment Subsidy	2/3	→	<u>3/4</u>
Immediate Employment Security Subsidy for SMEs	4/5	→	<u>9/10</u>

(2) Providing a fixed amount of subsidy per non-regular employee when the employer avoids dismissal of such employees by radically reducing overtime

(Examples of subsidy amounts)	[Fixed-term contracted workers]		[Dispatched workers]
Employers of small and medium enterprises:	¥0.3m/yr	and	¥0.45m/yr
Other employers:	¥0.2m/yr	and	¥0.3m/yr

(3) Raising education and training subsidies for large firms: ¥1,200 → ¥4,000

(4) Eliminating the annual limit on the number of days eligible for granting subsidies, which is currently capped at 200 days per year.

Measures to support reemployment and develop vocational skills

Current situation

- > As the employment situation rapidly deteriorates, the number of the unemployed who do not receive employment insurance benefits (for reasons such as being unqualified, the expiration of eligibility, or being proprietors who went out of business, etc.) is increasing. Simultaneously, the employment situation for people with disabilities is worsening.
 - * Unemployment rate: 4.0%; ratio of active job openings to applicants: 0.93 (May. 2008) → Unemployment rate: 5.2%; ratio of active job openings to applicants: 0.44 (May. 2009)
 - * Under the influence of the economic downturn, the number of dismissed workers with disabilities has been increasing on a quarter-to-quarter basis for five consecutive months from Nov.2008 to Mar.2009 .

Outline of measures

(1) Comprehensive support for vocational training, reemployment and life security through the “Emergency Human Resource Development and Employment Support Fund”

- > Radically amplify vocational training for non-recipients of employment insurance benefits (e.g., youth and mothers of fatherless families) and provide the “Training and Daily-Life Support Benefit” aimed at guaranteeing the livelihood of people under training (¥0.1–0.12m/mo. in benefits + loan of up to ¥80,000)
- > Provide incentives to SMEs in emerging sectors and sectors with high employment capacity to hire job seekers without sufficient skills and experience as interns or full-time employees, in consideration of SMEs’ human resources needs, etc.

(2) Expansion and enhancement of support for the development of vocational skills

- > Expand support for vocational training for workers who lack the opportunity for the development of vocational skills
- > Enhance the scale of training programs entrusted to private education and training institutions, etc. and provide child-care services for trainees, etc.

(3) Employment measures for people with disabilities

- > Raise the rate of the Employment Adjustment Subsidy for people with disabilities (3/4 for large firms, 9/10 for SMEs)
- > Expand the “Challenge Employment program,” which provides job trial opportunities for people with disabilities at public agencies, in preparation for finding a general employment
- > Increase the number of employment support staff dedicated to people with disabilities at Hello Work

(4) Fundamental enhancement of Hello Work’s capabilities, etc.

- > Fundamentally expand the human resources and organizational structure of Hello Work, and amplify the subsidies for the promotion of equal treatment of part-time workers and for the enhancement of work and family harmonization, etc.

Enhancement of the protection of dispatched workers, including the prevention of premature termination of temporary work contracts, etc.

Current situation

- > Employment adjustment in the form of the dismissal of non-regular workers or the refusal to renew employment contracts has been implemented or expected to be implemented at 2,968 business establishments, involving 223,243 workers (including 137,482 dispatched workers, accounting for 61.6% of those involved), during the period between October 2008 and September 2009. Among them, 60,975 are subjected to the premature termination of their temporary work contracts.
- > This reflects the seriousness of the situation concerning the premature termination of temporary work contracts and suggests the need to take immediate action to protect dispatched workers

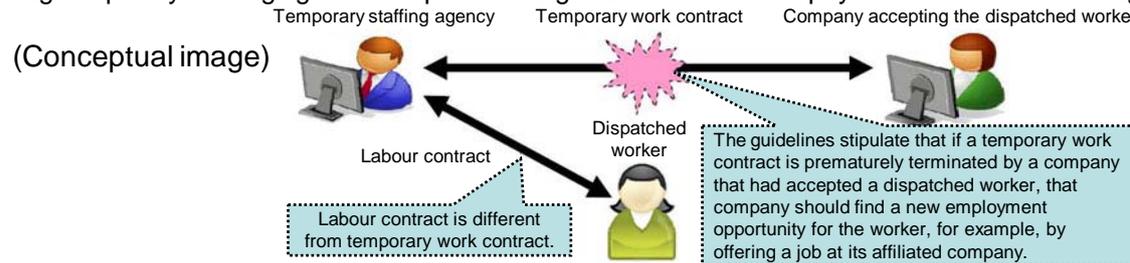
Outline of measures

(1) Securing compensation for losses caused by the premature termination of temporary work contracts by companies that had accepted dispatched workers

Adding provisions to the government guidelines in order to confirm that the companies that had accepted dispatched workers must compensate the temporary staffing agency for the losses caused by its premature termination of the temporary work contract if it is difficult to secure a new employment opportunity for the dismissed dispatched worker.

(2) Ensuring that temporary staffing agencies adhere to the Labour Standards Law and secure jobs for their staff

Strictly instructing temporary staffing agencies to prevent illegal dismissals and to pay leave allowances to eligible dispatched workers, etc.



(3) Emphasizing on supervision of the dispatching of manufacturing sector

(4) Imposing stricter requirements for assets, cash and deposits, etc. to obtain a permit to operate worker dispatching undertakings

Imposing stricter requirements to obtain a permit to operate worker dispatching undertakings, with the aim of tightening regulations on temporary staffing agencies incapable of properly managing employment.

Asset requirements: ¥10 million → ¥20 million

Cash and deposits, etc. requirements: ¥8 million → ¥15 million etc.

Support for foreign workers

Current situation

> Under the severe social and economic conditions, foreigners in unstable employment (e.g., working as dispatched or contracted workers) are dismissed or denied the renewal of employment contract in increasing numbers. Hello Work offices in regions with a high density of foreign residents are being frequented by many unemployed foreigners.

* New foreign job seekers having visited Hello Work offices in regions with a high density of foreign residents: 9,296 between November 2008 and January 2009 (about 11 times the number in the same period a year ago)

> This situation has led to children of foreign residents, etc. finding it difficult to continue attending school due to difficulties faced in paying tuition fees.

Outline of measures

(1) Enhancing the counseling and assistance capacity, e.g., by allocating more interpreters and counselors

Setting up counseling counters mainly at Hello Work offices in areas with a high density of foreigners of Japanese ancestry, with the aim of providing services for foreign workers in their native language in cooperation with local governments, and establishing counseling and support centers specifically for foreigners to offer detailed career counseling services through interpreters.

(2) Offering employment preparation training for foreigners of Japanese ancestry who wish to continue working in Japan, including providing training to develop Japanese language skills

Providing training to help foreigners continue to work steadily in Japan, including training designed to develop their Japanese communication skills and improve their understanding of working conditions, employment practices, and labor and social insurance systems, etc. in Japan (Training a period for about three months).

(3) Aiding unemployed foreigners of Japanese ancestry and their family in returning to their countries if they wish to do so

Paying benefits to unemployed foreigners of Japanese ancestry who wish to return to their countries to subsidize their travel expenses: ¥0.3m per qualified person and ¥0.2m per dependent member of the family (specific amounts are added if the person is leaving Japan before the expiration of eligibility for employment insurance benefits)

(4) Aiding foreign trainees and technical interns in returning to their countries

Paying foreign trainees and technical interns the expenses for returning to their countries on behalf of their employers if employers cannot pay such expenses due to bankruptcy or similar reasons

Measures to support housing and support for daily life, etc.

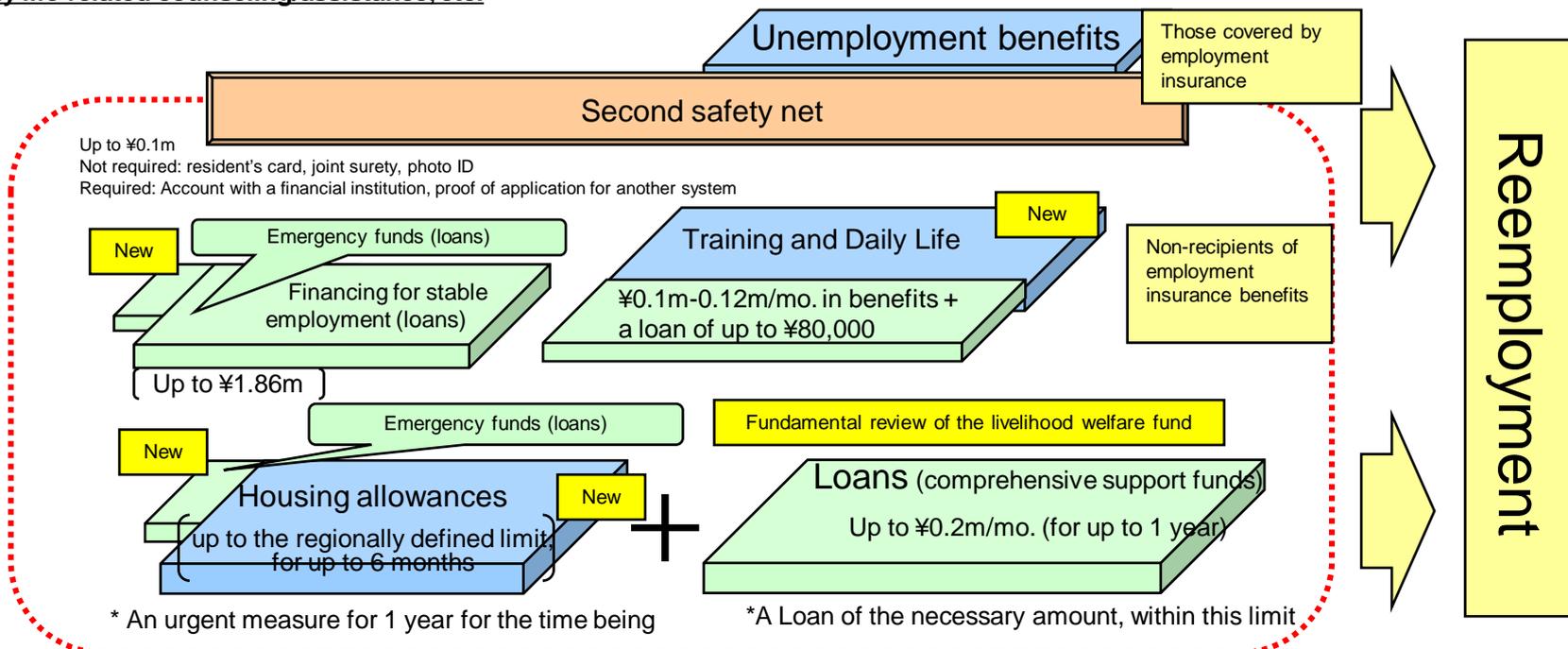
Current situation

> As the employment situation deteriorates, many non-regular workers are losing their homes after their employers' refuse to renew their employment contracts. Through the Immediate Policy Package to Safeguard People's Daily Lives (December 19, 2008), the government has been asking employers to continue to provide company housing units for dismissed workers, to lend funds for housing and daily life, and to utilize employment promotion housing units to help such people, etc.

> Regarding the housing status, among the 120,812 people who have lost their jobs due to their employer's refusal to renew their employment contract between October 2008 and June 2009, and whose housing status has been confirmed, 3,356 (2.8%) are homeless. This suggests there is a continued need for housing and support for daily life.

Outline of measures

(1) Providing support for those who have lost their jobs and homes, including assistance in finding a home and loans of money for living expenses, along with continuous daily life-related counseling/assistance, etc.



(2) Promoting measures that expand the program, to support the homeless, measures such as urgently setting up additional temporary accommodation by renting existing buildings, etc. to expand homeless support program.

Supporting municipal governments renting hotels and vacant company dormitories, etc. (subsidization of 10/10)

Proposal for Immediate Additional Employment Measures

(Key points)

March 19, 2009

Ruling Party Project Team on New Employment Measures

I. Amplification of the Employment Adjustment Subsidy, etc.

1. Faster and simpler subsidy payment procedure
 - (1) Subsidy payment within 2 months after application for first-time applicants, and within a month thereafter
 - (2) Smooth provision of emergency funds that precede a subsidy payment
2. Expanding systems
 - (1) Raising the subsidy rate for employers avoiding dismissal, etc.
 - (2) Extending the eligibility of employers avoiding dismissal, etc. by radically reducing overtime etc.,
3. Securing the necessary budget

II. Next actions that concern worker dispatching

1. Securing compensation for losses (e.g., leave allowances) caused by the premature termination of an employee's temporary work contract by the company that has accepted the dispatched worker, and ensuring that temporary staffing agencies adhere to the Labor Standards Law and secure jobs for their staff
2. Giving priority to the supervision of the dispatching of manufacturing workers in the context of 1, etc.
3. Imposing stricter assets and cash, deposits requirements, etc. in order to obtain a permit to operate dispatched worker undertakings

III. Measures to support reemployment and develop vocational skills

1. Fundamentally enhancing Hello Work's capabilities, etc.
2. Establishing the "Emergency Human Resource Development and Employment Support Fund" (prov.)
 - (1) Radically amplifying vocational training for non-recipients of employment insurance benefits and providing the Training and Daily Life support (prov.), which is aimed at guaranteeing the livelihood of people under training
 - (2) Giving incentives to SMEs to hire, as interns, job seekers without sufficient skills and experience or full-time employees, in consideration of SMEs' human resources needs
 - (3) Providing reemployment, housing, and daily life support for the long-term unemployed and those having lost homes, and those lacking in job-hunting funds, through programs entrusted to private job placement agencies

IV. Measures to create new jobs

1. Expanding the Emergency Job Creation Program
2. Supplying information on successful examples to local governments, etc.
3. Creating a system to encourage companies to contribute to the fund established with the hometown employment revitalization special grant

V. Prevention of job offer withdrawals

1. Disclosing, the names of the companies that have withdrawn job offers to new school graduates by the end of March
2. Organizing job interview sessions for students who have not received job offers, etc.
3. Requesting business associations to restrict earlier-than-usual employment of college students (so-called *aota-gai*), and reinstating the recruitment agreement, etc.

VI. Support for foreign workers

1. Promoting comprehensive measures through the Office for the Promotion of Measures for Foreign Residents
2. Providing financial support for foreigners of Japanese ancestry and their families, who wish to return to their countries and arranging charter flights for them
3. Helping foreign technical interns to find new training provider companies and covering the cost of returning to their countries, on behalf of their employer

VII. Improvement of organization

Expanding the organizational structure needed for immediate employment measures

VIII. Other

Demanding and instructing large companies to help their subcontractors maintain and secure employment

3 Outline of major employment measures

- > Employment security
- > Measures to support jobless people
 - Reemployment support and the development of vocational skills
 - Measures for freeters and other young people
 - Enhancement of Hello Work's capabilities, etc.
 - Revision of the employment insurance system
 - Measures to support housing and Measures to create jobs daily life
- > Job creation
- > Bill to Amend the Worker Dispatching Act

Employment Adjustment Subsidy program

The current program provides employers with subsidies that will finance a portion of their wage expenses (or other payments). This will apply if employers have no choice but to scale down their business operations, due to a reduction in production resulting from the deterioration of profitability due to economic reasons, such as business cycle fluctuation. The strategy for the implementation of this is to subject employees to a temporary suspension of business operations, mandatory education/training, a transfer to other firms, or a reduction in overtime to reduce employment.

Scaling down of business activities

Suspension of business operations
Education/training
Loan of employees to other firms

Reduction of overtime

Grant for Employment Protection through Overtime Reduction (since March 30, 2009)

Providing subsidies for employers who wish to avoid the dismissal of their current employees, etc. * by radically reducing overtime in order to maintain their employment.

Subsidy amount (annual)	Fixed-term contracted worker (per person, up to 100 workers eligible)	Dispatched worker (per person, up to 100 workers eligible)
SMEs	¥0.3m	¥0.45m
Large firms	¥0.2m	¥0.3m

Eligible workers

Every person who is covered by employment insurance, regardless of the duration of the insured period (incl. new school graduates)

Large firms (Employment Adjustment Subsidy)

Subsidy rates for expenses incurred due to the suspension of business operations, etc. and loans for employees: 2/3
Subsidy amounts for education and training: ¥1,200

SMEs (Immediate Employment Security Subsidy for SMEs)

Subsidy rates for expenses incurred due to the suspension of business operations, etc. and loans of employees: 4/5
Subsidy amounts for education and training: ¥6,000

※Daily limit is ¥7,730.

(per employee per day)

Increase in the subsidy rates for employers avoiding dismissal of their current employees, etc.

Subsidy rates for large firms 2/3 → 3/4

Subsidy rates for SMEs 4/5 → 9/10

(from March 30, 2009)

Next actions

- Increasing education/training subsidies for large firms
Subsidy amount: ¥1,200 → ¥4,000
- Eliminating the annual limit on the number of days eligible for granting subsidies, which is currently capped at 200 days per year.
- Increasing the subsidy rate for people with disabilities
Large firms: 2/3→3/4; SMEs: 4/5→9/10
- Improving the structure of subsidy-related services

* "Dismissal of their current employees, etc. *" includes the employer's refusal to renew fixed-term employment contracts and the premature termination of the temporary contracts of dispatched workers, due to reasons attributable to the business owner, in addition to the dismissal of current employees.

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

		FY08 initial budget	First supplementary budget (effective since December 1)	Measures to Support People's Daily Lives/Policy Package to Safeguard People's Daily Lives (measures implemented in December)	Measures to Support People's Daily Lives and to Safeguard People's Daily Lives (implemented on February 6)
Production volume requirement	Large firms	Production in the past 6 months has dropped by at least 10% year-on-year.		Production in the past 3 months has dropped 5% or more from the preceding 3 months or year-on-year.	Production volume requirements should be determined by either sales or production volume.
	SMEs		<ul style="list-style-type: none"> - Production in the past 3 months has dropped, year-on-year. - The company registered losses in the previous term, etc. (not required if production has dropped 5% or more). 	<ul style="list-style-type: none"> - Production in the past 3 months has dropped from the preceding 3 months or year-on-year. - The company registered losses in the previous term, etc. (not required if production has dropped 5% or more). 	
Employment volume requirement	Large firms	Employment in the past 6 months has not increased, year-on-year.		Eliminated	
	SMEs		Employment in the past 3 months has not increased year-on-year.		
Subsidy rate	Large firms	1/2			2/3
	SMEs	2/3	4/5		
Education/training subsidies	Large firms	¥1,200			
	SMEs		¥6,000		
Limit to the number of days of payment		100 days in 1 year 150 days in 3 years	100 days in 1 year 150 days (large firms) or 200 days (SMEs) in 3 years		200 days in 1 year 300 days in 3 years
Waiting period		Applicable			Eliminated
Scale of suspension	Large firms	At least 1/15			Eliminated
	SMEs	At least 1/20			
Eligible workers		Workers who have been covered by employment insurance for 6 months or longer		Insured: All those who are insured, regardless of the duration of the insured period Non-insured: Workers who have been employed for 6 months or longer	
Short-time suspension		Applicable when business operations are suspended <ul style="list-style-type: none"> - at the whole company on an hourly basis - by individual workers on a daily basis 			Additionally applicable when business operations are suspended by individual workers, on an hourly basis

(Note 1) Text concerning SMEs on or after December 1, 2008, refer to the Immediate Employment Security Subsidy for SMEs.

(Note 2) Waiting period: Under the previous Employment Adjustment Subsidy program, once an employer had received the subsidy, the same employer could not use the program again for another 12 months.

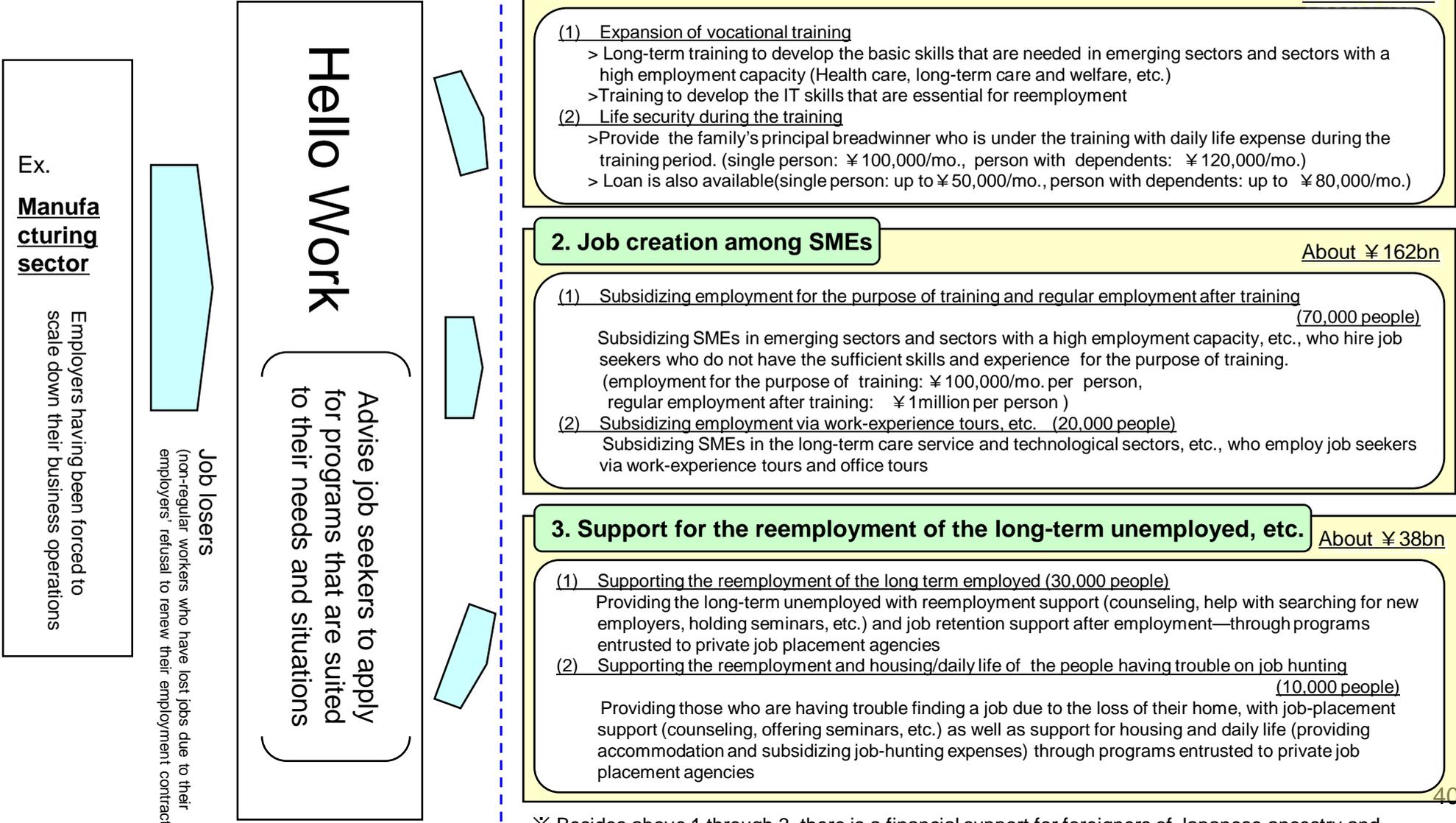
(Note 3) Scale of suspension: Employers are not eligible for the subsidy unless the ratio of the total days of suspension of business operations to total working days exceeds the specified ratio.

Revision of the Employment Adjustment Subsidy program (effective since March 30, 2009)

FY 2008	FY 2009
<p style="text-align: center;">Employment Adjustment Subsidy</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center;">Employment Adjustment Subsidy</p> <p>(Outline of the program) The program provides employers with subsidies that will finance a portion of their leave payments or wage payments if the employers have no choice but to scale down their business operations due to economic reasons, such as business cycle fluctuation and change in industrial structures. The strategy for the implementation of this is to subject employees to a temporary suspension of business operations (including suspension combined with mandatory education/training) or a transfer to other firms. The aim is to prevent unemployment.</p> <ul style="list-style-type: none"> > Subsidy rate <ul style="list-style-type: none"> - 2/3 of allowances or wages paid for business suspension and loan of employees > Limit to the number of days of payment <ul style="list-style-type: none"> - 200 days in 1 year and 300 days in 3 years </div>	<p style="text-align: center;">Employment Adjustment Subsidy</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center;">Employment Adjustment Subsidy</p> <p>(Outline of the revision) > Increasing the subsidy rate for employers who are maintaining employment Increasing the subsidy rate for employers who are avoiding the dismissal of insured employees (including dispatched workers) and maintaining the employment of fixed-term contracted workers and dispatched workers. 2/3 → 3/4</p> </div>
<p style="text-align: center;">Immediate Employment Security Subsidy for SMEs</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p>(Outline of the program) To support SMEs who are trying to maintain employment in the face of the adverse effects on their business activities of the surging raw material prices. The program provides SMEs with subsidies that are equivalent to the allowances or wages that would be paid to cover business suspension, education and training, and the loan of employees to other firms (to amplify the Employment Adjustment Subsidy).</p> <ul style="list-style-type: none"> > Subsidy rate <ul style="list-style-type: none"> - 4/5 of allowances or wages paid for business suspension, education/training, or loan of employees > Limit to the number of days of payment <ul style="list-style-type: none"> - 200 days in 1 year and 300 days in 3 years </div>	<p style="text-align: center;">Immediate Employment Security Subsidy for SMEs</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p>(Outline of the revision) > Increasing the subsidy rate for employers maintaining employment Increasing the subsidy rate for employers avoiding the dismissal of insured employees and maintaining the employment of fixed-term contracted workers and dispatched workers. 4/5 → 9/10</p> </div>
<p>(New)</p>	<p style="text-align: center;">Grant for Employment Protection through Overtime Reduction</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p>(Outline of the program) Providing subsidies for employers maintaining the employment of fixed-term contracted workers and dispatched workers by reducing overtime.</p> <ul style="list-style-type: none"> > Eligible employers <ul style="list-style-type: none"> - Decline in production or sales - No dismissal of insured employees, etc. - Maintaining no fewer than 80% of the average number of insured employees, etc. for the past 6 months - Radical reduction of overtime (reduction by at least 50% and by 5 hours from the average for the past 6 months) > Subsidy amount <ul style="list-style-type: none"> - ¥0.2m per year per fixed-term contracted worker (¥0.3m for SMEs) - ¥0.3m per year per dispatched worker (¥0.45m for SMEs) > Once an employer receives the subsidy, the same employer cannot use the program again for another 12 months. </div>

> The government will establish a fund for the next 3 years, as a new safety net for those who are not eligible for employment insurance benefits (e.g., unemployed non-regular workers, the long-term unemployed) and comprehensively support their vocational training, reemployment, and livelihood—mainly through Hello Work.

Emergency Human Resource Development and Employment Support Fund



※ Besides above 1 through 3, there is a financial support for foreigners of Japanese ancestry and foreign trainees/technical interns who desire to return to their countries.

Expansion of vocational training for job losers

Expected expenditure for FY09:
approx. ¥11.9bn

Substantial expansion of the capacity of vocational training programs for expecting increase of job losers, including dispatched workers who were forced to leave their jobs, etc.

(The capacity will be urgently expanded to include an **additional 35,000** trainees, by amplifying training programs that are entrusted to private education and training institutions, etc.)

(Total capacity of FY09 training programs for job losers: approx. 0.19 million trainees (*about 40,000 more than the initial capacity for FY08))

1. Long-term training for steady employment (17,500 trainees)

The government will provide long-term training programs to help the unemployed acquire the necessary knowledge and skills to be able to find steady employment in sectors with many job openings and potential for becoming a major source of employment.

- Long-term care services: **9,760 trainees** (6-month/2-year courses) (*The existing 3-month course is designed for qualification as a Grade 2 “Home Helper”)

6-month training course to develop Grade 1 “Home Helper”: **6,000 trainees**

2-year training course to develop certified care workers: **3,760 trainees**

- IT: **5,240 trainees** (6-month training) (*The existing 3-month course is designed for the acquisition of basic Word and Excel skills)

6-month training course to become qualified as programmers for Java and other programs

- Other sectors: **2,500 trainees** (6-month training)

2. Expansion of the capacity of 3-month vocational training programs (17,500 trainees)

The existing 3-month courses will also be expanded so that they meet the expected growth in demand for vocational training due to an increase in active job seekers, etc.

(e.g., course to develop certified Grade 2 “Home Helpers”)

Systems to pay living benefits to people under job training

Expected expenditure for FY09: approx. ¥1.3bn

Objective

To ensure that people with few opportunities for vocational capability development can receive training without anxiety, the government will provide **life security benefits** for **those receiving commissioned training under the Job Card system, dispatched or other workers who have lost jobs due to dismissal or their employers' refusal to renew their employment contracts, etc. and those receiving preparatory training.**

Eligibility

(1) Loan eligibility

People with an annual income of not more than ¥2m who meet any of the following criteria (loan amount: ¥46,200, ¥100,000)

*Only those meeting (i) are eligible for ¥46,200

* Loans to those with dependents :¥120,000

- (i) Those getting commissioned training under the Job Card system
- (ii) Dispatched or other workers who have lost jobs due to dismissal or their employers' refusal to renew their employment contract, etc. and who are receiving public vocational training
- (iii) Those receiving preparatory training (training to develop basic working skills)

* Relaxed eligibility applicable since February 23, 2009

(1) Recipients are allowed to earn up to ¥2m per year through part-time jobs during the training period (no part-time jobs, etc. were permitted before).

(2) Income eligibility is judged on expected income after leaving the job (instead of the previous year's annual income as before).

(2) Eligibility for remission of loan repayments

Those meeting any of the above (i) to (iii) and meet both of the following criteria

- (i) The family's principal breadwinner with an annual income of not more than ¥2m
- (ii) Those having completed the training appropriately (with at least an 80% attendance rate and grades exceeding the specified level)

[Amount of remission]

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

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

Overview of the Job Card system

People with few opportunities for vocational capability development

[Typical users]

Freeters

Women in post-child-rearing stage

Mothers of fatherless families

New grads

Hello Work Job Café, etc.

Job Card creation (1)

Write such as work experience, educational background, earned licenses

↓

Summarize problems and desires concerning vocational capabilities and career development

↓

Career consultants review desires concerning jobs and training

Find a job without training

Career consulting

Vocational Capability Development program

● Lectures at educational institution, etc.+ corporate training

● (1) Companies hire trainees and provide training (employment-based training) and

(2) Contracted special training schools provide public job training (commissioned training)

● Subsidies for companies are available in employment-based training

Recommendation for training

Evaluation by the company (Evaluation Sheet filled out)

Hello Work Job Café, etc.

Job Card creation (2)

Evaluation Sheet

↓

Again summarize problems and desires concerning vocational capabilities and career development

↓

Select a job or set the direction of career

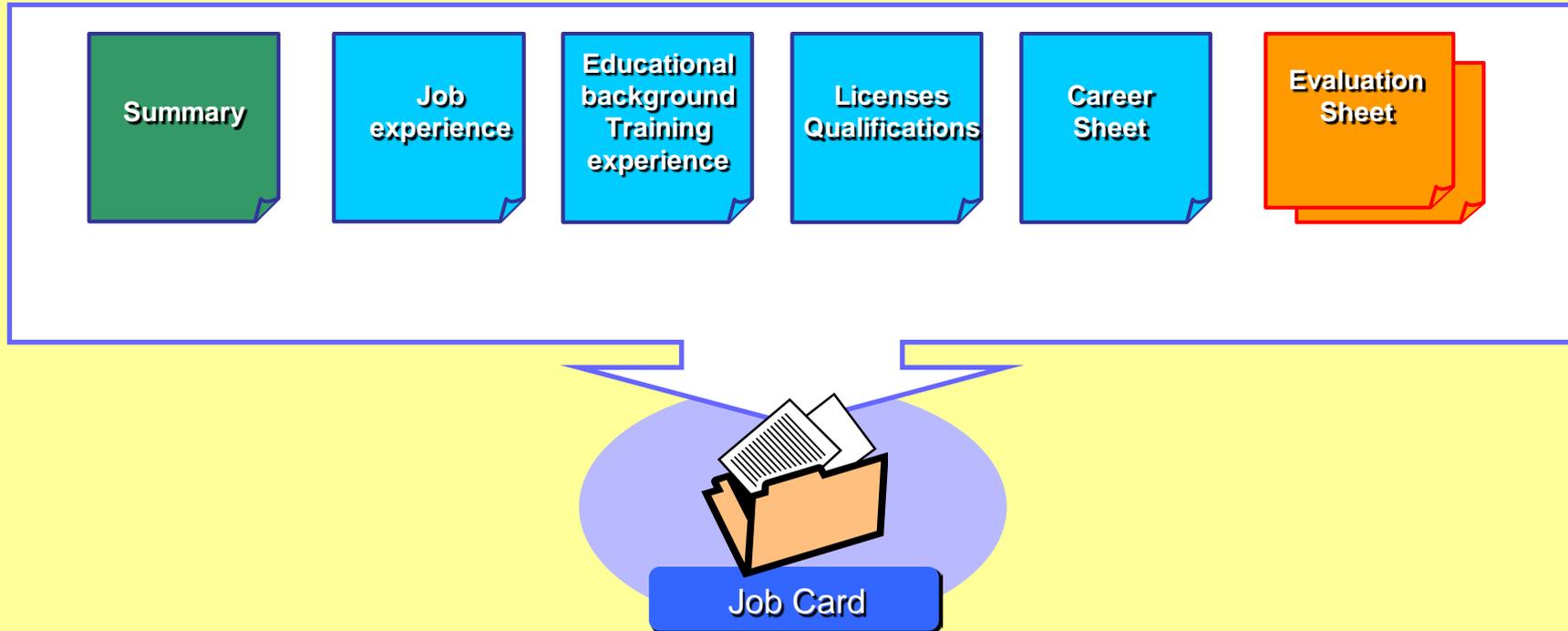
Formally employed by the trainee company

Employed by other

Use results for job search

Career consulting

Details and targets of the Job Card



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

This is created by registered career consultants during career consulting at Hello Work, etc.

Job Cards are issued to jobseekers upon request

Issuance to 1 million
in 5 years targeted

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

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

400,000 in five years targeted

Employment support for youth

¥47.6bn

(1) Employment support with emphasis on older freeters and unstable workers in their late 30s

> **Implementing a program to support the regular employment of freeters, etc. through Hello Work**

Unstable workers in their late 30s will additionally be made eligible for Hello Work's comprehensive support for youth, such as career counseling, job placement services, and job retention guidance after placement.

> **Supporting the search for regular jobs through Job Meetings and the Job Club scheme <expanded>**

This is aimed at helping older freeters, etc. find regular jobs through Job Meetings, which provide opportunities for mock interviews, etc. with HR personnel from SMEs, and also implement the measure through the "Job Club" scheme (the number of Job Clubs will be increased from 14 to 18), which provides older freeters incapable of effectively search for a job, with a place to exchange information with one another so that they can learn both how to find a suitable job and how to search for jobs, etc.

> **Providing tailored employment support through Job Cafés**

(2) Employment promotion based on subsidy programs such as the trial employment system

> **Fostering youth employment through the youth trial employment and the Special Grant to Promote Regular Employment among the Youth, etc.**

Promoting the employment of freeters, etc. by including (unstable workers in their late thirties to the youth, etc. trial employment program). Intensively securing job opportunities for older freeters, etc. (ages 25-39) in the next 3 years by offering a Special Grant to Promote Regular Employment among the Youth (¥1m per person for SMEs; ¥0.5m for large firms) to employers actively hiring older freeters, etc. as regular employees.

(3) Providing the youth with vocational capability development opportunities

> **Providing the youth with vocational capability development opportunities via the Job Card system <expanded>**

Providing subsidies (at a subsidy rate of 3/4, or 2/3 for large firms, etc.) for companies participating in or cooperating with the fixed-term on-the-job training program (employment-based training); implementing the Dual Japanese System and the training system based on corporate on-the-job training (both are commissioned training); and providing life security benefits for trainees during the vocational training period (¥0.1m/mo., or ¥0.12m/mo. for trainees with any dependents).

> **Developing and offering the Second Chance Course for older freeters, etc.<new>**(<note>amount of budget of fund : part of ¥700bn)

(4) Vocational training and support for employment through "Emergency Human Resource Development and Employment Support Fund"

Promotion of corporate efforts to enhance application opportunities for the youth

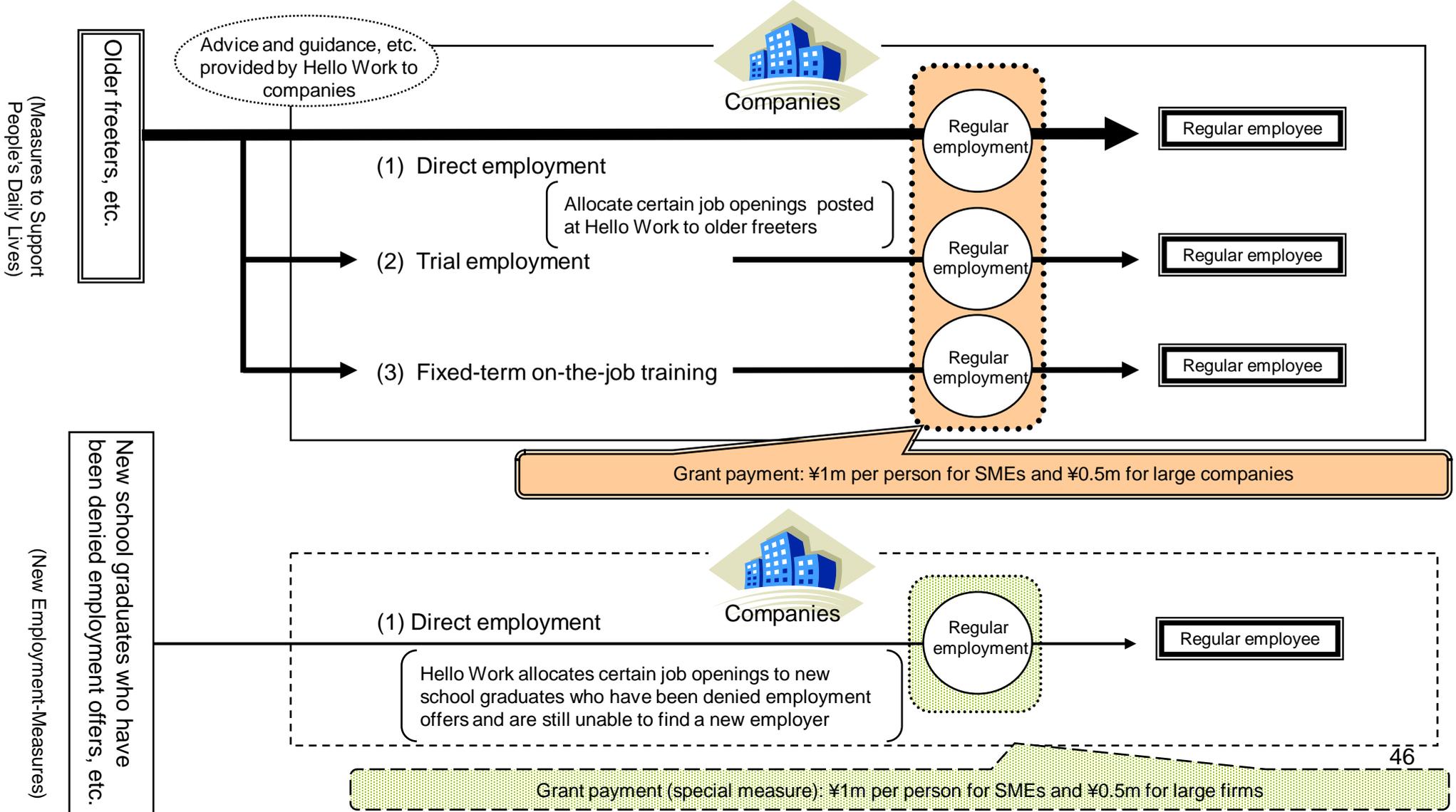
¥ 0.36bn

- > Encouraging employers more strictly to increase job application opportunities for the youth; enhancing counseling services for employers; and supporting model efforts, while widely communicating their results <expanded>

Establishment of a special grant program to support older freeters

(Special Grant to Promote Regular Employment among the Youth, etc.)

Grants will be provided for employers that are eager to hire older freeters, etc. (age 25-39) by allocating certain job openings to applicants (¥1m per person for SMEs and ¥0.5m for large companies). Extensive efforts will be made in the next 3 years to secure job opportunities for older freeters, etc. New school graduates who have been denied employment offers and are still unable to find a new employer will be made eligible for the grant (special measure).



Measures to address the corporate withdrawal of employment offers, etc. to new school graduates

According to figures reported to Hello Work offices nation wide, **2,125 new school graduates of March 2009 (382 high-school graduates and 1,743 college graduates)** were denied their employment offers by **444 companies** .

Establishing special consultation desks

➤ Setting up special consultation desks at regional student career advice centers, etc. to provide consultation services for college students, etc.

<Description of support >

- Giving advice on how to cope withdrawal of employment offers, when receiving a notice of postponement of job start or when forced to decline employment offers.
- Providing information on job openings and implementing career counseling and placement services, etc. for college students, etc. searching for a job

Strengthening collaboration between school. and Hello Work

> Collecting exact information on corporate withdrawal of employment offers and providing students, etc. with information on special consultation desks, in cooperation with high school and universities, etc.

Corporate guidance, etc.

> Familiarizing the “Guidelines for the Employment of New School Graduates”

(Note) The guidelines describe points that employers should consider when hiring new school graduates. These include:

- (1) employers should make the utmost effort to avoid withdrawal of employment offers and
- (2) withdrawals of employment offers are considered void if the labour contract is regarded as having been concluded at the time of making the employment offer.

> Providing guidance to employers who are trying to withdraw their job offers and to postpone the job start, to avoid this, etc.

Steadily securing employment for new school graduates

> As an exceptional measure, extending eligibility for the Employment Adjustment Subsidy, etc. to those employers who maintain employment by subjecting newly hired school graduates to education/training, transfer to other firms, or forced temporary leave (since December 9, 2008)

Promoting job-matching services for students who have been denied employment offers

>As an exceptional measure, extending eligibility for the special grant for older freeters, etc. to such students
>Providing grant to employers who employ students who have been with drawn job offers(since February 6, 2009)

Establishing the system to disclose the names of the companies involved

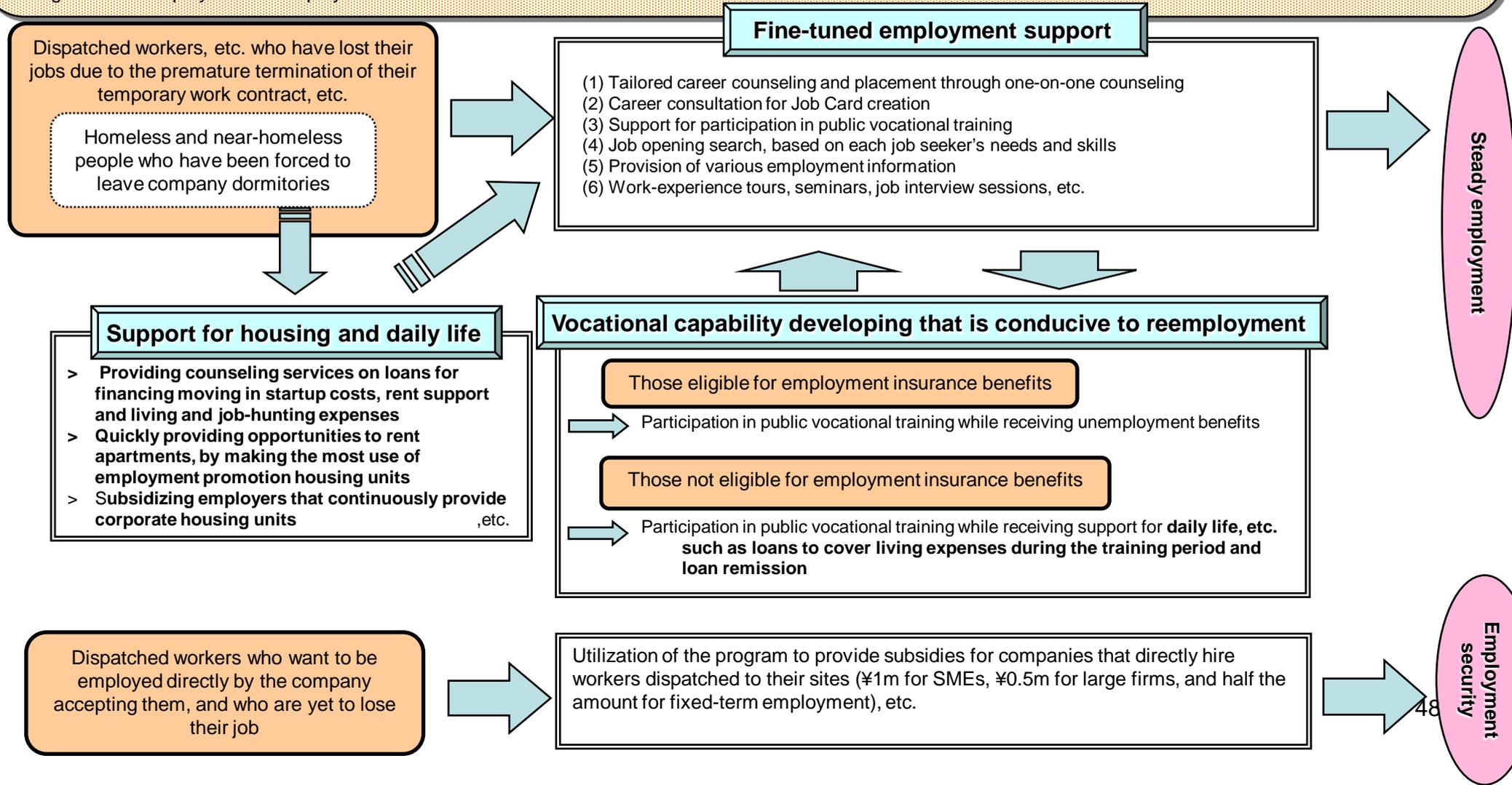
>Establishing the system to disclose the names of the companies involved (pursuant to the revised Ordinance for Enforcement of the Employment security Act, etc, promulgated and enacted on January 19, 2009. Disclosed 15 companies by April 30,2009.)

Reinforcement of Hello Work capabilities to enhance the employment support structures for non-regular workers

To secure employment for non-regular workers, such as dispatched workers and temporary manufacturing workers, etc. in the face of the increase in the premature termination of temporary work contracts, etc. Career Development Hello Work (Non-Regular Worker Employment Support Center) will provide various supports through one-stop assistance services for non-regular workers, etc. depending on their situation.

* The Support Centers were established in Tokyo, Aichi and Osaka (prefectures with a particularly large population of non-regular workers) under the Comprehensive Immediate Policy Package to Ease Public Anxiety, and in Hokkaido and Fukuoka under the Measures to Support People's Daily Lives. In prefectures without a Support Center, major Hello Work offices are providing similar services.

* Under the Measures to Support People's Daily Lives, Hello Work's search for job openings has intensified in order to secure a sufficient number of job openings in areas facing a severe employment/unemployment situation.

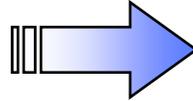


Hello Work's support for steady employment of daily dispatch workers

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



I feel insecure without a steady job...



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

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



Appropriate support options

One-on-one support by Steady Employment Navigator

◆ Employment support program

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



◆ For those wishing to participate in the Job Card system

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



◆ Job opening search for short-term employment As a preparation for steady employment



- For those who have difficulty in finding a long-term regular job immediately for various reasons, support placement in a short-term or trial jobs which will be a preparation for regular employment later.

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



Outline of the Mother's Hello Work program

Outline

Mother's Hello Work (Established from FY 2006)

- 12 Mother's Hello Works was established nation wide in FY 2006. (Sapporo, Sendai, Chiba, Tokyo, Yokohama, Nagoya, Kyoto, Oosaka, Kobe, Hiroshima, Fukuoka, Kitakyushu)
- Hello Work that support reemployment of women bearing a child/children, etc. (※)
- ※Women bearing a child/children, etc. includes men bearing a child/children and women who expect to bear a child/children

Mother's Salon (Established from FY 2007)

- 36 Mother's Salons, which carry out similar service, was established in FY 2007 at main Hello Works of 36 prefectures where there are no Mother's Hello Works.

Mother's Corner (Established from FY 2008)

- 60 Mother's Corners were established nation wide from FY 2008 at Hello Works in core cities of the region where there are no above services offered.
- In addition, similar service will be carried out at 40 Hello Works nation wide, in FY 2009.

Contents of the support service

Provide employment support service to women bearing a child/children, etc. who are prepared for the job hunting and are willing to be employed specifically.

- **Tailored career counseling and placement through one-on-one counseling which are required to take reservation in advance**
 - Providing comprehensive and consistent support by making a plan for the realization of reemployment that takes account of the each jobseeker's desire and situation and providing career counseling and placement through one-on-one counseling which are required to take reservation in advance, etc.
- **Securing job offers which are easy to take balance of work and child-bearing**
 - Collecting and providing information on job offers which are easy to take balance of work and child-bearing. Finding job offers which are suitable for jobseekers' desire and needs.
- **Providing child care-related service in cooperation with municipal governments, etc.**
 - Providing information on day-care center and child care support service within the region, mediating application for day-care centers, etc.
- **Preparing an environment that makes it easy to visit with children**
 - Establishing play area and baby chairs. Securing enough counseling space to make it easy for jobseekers accompanied with children to take a counsel on career, etc.

Outline of the Law to Partially Amend the Employment Insurance Act, etc.

In light of the current severe employment/unemployment situation, the revision focuses on strengthening the safety net functions for non-regular workers and reemployment support for job losers.

(The >> bullets denote temporary measures for 3 years from FY2009 to FY2011.)

1. Strengthening safety net functions for non-regular workers

Measures for fixed-term contracted workers who have lost their jobs because of their employers' refusal to renew their employment contract

- > **Relaxing the eligibility criteria:** Reduction in the required insured period from 12 months to 6 months (same treatment as those who have lost jobs due to dismissal, etc.)
- >> **Increasing the number of days of benefit payment to a level equivalent to that of job losers who have been dismissed, etc.**

(> Expanding the applicability of employment insurance by relaxing the criterion for the expected employment period from "1 year or longer" to "6 months or longer")

2. Enhancing support for the unemployed having trouble finding a new job

- >> **Increasing** the number of days of benefit payment **by 60 days** for those who have lost jobs due to dismissal or their employers' refusal to renew their employment contract and who are highly unlikely to find a new job due to their age or local economic conditions (e.g., from the original 90 days to 150 days)

3. Increasing incentives to find stable reemployment

- >> **Relaxing the eligibility for, and the rate of, Reemployment Benefit**, which is provided for those who have found reemployment in a short period (from 30% to 40% or 50% in the rate of allowances)
- >> Extending the eligibility for the **Regular Employment Preparation Benefit** to older freeters and **increasing its rate** (30% → 40%)—the benefit is provided when those who are less likely to find employment (e.g., people with disabilities) find a stable job.

4. Revising childcare leave benefit

- > Extending the period of the implementation of **temporary measures to raise the benefit rate from 40% to 50%** beyond the original expiration date of the end of March, 2010, for the time being.
- > **Paying the total benefit amount during childcare leave by integrating two separate payment periods** (during the leave and after return to work)

5. Reducing employment insurance premiums

- > Reducing employment insurance premiums that are related to unemployment benefits (divided fifty-fifty between the employee and the employer) by **0.4%, from 1.2% to 0.8%, only for FY 2009**

Implementation date: March 31, 2009 (April 1, 2010, for the revised child-care leave benefit)

* Similar revisions will be made to the Mariners Insurance Act.

Support for non-regular workers, etc. who have lost homes, due to dismissal or their employer's refusal to renew their employment contract

Counseling services for eligible people

Setting up Appropriate Counseling Service Program (since Dec. 15, 2008)

- Providing counseling service at 190 Hello Work nation wide in order to ensure housing and stable job opportunities.

Financing for stable employment (since Dec. 15, 2008)

- Loans from Labour Bank through Hello Work

- Moving-in startup costs (up to ¥0.5m)
- Rent support (up to ¥60,000 for up to 6 months)
- Daily life and job-hunting costs (up to ¥1m)

* Recipients of employment insurance benefits are entitled to the loans for financing moving-in startup costs (up to ¥0.5m) and for financing and job-hunting costs (up to ¥0.1m).

* If the borrower finds a regular job within 6 months after the loan, part of the debt will be remitted

Number of successful loan applications: 9,295

(to Jul. 17, 2009)

Renting of employment promotion housing units (since Dec. 15, 2008)

- Making the most use of employment promotion housing units, and promptly letting people move into them by providing counseling at Hello Work

Number of approved tenants: 7,266 (to Jul. 17, 2009)

Measures aimed at employers

Requesting employers to continuously provide corporate housing units (since Dec. 9, 2008)

- Regional labour bureaus and Hello Work offices will make requests to employers to allow workers whom they have dismissed or refused to renew employment contract with, etc. to continuously live in corporate dormitories, etc.
- The Minister of Health, Labour and Welfare will also make similar requests to business organizations.

Providing housing support benefits for job losers (financed by the second supplementary budget)

- Subsidizing employers that continuously provide corporate dormitories, etc. free of charge for workers with whom they have dismissed or refused to renew their employment contract, etc.

- Subsidy per eligible worker per month
Up to ¥40,000– ¥60,000 for up to 6 months

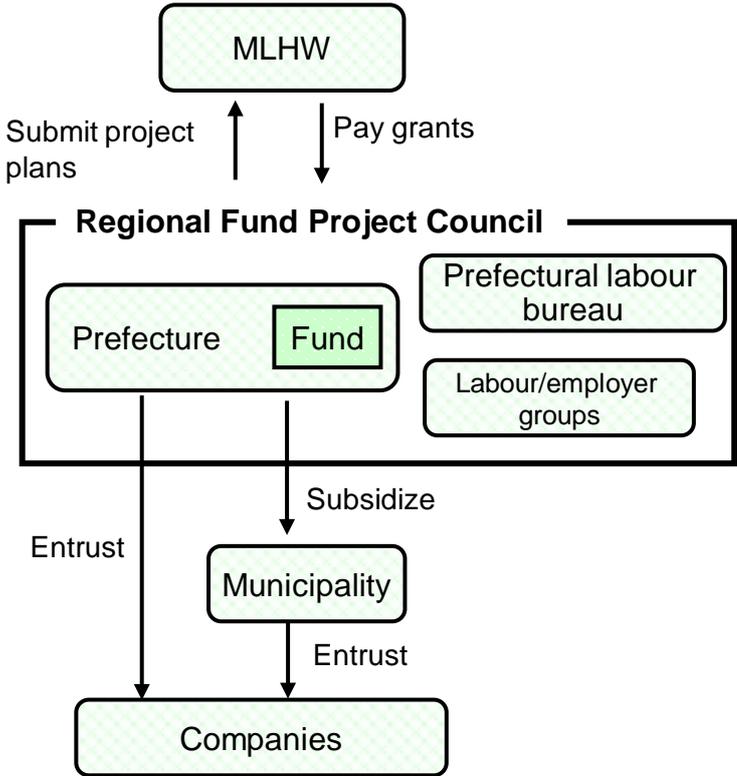
* Applicable to employers that have provided housing after December 9, 2008.

Note: **Underline** refers to results as of May 1.

Hometown Employment Revitalization Special Grant

The Hometown Employment Revitalization Special Grant will be established aimed at supporting efforts to create job opportunities in areas facing a severe employment/unemployment situation amid the nationwide deterioration of the employment/unemployment situation— especially for regional job seekers—in a way that meets regional needs and uses local creativity. This will be used to set up a fund to support regional businesses.

Schematic diagram



Description of the program

From businesses that meet regional needs and are expected to contribute to future regional development, a council consisting of regional interested parties will select projects that are highly likely to be sustainable businesses. When selected businesses are launched by hiring local job seekers, etc. the expenses will be subsidized (The fund will expire at the end of FY 2011.)

(Examples of potential projects)

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

(Requirement)

- The business must be entrusted to a private company or other entity (no direct operation by the municipal government).
- The labour costs of the people who were previously unemployed and have been hired for the business must account for at least 50% of the total expenditures of the business.
- In principle, an employment contract of at least 1 year and is renewable if necessary must be concluded with each employee.

(Incentives for regular employment)

- Payment of lump-sum money as a grant to an employer that hires workers for the business as regular employees

(Scale of the program, etc.)

- Budget: ¥250bn (Special Account for Labour Insurance)
- Job creation effect: Up to 100,000 jobs in 3 years
- Applicable regions: Every region of Japan

Establishment of the Emergency Regional Joint Employment Support program

In areas facing severe employment/unemployment situations (21 prefectures※), one-stop service of lectures, job interview sessions and work-experience tours, etc. which are provided in close collaboration with the original employment measures of prefecture governments and career counseling/placement services which are provided by the central government will be provided, for the time being (during the period while employment/unemployment situation is deteriorated.)

Objective

- It would be effective and efficient if prefectural measures that take account of regional situations, such as securing human resource for companies establishing regional sites, and national employment measures, such as career counseling and placement, would be implemented in close collaboration. However, that they are implemented separately under the current situation.

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

Outline

Establishment of the Emergency Regional Joint Employment Support program (FY 2008 1st supplementary budget)

- Establishment of Emergency Regional Joint Employment Support Program Administration Councils
- Formulation of implementation plans (including ideas of prefecture's original employment measures actively and central government will give a maximum cooperation on placement, etc.)
- Establishing Regional Joint Employment Support Center.

Prefectural original employment measures (example)

- ※ Have respect on the ideas of prefectures (existing programs are admitted) (measures targeting specific people, such as older people, people with disabilities, youth, are admitted)
- Request to business groups, etc. to increase job Openings
- Establishment of emergency employment consultation desks
- HR development training to attract businesses to local regions, etc.
- Consultation on preferential prefecture tax for companies establishing sites in local regions and on securing the work force
- Provision of information and counseling on programs to loan living allowances to those who lost jobs due to bankruptcy, dismissal, etc.

Close coordination

Regional employment support program (example)

* Entrusted to private enterprises (national expenditure)
(amount of money accompanied with the entrustment: ¥ 50 million per year , on average)

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

Independent national measures

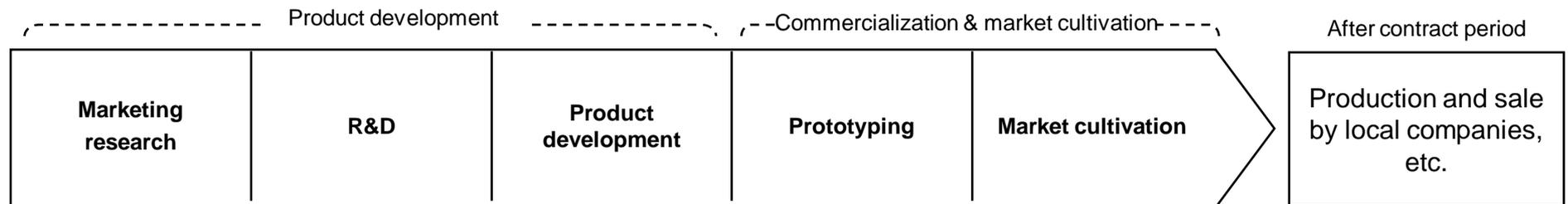
- Provision of job opening info based on a national network
- Career counseling
- Placement

※21 prefectures: Hokkaido, Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima, Nara, Wakayama, Tottori, Shimane, Ehime, Kochi, Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa

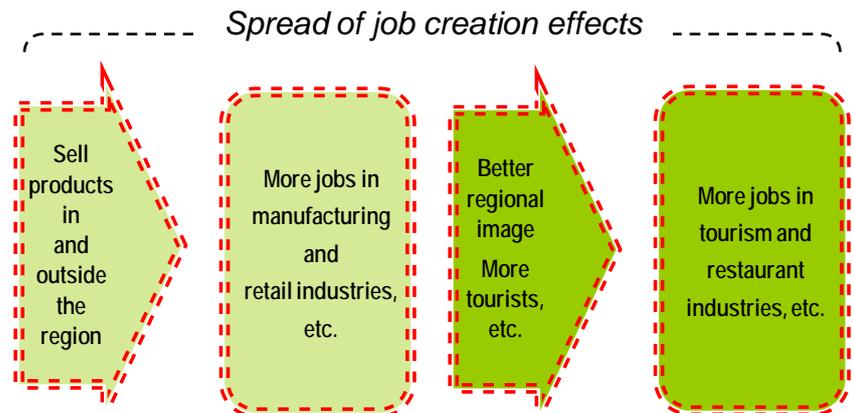
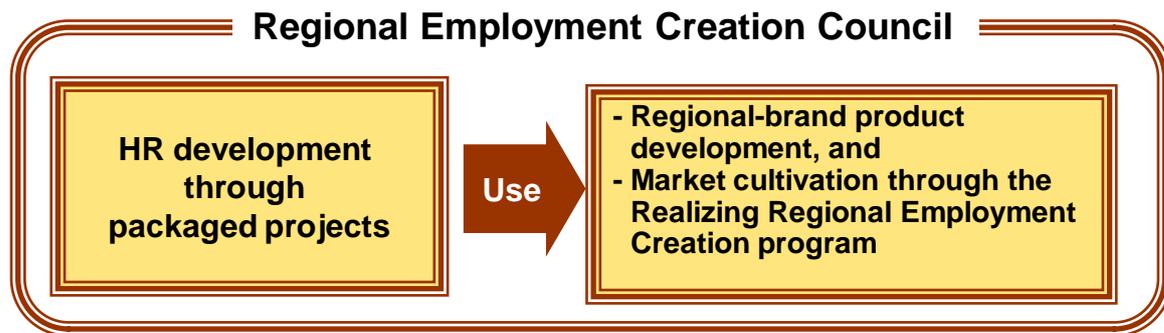
Realizing Regional Employment Creation program

Regional Employment Creation Councils, which conduct packaged projects, will be invited to propose projects which will vitalize regional industries and economies by making a best use of human resource developed through packaged projects, etc. and have ripple effects to increase employment opportunities of the region. Projects with a high potential for job creation will be selected and will be entrusted to the councils which proposed the projects. (Project period: up to 3 years) (¥50 million maximum per region, for each fiscal year)

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



*Image of job creation effects



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

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

Objective

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

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

Outline

Establishment of the Emergency Prefecture Joint Employment Support program

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

Prefectural employment measures

- Request to business groups to increase job openings
- Establishment of emergency employment consultation desks

○ HR development training to attract businesses to local regions

○ Consultation on preferential prefecture tax for companies establishing sites in local regions and on securing the work force

○ Provision of information and counseling on programs to loan living allowances to those who lost jobs due to bankruptcy, dismissal, etc.

Close coordination

National measures coordinated with prefectures'

* Entrusted to private enterprises

○ Joint job interview sessions for those who have completed training, in order to help companies establish new sites to secure the work force.

○ Work-experience tours to companies establishing new sites

○ Lectures to support job search activities of those using the program

Independent national measures

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

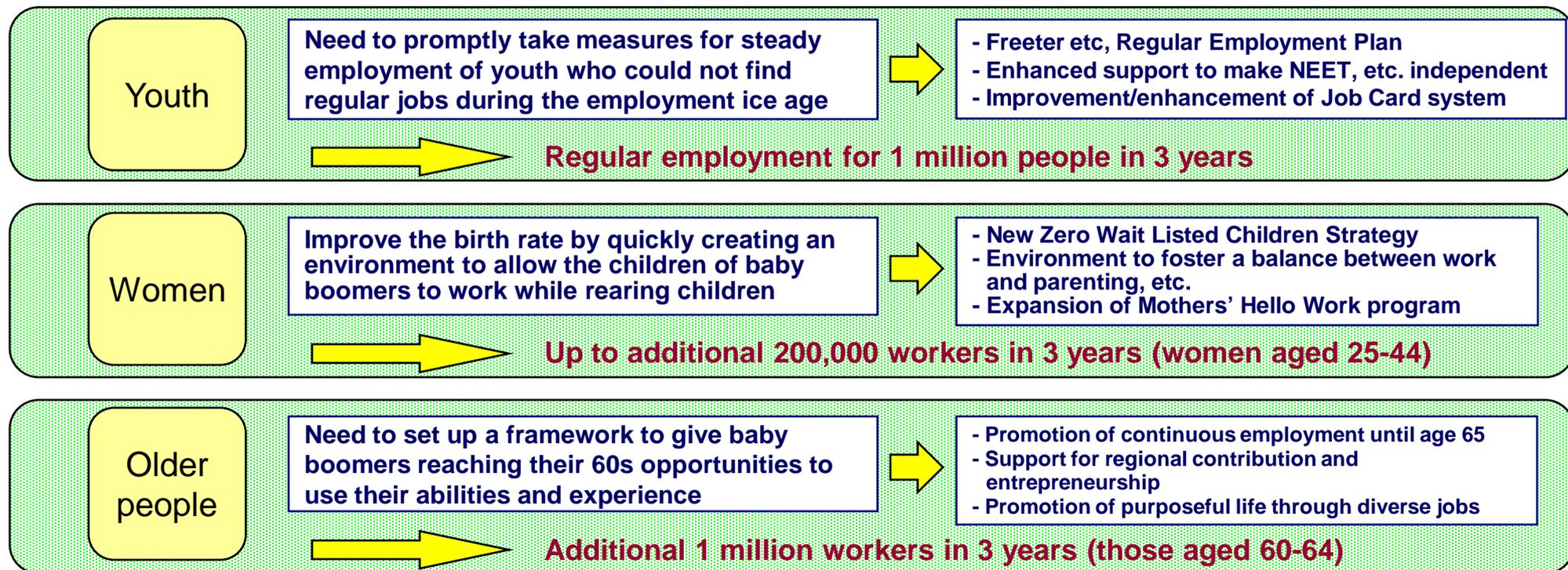
(For reference) Outline of employment and labour policies

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

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

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

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



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

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

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

[Basic direction]

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

Realizing “Society in which everyone plays a part”

Youth Fostering independence

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

- Freeter, etc. Regular Employment Plan (**Regular jobs for 1m in 3 years**)
- Enhanced support for NEET independence
- improvement/enhancement of Job Card system

[Targets] * (FY) 2007 figures in []

***Male youth (age 25-34) emp. rate**
92-93% in 2010 [←91.0%]

***No. of freeters**
1.7m by 2010 [←1.81m]

***Job Card obtained by**
0.5m (incl. youth) by FY 2010

***Rate of NEET, etc. who made career decisions at Regional Youth Support Stations**
30% in FY 2010 [←24.8%]

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

Women Making their wish to work a reality

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

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

[Targets]

***Female (age 25-44) emp. rate**
66-68% in 2010 [←65.5%]

***Under-3 usage rate of day care service**
26% in 2010 [←20.3%]
(related to New Zero Wait Listed Children Strategy)

***Rate of Companies taking positive action**
Over 40% by FY 2010 [←20.7%]

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

Older people Society where they can work regardless of age

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

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

[Targets]

* **Elderly (age 60-64) emp. rate**
56-57% in 2010 [←55.5%]

* **Rate of companies whose mandatory retirement age is 65+, etc**
50% by FY 2010 [←37.0%]

* **Companies keeping employment until age 70**
20% by FY 2010 [←11.9%]

* **Silver HR Center Members**
1 mil. by FY 2010 [←760,000]

People with disabilities, etc. Five-Year Plan to Promote 'Welfare to Employment'

Need to secure the safety net and allow many people as possible to live an independent and quality life by working

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

[Targets]

* **Hello Work's placement of people with disabilities**
144,000 cases in FY08-10
[FY05-07 results: approx. 128,000]

* **No. of people with disabilities employed**
640,000 in FY2013 [←approx. 500,000]

* **Employment rate of people on welfare and mothers in fatherless families, etc.**
60% in FY 2010 [←53.0%]

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

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

- Enhanced information provision
- Providing one-stop counseling system
- Enforcement of labour laws and extensive career education
- Policymaking from people's point of view

1. Allowing everyone willing to work to find a job

Youth – Fostering independence

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

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

(2) Enhanced support for independence of NEET, etc.

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

(3) Enrichment enhancement of the Job Card system for practical training and capability evaluation, etc.

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

Women – Making their wish to work a reality

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

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

(2) Support for work-life balance

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

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

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

Older people – Making a society where they can work regardless of age a reality

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

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

(2) Environment to foster social involvement of baby boomers

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

(3) Promotion of purposeful life through diverse jobs

- ⊙ Promote the Silver Human Resource Center program, etc.

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

(1) Expansion of measures for people with disabilities

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

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

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

(3) Promotion of employment support for ex-prisoners, etc.

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

Helping to choose work styles with confidence and satisfaction

(1) Realization of steady employment for youth and others

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

(2) Improving labour conditions for non-regular workers

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

(3) Forming an appropriate employment relationship

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

Creating work-life balance

(1) Financial independence achieved through work

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

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

(i) Promotion of efforts to review working hours, etc.

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

(ii) Support for mental health programs by companies

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

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

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

(3) Choice of diverse work styles and lifestyles

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

Securing regional employment and enriching support for SMEs

(1) Enriching measures for regional employment

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

(2) Human resource-oriented support for SMEs

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

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

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

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

(1) Enhance information provision function

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

(2) Establishment of one-stop counseling structure

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

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

(4) Policymaking from people’s point of view

- ⊙ Emphasize deliberation by the Labour Policy Council (consisting of government, workers and employers) in formulating specific labour policies, to ensure that people’s point of view is reflected when making apolicy.

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

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

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

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

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

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

○ Totally support the employment and life of unstable homeless workers

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

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

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

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

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

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

○ Support NEET for independence

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

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

○ Improve labour conditions for dispatched workers by regulating daily dispatching, etc.

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

Labour force prospects

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

Labour force population / Total population

52.1%

50.0%

52.7%

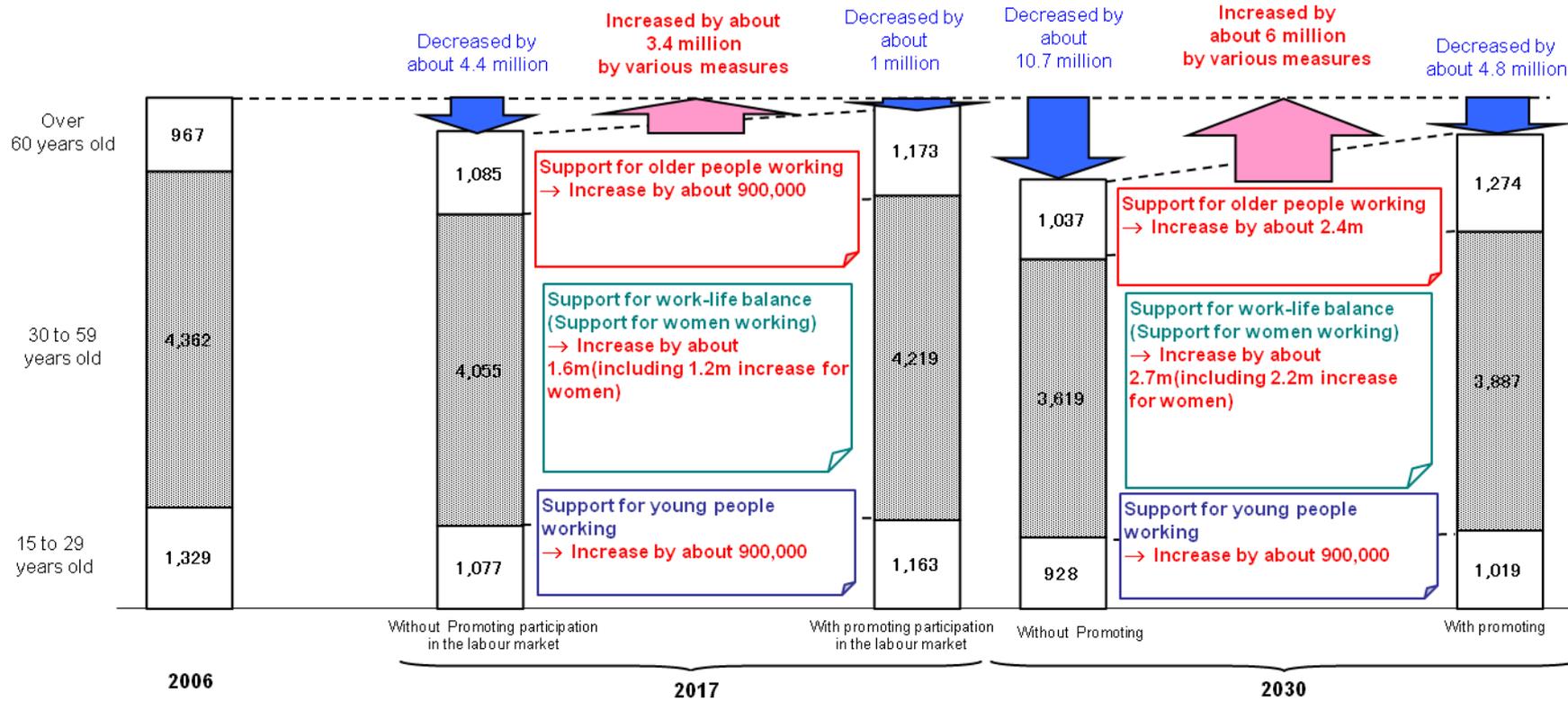
48.5%

53.6%

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

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

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



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