

Chapter 1

INDEPENDENCE OF INDIVIDUALS AND SAFETY NETS

SECTION 1 THE SAFETY NETS FOR THE ECONOMICAL BASES OF INDEPENDENT LIFE

Since the Japanese society has been facing an economic crisis, where a lot of people have lost their jobs, the needs for the function of safety nets owned by the social security system have been impending.

It is important for all people to exercise their own abilities to their maximum by making the best use of their personalities from the perspective of enriching their lives.

Besides, it is important to enable all people willing to work to exercise their own abilities, in order to maintain the economical vitality of Japan and from the perspective of supporting the social security that will lead the safety nets to function effectively.

However, in the recent severe economic conditions, there are those who have difficulty with independence.

For instance, young people are the age group, who make use of their own abilities with hope for their future and strive to realize them.

In the employment conditions of young people, although the number of part-time workers have been decreasing for five years in a row, that of elder part-time workers (from 25 years old to 34 years old) still has been increasing, and young people who could not work as regular employees during the so-called “employment ice age” are in a situation where they will reach their mid-thirties.

If stabilized employment could not be realized as soon as possible, it would be feared that the independence of these young people would be more difficult in the future, and there would be the possibility that the people who are expected to support the social security would be on the supported side.

From the perspective of also maintaining the economical vitality of Japan, it is necessary to support young people so that those who should shoulder the future will

take a stable job, stand on their own feet and play an active role.

Moreover, there are people who need social supports, such as those with disabilities and mothers of fatherless families.

Although it is necessary to support people with disabilities, so that they can lead an independent daily life and social life according to their own abilities and aptitudes, it is also important from the perspective of supporting the society together with their reasons for their lives to enable all of those who have the will to work according to their will and abilities.

Besides, if people with disabilities cannot earn enough income, it is important to support them by means of income security and others so that they can lead a stable life.

Moreover, since mothers of fatherless families have to make a living while nurturing their children all by themselves, there are cases that taking a job is difficult and their works are limited.

For this reason, it is important to support general independence of mothers of fatherless families by supporting them to find a work while supporting their living and economy, on the basis of the healthy growth of their children.

We have been supporting these people so that they can stand on their own feet while planning to stabilize their living, by supporting both their living and their opportunities for employment.

Further, such as dismissal of dispatched workers, suspension of employment and others, increase of non-regular workers being separated from services have turned into big problems.

There is a possibility that they will face living difficulties and great difficulties, because they cannot earn incomes and will lose their houses due to separation from their services.

For this reason, by making various supports for securing their residences and their living, their living foundations are supported; also independence is attempted by taking a job again through supports for employment opportunities.

In this way, the independence of the individuals is supported through functioning social security as the safety nets and enabling people to exercise their own abilities to their maximum.

Also, the social security is composed of supports shouldered by independent individuals.

For the social security, the contents can be classified into three fields. The security for the income for the economical foundation of independent living, the security for the social service supporting the community life and family life (health care, nursing care service and others), the security for the benefit and the service supporting the upbringing of the next generation who will shoulder the sustainable society (child allowance, service supporting child care and others).

Although the Japanese society have been facing an economic crisis while a lot of people have been losing their occupations, from the perspective of ①the security for the income for the economical foundation of independent living, there is the social welfare policy like the public assistance and others as the safety nets which support the independence of the people, such as the employment policy, which is a last resort for those who are in great difficulty, including the employment insurance in order to enable people to take a work.

The following policies exist as the employment policy mentioned above.

- Under the government's management, enterprises that employ workers are admitted as applied enterprises and the employees are insured in principle and are provided the basic allowance according to the employment insurance system when they have lost their occupation. Also in case they find new occupations at the early stage, they are provided the employment promoting allowance and others.
- In case people have lost their occupations, they can receive placements at the

Public Employment Security Office and others.

- We have been striving to prevent people from unemployment by giving aid to enterprises which attempt employment maintenance. Also, we have been supporting reemployment of unemployment, by means of the execution of public Vocational Training, where job opportunities are created and secured in addition to development and improvement of vocational abilities in the community and others, also by means of aiding a part of wages to entrepreneurs that employ those who are in difficulty to find jobs and others in order to secure job opportunities.

Besides, following policies exist as the social welfare policy.

- Pensions and allowances are provided in order to stabilize living of people with disabilities.
- Child rearing allowances are provided to fatherless families for stabilizing their living and independence.
- Allocations are loaned to residents of low-income people who have lost their jobs in order to secure stable living by promoting economical independence and their will to live.
 - In case people are still in great difficulty regardless of utilizing their properties, abilities and others, minimum living is guaranteed by the public assistance system.

Employment policies and social welfare policies play an important role as the safety nets when people are facing great difficulty such as the separation from services and their living is in great difficulty.

When these policies are developed and people are facing great difficulty, it is important to help them stand on their own feet again before their living is in great difficulty.

For this reason, for instance, from the perspective of enabling people who have lost their living foundations by separation from their services under the recent harsh economic climate, to work while keeping their life foundations, improvement of these

policies have been planned to function as an effective safety nets of the social security by expanding both the employment policy and the social welfare policy, such as expansion of vocational trainings, enforcing life security for the training period, executing supports for their residences and their living to job leavers, who have lost their residences, and others.

In the following section, after over viewing the changes of environments surrounding the independence of individuals, we will look into the way how we support individual independence by enabling people to exercise their own abilities through the employment policy and the social welfare policy functioning hand in hand as the safety nets in various scenes.

SECTION 2 THE CHANGES OF ENVIRONMENTS SURROUNDING THE INDEPENDENCE OF INDIVIDUALS

1 CHANGES OF ENVIRONMENTS OBSERVED IN MEDIUM-RANGE

<Changes in demographic structure due to further aging of society with fewer children>

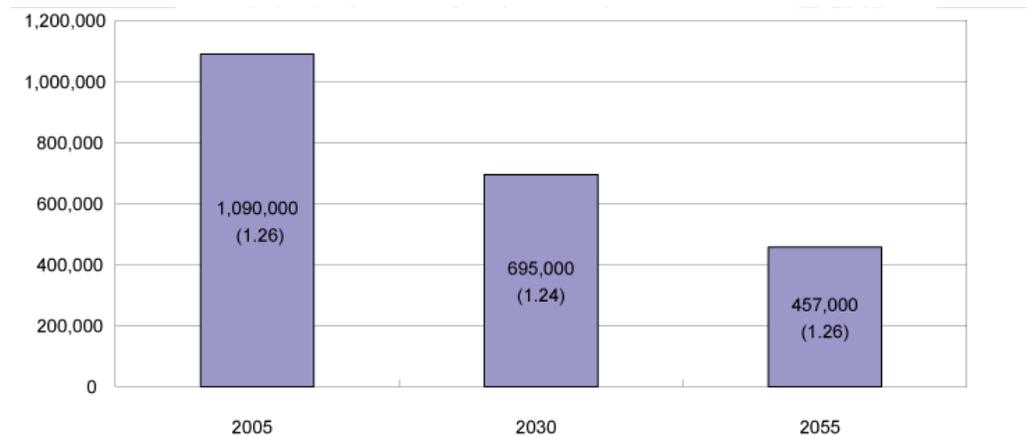
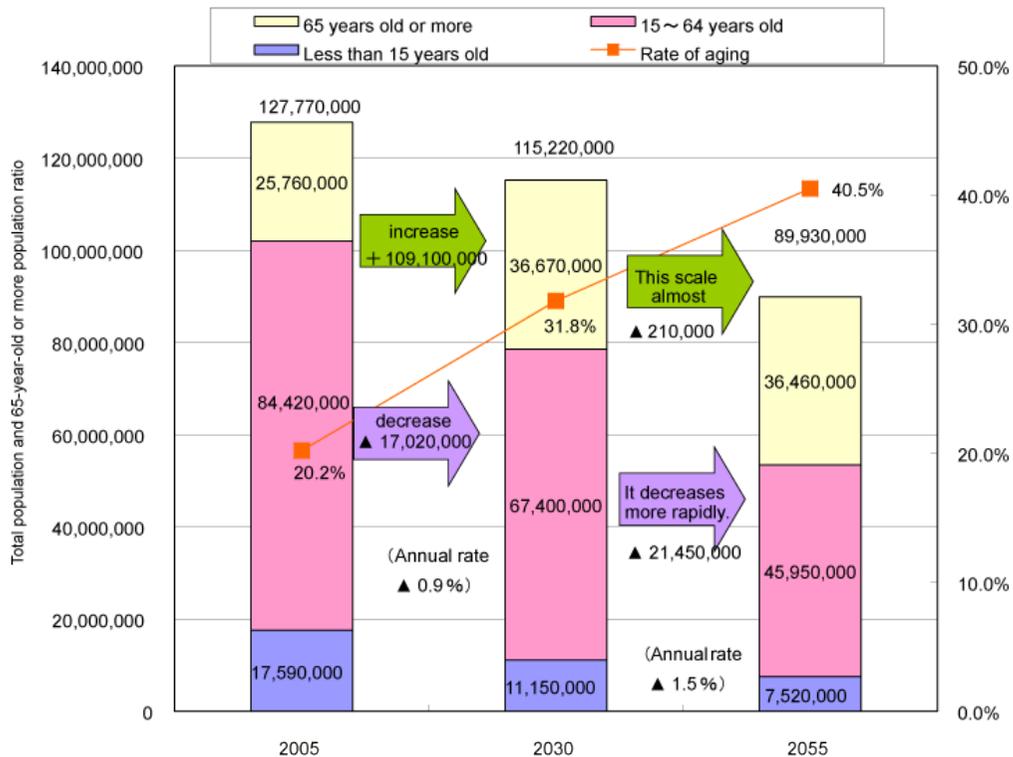
(Changes in demographic structure)

- In the future, the country will face further aging of society with fewer children and move into a full-fledged era of population decrease (National Institute of Population and Social Security Research, "Population Projection for Japan" [December 2006], Hereinafter referred to as "the new population projection")¹. According to the projection of medium-fertility and medium-mortality, the result shows that the total fertility rate will rise to 1.26, and the population will fall below 90 million people. Also, the aging rate will rise to about 40 % and the number of infants born each year will fall below 500 hundred thousand people (Chart 1-2-1).

¹ "Population Projections" is the estimate of men and women in the future and of the population by age based on the census and the Vital Statistics calculated by the national social security and the National Institute of Population. Recently, it has been estimated every 5 years. Changes in the number of birth, death and international population movement that they assume have been projected by reflecting the result in the past and the past trend on the future, so it is necessary to be mindful of the following points.

①The point that is different from policy targets incorporating effects of policies.②The point that this projection doesn't include change of the society in the future and economical situations, since they cannot be projected with the actual demographic dates. ③The point that doesn't reflect citizen's hope for their marriages and their births.

Chart1-2-1Prospect of population in the future, change in age distribution, and number of live births (total fertility rate)



Source: National Institute of Population and Social Security Research "Projected population of Japan (estimate in December, 2006)" (When being giving birth and dying).

(Decline in the labour force population)

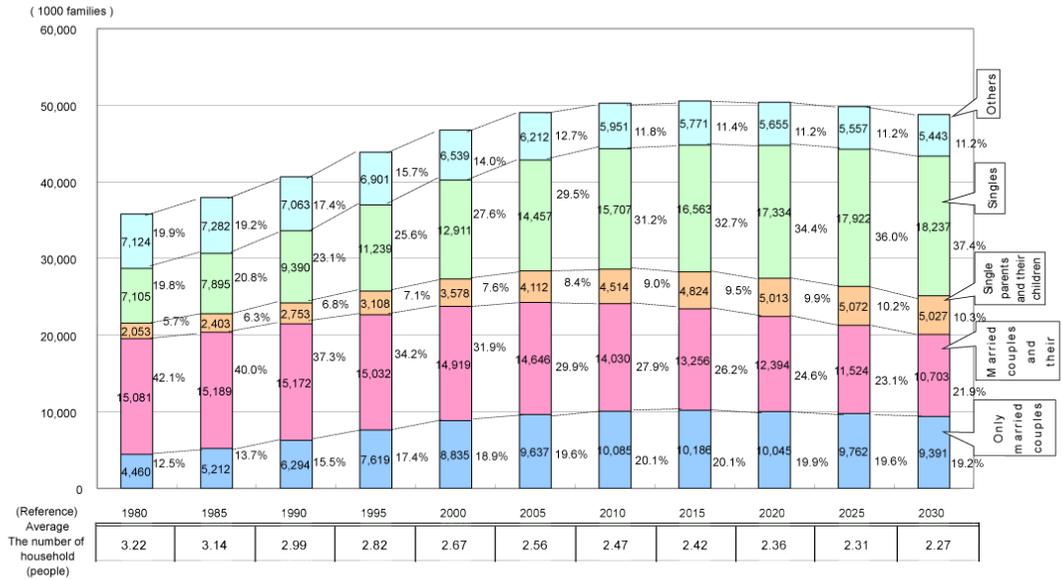
- According to the estimate of the Japan Institute for Labour Policy and Training, it is estimated that if the labour participation rates remain the same as the 2006

levels, Japan's labour force population in 2030 will be about 10.7 million, smaller than that in 2006. However, projections also show that if various employment measures are taken to foster the participation in the labour market, the decline in the labour force population will be limited to about 4.8 million. Secondly, starting from 2030, although the generation at or under 21 years old has chances that its number changes according to change of the future trends in birth since they are the generation who are born in the future, the new population projection assumes that the population of productive age decrease dramatically compared with the former decrease and which may pose the labour force population to decrease rapidly.

(Increase of one-person households)

- We will observe changes in family structure up to now and a projection of the future from the National Institute of Population and Social Security Research, "Projection of the number of households for Japan (nationwide projection) compiled in March 2008. First of all, the average number of household members has been consistently decreasing and, although its number was 3.22 people in 1980 it fell to 2.56 people in 2005. Observing changes in family patterns, "households consisting of a couple and their children" accounted for 42.1% of all households in 1980 but percentages declined to 29.9% in 2005. However, "households of only a couple" rose to 19.6% in 2005 from 12.5% in 1980 and "one-person households" rose to 29.5% in 2005 from 19.8% in 1980 (Chart1-2-6).

Chart1-2-6 Changes in the number of households, by family patterns and average household members



Source: National Institute of Population and Social Security Research, "Projection of the number of households for Japan (nationwide projection) compiled in March 2008".

- “One-person households” are expected to increase more in the future and to account for 37.4% in 2030. It is assumed that supports from communities and society will be needed more since “one-person households” cannot expect informal supports of mutual household members and they are relatively vulnerable to social risks such as unemployment, disease and disaster. Besides, the increase of one-person households may pose a great impact to the whole society such as an increase of households which need supports including long-term care services and decline of capability of bearing burden.

<Changes in companies and work patterns>

(Increase of various ways of working)

- The number of non-regular workers has been increasing by being affected from the business trend, and that of non-regular workers exceeded 10 million in 1995 and reached 17.6 million in 2008. On the other hand, after the number of regular employees had been changing slowly until the middle of 1990s, it tended to decrease after 1998. After its number had decreased to 33.74 million slowly, it reached 33.99 million in 2008.

Besides, according to the ratio of all non-regular employees(except for executives), although its ratio accounted for 16.4% in 1985, it rised dramatically from the end of 1990 to the beginning of 2000. Its ratio has been changing at the ratio exceeding 30% since 2003 and it rised to 34.1%

2. Under the harsh economical climate

- Although the business of our country had been recovering since 2002, it deteriorated rapidly due to the recession all over the world caused by the financial crisis of 2008. The ratio of real economic growth of GDP in 2008 was minus 3.3%, which was the worst negative growth after the war.
- Employment situation has been deteriorating rapidly and it is in a difficult situation. The unemployment rate has been rining and it accounted for 5.2% in May 2009, and the number of unemployment rose for seven months in a row and it reached 3.47 million in the same month. The ratio of valid job offers has been decreasing more than ever and it declined to 0.44 times in the same month. Besides, situation in non-regular workers to be refused to renew their employment contract led that the number of those who would separate, and planned to separate from their work, to reach about 229,000 (“Report of labour survey (up-dated in July)” compiled by MHLW (2009)

Chapter 2

Efforts towards Providing Personal Independence and Sustainable Society in Various Scenes

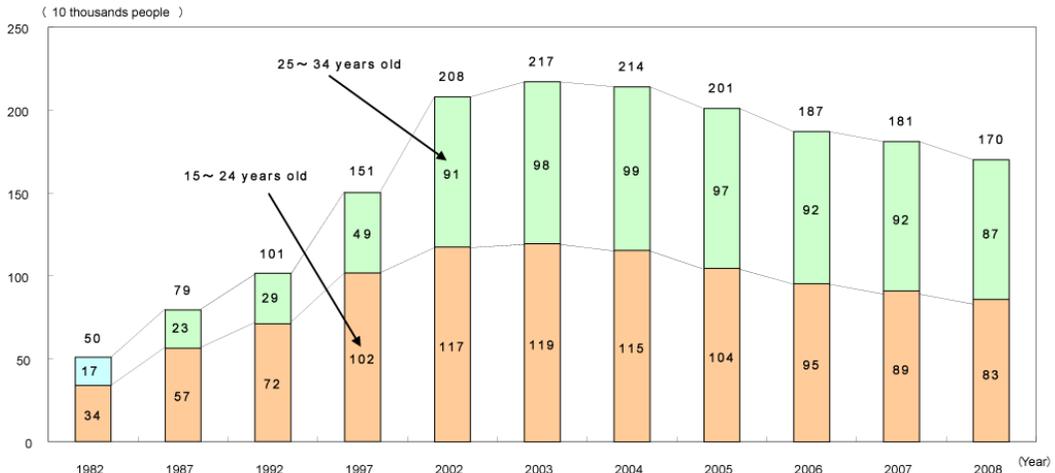
Section1 Supporting the youth to be independent

1 Situations surrounding the youth

(Situation of the youth in the employment ice age)

- The new hirings were controlled since the collapse of the economic bubble while the business environment of the enterprise became severe. As a result, the number of permanent part-timers increased, and it became 2.17 million people in 2003(Figure 2-1-7). According to foundation Employment Advance Research Center "View of occupations and career of the oncoming generation" (2002), it is possible to necessarily look for an increase of young subjects by which the person who is unwilling in the job hunting result and the person who gave up finding employment do total of going up by 45% for near and non-regular ways to work only by no starting work consideration of young subjects among young subjects in which it finds employment as a contingent worker.
- Looking at the number of "Unemployed Youth," a concept similar to NEET, in the "Labour Force Survey" of the Ministry of Internal Affairs and Communications, those who were not in the labour force was in the level of 40 thousand people in the 1990s. However, the number increased to 64 thousand people in 2002 and is hovering at the level of 60 thousand-plus people since then. In addition, increase in the number of unemployed mid-30s can also be seen.

Figure2-1-7 Transition of number of permanent part-timers according to age class



Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications Statistics Bureau in Ministry of Labor Policy Planning and Research Department from the Management and Coordination Agency Statistics Bureau "Structure of employment basis investigation" after a special total ("Analysis of 2000 version labor economy. ") and 2002 for 1982~1987-1992-1997 years. "Labor force survey (detailed total)"

(note 1) The age limits the permanent part-timer to 15~34 years old about 1982-1987-1992-1997 years. "Part-time job" or "Part" the name in the office. The continuance starting work years do alone about the person in less than 1~5 and the woman as the person who is working chiefly, and about the person of a present no industry, it defines, and it totals it about the man about the person who has found employment now with the person who doesn't go to school by housework and either hopes for the work of "Part-time job part" by the employer.

(note 2) Of single people graduates of man of graduate and female of clarification of point for age to limit permanent part-timer to 15~34 years old, and to exclude enrollment after 2002. ① Person "Part-time job" or "Part" name in office of employers. ② The form of work to look for of the completely unemployed is a person of "Part part-time job". ③ It is defined as the person of "Others" in which the form of work to hope of the population not in labor forces doesn't do housework, going to school, and the informal decision of starting work by "Part part-time job", and totals it.

(note 3) It is necessary to note the point not connected from define by the permanent part-timer different by the numerical value and the numerical value after 2002 from 1982 to 1997.

(Background making it difficult for the youth, including Freeters to be reemployed)

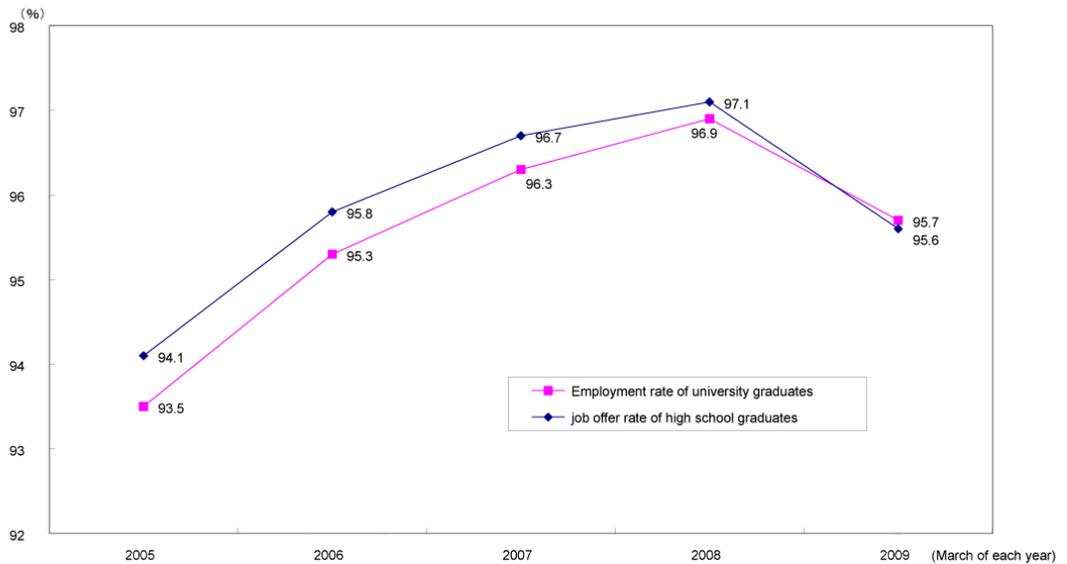
- In addition, the background lagging improvement of recruitment conditions of older aged group among the youth group is considered that many enterprises post harsh evaluation on experiences as Freeters. Looking at how enterprises evaluate experience as Freeters on making decisions to recruit Freeters as regular employees, based on the Ministry of Health, Labour and Welfare's "Survey on Employment Management" (2004), although "does not affect much on evaluation" was the most common choice among enterprises, marking 61.9%, 30.3% of them chose "evaluate negatively," much higher than those who chose "evaluate positively"

(Employment opportunities nowadays)

- Amidst deterioration in the current economic situation, employment opportunities including new graduates are becoming severe, and the recruitment

of university graduates and job offer rate for high school graduates in 2009 dropped from those of 2008. Furthermore, severe situation is continuously expected with the proportion of enterprises planning to recruit fewer new graduates exceeding those planning to recruit more new graduates, and the number of enterprises planning to recruit more new graduates in 2010 declined from the previous year (Figure2-1-13, Figure2-1-14).

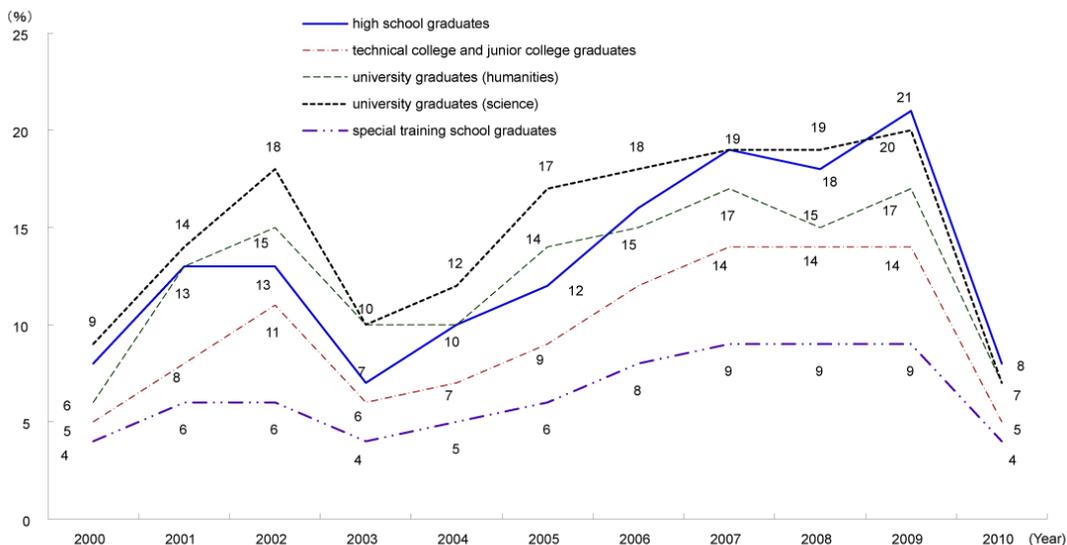
Figure2-1-13 Employment rate of university graduates and job offer rate of high school graduates



Source: "Survey on Situation of Job Offers for University Graduates etc.", Employment Security Bureau, MHLW/ Ministry of Education, Culture, Sports, Science and Technology "Survey on Situation of New Graduates of High Schools and Junior High Schools etc.", Employment Security Bureau.

(note) "Employment rate" and "job offer rate" are the proportion of informally-appointed worker to job-seeker (informally-appointed worker and non-informally-appointed worker seeking job). The survey is as of April 1, and the end of March for university and high school graduates respectively.

Figure2-1-14 Trends in the proportion of enterprises planning to recruit more new graduates



Source: Statistics and Information Department, Minister's Secretariat, MHLW "Survey on Labour Economy Trend"
 (note 1) Horizontal figures represent years planning to recruit (surveys are conducted in previous May).
 (note 2) Figures before 2009 do not include "medical and welfare," therefore do not exactly link with the 2010 figure.

2 Efforts on personal independence of the youth

- The youth who could not have a stable job during the “employment ice age” and even could not have an opportunity for vocational capability building since then, have reached their mid-30s. Those youth lacked the chance of being employed right after their graduation amid the cutback on hiring after the collapse of the bubble economy. Since then, they could not have an opportunity for vocational capability building, while working as non-regular employees and have reached their mid-30s, facing a difficult situation getting a job in the mid-career employment market since those corporations seek people who can be immediately effective.

Backing independence of the youth so that they can demonstrate their abilities with motivation is necessary. Especially regarding older Freeters (aged 25-39), unless stable employment is realized at an early stage, they will lose opportunities to demonstrate their abilities, in addition to bringing concerns that their future independence may be much harder, causing great damage to our society. A situation where the youth playing an important role as supporters of

the society can not live a stable life could jolt the foundation of the entire society.

- Pushing after the sense of vocation can be first brewed because it is a lot of when it has the problem on a sense of vocation and a basic social adjustment side, etc. , the approaches of the training of a basic ability and the social adjustment support, etc. be necessary, and an original desire and the ability be demonstrated by such inclusive support about NEET is important.
- As for the informal decision of the adoption cancellation, supporting to the young person who cancels the informal decision in the emergency, and lecturing on measures that prevents the informal decision cancellation beforehand so as not to cause such a problem in the future are the pressing issues.

<Promotion of “Freeter etc, Regular Employment Plan” and others>

(Support the regular employment of Freeters through Hello Work)

- In order to support Freeters willing for regular employments through Hello Work (the public employment security office), the office has been implementing consistent supports by combining variety of support menus including career counseling, placement services, job interview revenues and job settlements, according to each target’s challenges. Regarding non-regular workers in their mid-30s, realization of stable employment is also pressing, and Hello Work has been making efforts to support regular employments for them as well by expanding the targeted range of the youth from the need to implement measures to support the entire youth.

Regarding the “Regular Employment Preparation Benefit,” provided to those who are less likely to find employment, the scope was extended to older Freeters (younger than 40 years old) and the rate of allowance was raised from 30% to 40%, due to the Act to Partially Amend the Employment Insurance Act, in order to support reemployment for older Freeters (enacted on March 31, 2009).

(“Job Card system”)

- Targeting those who lack the opportunity for vocational skills development, the “Job Card system,” a mechanism used for job search and career

enhancement, was set up in April 2008 by clarifying challenges on awareness enhancement and career development through painstaking career consulting utilizing the Job Card while providing practical job training (Vocational Capability Development Program) combining corporate training and lectures and by compiling evaluation results on corporate training from corporations and work experiences as the Job Card.

(Establishment of a grant to support regular employment among older Freeters)

- In order to promote regular employment among older Freeters, establishment of a grant (Special Grant to Promote Regular Employment among the Youth, etc.) was newly financed in the FY 2008 second supplementary budget for employers who will proactively hire older Freeters (aged 25-39) as regular employees (a) direct employment, b) utilizing the “youth trail employment” or c) employing those who have finished the fixed-term on-the-job training program of the “Job Card System’s” employment-based training as regular employees) or hire graduates whose place of employment remain unsettled, due to withdrawal of their job offers, and 1 million yen for person for small and medium sized enterprises and 500 thousand yen for person for large companies will be provided (over 3 years in 3 separate payment periods).

<Enhanced support for independence of NEET, etc>

- From the viewpoint of supporting various issues that the youth including NEET have on vocational independence with the entire region, a network consisting of regional organizations supporting the youth was created in cooperation with regional public entities, while “Regional Youth Support Organizations,” which serve as its hubs were established, and various employment supporting menus, including technical and continuous consultation, and guidance utilizing networks are being provided. The scope has been expanded to those aged mid-30s since FY 2009.

<Development support on job consciousness from school stages>

- The occupation consideration formation with the school stage is supported as "High school student occupation guidance" is executed to support the young person's smooth job hunting, and to prevent resigning at the early stage and making to the permanent part-timer neat easily.

<Cope with withdrawals of employment offer issues>

- Special consultation desks were set up at regional student career advice centers, etc., to provide consultation services for university students to cope with those received withdrawals of employment offers and efforts to familiarize the "Guidelines for the Employment of New School Graduates," compiling points that employers should consider when hiring new school graduates. Efforts on seizing proper information on withdrawals of employment offers and information towards students on special consultation desks are being made under tight cooperation with universities, student career advice centers and Hello Work.

Furthermore, as a support towards those whose employment offers were withdrawn, as stated in (1), regarding the "Special Grant to Promote Regular Employment among the youth etc." the scope was extended to employers who employ graduates, whose employment places are unsettled due to withdrawals of employment offers, as regular employees as a special measure and as a preventive measure on withdrawals of employment offers, a ministerial ordinance was revised in January 2009, and the Hello Work was enabled to disclose the names of the companies under certain conditions, while seizing cases of withdrawals of employment offers unitary.

Section 2 Support to Stabilize Elderly Life and Employment

1 Situation Surrounding the Elderly

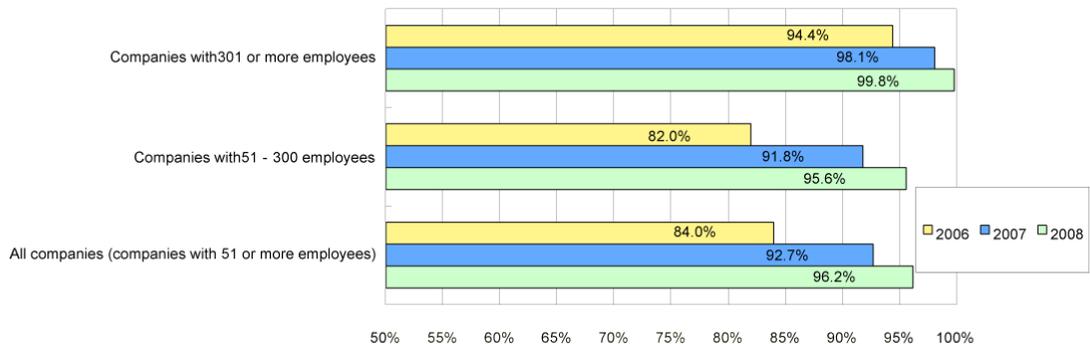
<Income Situation>

- The public pension plan supports about 70 percent of its 2,989,000 yen average yearly income (2007) of the elderly household (composing only of 65 year old or older person, or the households including no older than 18-year-old), about 60 percent of the home that has received the public pension plan lives only by the public pension plan, and public pension system is a main pillar of the income security at old age.

<Employment Situation>

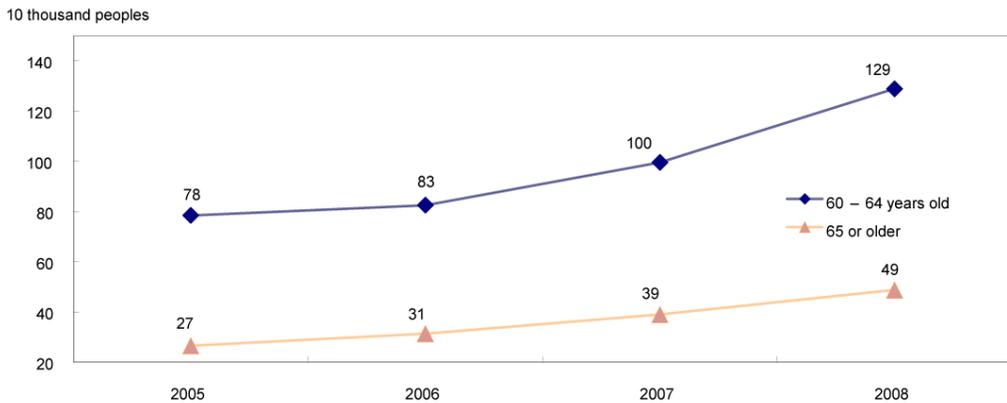
- Measures to secure the employment for the elderly, as of June 1, 2008, have been taken by 96.2% of companies in total, and have steadily become common. (99.8% of large companies with 301 or more employees and 95.6% of companies with 51 to 300 employees) This shows that regular workers of 60 or older have greatly increased (Figures 2-2-4, 2-2-5).

Figure 2-2-4 Percentage of Companies Having Taken Measures to Secure Employment for the Elderly



Sources: Employment Security Bureau, Ministry of Health, Labour and Welfare's survey

Figure 2-2-5 Number of Regular Employees by Age



Sources: Employment Security Bureau, Ministry of Health, Labour and Welfare's survey

On the other hand, there is a concern that deteriorating economic conditions since the fall of 2008 will affect the employment of the elderly.

2 Support Efforts to Stabilize Elderly Life and Employment

- It is indispensable to ensure the stable income security and employment opportunities for the elderly. The public pension system presents a great challenge such as taking measures for people with low pension or without pension benefit, strengthening the minimum security function of basic pension as well as ensuring the sustainability of the system. In addition, in order to ensure their employment opportunities, it is important to fulfill the measures for employment development for senior citizens including the continued employment system which whoever is willing to work can continue working until 65 and to realize the society where people over 65 can work regardless of age, taking the severe employment situation, declining birthrate and aging into consideration.

<Income Security>

- The pension system reform in 2004 showed a way to raise the portion of state

subsidy for basic pension from one-thirds to one-half.

Based on this way, step-by-step raise of the share of national funding to basic pension was carried out in each fiscal year, and “Bill to Reform a Part of Bills to Partially Reform the National Pension Act” has passed and has been proclaimed at the ordinary Diet session in 2009 to fulfill one-half portion of state subsidy for basic pension starting from FY 2009.

- In response to the roadmap of strengthening the social security function shown in the “midterm program” to develop the sustainable social security and to ensure its stable revenue source’ which was decided at the end of 2008, the supplementary provision of the above-mentioned “Bill to Reform a Part of Bills to Partially Reform the National Pension Act” includes the study provisions to progressively strengthen the minimum security function of basic pension after studying its implementation and securing the necessary stable finance resources for it.

<Securing the Employment Opportunity>

- In order to ensure the employment opportunities for the elderly, it is necessary to secure the employment of people aged up to 65 and to steadily implement measures to secure the elderly employment.

For this reason, in addition to giving advice and instruction to companies which have not introduced the job security measures for the elderly and focusing guidance on companies with 31 or more employees, Hello Work staff provide a fully-detailed career counseling and job placement such as encouraging more companies to offer employment to all staff who wish to continue working under the continued employment system.

- Efforts are being made to encourage business operators to offer elderly persons some form of work such as subsidy for raising the retirement age (to subsidize small and medium-size business operators who have raised the retirement age to 65, introduced the continued employment system for people aged 70 or older who are willing to work, or abolished the retirement age system), subsidy for trial employment of middle and old aged people (by supporting business operators that hire middle-aged persons aged 45 or older

on a trial basis (monthly payment of 40,000 yen per person with 3 months of benefit term at maximum)), subsidy to develop the employment of specific job seekers (to subsidize some part of their wages to business operators who hire elderly persons introduced by the job placement office 'Hello Work' as continued hired workers).

Section 3 Self-sufficiency Support for People with Disabilities

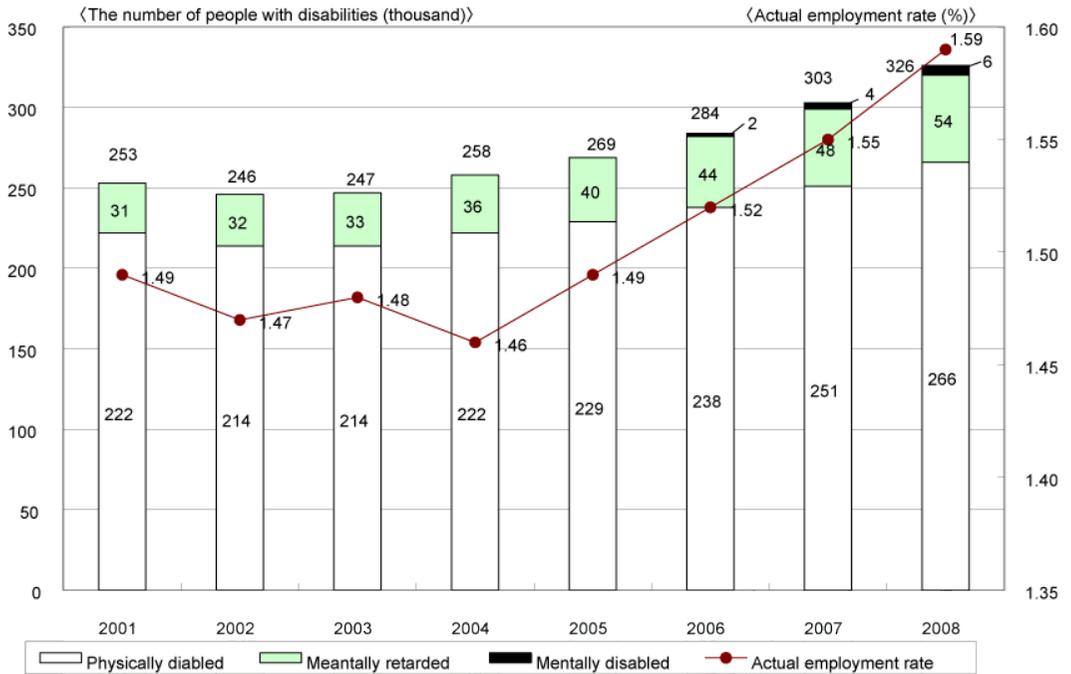
1 Circumstances Surrounding People with Disabilities

<Employment Status>

- The status of transfer from welfare employment to regular employment shows that among users of sheltered workshops, those who leave these facilities due to employment remained at about 1% a year. As a result of the enforcement of the "Services and Support for Persons with Disabilities Act," the conventional sheltered workshops have been reorganized into "employment transfer support" for people with disabilities who hope to work regularly and "continuous employment support" for those who have difficulty in regular employment based on purpose and facility. Transform status to regular employment by employment transfer support was 14.4% in April, 2008.
- The employment status of people with disabilities (as of June 1, 2008) shows that under the "Act on Promotion of Employment for Persons with Disabilities, the breakdown of people with disabilities who are employed in companies with 56 or more employees with the obligation to employ people with disabilities is 266,000 (people with physical disabilities), 540,000 (people with mental retardation), and 6,000 (people with mental disorders) (Figure 2-3-2). Compared to those in 1997, the numbers of people with physical disabilities and people with mental disabilities increased by 18.4% and 210% respectively, which show a steady increase since 2004. In addition, the actual employment rate of persons with disabilities accounts for 1.59% and has steadily increased since 2005. However, this still remains at a low level, and in particular, the

employment in small-and-medium sized enterprises need improvement. Actual employment rate of persons with disabilities in companies with 100-299 employees is 1.33% and stays at the lowest level by company size.

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

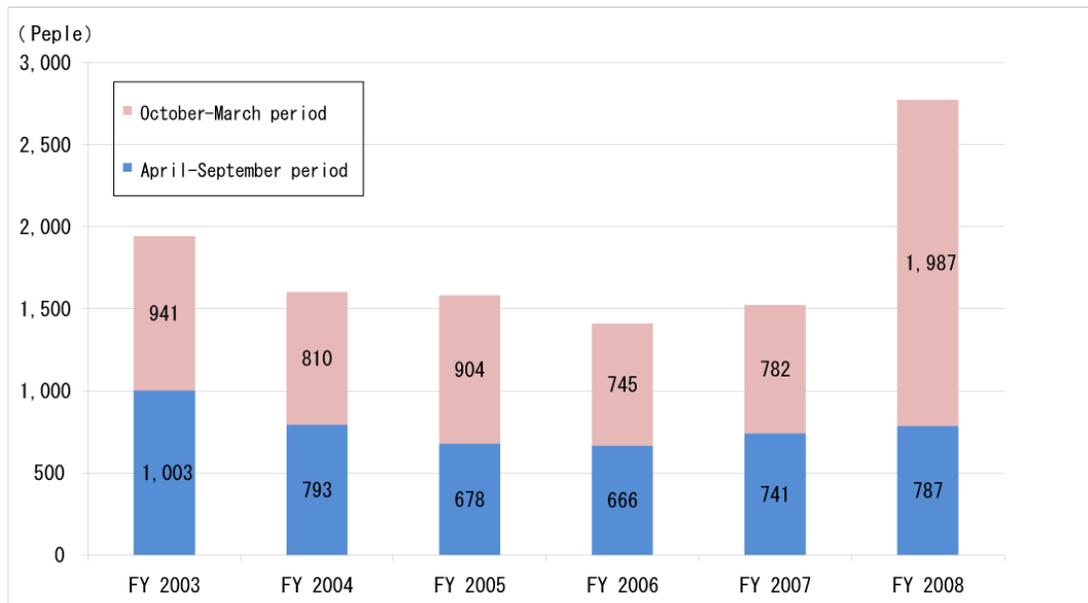


As of June 1, each year

Source: Survey by Employment Security Bureau, MHLW

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

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



Source: Survey by the Employment Security Bureau, MHLW

2 Efforts to Support Self-sufficiency for People with Disabilities

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

<Services Supporting Daily Life under the Services and Support for Persons with Disabilities Act>

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

(Welfare Service for People with Disabilities)

- There are two types in welfare service for people with disabilities: the care

service such as home help service and in-facility service, and the service providing training for a certain period according to the aptitude of persons with disabilities such as self-sufficiency training and employment transfer support.

(Social Rehabilitation Support Service)

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

<Employment Promotion>

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

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

(Employment Promotion Based on the Act for Employment Promotion etc. of Persons with Disabilities)

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

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

(The Employment Development Subsidy for Specified Persons with Difficulty in Employment)

- Employees who continue to hire people with difficulty in employment such as people with disabilities through Hello Work's job placement will receive subsidies as part of equivalent to wage.
- With severer employment and economic situations, there is a concern that particularly employers of SMEs are likely to show lowering motivation of employment. Therefore, benefit of subsidy targeted employers of SMEs was extended from a year to one and half year, and from one and half year to two years in case of people with severe disabilities in the first supplementary budget in 2008, while the amount of subsidy benefit was increased from 0.9 million to 1.35 million and from 1.6 million yen to 2.4 million yen in case of people with severe disabilities, etc.

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

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

and further employment for people with disabilities..

(Teamed Support by Hello Work-centered Related Institutions)

- Hello Work Offices need to take the lead in setting up a employment support team with welfare facility officials (employment support team for people with disabilities) and in providing total support (teamed support) from preparation for job search to job retention to individual welfare center user who is willing to work.

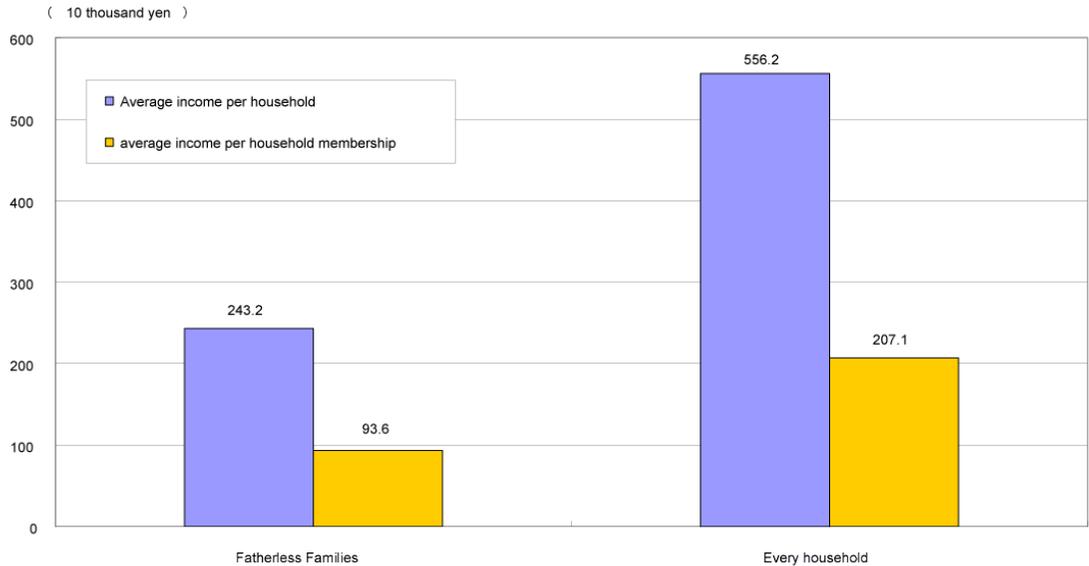
Section 4 Supporting their self –sufficient living of fatherless families

1 The Environment surrounding of fatherless families

<Conditions of Fatherless Families'Income>

- According to the “Comprehensive Survey of Living Conditions 2008”, the average income per fatherless family is 2,432 thousand yen, it is lower than 2,071 thousand yen of the average income per person of household (Figure 2-4-3)

Figure 2-4-3 Average income per household and average income per household membership



Source: The Ministry of Health, Labor and Welfare Minister's Secretariat, Statistics and Information Dept. "Comprehensive Survey of Living Conditions"(2008)

Note 1: Annual income from January 2007 to December 2007.

Note 2: "Every household" means figures of every household which include "Fatherless Families" and "elderly households"

Note 3: The objective of "Fatherless Families" is small, and a caution should be paid in use.

<Conditions of fatherless families' employment>

- The number of new job applicants in mothers of fatherless families which is received in Hello Work (public job-placement office) is increasing year by year, in comparison of FY2007 and 2008, FY2008 was increased by 16.4% at 217,237 compare to 186,569 of FY2007. On the other hand, the number of employment is increasing; the number of FY2008 was slightly increased by 2.9% at 75,823 compare to 73,716 of FY 2007. As for the employment rate (the rate was calculate with dividing employment number by number of new job applicants), FY2008 saw sharply decreased figures, 34.9% from 39.5% in FY2007, and the severe conditions continue (Figure 2-4-5).

2 Efforts to independent support of single-mother households

- It is necessary to precede a self-support for that fatherless families can to secure the sound growth of children with stabilizing a life of fatherless families. For this objective, support to keep up both raising children and a career, and get

job in better employment conditions (including income and support) are needed. Also economic support to secure a stability of life is important, it is also important to improve the environment that a child support is secured in the households that are both alive but separated.

<Employment Supports>

- To execute the employment support to raising women including mothers of fatherless families who want to get reemployment, we set up mother's Hello Work, Mother's Saloon and Mother's Corner to develop an employment for that they can visit there with children, and we also have implemented the general and consistent supports for reemployment such as securing employment based on finely tuned career consulting by a system of person in charge or its needs, additionally, providing information of nursery school in cooperation with local governments.
- The employment and supporting their self-sufficient living center for fatherless families aims to provide consistent employment support such as implementation of employment consulting which is delegated to a welfare association for fatherless families to mothers of fatherless families or a seminar of career support and provide information of employment mainly by local public agencies.
 - We will put formulator of the mother and child supporting their self-sufficient living program in welfare offices in particular, and execute Interview with the recipients of child-care allowance individually with having coordination with single-mother independence support staff, and acknowledge life situation, motivations for employment and effort to get a qualification to formulate supporting self-sufficient living program correspond to each case and promote independent support steadily to recipients of child-care allowance.

As part of this program, a welfare office which execute the mother and child supporting their self-sufficient living program choose object persons and request employment support to the Hello Work, and "The selected team of employment support plans" which consist of the employment support navigator and the person in charge of welfare office, and has interview with object persons individually, and select the appropriate employment support menu based on the

acknowledgement of situation, needs, abilities of object persons. As employment support menu, the supporting navigator at Hello Work provide employment supports such as writing style of resume and the way of having interview, development of individual job offers, accompanying to corporate interview in individual, and also give menus cope with individual conditions of object persons including probation, appointment of seminars of public job training and promotion of educational training of private companies.

○ It is not given at the chance of the occupational skills development, and because that might be a restriction of starting work, the mother's of fatherless family development of the vocational capability is important. To provide the security during training period, when the employment insurance can not be paid and person has dependents, 120 thousand yen per month by "Training and Life Support Benefit System" if the person meets the requirement such as the person is main Earner of household.

Moreover, to attempt the reduction of incidence of the cost of living when studying in the training organization so that mother of the fatherless family may promote the acquisition of an effective qualification to the economic independence such as nurses, the benefit of the advanced skill training promotion expense etc. is provided.

<Measures and policies of life support>

○ When temporary assistance of housekeeping and nursing due to school attendance or illness, local public agencies dispatch staff to support home life or looking after children at home of a staff.

And when nurturing becomes difficult due to illness or overwork of guardian, the children can be placed temporary at children's nursing home by a municipality or placed on holiday or at night.

○ According to the Security for Children Foundation which was established in 2008, new strategies as the zero-waiting list for nursery schools is conducted ahead of schedule from 2008 to 2010, and acceptance mechanism of 150 thousand children is implemented due to improvement of nursery school. And the foundation is expanded by the supplementary budget for fiscal 2009, and

aims to enhance nursing services.

In entrance of nursery school, a guardian choice a nursery school and apply for municipalities, when applicants are above a quota, the applicants are chosen by municipalities based on the preferential standard. As for children of fatherless families, municipalities are required to pay attention to treat them preferentially as they have higher necessity to enter a nursery school.

<Financial support to promote a supporting self-sufficient living>

- The Child Care Allowance aims to stabilize life of families where children in fatherless families are raised and promote independence, and paid to mother or bearers.

Moreover, Loans to Mothers with Dependent Children is the system which mothers can receive loans from municipalities, designated cities or core cities when mothers of fatherless families need a fund for employment or entering school of children, and there are twelve loans for purpose such as schooling fund, business starting fund and living fund.

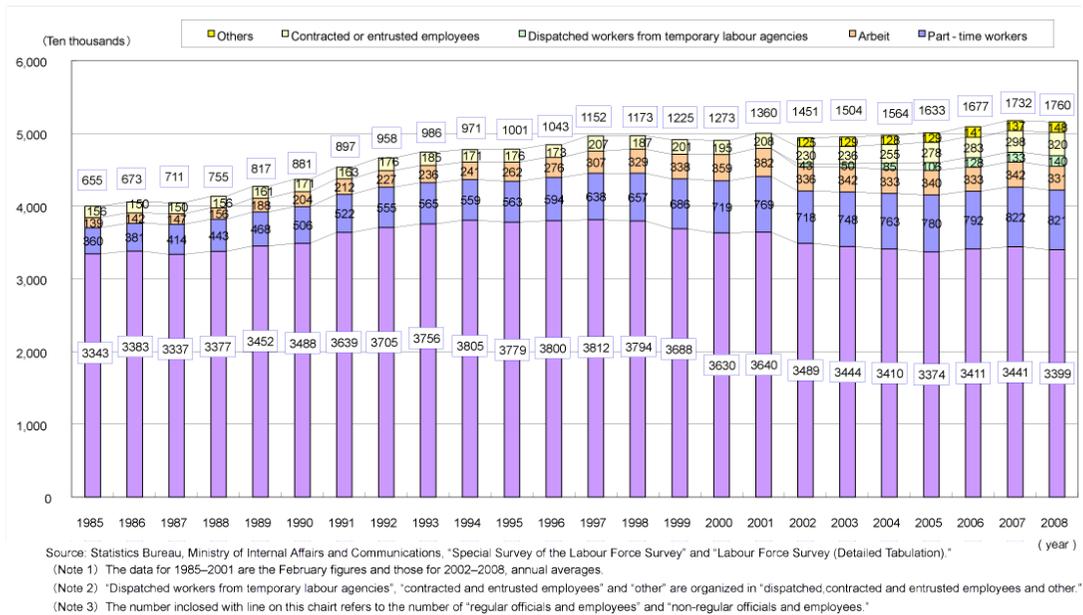
Section 5 Support for non-regular workers who faced life difficulty

1 Situation of non-regular workers

The number of the regular employers little changed until the mid-1990s, and saw decreasing trend from 1998. After having decreased to 33,740,000 people in 2005, it rebounded to 33,990,000 people in 2008.

On the other hand, the number of the non-regular workers increases while facing influence of the business trend and becomes 17,600,000 people in 2008. (Figure1-2-14)

Chart1-2-14 The number of employees, by type of employment

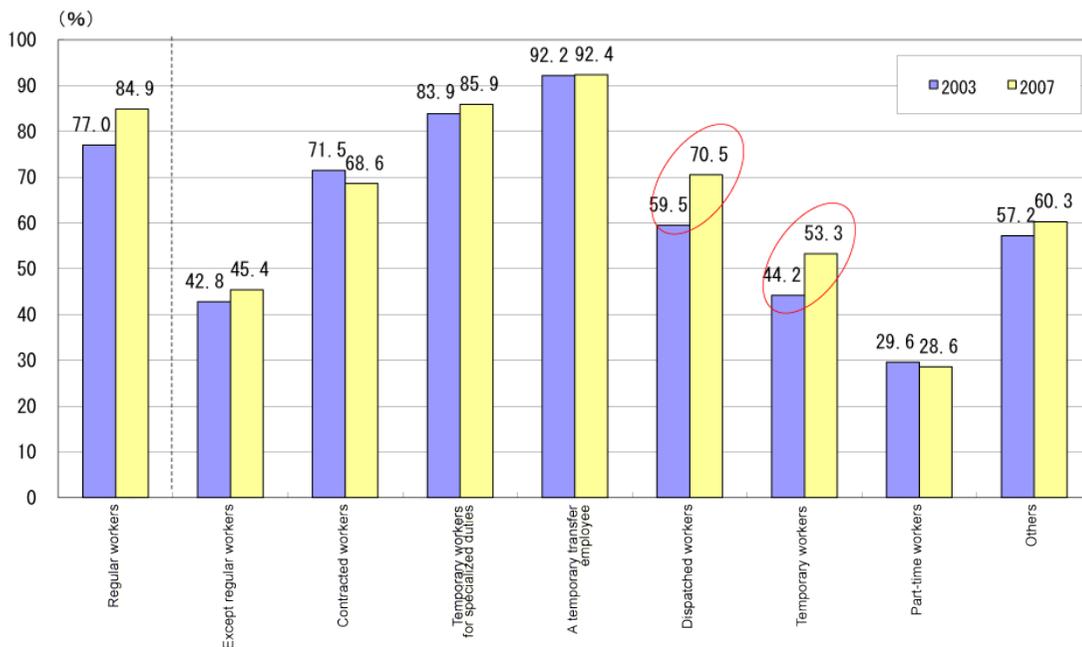


The ratios to occupy to all employers (except executive officers) of the non-regular worker exceed 30% since 2003 and change, and 34.1% in 2008.

In addition, the number of the temporary employee increases year by year. In 2008, there were 1,400,000 temporary employee compared to 1,330,000 people in 2007.

- Looking at the ratio of the worker who covers life expenditure with own income according to employment form, posted worker (59.5% to 70.5%) and temporary workers(44.2% to 53.3%) saw large increase.(Figure 2-5-3)

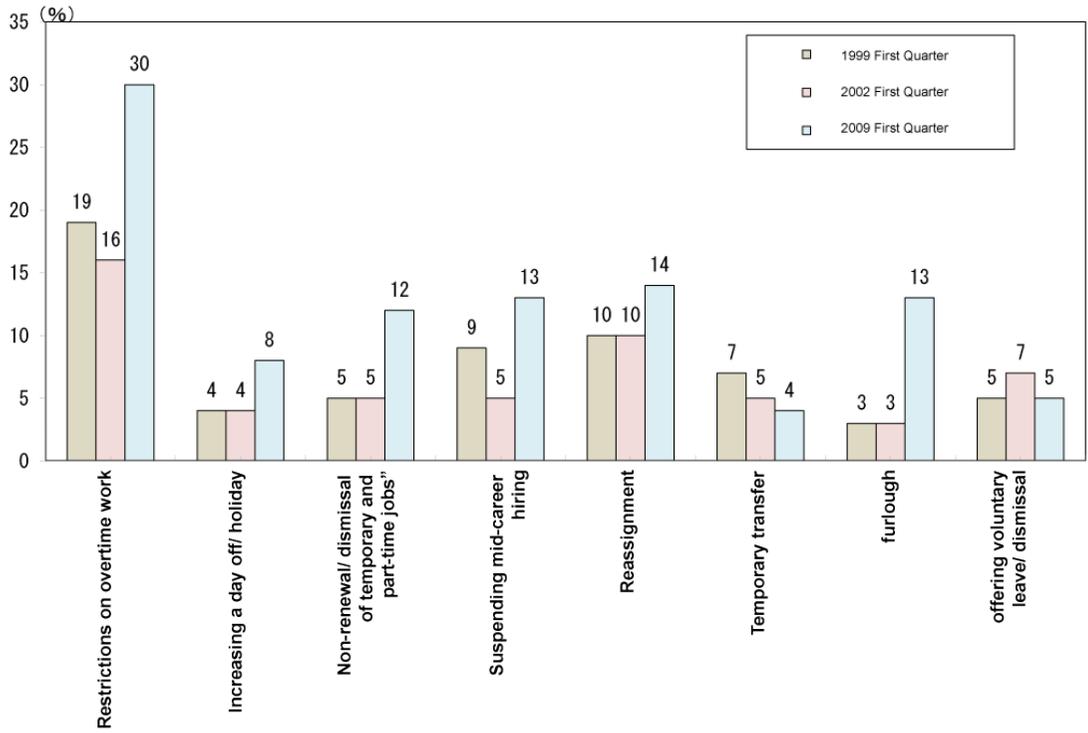
Figure 2-5-3 Percentage of workers who supports their living by their own income



Source: "General Survey on Diversified Types of Employment" (2007) Statistics and Information Department, MHLW
 (Note) As other choice of who supports one's living, following was available: self-supported, one's spouse, children, parents, brothers and sisters, and others.

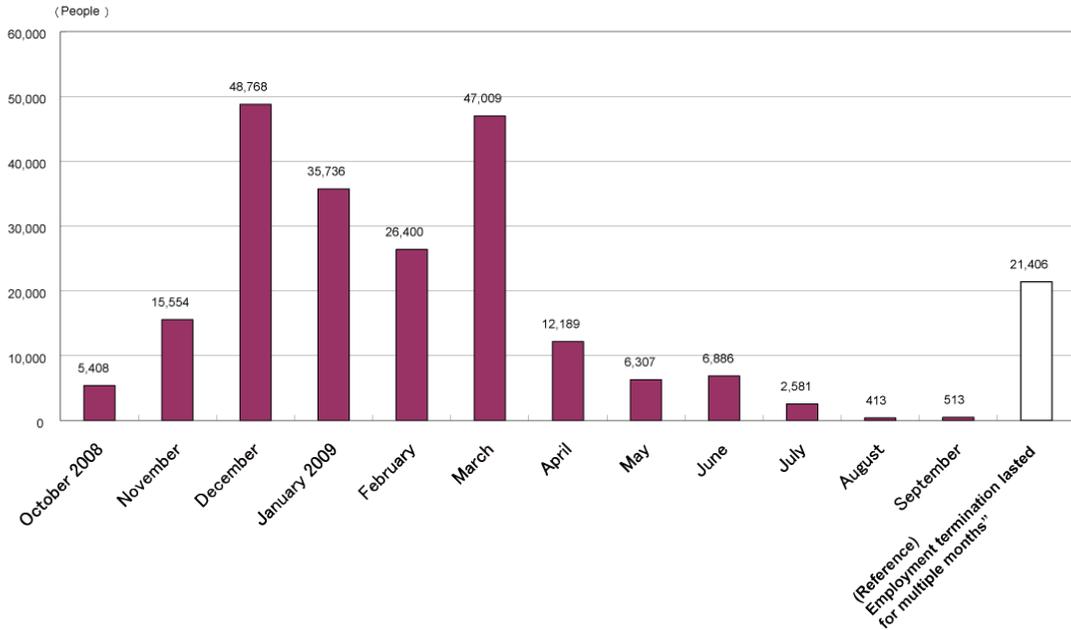
- Looking at labor adjustment in the recent recession (1Q 2009) , comparing with last two recessions(1Q 1999 and 1Q 2002), "overtime work regulation", layoff saw increase, but "recruitment / the discharge of the hope retired employee" did not increase, showing employment of non-regular workers decreased. (Figure 2-5-9)
- The job situation surrounding non-regular worker becomes severer. The stoppage (including those planned) of the employing of the non-regular worker from October 2008 and September 2009 was 229,000 (as of July 21, 2009) (Figure 2-5-10).
 In addition, about 3,400 people (2.7%) became homeless out of 125,000 those situation of the residence were surveyed.

Figure 2-5-9 Employment Adjustment during recession



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

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



Source: Employment Security Bureau, MHLW

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

2 Support for non-regular workers faced life difficulty

- In response to the still severer economic situation of these days, renewal refusal (stopping employment) and the discharge of the contract of the unofficial employment worker as whole increase rapidly, and it become socially big problem.

A matter of special importance is residence. In case of a non-regular worker who use a company house and got a place of the life with the consideration of the employer, non-renewal means becoming homeless, creating problem to cause a delay in reemployment activity by losing the foundation of their livelihood.

In addition, it is important to support the unemployed to be able to become independent, and get a new job as soon as possible, and also it is necessary to provide housing security to perform support of the life stability from the both sides such as maintenance of the employment and support reemployment.

<The employment of the person of unofficial employment in a severe economic environment/Stability of the life>

- From a point of view strengthening a safety net function of the employment of the non-regular worker and enlarge an application to the non-regular worker, conditions for unemployment insurance's coverage were relaxed to workers whom employment possibility of more than 6 months from one year and, also needed insurance period for a receipt qualification were relaxed to 6 months from 12 months for unemployed because of non-renewal..
- "Urgent personnel training / finding employment support fund" was founded in a revised budget in FY 2009, and going to enforce a life "training / life support payment" system during a vocational training period, especially for those who cannot receive unemployment benefit.
- As a new safety net for the reemployment of the job leaver who loses the dwelling: 1. Execution of training and life support with lending of lease dwelling moving in initial cost etc. to dwelling loss job leaver and the above-mentioned fund etc. 2. The housing benefit is provided, and supported by lending the capital for rebuilding life for the person etc. who do not become objects of the measure of above-mentioned [1]. 3. The stop-gap fund lending to receiving support by a public supply etc. is executed.
- The creation of the region at job opportunity is attempted by founding the hometown employment reproduction special grant to support the match that creates job opportunity that employs a regional jobseeker etc. based on the inventiveness according to the fact in the region and does, and using the fund etc. made in administrative divisions based on this in the region where the employment unemployment situation is severe.
- Also to support the enterprises those prevents non-regular worker from unemployment, requirement for governmental subsidies for helping corporate layoffs etc. were eased and promotion rate are increased, (small and medium-sized enterprise 4/5→9/10, large -sized enterprise 2/3→3/4 when not dismissing workers), the foundation of "Overtime work reduction employment maintenance bounty" provided for the enterprises those reduce overtime hours as a promotion of the Japanese type work-sharing which maintained the

employment of the period contract worker and the dispatched worker etc. are executed. (Period contract worker: ¥300,000 a year and dispatched worker: ¥450,000 a year (As for the big enterprise, it is ¥200,000, and ¥300,000 respectively.))

Section 6 Self-support of needy person

1 The current situation of livelihood recipients

<Security of life by public assistance>

- The public assistance system is the last safety net in social security that aim at providing protection for anybody with hardship in their lives in accordance to the degree of need and maintaining the minimum standard of a healthy and cultural life as well as promoting their self-sufficiency.

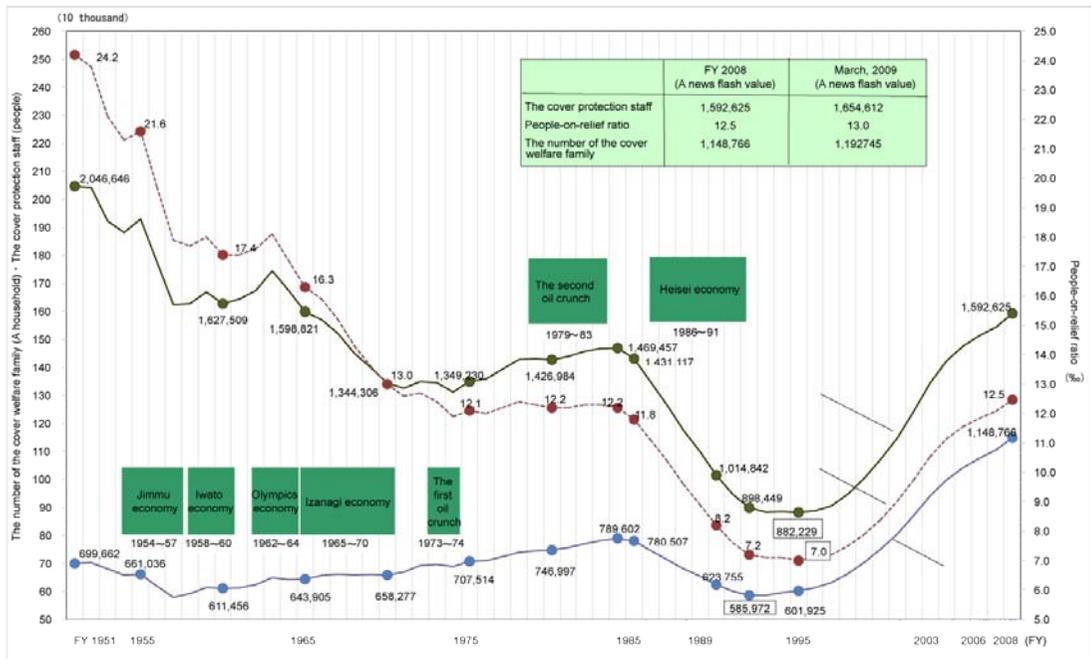
The contents of the public assistance have 8 different in kinds, which are livelihood assistance, education aid, residence assistance, medical assistance, nursing care assistance, maternity assistance, unemployment assistance and funeral assistance. The public assistance system aims at realizing minimum standards of healthy and cultural life that they provide such as living expenses; living cost and the cost of medical treatment etc.

- The use of the livelihood protection system is for those who are at most risk from unemployment. Those who require support should be able to access such services through their caseworker. Mainly correspondence to the consultant, the security of the of consultation contents, appropriate correspondence for the report of refusal, necessary support in the consulted present location, cooperation / the information sharing with an organization concerned of the tax authority, and the prevention of corruption by gangs, correspondence to the pension collateral loan user.

<The present conditions of the livelihood protection>

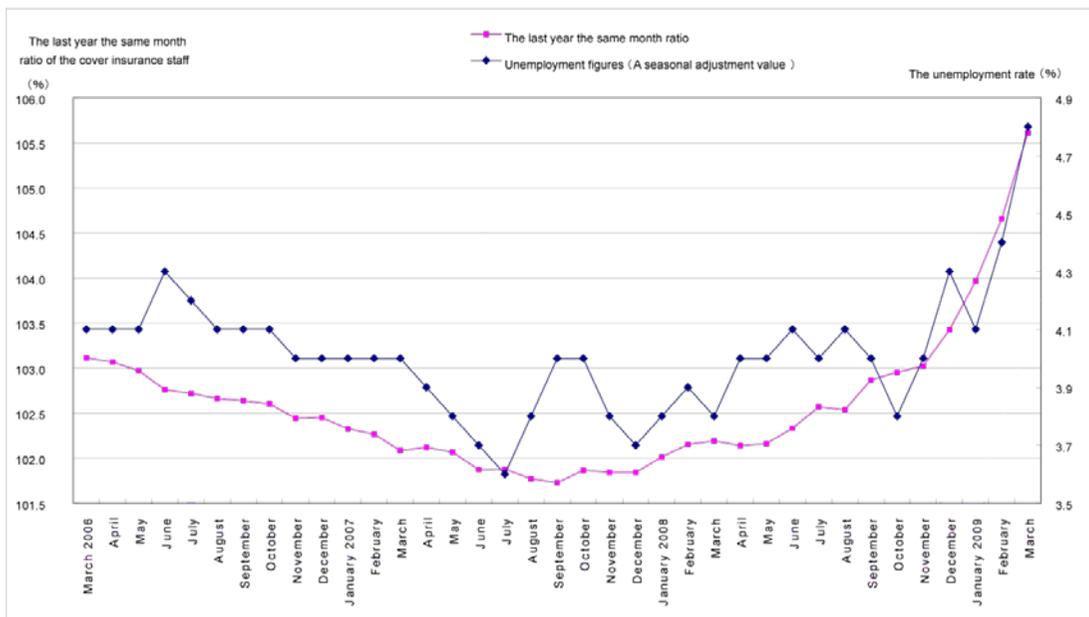
- The number of the livelihood protection recipients, the number of the livelihood protection households hit the bottom in FY 1995 (chart 2-6-2). Growth were severe since last autumn, and saw 5.6% increase in the growth rate (the last year the same month ratio) of the number of the livelihood protection recipients in the same month of the previous year in March, 2009 (chart 2-6-3). Correlation is seen in the change of the number of the livelihood protection recipients and the unemployment rate; it is thought that the aggravation of the employment situation is related to increase of the number of the recipients.

Figure 2-6-2 The number of the cover welfare family, the cover protection staff, the annual change of the people-on-relief ratio



Source: Ministry of Health, Labour and Welfare society a welfare administration report example / War Victims' Relief Bureau health section

Figure 2-6-3 The last year the same month ratio of the cover insurance staff and the change of the unemployment rate



Source : Ministry of Labor society / War Victims' Relief Bureau protection section than a welfare administration report example, work force investigation (Ministry of Public Management, Home Affairs, Posts and Telecommunications)

2 An action of the independence support of the livelihood protection recipient

- It is becoming important that we perform support for the working livelihood protection recipient who became unemployment in the severe unemployment situation and sets to work early, and to be able to become independent. On the other hand, the number of the recipients, the number of the receipt household's increases and the problem that a livelihood protection recipient has diversifies, so that each person's needs independent support such as livelihood or employment.

In addition, along with cooperation with working support organizations, need for support the learning of the child care & child to prevent "a chain of the poverty" in the livelihood protection while a problem of "the poverty of the child" is pointed out, such as children who grow up in households receiving livelihood protection becomes receiver of livelihood protection after they become adult. .

- Understanding that society based on showing what each person can do and

individual independence cooperation, it is important to make sure that people can stand up by its own feet before people face life difficulties. For these reasons, it is necessary to support an employment measure and welfare measure supports it promptly for low income earners and unemployed people when they face their life difficulties.

<Substantiality · reinforcement of the independence support>

(An independence support program)

- From FY2005, enforced independence support by "the independence support program" was for the purpose of strengthening the structure supporting independence / working towards the promotion of the independence of the needy.
- It works on enhancement and strengthening the program concerning an early work support to the person from whom protection is newly begun by having lost one's job because of a present employment situation and the program concerning the work support to the single-female-parent household etc. in fiscal year 2009.

(A welfare office co-operates with the Hello Work and working support for the livelihood protection recipient)

- Hello Work co-operates with welfare offices as part of programming its independence support, and, as for the livelihood protection recipients, a working support business is enforced. Meeting the demands of their needs for who have employment ability or who want to work
In FY 2009 it established the will to support businesses, utilize non-profit organizations or a private job placement enterprise having professional experience / knowledge and the enforcement for working support for livelihood protection recipients having a lot of problems returning working.

(The support for healthy upbringing of children in the livelihood protection system)

- In FY2009 revised budgets, for the livelihood protection household where the

child is present, ① support for a child and the parents to acquire a daily habit, support the entrance into a school of higher grade and develop the enforcement of "the healthy growing program for the child" to give support for truanting children. ② Starting from July 2009 the founding of "learning support costs" for expenses needed for book purchase costs that are necessary for learning in the home such as a reference books or basic education books and extracurricular club activities to be able to be fulfilled.

- In addition, as has been discussed in Section 4, for the mother and child household starting to use livelihood protection, support for a family of mother and children with child care and employment support, and also established "high schools fee", "the one parent household working promotion cost" and "learning support costs" from promotion of children's healthy growing point of view and support the individual needs that a mother and child household such as working and the education.

<Not to be the needy, system this supports independence and re-employment>

It was planned to expand employment measures in a revised budget in FY 2009 to support life of retired employees and a job search in correspondence with the severe employment unemployment situation in recent days and put together and build a "new safety net" and decides to enforce vocational training, re-employment, life, general house support. As noted in previous sections, A. Loan such as the lease house entering early day's expense for the homeless retired employee, enforcement of training and life support by "the urgent personnel training / finding employment support fund" etc, B. For people who do not become the object of the measure of above A, it is the provision of the housing allowance, support by the advance of funds for restarting life. C. supporting the stopgap fund loan for the interval before taking support of the entitlement program and perform the support that an employment measure and a welfare measure support it promptly, and can maintain independence.

Chapter 3

Summary

To have a supporting self-sufficient living with a stable life by working is not only to send so much life with purpose but also a source of economic dynamism.

Also it becomes possible to get a sustainable development of Japanese society by a person who has a supporting self-sufficient living come to a leader of social security.

Under the recent economic conditions, various people face difficult self-supporting situations more than ever before. For people who need social supports, a self-supporting in life or employment is important, however, the situations surrounding a self-supporting is getting hard. Besides, the employment conditions of young people are severe, and a sharp increase of cancellation of contract or discontinuance of employment in irregular workers brought a increase of people who face difficulty in life.

As for mothers of a disabled person or a fatherless family, the supporting aims employment which is appropriate for willingness and ability has been conducted with supporting in life including economic support by combining with employment and welfare measures. For example, supporting both of employment and life which are needed for displaced worker who lost a basis for life such as residence to get a job and a self-sufficient living. When a person faces a difficulty in life, it is an important role as a social security that the employment and welfare measures function together as a safety net, it is indispensable for people as a support to have a self-supporting.

In this white paper, both measures of employment and welfare are expanded, and various aspects of the safety net which is functioning have been considered. Let's look back shortly.

(Young people)

Under the recent tight economic conditions, it is anticipated that the employment conditions of young people including new graduates will be severe. Especially, elder job-hoppers (25-39 years old) are likely to have few opportunities of employment as

a regular staff as they grow older, and it is necessary to get heavy continuous supporting. And it is a problem that they have no professional skills, and supporting for regular employment is conducted focuses on employment support and professional skill building, and also supporting for keeping life in a training period is conducted to have a training at rest.

As for young people who have no job, which is called NEET, there are many cases that they have problem in professional sense and the principle social adjustment, supporting by net work of local supporting agencies are implemented to develop a professional sense or social adjustment.

(Elderly people)

As for elderly people, that incomes are guaranteed and a working places where the knowledge and skills they have experienced are drawn is secured, is important for elderly people to send a stable life and have a purposeful life, and it is also important in view of keeping economic dynamism in Japan.

The approach to secure the sustainability of public pension program and employment opportunities for elderly people are conducted.

(Disabled persons)

As for disabled persons, it is important to send a stable life and a purposeful life at rest. And supporting for a daily life or a social life is important, and it is also important in a view of a self-realization and the supporting the society that opportunities of employment which are appropriate with willingness and abilities are given.

The employment and welfare measure conduct a life support and employment support to get an opportunity of employment which is appropriate with willingness and abilities over supporting life of disabled persons.

(Mothers of fatherless family)

Mothers of fatherless family have to keep life with raising children, they have many difficulties in employment due to restrictions. The supporting is necessary to keep raising children and working or to get better conditions in income or employment to proceed a self-supporting of fatherless family.

Consequently employment and welfare measures conduct supporting of employment and life in an integrated manner.

(Non-regular labors)

Non-regular labors who lost a regular position had increased due to the recent economic conditions. When non-regular labors who left a working place face a difficulty in life, it is necessary to support not only a life basis such as residence but also employment assistance not to be needy refugees.

And the safety net for non-regular labors was strengthened by a revision of employment insurance system, and measures for life security, residence securement and life fund securement for a professional training period have been expanded and conducted in both employment and welfare measures as a new safety net to displaced workers who lost residence.

(Needy persons)

As for needy persons, the minimum life is secured by the Public Assistance Act, having a self-supporting by the employment in a secured basis for life for a person who became a welfare recipient at once is important in view of having purpose of life and their standing on the side of supporting the society. The employment combined with welfare measures are supporting them to have a self-supporting by employment.

There is a case that a self-supporting is undermined by various reasons on living.

Recent severe economic situations affect life of many people, and give a great difficulty to get a work and have a supporting of a self-sufficient living for them.

When a person faces a difficulty in life, it is a role of a the safety net that employment combined welfare measures support them immediately before they fall in a difficulty and help them to have a self-supporting. The employment and the welfare measures have been performed these functions, and it is necessary to enhance and strengthen further in future.

To secure a basis of life and to have a self-supporting for each and every individual in the country is very important for economic dynamism in Japan as well as becoming a purpose in life through exercising ability

When an individual faces a difficulty in life or fell in a difficulty in life, it is necessary that the social security functions as a safety net and draw ability of individuals.

By these functions, individual self-supporting is conducted and mutual supporting of a self-supported Individuals, and the social security by solidarity is supported.