

## Section 6

### Securing Employment and Stable Life under Severe Economic Conditions

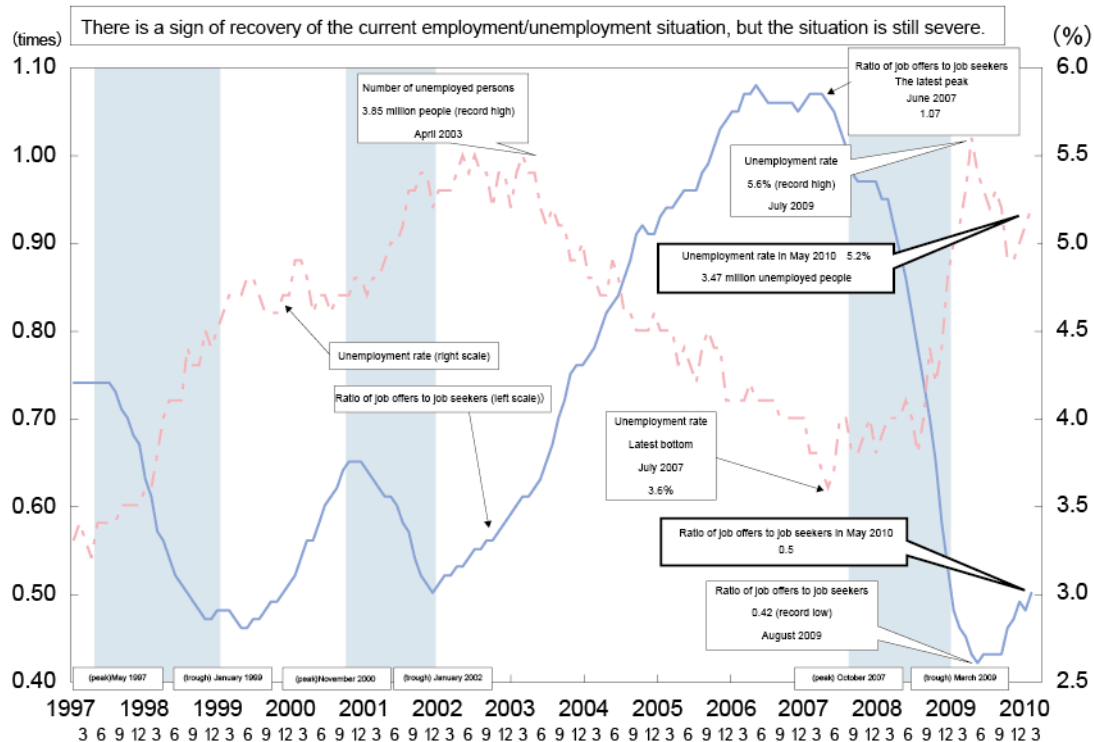
#### 1 Recent Employment/Unemployment Situation

The average unemployment rate in FY 2009 posted 5.2%, which topped 5% for the first time in six years and was the second-highest on record since FY 2002 (5.2%). Meanwhile, the average ratio of job offers to job seekers in FY 2009 was 0.45, the record low rate since FY 1963 when the survey started. The number of jobless stood at 3.43 million, up 680,000 from a year earlier. The number of job offers to job seekers was 1.26 million, a decrease of 26.1%. The number of job applications was 2.81 million, an increase of 26.8% from the previous year. All these figures illustrate the aggravated employment situation in the last fiscal year.

In July alone, the unemployment rate declined to 5.6%. In August, the ratio of job offers to job seekers plunged to 0.42. Both figures sank to a historic low, suggesting the last fiscal year as a very severe year. In the second half of FY2009, there was a sign of recovery.

In May 2010, the unemployment rate climbed to 5.2%, up 0.1 point, and the ratio of job offers to job seekers rose to 0.50, up 0.02 points. There is a sign of recovery of the current employment/unemployment situation, but the situation is still severe. Although some positive signals have gradually appeared, close attention needs to be continuously made on the future conditions.

Chart 2-6-1 Changes in Unemployment Rate and Ratio of Job Offers to Job Seekers



Source: "Labour Force Survey" Ministry of Internal Affairs and Communications, ""Employment Security Service Statistics" MHLW  
 ※Shaded areas show the period of recession, and the latest trough is provisionally set.

## 2 Emergency measures to improve employment situation

### (1) Maintaining employment

#### 1) Improvement of the Employment Adjustment Subsidy

When employers have no choice but to scale down their business operations, due to economic reasons, such as business cycle fluctuation and changes in the industrial structures, in order to prevent unemployment and stabilize employment, the Employment Adjustment Subsidy (for the employers of big companies) and the Immediate Employment Security Subsidy for SMEs (for the employers of small- and mid-sized companies) have been paid to support the employers who provide their employees with a temporary suspension of business operations, or education/training.

In FY 2009, following revisions were made in consideration of the economic and employment conditions:

- i) The limit to the number of days of payment used to be 200 days a year, but this system was abolished enabling beneficiaries to receive the subsidy up to 300 day during 3 years;
- ii) The subsidy for education/training extended to large firms increased from 1,200

- yen to 4,000 yen per person per day;
- iii) The subsidy rate for people with disabilities has been enhanced;
  - iv) When employers maintain employment through loan to other firms, the subsidy could not be paid if an employee is loaned to other firm again within 6 months from when the said employee returned to their original company. This restriction, however, was abolished, and the loan to other company again without time between the previous loan has become eligible for the subsidy.

Furthermore, there was a possibility that the companies, whose production significantly declined after Lehman's fall in 2008 and remains flat since then, could not meet the original requirements and not receive the subsidy. Therefore, the requirements for production were eased so that these companies could maintain eligibility for the subsidy

Chart 2-6-2 Employment Adjustment Subsidy

<b>Overview</b>	<ul style="list-style-type: none"> <li>○ Employment Adjustment Subsidy is a system to offer subsidy to the employers, who were forced to scale down their business operations due to economic reasons such as business cycle fluctuation but make efforts to maintain employees by providing them with a temporary suspension of business operations, or education/training or loan of employees to other firms.</li> <li>○ Before providing a temporary suspension of business operations, the employers are required to submit the implementation plan to the Prefectural Labour Bureau, and then, apply for the subsidy after actually implementing suspension.</li> <li>○ The budget for FY 2009 was about 660 billion yen. The budget for FY 2010 is about 730 billion yen.</li> </ul>
<b>Contents of subsidy program</b>	<ul style="list-style-type: none"> <li>○ The Employment Adjustment Subsidy program provides subsidy that will finance a certain percentage of rest-day allowance, wages while employees are taking educational/training program or the burden of the company that loans employees. <ul style="list-style-type: none"> <li>• 2/3 for large firms, 4/5 for SMEs</li> <li>• The subsidy rates for employers avoiding dismissal of their current employees, etc. are 3/4 for large firms and 9/10 for SMEs, but the amount per day does not exceed the maximum amount of basic allowance per day of employment insurance benefits (7,685 yen).</li> </ul> </li> <li>○ When education/training is implemented, subsidy for education/training expenses are provided in addition to the above benefits. <ul style="list-style-type: none"> <li>• 4,000 yen per person per day for large firms, 6,000 yen for SMEs</li> </ul> </li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>○ The number of users has increased rapidly since the launch of the Immediate Employment Security Subsidy for SMEs (for the employers of small- and mid-sized companies) in December 2008, which was created by expanding the contents of subsidy of the Employment Adjustment Subsidy program for SMEs.</li> <li>○ After that, the payment requirements have been eased several times taking into account the demands of employers, etc. As a result, about 83,000 business operators are under the program according to the implementation plan as of March 2010, and 1.6 million workers are eligible for the subsidy due to temporary suspension of business operations.</li> </ul>

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\*1 The original requirement, which was “a decline in the average monthly sales or production over the recent 3 months by more than 5 % compared with those for the preceding 3 months or the same period of the previous year” was eased to make the subsidy available for the employers of business establishment “whose average monthly sales or production over the recent 3 months has declined by over 10% from the same period of two years before, and which posted a pretax loss in the most recent final statement.”

Efforts to support the companies that are striving to maintain employment have been made through repeatedly revising the subsidy to facilitate its use. As a result, As a result, the uses of the Employment Adjustment Subsidy and the Immediate Employment Security Subsidy for SMEs have been rapidly expanding; By March 2010, 83,114 implementation plans for suspension of business operations, etc. were received, and the eligible people totaled 1,596,724 (preliminary figures).

2) Through guidance and supervision to promote legal compliance such as prevention of disguised subcontracting and premature termination of temporary work contracts

Under the current severe employment/unemployment situation, it is necessary to eliminate illegal dispatching and pursue stable employment of dispatched workers. Accordingly, emergency employment measures were taken to provide thorough guidance and supervision aiming at legal compliance

Specifically, regarding disguised contracting, efforts have been made through guidance and supervision to promote stable employment and to properly correct the situation. Concerning premature termination of temporary work contracts, guidance was implemented based on the "Guidelines for Measures to be Taken by Dispatch Business Operators" and the "Guidelines for Measures to be Taken by Destinations" , which were revised on March 31, 2009, on maintaining employment and securing employment opportunities, and on stipulating matters relating to compensation for losses caused by the premature termination of temporary work contracts by companies that had accepted dispatched workers.

(2) Creation of employment and support for reemployment

1) Measures for job creation

In the FY 2008 second supplementary budget, a subsidy (0.4 trillion yen in total) was established. Based on this subsidy, the funds were set up in prefectures to implement the program for job creation in each region. Specifically, following funds were created: "Hometown Employment Revitalization Special Grant (250 billion yen) to support stable employment creation for local job seekers; and "Creating the Emergency Job Creation Program" (150 billion yen) to support the efforts to create temporary employment/job opportunities for non-regular workers who were forced to lose their jobs or job losers mainly of middle-aged and older people. These funds are expected to help to ingeniously create employment in accordance with the conditions in each region. The Emergency Job Creation Program was amplified in the FY 2009 supplementary budget (300 billion yen) aiming at strengthening local job creation. Furthermore, in the FY

2009 second supplementary budget, the “Job Creation Project in High Priority Areas” was established (150 billion yen) to create employment opportunities in key growth areas such as nursing care, medical care, agriculture and forestry and environment and to implement the project aiming at developing human resources who meet the demands in the region and help them to be employed (see 2 (2) in Section 6).

2) “Emergency Human Resource Development and Employment Support Fund” to comprehensively support vocational training, reemployment and daily-lives

Amid the recent deteriorating employment/unemployment situation, there is a concern about prolonged period of unemployment for non-regular workers who were forced to leave their jobs due to employment adjustment or other reasons. Accordingly, the “Emergency Human Resource Development and Employment Support Fund” was established to comprehensively support vocational training, reemployment and daily-lives for non-recipients of employment insurance benefits.

The Emergency Human Resource Development Project has been launched since the end of 2009, consisting of free vocational training (Fund Training) for non-recipients of employment insurance benefits and “Training and Life Support Benefit”, which guarantees the livelihood of people under vocational training

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\*2 In order to receive the Employment Adjustment Subsidy, an implementation plan should be submitted in principle to the Prefectural Labour Bureau before suspending the business operations, and then, application for the benefit should be made after the suspension of business operations, etc. was actually carried out.

\*3 For the details on the funds for job creation, please refer to the following website:  
Ministry of Health, Labour and Welfare

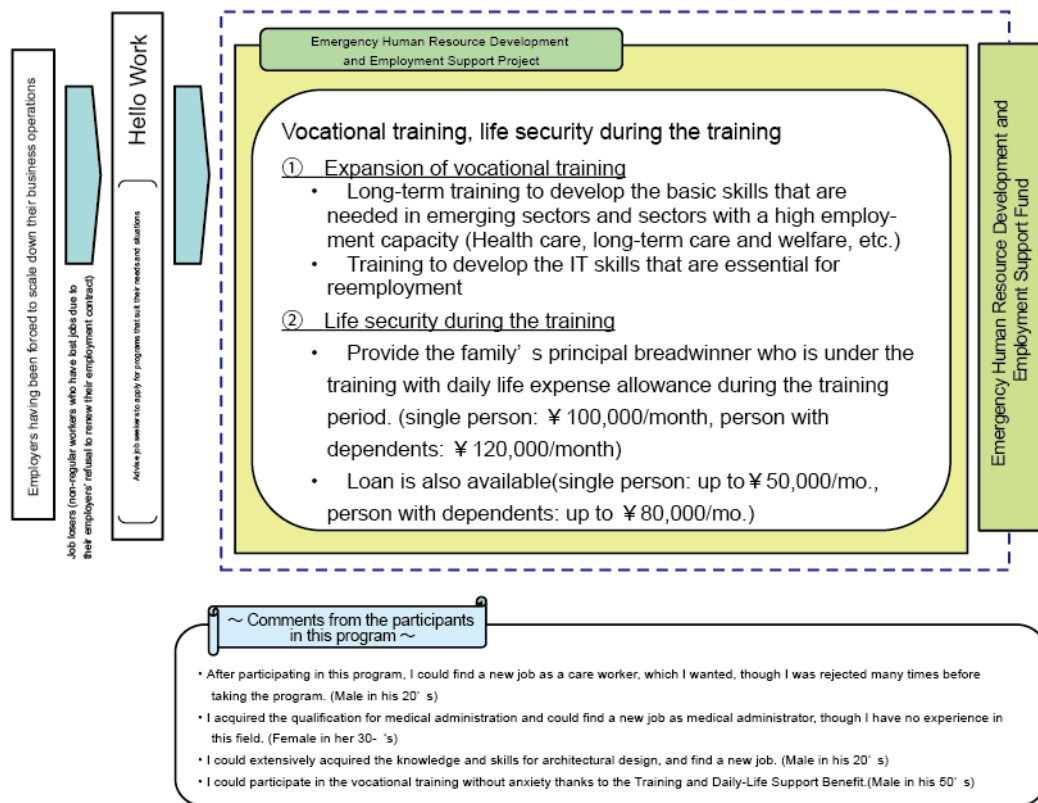
<http://www.mhlw.go.jp/bunya/koyou/chiiki-koyou3/index.html>

\*4 For details on the Emergency Human Resource Development and Employment Support Fund, please refer to the following website: Ministry of Health, Labour and Welfare

<http://www.mhlw.go.jp/bunya/koyou/chiiki-koyou3/index.html>

Chart 2-6-3 Emergency Human Resource Development and Employment Support Project

- The government has established a fund 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) for the purpose of implementing the Emergency Human Resource Development and Employment Support, which offers vocational training and Training and Daily-Life Support Benefit to secure life during the training mainly through Hello Work.



Fund Training, which is designed for less-experienced workers, offers programs ranging from the one to acquire basic skills required for employment to the programs to learn practical vocational abilities. As the “Training and Life Support Benefit”, 100,000 yen per month (120,000 yen per month for those who have dependents) is provided to the trainees who meet the certain conditions such as annual income. Upon request, the trainees can obtain a loan up to 50,000 yen per month (up to 80,000 yen per month for those with dependents).

In FY 2009, Fund Training programs were arranged for about 122,000 trainees, and about 120,000 persons applied to the programs. In addition, 37,000 cases were accepted as eligible for the “Training and Life Support Benefit.” As of June 29 in FY 2010, 51,000 persons have registered in the programs, and 36,000 cases have been accepted as eligible for the benefit.

Discussion is being made at the related council on the specific contents aiming at perpetuating the free vocational training and the benefits, offered while taking training programs, currently underway as the “Support System for Job Seekers.”

### 3) Drastic measures to strengthen the functions of Hello Work

#### ① Strengthening the system of Hello Work

In FY2009, the human resources and organization structure of Hello Work were improved and strengthened responding to the sharp increase in Hello Work users triggered by rapidly deteriorating employment situation

[First supplementary budget] (Placement of 7,403 counselors and 304 staff)

- Collecting and offering vocational information on vocational training (1,046 persons)
- Improving and strengthening exploration of job seekers(1,215 persons)
- Strengthening the counseling system concerning grants(2,084 persons)
- Strengthening the system for employment consultation (3,698 persons)

[Emergency Employment Measures/ Second supplementary budget](661 counselors)

- Improving the system for one-stop counseling (263 persons)
- Employment support for new graduates (398 persons)

#### ② Improving services at Hello Work with the mindset of users

Since FY 2005, Hello Works located in the prefectural capitals or the cities with the population over 200,000 people have offered employment counseling service during night time on weekdays and in weekend in order to support job seeking activities for jobholders who cannot use Hello Work during the daytime on weekdays (148 Hello Work offices as of June 2010). Furthermore, under the severe employment/unemployment conditions, Hello Works were temporarily opened at 77 locations on December 29 and December 30, 2009 to carry out year-end employment consultations and guidance.

In addition to these services, opinion boxes are installed to grasp the users' opinions and demands on all Hello Works; full check of over-the-counter service is implemented based on the voluntary proposal by staff; and every staff wears a nameplate.

In FY 2010, in order to further promote the Hello Work services with the mindset of users, the "Hello Work Service Promotion Office" was established in the Employment Security Bureau in July 2010.

Moreover, the projects to promote operations to satisfy users have been expanded and strengthened, for instance through implementing the "Competition for Business Improvement of Hello Work" to disseminate the best practices for service improvement at work place across the country; handing a business card to users at the employment counseling desk of Hello Work (since June 28, 2010); and conducting the users' survey

to understand the need for improvement.

#### 4) Strengthening training for job losers

Among the public job training carried out by the central government and prefectures, training for job losers was assigned a quota of 190,000 trainees, an increase of 35,000 persons from the previous year, in the FY 2009 initial budget taking into account severe employment/unemployment conditions. In the FY 2009 first supplementary budget, a quota of 27,000 persons was added, and a total quota of about 220,000 trainees was secured. Additionally, in the FY 2010 budget, a total quota of about 220,000 trainees, similar to the size of FY 2009, is planned to be offered.

Moreover, aiming at securing stable employment, the contents of the training have been improved. In addition, long-term training programs, up to two years, have been launched since FY 2009, and efforts are being made to establish the training programs focusing on the promising field to accept employees, such as nursing care/welfare, medical care and information and telecommunications.

## Column

### Efforts at securing resources for forestry

Recently, people who want to take a job of forestry have been increasing thanks to improvement of environment conscious. The Ministry of Health, Labour and Welfare offers “support training for applicants to forestry” for about 20 days, where they can learn basic knowledge and do practice, for those who want to work in the forest industry.

Experience of those who participated in “support training for applicant to forestry”, to find a job in the forestry.

(Male A: in his 30s)

Before I took the training, I had just thought that it would be great if I could get qualification of a chain saw and of a mower.

Although I took the training with an only motivation to make up my lack of experience and of qualification because I had failed in selection for some forestry company based on application form in Niigata-city, some change like “This has something more than that” was seen in myself in the process of the training and while talking to other trainers.

It had been a week since I started training. I sawed a tree down with a chain saw for the first time and I had a kind of feeling “I cannot feel something like this through other jobs! It’s great!” Other than this, I can remember that I had been getting interested in tooting (to



sharpen a saw) and I enjoyed practicing in a forest.

Although I learned about the present forest industry and the future at the end of my training and I could know a gap between my image for forestry and the real, I still thought working in forest industry was worthwhile and it helped me make my decision. I can't say that environment of the forestry is not good enough but I don't think that it goes on as it is for ever. I believe that the forest industry will be seen in a light and it will be changed appropriately even as business. With my belief, I will try to take a job in the forest industry.

(Male B: in his 30s)

What surprised me as I attended in the training is a number of students. Even people from other prefectures were there so I could glimpse at how high visibility the forestry had.

As for what I learned through the training, the lecture from the teacher on the present post of Forestry Cooperative was a good one. I learned importance of forest thinning and the current situation of the forest industry. I could well learn about how to operate tools and tooling and so on. But I felt it was hard for me to learn them for a short time and as I operated a chain saw, I was exhausted shortly due to, maybe, too much strength on it. I think that training is essential to actually work in the field.

Also I had a chance to learn the current situation of Forestry Cooperative, actual works, salaries and so on from a teacher from Forestry Cooperative. Through it, I realized that the forest industry is not in as great environment as we long for. Maybe we should focus on enjoyment we could get through working in mountains than getting too much income. I really thought that those facts try us if we have prepared to get a job in the forest industry.

At the last, what I was satisfied in the training is that I could take the training in Murakami. This is just a notional reason but at least for me, I feel the air in Murakami different from other areas and it is comfortable.

As what I wanted to experience through the training, it could be better if there had been a chance to learn planting and mountain-walking for actual work (to know conditions of mountains) it may have been impossible due to process, though.



### (3) Safety net/ Life support

#### 1) Strengthening safety net function of employment insurance

In view of the current severe employment/unemployment conditions, discussions were made on employment insurance system at the tripartite council consisting of the members representing the public, labor, and employers (Subcommittee for Employment Insurance, Sub-division of Employment Security of Labour Policy Council) in order to strengthen safety net functions for non-regular workers, and a written report was compiled in December 28, 2009. In consideration of this report, the “Draft Legislation to Amend the Employment Insurance Act” was presented on January 18, 2010 and the “Draft Legislation to Amend the Employment Insurance Act. etc.” was presented on January 29, 2010 at the ordinary Diet session in FY 2010, and both bills were passed the Diet on January 28, 2010 and on March 31, 2010 respectively.

Concerning the state subsidy for unemployment benefits, the “Draft Legislation to Amend the Employment Insurance Act” stipulated that i) additional general revenue of 350 billion yen would be injected under the FY 2009 second supplementary budget; and ii) review would be implemented in FY 2010, and resume the main rule that the national treasury pays one fourth of unemployment benefits after securing stable fund in or after FY 2011.

In addition, the “Act for Partial Revision of the Employment Insurance Act, etc.” stipulated that: i) application criteria for non-regular workers would be eased from “employment scheduled for a period of over six months” to “employment scheduled for over 31 days); and ii) uninsured persons could retroactively receive the benefit of more than two years, which was the original retroactive application period.

The recent deregulation of application criteria has strengthened safety net functions, making additional 2.55 million people eligible for the employment insurance benefit.

#### 2) Housing and Life support

While strengthening safety net functions of employment insurance, supports have been provided to the job losers so that they would not have difficulty in their housing and daily lives through establishing the second safety net including the emergency special measure project for housing allowance, which is a housing aid program for job losers, in addition to the aforementioned “Training and Life Support Benefit.”

#### ① The Housing Support Benefits for Job Losers

In response to the global financial crisis and deteriorating economic and employment

conditions, the Housing Support Benefits for Job Losers was established to support employers that continuously provide housings or pay housing expenses for dispatched workers and period contract workers after losing their jobs.

② Loan to finance housing-related moving-in startup costs integrated with employment support

Under the severe employment conditions since the autumn in 2008, dismissal or employer's refusal to renew employment contract of dispatched workers or contracted workers have been increasing, and some job losers have lost their homes, for instance by being forced to leave from their corporate dormitories. The efforts made by the companies to maintain employment after that helps to decrease the number of such job losers, but still this trend continues.

Once they lose their homes, they will have trouble finding a new job and reemployment to a stable job. Hence, it is necessary to secure their homes immediately in order to support their reemployment.

Accordingly, since December 2008, the "Employment Stabilization Fund Loans\*5", a loan to finance housing-related moving-in startup costs (up to 1.86 million yen) provided by Hello Work in cooperation with labour banks, has been provided, and the "Emergent temporary housing" has been implemented, making the most of the employment promotion housing and assisting move-in with simple and speedy procedures.

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\*5 In consideration of a significant decline in the number of users as a result of launching the housing allowance and the "General Support Fund", applications of new loans have no longer been accepted at Hello Work since September 30, 2010.

③ Housing and Life support

( i ) Emergency special measure project for housing allowance (Housing allowance)

Stable housing is indispensable for job hunting and getting a job. The "Emergency special measure project for housing allowance (Housing allowance) has been implemented since October 2009 to serve job losers to be engaged in job seeking activity without anxiety.

This housing allowance project provides job losers who have ability and motivation to work but lost or might lose their homes with housing allowance for up to six months, and also offers employment support by the staff in charge of securing houses and

supporting employment.

Furthermore, in the FY 2009 second supplementary budget, the maximum term of housing allowance payment was extended for additional 30 days (up to 9 months) for job losers who continues job seeking activity in good faith. Easing income requirement also serves to expand the scope of eligible beneficiaries. In addition, because support for securing houses and seeking jobs is important, the measures were taken in the FY 2009 second supplementary budget to place about additional 1,250 staff members in each local government, who are responsible for securing houses and supporting employment (an increase from 1,250 to 2,500 staff members) in order to strengthen the support system.

( ii ) Revision of the Living and Welfare Fund Loan Program

Regarding the Living and Welfare Fund Loan Program to offer loans to low-income households, etc. with the aim of securing their stable lives, the use of the program was promoted targeting job losers and low-income people in the FY 2009 supplementary budget. Drastic review of the system was conducted in order to provide effective support, and the revised program has been launched since October 2009.

Through this review, counseling support was strengthened, and the types of the funds were consolidated, for example by establishing the “General Support Fund” to offer living costs and temporary loan. Additionally, the loan interest was lowered, and the requirement of joint guarantor was eased.

( iii ) Temporary and Special Stopgap Fund Loan

The “Temporary and Special Stopgap Fund Loan” (loan up to 100,000 yen) has been launched since October 2009. This program offers loans for necessary living costs targeting the job losers, whose application for state benefits including unemployment benefits, housing allowance and public assistance, or public loans including the Employment Stabilization Fund Loans and the Living and Welfare Fund Loan was accepted, but who do not have living expenditures until the benefits will be granted

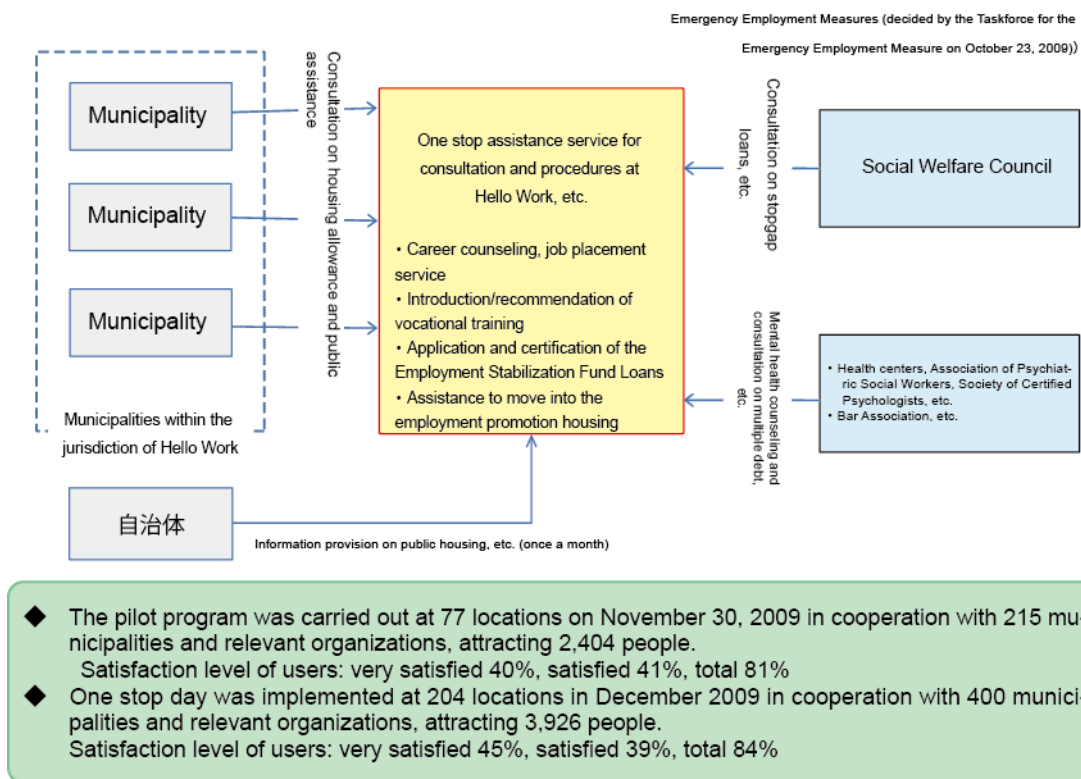
( iv ) Improving support measures for homeless people

Economic recession and unemployment circumstance have massive impact to increase in number of homeless people. So that when a state of emergency for massive increase of homeless people, it was enabled to use public hotel and company accommodation for them. Also, the organization employ consultant adviser for homeless people needs. These plans determined by FY2009 supplementary budget.

#### ④ One-stop Service Day

Based on the “Emergency Employment Measures”, which was formulated on October 23, 2009, “One-stop Service Day”, which allows job losers who are seeking their jobs to take employment counseling and housing and Life support counseling/procedures at one place, was implemented on November 30 (on a trial base) and in late December (mainly on December 21), 2009 in cooperation with local governments and other related organizations.

Chart 2-6-4 Implementation of One Stop Service Day at Hello Work, etc.



One-stop Service Day was implemented on a trial base on November 30 at 77 locations of Hello Work in cooperation with 17 prefectures and 215 municipalities, attracting 2,404 visitors.

This program was carried out also in December, intensively on December 21, at 204 locations of Hello Work in cooperation with 400 municipalities nationwide, attracting 3,926 visitors.

Over 80 % of visitors were satisfied with this program both in November and December.

#### ⑤ Year-end general counseling on Life

Based on the “Emergency Employment Measures”, established on October 23, 2009, counseling service on Life was implemented mainly by each local government at the welfare office during the period when public organizations are basically closed (from December 29 (Tue), 2009 to January 3 (Sun), 2009). Some local governments also offered accommodation facilities for homeless people in addition to their original measures.

The Metropolis of Tokyo offered general counseling on Life, accommodation and meals at the facilities in Tokyo to job seekers without a place to live

#### (4) Emergency Employment Measures/ Emergent Economic Measures

In consideration of employment/unemployment conditions in August 2009, the “Emergency Employment Measures” were compiled on October 23, 2009 incorporating trial implementation of One-stop Service Day and establishment of the “Employment Program for Care Workers to ‘Obtain License while Working’” (see 2-(2) in Section 8) as the measures to be taken promptly, aiming at realizing a “society where the people can safely lead a life worth living without anxiety. “

In addition, to ensure the economic recovery in the future, the “Immediate Economic Measures for Secured Future and Growth” was adopted by the Cabinet on December 8, 2009, incorporating “Relaxation of the Requirements for the Employment Adjustment Subsidy” to strengthen employment maintenance support by companies, creation of the “Experience-oriented Employment Program for New Graduates” to support new graduates’ employment and establishment of the “Job Creation Project in High Priority Areas” to promote full-fledged job creation.

Chart 2-6-5 Two economy/employment measures taken by the Ha

	Emergency Employment Measures (October 23, 2009)	Immediate Economic Measures for Secured Future and Growth (adopted by the Cabinet on December 8, 2009)
Employment maintenance support	<ul style="list-style-type: none"> <li>◦Easing payment requirements for the Employment Adjustment Subsidy, etc.</li> <li>• The loan of an employee to other company again not exceeding 6 months since the said employee returned to their original company has become eligible for the subsidy</li> <li>• Other measures, including shortening time for payment, change in the application format, etc.</li> </ul>	<ul style="list-style-type: none"> <li>◦Easing requirement for the Employment Adjustment Subsidy                             <ul style="list-style-type: none"> <li>• Concerning the "production requirement", "a decrease by 10% from two years before" of the companies that have no profits has become eligible for the subsidy regardless of the size of the company along with the current requirements.</li> </ul> </li> <li>* The requirement relaxation is expected to make an average of 0.8 million people per month eligible for the subsidy in FY 2010.</li> </ul>
Support for the poor and the needy persons	<ul style="list-style-type: none"> <li>◎Implementation of the "One Stop Service Day" on a trial basis                             <ul style="list-style-type: none"> <li>*November 30 (215 municipalities, 77 Hello Work offices)</li> </ul> </li> <li>◦Information supply on public housing at Hello Work</li> <li>◦Development of the training menu/ new organizers for the "Emergency Human Resource Development Project" (aiming at securing of 50,000 people for each training program by the end of the year)</li> <li>◦Discussion on the measures taken by the support team for the poor and the needy persons program by the end of the year</li> </ul>	<ul style="list-style-type: none"> <li>◎Support for implementation of the "One Stop Service Day"                             <ul style="list-style-type: none"> <li>*Held on around December 21 (400 municipalities, 204 Hello Work offices, etc.)</li> </ul> </li> <li>◎Placement of "housing and life support advisers (tentative name)" at the major Hello Work offices nationwide to offer One Stop Service (about 270 million yen)</li> <li>◦Expansion of the "housing measures" (70 billion yen)                             <ul style="list-style-type: none"> <li>• Continued support, including continued supply of housing allowance, establishment of temporary accommodations for emergency use, etc.</li> <li>• Placement of additional 1,250 supporters for securing houses and supporting employment (from 1,250 to 2,500 supporters.)</li> </ul> </li> </ul>
Support for new school graduates	<ul style="list-style-type: none"> <li>◦Emergent placement of "Job Supporters for High School and College Graduates" (530 → 618 (additional 88 supporters))</li> <li>◦Discussion by the new graduates support team</li> </ul>	<ul style="list-style-type: none"> <li>◦Additional emergent placement of "Job Supporters for High School and College Graduates" (618 → 928 (additional 310 supporters) (250 million yen)</li> <li>◎Launch of the "Experience-oriented Employment Program for New Graduates" (request for the system)                             <ul style="list-style-type: none"> <li>• Subsidy offered to the companies that accept experiment-oriented employment of graduates who have not found their job yet with 50,000 yen per person</li> </ul> </li> <li>◦Implementation of vocational training programs for "new graduates who have not found their jobs before graduation" and expansion of the "Training and Daily-Life Support Benefit" (as part of the Emergency Human Resource Development Project)</li> </ul>
Employment creation	<ul style="list-style-type: none"> <li>◎Launch of the employment program for care workers to "acquire qualification while working" (330,000 people are expected to participate in the program by the end of FY 2011.)</li> <li>◦Request for implementation of the "Creating the Emergency Job Creation Program" ahead of schedule</li> <li>◦Requirement relaxation for the "Creating the Emergency Job Creation Program" and the "Hometown Employment Revitalization Special Grant"</li> </ul>	<ul style="list-style-type: none"> <li>◎The "Job Creation Project in High Priority Areas" (150 billion yen)                             <ul style="list-style-type: none"> <li>• Creation of employment opportunities in the key growth areas such as long-term care, medical care, agriculture and forestry and environment and promotion of human resources development (expected to target about 60,000 people)</li> </ul> </li> <li>◎Securing of employment for construction workers and promotion of their reemployment (2 million yen, request for the system)</li> </ul>
Employment support for women, other support	<ul style="list-style-type: none"> <li>◦Implementation of childrearing program in a family-style environment utilizing NPO, etc. on a trial basis</li> <li>◦Speeding up improvement in long-term care service</li> </ul>	<ul style="list-style-type: none"> <li>◎Measures for eliminating children waiting for the admission to daycare centers (20 billion yen)                             <ul style="list-style-type: none"> <li>Establishment of branch daycare centers utilizing vacant spaces in community</li> </ul> </li> <li>◦Support for teleworking targeting single mother families, etc</li> <li>◎Placement of "instructor to prevent childcare/family-care leaves related problems" (28 million yen)                             <ul style="list-style-type: none"> <li>Placement at the Prefectural Labour Bureau (47 instructors) to provide guidance and consultation on childcare leave, etc.</li> </ul> </li> </ul>
Preparation for the future, etc.	<ul style="list-style-type: none"> <li>◎Establishment of the "Employment Countermeasure Dialogue" (1st session on November 25)                             <ul style="list-style-type: none"> <li>Agreement was made on emergency support for employment measure promotion</li> </ul> </li> <li>◎Establishment of the "Local Employment Strategy Council"                             <ul style="list-style-type: none"> <li>First meeting in Hokkaido (December 215)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>◎Establishment of employment and life security system                             <ul style="list-style-type: none"> <li>• Establishment of the trampoline-style "second safety net" (Launch in FY 2011)</li> <li>• Strengthening of the employment insurance system (350 Billion yen)                                     <ul style="list-style-type: none"> <li>Expansion of range of eligibility and returning to the main rules for state subsidy, etc.</li> </ul> </li> </ul> </li> <li>◎Securing of "work-life balance" and various work styles</li> </ul>

[How to see this Chart] Compared with the measures of the previous Cabinet, ◎ indicates a new measure and ◦ shows a measure for easing requirements, expansion, etc.

### 3 Scheme to support vocational skills development

#### (1) Promotion of public job training\*6

The Ministry of Health, Labour and Welfare, the Employment and Human Resource Development Organization of Japan, and prefectures have been establishing and operating public facilities for vocational capability development in order to providing a) training for job losers to facilitate their reemployment by providing job seekers with skills and knowledge required for new jobs, b) training for jobholders to provide them with high-level skills and knowledge required to cope with technological innovation and changing industrial structure, and c) relatively long-period training for graduates of




junior and senior high schools to develop young skilled workers by providing them with skills and knowledge required for their jobs.

In FY 2009, the public job training was assigned a quota of about 370,000 trainees, and at the end of March 2010, the training has been provided to the total of 325,000 persons consisting of 196,000 job losers, 122,000 employees, and 7,000 new school graduates (preliminary number). With regard to training for job losers, after providing career consulting, the best course are being selected taken into account each jobseeker's desire, ability and qualifications. In addition to training at public facilities for vocational capability development, the opportunities for training to satisfy diverse needs for human resources has been provided by making the best use of private education and training institutions including special training schools, universities, graduate schools, specified nonprofit corporations, and companies seeking workers. Commissioned training programs have been provided to 145,000 persons among 196,000 job losers (preliminary number). For FY 2010, a quota of 220,000 trainees will be assigned as same as FY 2009.

Chart 2-6-6 Overview of Public Vocational Training

The national and local governments carry out public vocational training for job losers, job holders and school graduates.

\* The central and prefectural governments are obligated to “give vocational training to workers who want to change their jobs, and who need special assistance to their vocational abilities development and improvement” and to “provide the vocational training required in light of the situation of vocational training provided by employers and employers' organizations” (paragraph 2 of Article 4 of the Human Resources Development Promotion Act) .

Training for job losers	Training for job holders	Training for school graduates
<p>(1) Target; job seekers at Hello Work (free of charge (actual costs such as textbook fee are paid by trainees))</p> <p>(2) Period of training: about 3 months to 1 year</p> <p>(3) Examples of main training programs (Examples provided by the Employment and Human Resources Development Organization of Japan)</p> <ul style="list-style-type: none"> <li>○ Training within the institution           <ul style="list-style-type: none"> <li>Production system engineering department, technical operation department, etc.</li> </ul> </li> <li>○ Commissioned training           <ul style="list-style-type: none"> <li>Commissioned training</li> </ul> </li> </ul>	<p>(1) Target: job holders (charged program)</p> <p>(2) Period for training: about 2 to 3 days</p> <p>(3) Examples of main training programs (Examples provided by the Employment and Human Resources Development Organization of Japan)</p> <ul style="list-style-type: none"> <li>• Optical communication installation course</li> <li>• Three dimensional CAD/CAM course</li> <li>• Factory automation (FA) system course, etc.</li> </ul>	<p>(1) Target: high school graduates(charged program)</p> <p>(2) Period for training: 1 year or 2 years</p> <p>(3) Examples of main training programs (Examples provided by the Employment and Human Resources Development Organization of Japan)</p> <ul style="list-style-type: none"> <li>【Specialized course】           <ul style="list-style-type: none"> <li>Production engineering department, electronic engineering department, control technology department</li> </ul> </li> <li>【Applied course】           <ul style="list-style-type: none"> <li>Production machinery system department Construction system department, etc.</li> </ul> </li> </ul>
		



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\*6 For details on the public job training, please refer to the following website: Ministry of Health, Labour and Welfare

<http://www.mhlw.go.jp/bunya/nouryoku/kousyoku/index.html>

To carry out these public job training programs, efforts have been made to correctly understand the needs of regional industries and companies for human resources and implement job training based on these needs and to offer high-quality and effective job training using the plan-do-check-act (PDCA) cycle method to continuously review the subjects and contents of the programs in consideration of implementation situation. In addition, at the council established in each prefecture, comprising local labour-management organizations, related administrative bodies such as prefectural government and Hello Work and private educational/training institutions, cooperation and coordination are promoted so that the state, prefecture and private institutions can offer training programs leveraging their own features and eliminate overlap with the programs provided by other organizations. The councils also check whether the training subjects are properly provided in the light of local needs for human resources.

## (2) Promotion of the Job-Card system

### 1) Overview of the Job-Card System

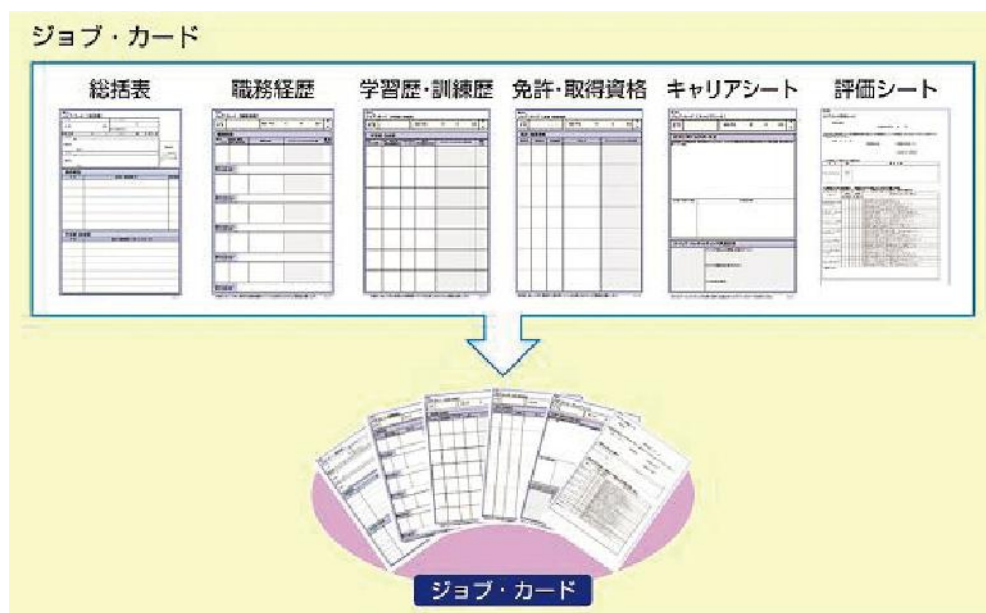
There is a need for creating a society where everybody has the opportunity to develop their skills and display their abilities. Quite a few of job-hopping part-timers (Freeters) hope to enhance their skills and become regular workers, but they are forced to remain non-regular workers because they do not have opportunities to improve their skills.

The system aims to help these Freeters with little experience as regular workers to find a full-time position through:

- a) Enlightening awareness and identification of problems in developing careers through using a Job-Card and providing attentive career counseling;
- b) Providing practical vocational training combining practical training in a corporate site and classroom lectures at education and training institutions (vocational ability development program); and
- c) Compiling after-training evaluation of their vocational abilities and other information including their employment record.

Vocational training under the system of Job-Card consists of employment-type training in which companies hire trainees and provide training and commission-type

training in which contracted private training schools provide public job training. Trainees of employment-type training can participate in the program while receiving wages from the trainee companies, while trainers of commission-type training can receive benefits of employment insurance when eligible, otherwise Training and Life Support Benefit, enabling them to participate in the program without anxiety.



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\*7 For details on the Job-Card system, please refer to the following website: Ministry of Health, Labour and Welfare

[http://www.mhlw.go.jp/bunya/nouryoku/job\\_card01/index.html](http://www.mhlw.go.jp/bunya/nouryoku/job_card01/index.html)

ジョブ・カード

## 2) Diffusion and promotion of the System of Job-Card

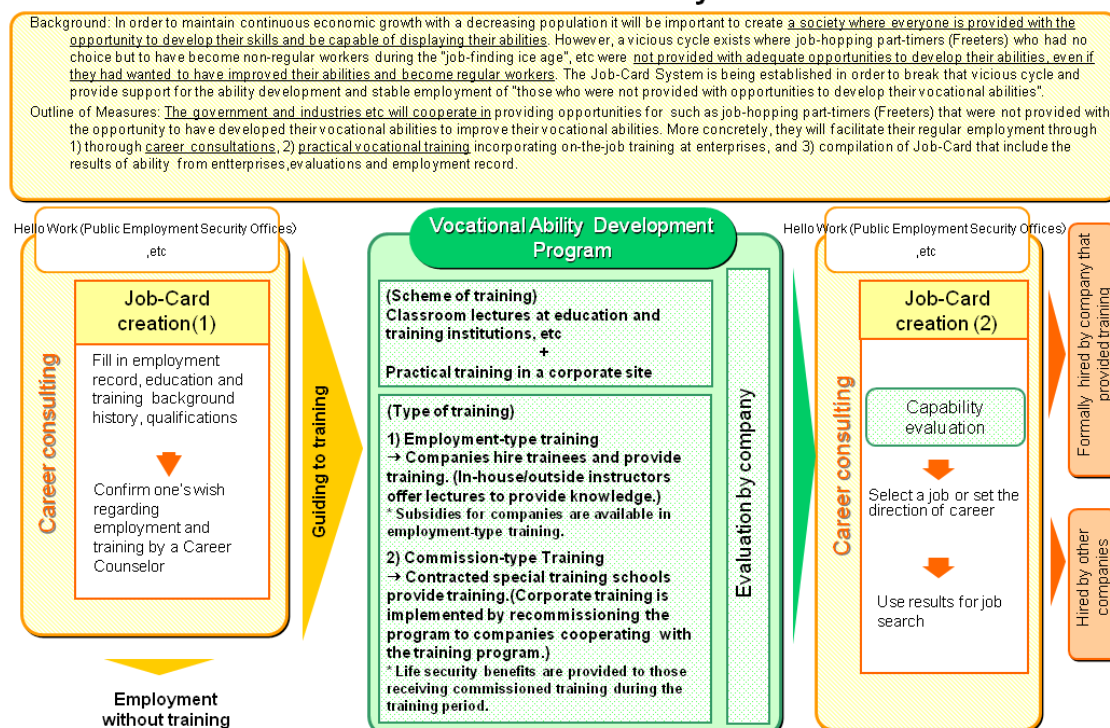
It is necessary to diffuse the system and increase the number of companies to participate in the training programs for the purpose of offering full-time jobs to as many people as possible with use of the Job-Card system. Accordingly, a regional Job-Card center (support center) was established at the chambers of commerce across the country. Efforts are actively being made to diffuse and promote the system in cooperation with Hello Work and the Employment and Human Resources Development Organization of Japan.

Since April 2008 when the system was launched, 252,000 people have acquired a Job-Card (at the end of May, 2010) and 94,000 people have taken the vocational

training programs (preliminary number at the end of June 2010).

The “New Growth Strategies” (adopted by the Cabinet on June 18, 2010) compiled by the government also stipulates that the number of Job-Card holder will be increased to 3 million by FY 2020 and that the Job Card system will be developed into the a Japanese version of the National Vocational Qualification (NVQ). Further diffusion and promotion will be carried out.

### Outline of the Job-Card System



### (3) Creating environment to support career development of workers

#### 1) Support by career consultants

##### ① Overview of career consultants \*8

Career consulting refers to “consulting and other support carried out in response the individual’s request for the purpose of helping individual workers to design their career life in accordance with their qualities and work experiences and to choose their jobs and effectively develop their vocational skills such as through vocational training based on their career life design “, and is implemented at supply-demand adjustment organizations such as Hello Work, companies that support workers’ career development and educational institutions. Specifically, the flow of career consulting is described in the figure below, though it varies depending on the institutions and the

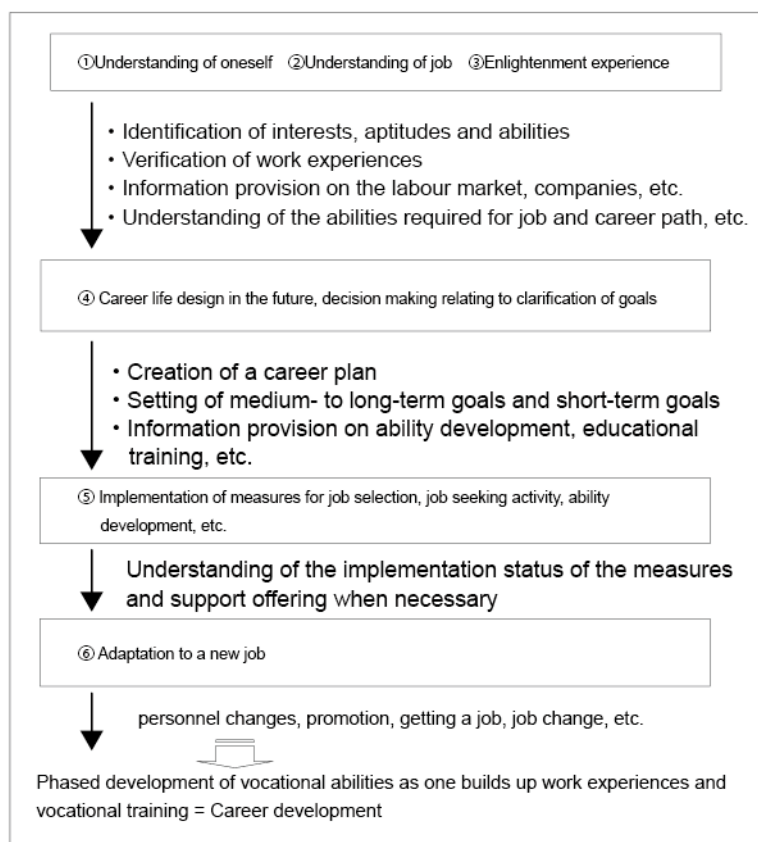
persons who receive consulting service.

Prolonged career life due to the progress in aging society, enhanced economization and globalization of services and changes in human resources treatment by companies have strengthened the tendency that workers design their own career life for themselves, which makes support for career design much more important than ever. Under such circumstances, career consulting functions also as the “infrastructure in the labour market” in addition to the opportunities for vocational training and the evaluation of vocational abilities.

## ② Promotion to support career\*9 development including enhancing quality of career consultants

Since November 2004, the Career Development Promotion Subsidy (benefits to promote vocational ability evaluations) are available for test of evaluating the career consultants’ abilities by private institutions (as of end of April 2009, 10 tests were eligible) in enhancing qualifications of career consultants.

Chart 2-6-8 Flow of career consulting



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\*8 For details on career consulting, please refer to the following website: Ministry of Health, Labour and Welfare

<http://www.mhlw.go.jp/bunya/nouryoku/kyarikon/index.html>

\*9 Career is a concept with time sustainability and consistency, generally described as “business background”, “experience”, “development” and “chain of related job duties”, etc., and “vocational skills” are accumulated as a result of pursuing “career.”

Furthermore, to raise effectiveness and improve the quality and quantity of career consultations, career consulting was added to the types of skill tests in February 2008, and the Career Consulting Skills Test took place for the first time in July 2009.

In addition, career consultants are being stationed at Career Development Support Corners in Prefectural Employment Centers and the Human Resource Development Organization of Japan. Dissemination and enlightenment efforts are being made so that career consultants can play a more active role at such places as private placement/employment support organizations, enterprises’ personnel/human resource departments, and vocational/career guidance at schools.

Furthermore, counseling, support and information are offered in order to promote in-house career development programs, and training programs to acquire basic skills for career consulting have been carried out targeting human resource development specialists selected by business operators.

## 2) Support through the Career Development Promotion Subsidy

With the aim of promoting workers’ career development, the Career Development Promotion Subsidy is paid to the employers and their employees when:

- i) employers create and implement their own training programs or provide their employees with an opportunity to take training programs carried out at the educational institutions;
- ii) employers offer holidays or shorter work hours to their employees; and
- iii) employers have their employees take examination for vocational abilities

## (4) Promotion of vocational ability evaluation standards

### 1) Establishment of the National Trade Skills Testing and Certification System

The “National Trade Skills Testing and Certification System\*10” is a national proficiency test to measure workers’ skills and certify them, which has been carried out

since 1959 based on the Human Resources Development Promotion Act and plays an important role to stabilize employment, facilitate reemployment and improve the social valuation of workers.

As of July 1, 2009, tests had been conducted for 136 types of jobs. In FY 2009 approximately 750,000 people applied nationwide with approximately 29,000 having passed the tests. Since the start of the system, a total of 4.3 million people have been certified as skilled workers.

In order to adapt to the changing needs of applicants, the introduction of new types of work and skills, their consolidation, as well as review of the test standards are constantly being conducted (in FY 2009, kimono-dresser was added to the type of work skills and slate worker was eliminated), especially expanding availability of the type of 3rd grade work which is targeting high school graduates and the youth.

## 2) Establishment of vocational ability evaluation standards

To eliminate employment mismatches, Japan needs to appropriately respond to the structural changes in industry and increased labour mobility caused by changes in the work attitude of workers efforts are being made to formulate vocational ability evaluation standards, a “yardstick” or “common language” for vocational abilities, in cooperation with industry organizations in creating a social infrastructure in which vocational abilities can be appropriately evaluated. As of July 1, 2010, vocational ability evaluation standards had been set for 42 types of jobs including cross-industrial clerical work such as accounting and human resources, electrical manufacturing, and hotel services. The results are also utilized for a model evaluation sheet of the Job Card System.

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\*10 For details on the National Trade Skills Testing and Certification System, please refer to the following website: Ministry of Health, Labour and Welfare  
<http://www.mhlw.go.jp/bunya/nouryoku/ginoukentei/index.html>

\*11 For details on the Japan Vocational Ability Development Association, please refer to the following website: Ministry of Health, Labour and Welfare  
<http://www.hyoka.javada.or.jp/>

Chart 2-6-9 National Trade Skills Testing and Certification System

- The National Trade Skills Testing and Certification System” is a national proficiency test to measure workers’ skills and certify them, which has been carried out since 1959 based on the Human Resources Development Promotion Act.
- Persons who passed the test are given a title of “Certified Skilled Worker.” , and depending on the trade, they are entitled to take the test stipulated in the laws and regulations relating to the concerned trade.

**Implementation contents**

As of July 1, 2010, skill tests are conducted for 136 trades.  
 ①The system consists of a) the tests carried out by grade ( Special grade, 1st grade, 2nd grade and 3rd grade) and b) the tests implemented only for single grade for some skills.  
 The test comprises practical and written tests by trade.

**Implementation system**

- a) Tests conducted by prefectures (124 trades including construction carpenter)  
 The Ministry of Health, Labour and Welfare, the Japan Vocational Ability Development Association, prefectures and Vocational Ability Development Association in Prefectures are sharing the roles for administration.
- b) Tests conducted by designated test organization (for 12 trades including financial planning)  
 The Ministry of Health, Labour and Welfare and the designated private test organizations share the roles for administration. (Designated test organizations cover the entire area for test implementation.)

**Results**

In FY 2009, approximately 750,000 people applied nationwide with approximately 29,000 having passed the tests. Since the start of the system, a total of 4.3 million people have been certified as skilled workers.

**Future policy**

In order to promote appropriate career development of workers, the trades and contents of the tests will be reviewed aiming at strengthening the social function of Trade Skills Testing and Certification System and further promoting utilization in consideration of social demands in the industries, workers, etc.

Chart 2-6-10 “Vocational Ability Evaluation Standards”

(What are the vocational ability evaluation standards?)

- Abilities required for each industry and types of job are classified and systematize into four levels of vocational abilities ranging from the one necessary for personnel in charge to the ones required for a head of organization/department.
- In addition to “knowledge” and “skills” required to accomplish the task, “skills and ability to work” to specify how to conduct is described.
- Examples of conducts taken in typical business scenes are described to create decision criteria for whether the job description can be accomplished without fail.
- In cooperation with trade organizations, standards were established based on the job analysis by conducting a corporate survey.
- Since FY 2008, the results have been used for a “model evaluation sheet” of the “Vocational Ability Development Program (Job Card System).”

(Results)

- The vocational ability evaluation standards have been set for cross-industrial clerical work such as accounting and human-resources.
- The standards by industry have been set for 42 industries, including electrical manufacturing, hotel services and auto manufacturing industries.

Specialized types of job by industry

Forging Established in October 2007	Wholesale Established in October 2007	Manufacturing and operation of sewing machines Established in February 2008	DIY Established in February 2008	Credit card Established in February 2008	Dumping business Established in March 2008	Metal press processing Established in March 2008	Convenience store Established in March 2008	Telecommunications communication work Established in August 2008	Specialty stores Established in August 2008	Event industry Established in December 2008	Oil refinery Established in December 2008	Building maintenance Established in February 2009	Market handles Established in July 2009
Auto manufacturing Established in September 2007	Advertising Established in September 2005	Optical equipments manufacturing Established in September 2005	Engineering Established in December 2005	Flowering Established in December 2005	Landscape architecture Established in December 2005	Fitness industry Established in February 2008	Baking industry Established in February 2009	General construction Established in April 2008	Laundry Established in March 2007	In-home long-term care Established in March 2007	Bowling alley Established in March 2007	Photo shop Established in March 2007	Light metal products maker Established in March 2007
Electrical machinery and apparatus Established in June 2004	Lodging Established in September 2004	Printing Established in September 2004	Plastic products maker Established in September 2004	Former Established in October 2004	Reinforcing bar work Established in October 2004	Fluid power Established in October 2004	Supermarket Established in December 2004	Fine ceramic products maker Established in March 2006	Apparel industry Established in March 2005	Waterproofing work Established in May 2006	Logistics field Established in May 2005	Market survey Established in July 2005	Restaurant industry Established in July 2005

Cross-industrial clerical works (revised in June 2008)

Management strategy	Personnel, human resources development, labour management	Corporate legal services, general affairs, public relations	Accounting, finance, administration	Management information system	Sales, marketing, advertising	Production control	Logistics	International business
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Source: Prepared by Human Resources Development Bureau, MHLW

## (5) Promotion of a “Nation founded on Manufacturing”

### 1) Reinforcement of Skills Competitions

Efforts are being made to provide skilled workers with the goals to improve their skills, broaden the base and enhance social recognition of skilled workers through holding various types of skills competitions; and at the same time, to deeply disseminate attractiveness and importance of manufacturing skills in every layer of people, especially young people, and to develop a sentiment that respects manufacturing skills.

#### ① Youth Monozukuri Skills Competition

Youth Monozukuri Skills Competition has been held for those aged 20 or younger, who are currently learning skills at a public institution for vocational capability development, an accredited vocational training institution, or a technical high school. In August 2009, the 4th Competition was held in Sagami-hara City, Kanagawa Prefecture, and Hachioji City, Tokyo. In this competition, 271 participants in 14 categories competed for their skills.

#### ② National Skills Competition

The National Skills Competition has been held for young skilled workers aged 23 or younger to compete for the highest skill level in Japan. In October, the 47th National Skills Competition was held mainly in Hitachi City in Ibaraki Prefecture with the 983 participants in 40 categories to compete for their skill proficiency.

#### ③ World Skills Competition

In September 2009, the “40th World Skills Competition” for young skilled workers aged 22 or younger, took place in Canada (Calgary). In this competition, 850 workers participated from a total of 46 countries and competed in a world championship. From Japan, 45 workers participated in 40 categories, and achieved splendid results in the competition by winning 6 gold medals, 3 silver medals, and 5 bronze medals.

With the aim of enhancing pride and motivation for those engaged in Monozukuri (manufacturing) , further developing skills manufacturing skills and handing down then to the next generation, the Prime Minister’s Award ,“ Monozukuri Nippon Grand Award” was established. At the 3rd Award took place in 2009, the “Monozukuri Nippon Grand Award” went to 58 persons and one organization, including 8 gold medalists at the World Skills Competition (6 competitions) and 4 master craftsmen of today.





## World Skills Competition

Chart 2-6-11 Overview of Various Skills Competitions

〈Correlation diagram of skill level〉



## 2) Promotion of enlightening importance of skills and manufacturing

### ① Promotion of manufacturing experience through opening of factories/training institutions

Efforts have been made to develop a society familiar with manufacturing through the establishment of “manufacturing experience promotion councils” in each prefecture which comprise economic organizations, trade organizations, and enterprise, and opening factories/training institutions to public to provide young people with opportunities to experience manufacturing.

### ② Project for young people to promote attractiveness of skilled workers

For the purpose of raising awareness of “Monozukuri (manufacturing)” and “skills”

among young people such as junior and senior high school students in order to further promote understanding about manufacturing skills, the “Manufacturing-oriented Country – Japan”, the Festival for the Next Generation, was held in Yokohama City, Kanagawa Prefecture in March 2010. At the Festival for the Next Generation, the manufacturing-related events were organized in order to provide the opportunity to experience skills, which can hardly be available in Life and to make them more familiar. For instance, live performance by skilled workers, talk show by the National Skills Competition medalists, and hands-on experience of skills instructed by the skilled workers took place at the festival.

### 3) The project for skill succession

#### ① Promotion of registration of skilled workers and the project to utilize the registration system

The database was developed to store information on skilled workers with instruction ability such as highly-skilled workers, and “Comprehensive Network for Utilizing Proficient Skills” was developed to compile a wide range of information on skill successions. Highly-skilled workers, who are registered with “Comprehensive Network for Utilizing Proficient Skills” were dispatched in order to support small- and medium-sized enterprises for their skills succession and development of young skilled workers.

#### ② Development of instructors for skill succession

“Skill Succession Instructors” were developed through offering educational programs targeting skilled workers, including highly-skilled workers, to educate them about the skills and technologies to streamline production process in order to enhance productivity and to improve quality

#### ③ Information and consultations being available to small- and medium-sized enterprises

Information and consultations regarding the succession of skills and human resource development are being made available at “skills succession support centers”, established in each prefecture, to any small- and medium-sized enterprises that are lagging with their succession of skills.

### 4 Realizing independence of young people

With regard to employment situation of young people, the unemployment rate of those aged between 15 and 24 had improved for five consecutive years since 2003. Nevertheless, in 2009, the unemployment rate aggravated with the rate for this age bracket recorded 9.1% (up 1.9 points from the previous year) and the rate for those aged between 25 and 34 posted 6.4% (up 1.2 points from the year earlier).

Job offer situation for candidates for graduation also had improved over the past several years. The rapid deterioration of the economy, however, brought about a severe situation. Among those who graduated in March 2010, the ratios of the students who were offered jobs were 93.9 % for high school graduates (down 1.7 points from the previous year as of the end of March 2010), and 91.8% for college graduates (down 3.9 points from the year earlier as of April 1, 2010).

The job-hopping part-timers (“freeters”) are also facing a difficult situation. Their unemployment rate had been decreasing for the five consecutive years since 2003 when the number of unemployed freeters peaked at 2.17 million, but it surged again in 2009 for the first time in six years (1.78 million in 2009).

Accordingly, comprehensive support has been offered to young people aiming at creating a society where young people who will lead the future of Japan can work satisfactorily without anxiety and fully exert their motivation and abilities through strengthening employment support for new graduates and promoting programs including the “Regular Employment Promotion Plan for Freeters” to help young people secure stable employment.

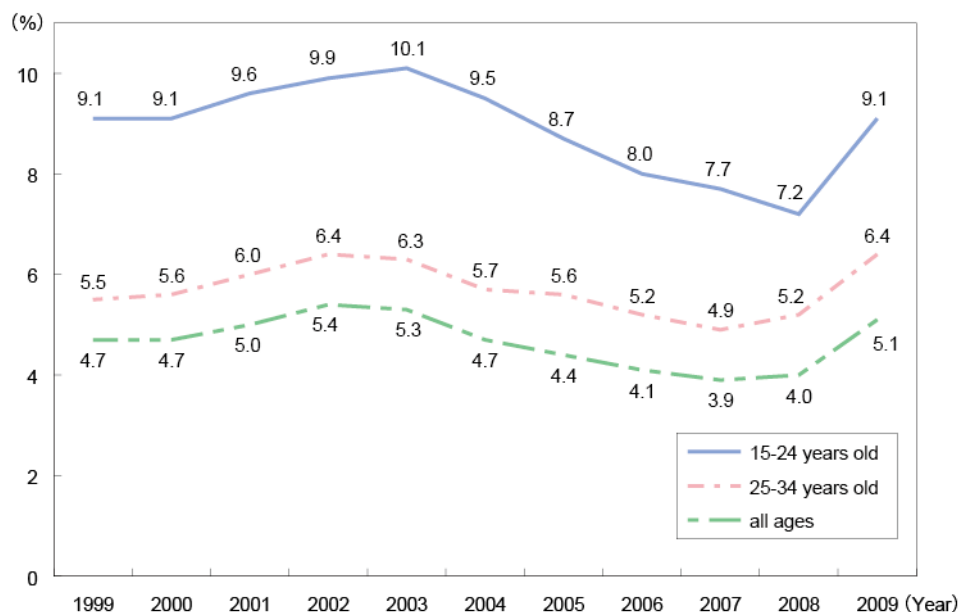
#### (1) Employment support for new graduates

##### 1) Supporting employment for new high school/college graduates

With the deteriorating employment/unemployment situation, the employment environment for new graduates in March 2010 has become extremely severer.

In accordance with the “Emergency Employment Measures”, and the “Immediate Economic Measures for Secured Future and Growth”, “Job Supporters for High School and College Graduates”, who visit companies and schools to support new graduates’ employment, are being stationed at Hello Works for the purpose of strengthen the employment support system. Additionally, support for new graduates has been enforced, for instance through actively holding job interview sessions.

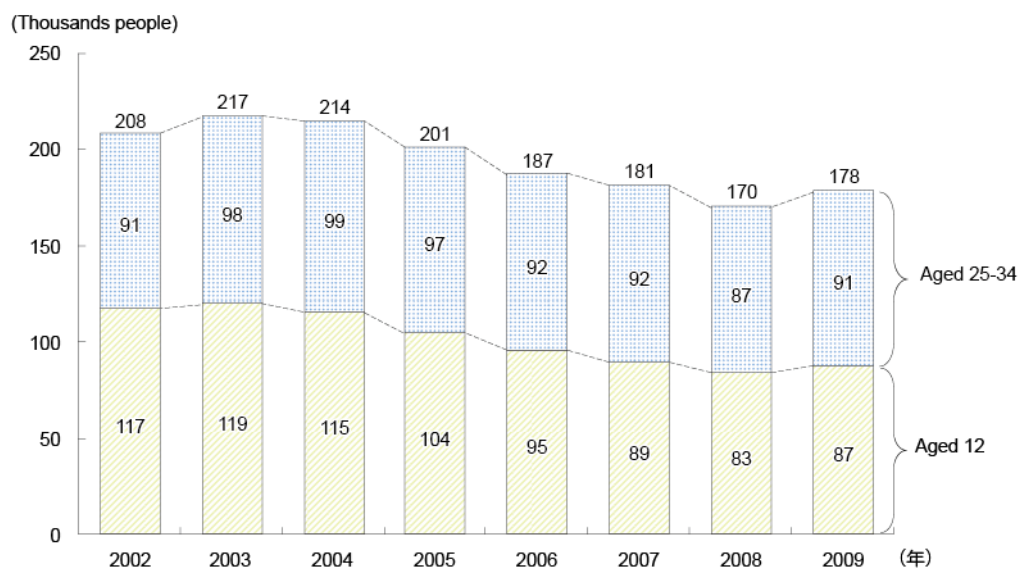
Chart 2-6-12 Changes in the unemployment rate



Source: "Labour Force Survey" Statistics Bureau, Ministry of Internal Affairs and Communications

(Note) The unemployment rates represent the annual average.

Chart 2-6-13 Changes in the number of Freeters (job-hopping part-timers)



Source: "Labour Force Survey (Detailed Tabulation)" Statistics Bureau, Ministry of Internal Affairs and Communications

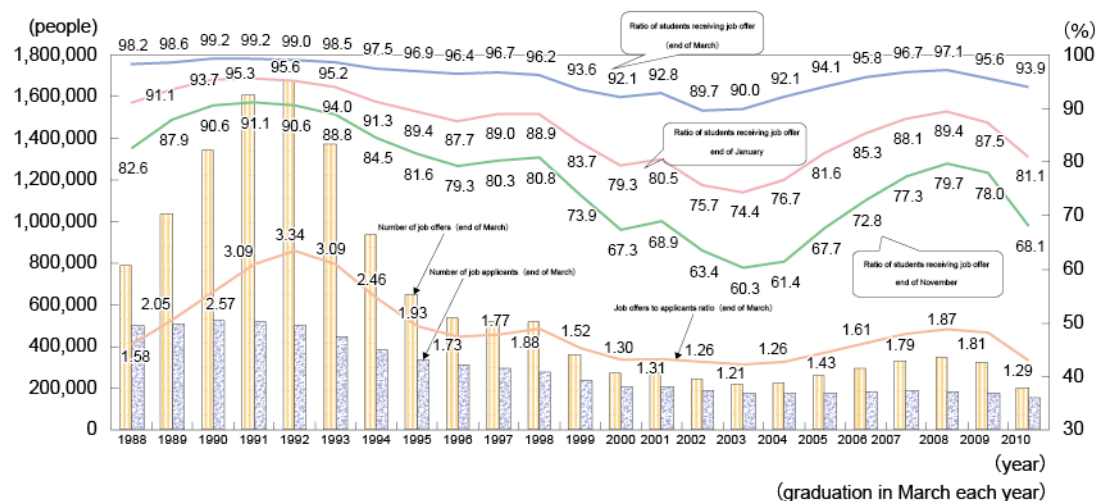
(Note) Freeter are defined as those aged 15-34 who are males graduated from school or unmarried females graduated from school, comprising:

1. employees who are called "part-time" or "arbeits" at the place of employment;
2. unemployed people who are looking for "part-time/arbeits" job; and
3. people not in the labour force who are looking for "part-time/arbeits" job who do not do housework and not go to school,

For the graduates who graduated schools before finding their jobs, the

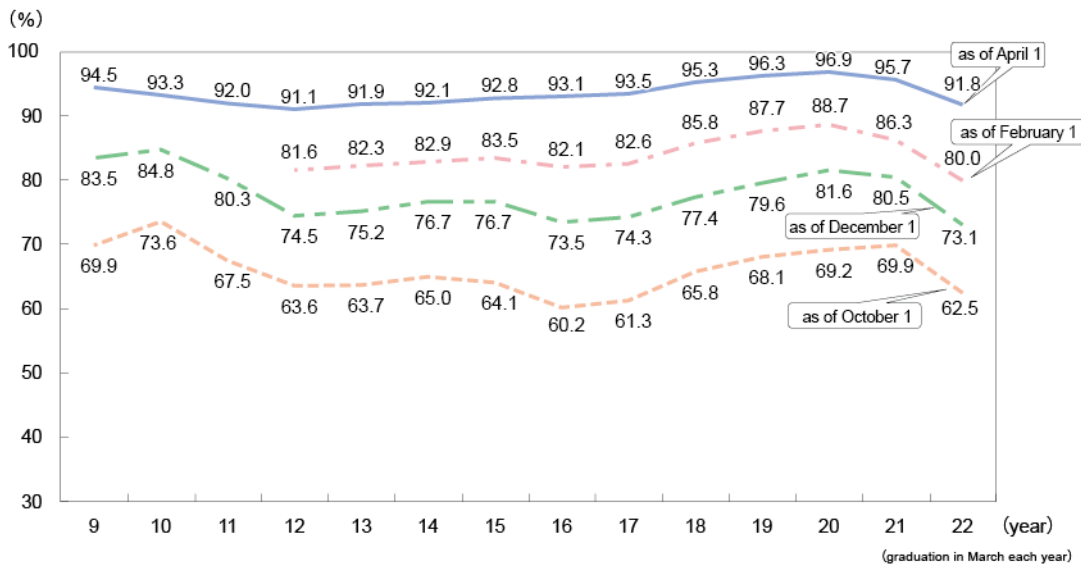
“Experience-oriented Employment Program for New Graduates” has been launched since February 2010 (and was expanded on June 7, 2010), and subsidy (up to 160,000 yen according to the lengths of period to accept experience-oriented employment) is paid to the companies which accept experience-oriented employment (fixed-term employment from one month up to three months) for the purpose of expanding the range of jobs these new graduates are looking for and helping them to become full-time employees. In addition, by utilizing Emergency Human Resource Development Project, vocational training programs for new graduates who have not found their jobs before graduation was newly established, and the “Training and Life Support Benefit” was expanded to include those who are not family’s principal breadwinners.

Chart 2-6-14 Changes in Job Offers, Applicants for new high school graduates



Source: “Job/employment placement services statistics” Employment Security Bureau, MHLW  
 (Note) Number of job applicants refers to the number of people who want to receive job placement service at school or public employment security office.

Chart 2-6-15 Changes in the employment situation for new college graduates



Source: "Survey on Potential Recruits among Graduating Students at Universities, etc." Ministry Health, Labour and Welfare, and Minister of Education, Culture, Sports, Science and Technology  
 (Note) Ratio of students receiving job offer indicates the proportion of students who received job offer among all job seeking students.

## (2) Promotion of the "Regular Employment Promotion Plan for Freeters"

### ① Regular Employment Promotion Plan for Freeters at Hello Work

In order to help freeters find full-time positions, continuous support to promote their regular employment has been provided at Hello Work, when necessary by counselors in charge, in accordance with the problems held by each freeter through offering a combination of individual consultations and guidance on job search, securing of job offers, programs on a group base to acquire skills required for job search, mock interviews, career counseling and placement services, as well as guidance on adaptation to workplaces after being employed.

### ② Implementation of fine-tuned employment support at Job Cafes

In order to offer a range of employment support menu for young people at one place, One-stop Service Centers (Job Cafes) have been established in prefectures to support young people. At Job Cafes, community-linked programs for young people, which offers meetings to explain companies' business results and activities as well as various seminars, has been continuously implemented in partnership with prefectures and related institutions including economic organizations. In addition, based on the requests from prefectures, Hello Work is attached to Job Cafes to provide career counseling and job placement service.

### ③ Employment promotion based on subsidy programs such as the Trial Employment

## System for Young People

Trial employment system has been carried out, under which young people, who have difficulties in finding their jobs due to their lack of work experiences, skills and knowledge, are employed on a trial basis for a certain period (three months in principle) in order that these young people can identify their aptitude and abilities to handle the business. Trial employment system also aims to promote mutual understanding between job seekers and the persons who offer jobs so that the employers hire these job seekers as regular employees after the trial employment. The “Trial Employment Promotion Subsidy” has been provided to the employers who accept trial workers (40,000 yen per trial worker for up to three months).

Aiming at intensively securing job opportunities for older freeters, etc., the Special Grant to Promote Regular Employment of Young People is supplied to the employers (1 million yen per employee SMEs; 0.5 million yen per employee for large firms), who actively offer regular employment to older freeters having little experiences as full-time workers.

### ④ Vocational ability development program for young job seekers

Targeting young people without sufficient experience as full-time employees, including freeters, the Job Card system, which provide practical vocational training combining practical training in a corporate site and classroom lectures at education/training institutions, has been promoted to convert these young people to full-time employees. (For detailed information on the Job Card system, please refer to 3 (2) in Section 6.)

In addition, vocational training programs for older freeters, etc. to acquire necessary vocational abilities such qualification useful for regular employment (Second Chance Course) have been implemented through contracted private educational institutions.

### ⑤ Promotion of companies' effort to expand job application opportunities for young people

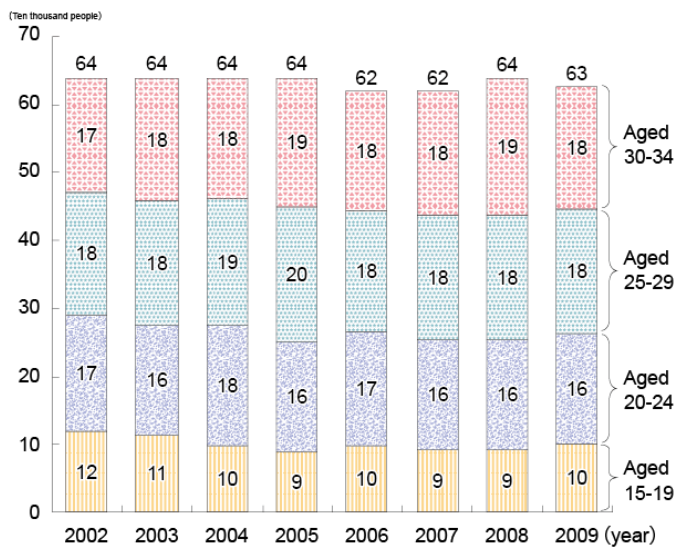
Based on the “Employment Countermeasures Act” and the “Guidelines for Proper Implementation of Measures to Secure Employment Opportunities for Young People by Business Operators”(MHLW Notice No.275 issued in 2007), efforts have been made to thoroughly inform and provide guidance as well as offering consultation and advice to employers for the purpose of expanding job application opportunities for young people.

### (3) Support for vocational independence of NEETs

#### ① Expansion of the project of “Local Youth Support Stations”

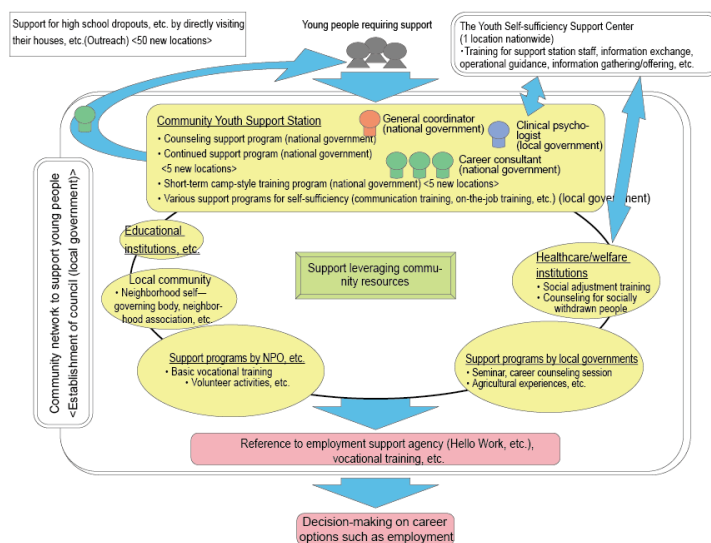
In order to help support the self-sufficiency of young people such as NEETs, comprehensive support including motivating them to work and social adjustment is required in addition to basic human resource development. That support needs to be implemented continuously in accordance to the individual situation.

Chart 2-6-16 Changes in the number of NEET



Source: “Labour Force Survey (Basic Tabulation)” Statistics Bureau  
 (Note) “NEET” is defined as people not in the labor force aged 15-34, who do not housework and not go to school.

Chart 2-6-17 Flow of vocational independence support of young people utilizing the Support Station network





In consideration of this, in partnership with local authorities, the Ministry of Health, Labour and Welfare established a network comprising the organizations to support young people in community. To provide core services for the network, “community youth support stations” was established, and since FY 2006, the Ministry has been implementing community youth support station project to offer various menu for employment support. In FY 2009, the number of locations was increased to 92 from 72; network functions with local authorities and educational institutions, etc. was enhanced; and the “any-time and anywhere support model project” was implemented at 20 locations as a model project. Accordingly, efforts were made to expand the project.

In FY 2010, the number of locations was increased to 100, and vocational independence support for young people including NEETs was reinforced through smooth guidance from school education by outreach service to directly visit and support high school dropouts and continuous support aiming at enhancing basic skills including academic ability.

#### Column

Supporting young NEET for vocational self-sufficiency ~”efforts of “Support Station”~

The situation in Japan is that a number of so-called NEET who do not have a job, do not help housework and do not go to school (15-year-old to 34-year-old) has reached 630000 (as of 2009) and also a number of people in late 30s without any work has been increasing. For young people in such the situations, it is essential to grasp issues of each person and to support them through growing occupational awareness, and implementing training of basic abilities and comprehensive support in order for them to exercise their motivation and abilities. Besides, it is required to maintain systems where continuous support can be conducted closely according to each character by building mutual network of support organization.

Because of those facts, self-reliance support was built thanks to collaborative work with local authorities, and “Youth Support Station” is established as the base. “Youth Support Station” offers integrative support menu, such as professional consultation, all kinds of programs and trials of occupation, for young people and their parents.

“Sapporo Youth Support Station” (As of the interview, the name was “Hokkaido Youth Support Station” and then that name was changed on April 1) which is one of “Youth Support Station” covering Sapporo area in Hokkaido offers the services like general

consultations and job trainings for those who are between 15 year-old and about 40-year-old under conditions such as “persons who have not worked for a certain period but has will to work”, “persons who want to take a consultation but don’t know where to go”, “persons who cannot find support program for jobs” and “persons who want to work but don’t know where to start”.



First, in the service of general consultations, you think about what kind of program you make a use of to get a job while drawing up “Support Station Plan”. As support programs, they offer “SYOKUDANKAI” and “Worker’s Space”.

To be specific, “SYOKUDANKAI” has purpose to let you achieve communication skill and to organize your life rhythm through cooking in a group.

“Worker’s Space” is working on so that you can learn how to express themselves through creative activities and writing, and you can understand yourself and others through discussions. Also improving basic strength through light exercise like stretching exercise is one of their purposes.

“Worker’s Farm” has put direct career programs into the curriculum like job trial in addition to the effort that you, and your team composed of few persons, plan menu and go shopping and then cook lunch twice a week for three months, and those activities activity goes on continuously. Through those activities, achieving basic life style, experiencing allotted role in communal life and growing communication skill are purpose of it.

“Worker’s Challenge” is the service for those who feel their work reach a dead end or who cannot take a first step forward due to a long brank. To support each job hunting, stuffs offers individual service while encouraging. In addition to the program like this, it also offers “Job Training” as a part of “Worker’s Farm” and “Worker’s Challenge”. Its purpose is to help realize enjoyment of success experience and to improve motivation through experience of working for young people with lack of motivation. Its activities include hearing experience of workers who are still incumbent workers other than work experience.

As a result of steady efforts mentioned above, the rate of those who already determined their course to be taken like taking a job after September 2006 is 34.6% (as of February 2010) and this indicates about one out of three whom “Support Station Plan” had been produced for has taken a job or went to a school.

Besides, users’ voices of “Hokkaido Youth Support Station”, such as “I noticed the Support Station by newspaper. I could tell and hear them about everything so it was encouraging”

and “Since I started coming to the Support Station, I have somewhere I can go so it helps me relieve. Until that time, I had felt inferior because I had not belonged to anywhere”, have been sent to it.

(Refer to)

○ HP of “Youth Support Station” of Ministry of Health, Labour and Whelfare  
<http://www.mhlw.go.jp/bunya/nouryoku/ys-station/index.html>

○ Support Net for NEET  
<http://www.neet-support.net/>

○ Sapporo Youth Support Station  
<http://saposute.net/>



Scene of Workers Farm (taking mock interview)

## ② Implementation of “Youth independence private school” programs

The “Youth independence private school” programs were launched in FY 2005 to help young people who have lost the confidence to work for various reasons with employment through camp-style workshops that provide training in daily living and work experience to acquire the confidence and motivation to work again. In FY 2009, the program was carried out at 28 locations nationwide.

Nevertheless, the “Youth independence private school” programs were abolished at the end of FY 2009 in response to the results of the screening process at the Government Revitalization Unit. Review was conducted to develop the program which is more practical for vocational independence of the young people including NEETs, and camp-style new independence support program has been launched since FY 2010 utilizing the “Emergency Human Resource Development Project” (see 2 (2) in Section 6).

## ③ The Minister’s Award for organizations successful in self-sufficiency support for

young people

The Minister of Health, Labour and Welfare Award is awarded to organizations or individuals with remarkable achievements in realizing the employment independence of young people and aims at encouraging and spreading superior measures and raising public sentiment regarding self-sufficiency support in employment for young people throughout society by disseminating successful cases to people.

## 5 Carrying out women's wish for employment

### (1) The improvement of an environment that enables women's continued careers

For women's continued careers, it is effective to create an employment environment that respects maternity and allows working women to exert their abilities without gender disparity. In addition to that, it is also effective to promote Positive Action, which is a voluntary and active measure of enterprises to eliminate disparities between male and female workers. Accordingly, seminars have been held targeting personnel in charge of human resources and labour management to provide them specific measures.

Furthermore, in cooperation with employers' organizations, the "Positive Action Promotion Council", comprising the heads of corporations, has been held since 2001 in order to further expand this measure and encourage as many companies as possible to be involved in positive actions. In 2010, the council sought ideas from the public for the design of logo, which can be used by the companies and labour-management organizations when they support the aim of positive action promotion and are engaged in the activities. The logo was selected among 173 applications (nicknamed as "Kirara"). Additionally, efforts are being made to deepen the understanding of the public, including employers, about the necessity and effects of positive actions through announcing the "Positive Action Declaration", which compiled the messages from the top management and the contents of programs aiming at promoting active women, and making public the declaration on the website (<http://www.mhlw.go.jp/positive-action.sengen/index.html>).

Besides, the information portal site on positive actions will be created to retrieve initiative of business and develop and operate the system that assesses the women's career development. In addition, in FY 2009, three companies, including Daiwa Securities (Tokyo), Bank of Kyoto (Kyoto Prefecture) and Kagoshima Bank (Kagoshima Prefecture), won the best prize of the Minister of Health, Labour and Welfare at "Recognition to Equal Employment and Work-Life Balance Promoting Enterprises."

In addition, women have various problems in continuing their careers, ranging from career development, nursing care to good work-life balance, following support measures for working women and women who wish to work have been implemented at the “Center for the Advancement of Working Women”:

- An ability display seminar for the purpose of supporting career development for a women to work like oneself continuously
- Seminar to support and consulting service concerning starting business
- Seminar and consulting service focusing on women-specific health problems
- Supplying know-how accumulated through these measures to the facilities and organizations for women, and promotion of community-based programs to support women displaying their knowledge and to secure good health

Moreover, as discussed later in section 7, efforts have been made to create an environment where women can continue to work by promoting good work-life balance through equitable treatment of part-time workers, promoting conversion to regular workers and promoting the use of childcare leaves and employment with shorter work hours.



Logo to promote positive actions

(Nicknamed as “Kirara” to come from “P” and “a” which are the initial of positive actions.)

## (2) Implementing support for women in starting enterprises

Starting enterprises attracts attention as a chance to exert useful abilities even for the women who once quit their career lives. On the other hand, many women have problems that they have shorter years of work experience than men, and thus, have fewer opportunities to acquire knowledge, know-how and personal network, which are required to be entrepreneurs.

To address these issues, , practical seminars and counseling have been provided as the measures to support women’s starting business at the “Center for the Advancement of Working Women” in accordance with the degree of interest in starting business and the level of commitment.

## (3) Increasing the locations and expanding function of Mothers’ Hello Work

Employment support has been provided to women who are eager to work while taking care of their children through establishing Mothers' Hello Works in 12 locations across the country since FY 2006, and since FY 2007, Mothers' Salons at Hello Works in 36 prefectures where Mothers' Hello Work is yet to be established so that females can play an active role in various fields and fully display their motivation and ability to work at throughout the lifecycle of marriage, child birth, and parenting. In addition, Mother's Corners were established at 60 locations of Hello Work in FY 2008 and at 40 locations in FY 2009. Accordingly, employment support for the women who wish to work while raising their children has been implemented at a total of 148 locations nationwide. \*13

More concretely, comprehensive and continuous support for reemployment are being provided including creating environments where females can visit with their children more freely, close one-to-one consultations and securing job openings according to job seeker's needs for those who are ready and eager to work promptly, and offering information on day-care centers in cooperation with local governments.

## 6 Local job creation and support for small- and medium enterprises (SMEs)

### (1) Measures for local employment

The current employment/unemployment conditions still remain severe. In order to respond to these situations, it is necessary to urgently remedy the current shortage of employment opportunities for the time being, while taking community-based voluntary measures in a creative manner to create employment in the future as the medium- and long-term issues.

#### 1) Securing the emergency local job creation

In the FY 2008 secondary budget, the subsidy of 400 billion yen were created; and based on the subsidy, the funds were set up in prefectures to implement the program for job creation in prefectures and municipalities. More concretely, following funds were created: "Hometown Employment Revitalization Special Grant (250 billion yen) to support stable employment creation for local job seekers; and "Creating the Emergency Job Creation Program" (150 billion yen) to support the efforts to create temporary employment/job opportunities for non-regular workers who were forced to lose their jobs or job losers mainly of middle-aged and older people. These funds aim to create employment based on the actual situation in a creative manner. The Emergency Job Creation Program was amplified in the FY 2009 supplementary budget (300 billion yen) aiming at strengthening local job creation.

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\*13 Locations of Mothers' Hello Work/Mothers' Salon/Mothers' Corner

<http://www.mhlw.go.jp/kyujin/mother.html>

## 2) Medium- and Long-term Measures for Local Employment

In partnership with prefectures and related organizations, support for starting business, etc. has been implemented through establishment of subsidies as of special measure for support business operators starting businesses in important fields in regions where the employment/unemployment situation is not improving as expected (21 prefectures), and the Incentive for Employment of Local Job Seekers for the approved employment development promotion regions. In order to create local employment, concerned local parties should take voluntary measures for employment creation in a creative manner. Accordingly, with the aim of further promoting employment creation properly by developing the core of regional revitalization, efforts are being made to further expand "local employment creation promotion programs (New package program)". At the same time, to more effectively create employment, local employment creation realization program and incentives for employment creation and pioneering start-up are being utilized.

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\*14 For details on the measures for local employment, please refer to the following website: Ministry of Health, Labour and Welfare

<http://www.mhlw.go.jp/bunya/koyou/chiiki-koyou.html>

## Column

Employment creation in local ~Ex. Teshio town in Hokkaido~

Each region in Japan has various kinds of difference such as geographical environment and employment/industrial structure. Among of such regions, there are regions where unemployment situation is in difficulty and people are in tough times to get a job. It is required to wrestle with employment creation with creative and original ideas by cooperating with local administration and Japan Business Federation in order to create employment effectively in such regions. The Ministry of Health, Labour and Welfare helps local parties wrestle with employment creation with creative and original ideas.

Teshio-town in Hokkaido is located near Teshio River and its total area is 353.48km<sup>2</sup> with population of 3645 (as of December 31, 2009).

Promoted dairy was grown as a key industry. As for fishery, shijimi-clams are large and good taste so had good reputation from consumers.

However, since working environment in farming was harsh and the price of farming resources was risen up, farm retirement due to lack of workers and aging society was advanced, and employment opportunity in the town was dramatically decreased due to bankruptcy of “Teshio cooperation (dairy industry)”. Moreover, employment opportunities were more decreased due to reduction of employment in the construction industry since a number of public utility was decreased, so young people got drained away from the town.



Therefore, in 2007, “Consultation on Employment Creation in Teshio town” composed of Teshio town, Teshio Society of Commerce and Industry, Teshio Tourism Association, Teshio Agricultural Co-operative, North Rumoi Forestry Cooperative, Kitarumoi Fishery Cooperative Association and so on was established, and it was decided to increase local employment opportunities by implementing special personal training which is indispensable for farming exploiting superior and rich farmland and for scale expansion of beef cattle breeding business through utilizing Job Creation Promotion Business (package business).

Also for employers, it strived for employment expansion by selling IT related products, holding marketing seminars and offering training to promote sale of special products.

Besides, for job seekers, it strived for personal training by implementing training to develop original menu with local ingredients and training for core workers of stay-and-interchange type sightseeing while dispatching technicians to developed areas of stockbreeding to take training. Moreover, it held career forums and aimed at promoting employment.

As a result of those efforts, it could create employment for 41 jobseekers for 2 years. Also thanks to personal training, it could secure system so that 3000 cattle can be bred now because of advance to beef breeding business in 2007 and succeeded in creating new products like “a bowl of rice with fried octopus and kimchi “ and expanding markets by utilizing Homepage, all of which help local economy develop and help employment



improved like promoting invitation with plans of sightseeing events.

Considering about such the situations, we have been receiving messages from “Teshio Job Creation Promotion Conference” like “Conducting business related with Japan Job Creation Promotion Business (package business) is innovative system, which helps us create employment opportunities with ripple effects in the local and also helps local economic improved, to develop the area.” Besides, we have messages from offices, such as “Hiring those who has required skills is a shortcut for new expansion of business scale” and “We could hire resources who have know-how and wrestle with development of new food menu and of sightseeing events by mainly those workers.”

Also, we have messages of joy from jobseekers, such as “Thanks to taking the training, I could get hired in a new filed. Government business (package business) is effective support plan for jobseekers in regions having a little educational organization” and “I could take the current job thanks to the training. I’d like to improve myself more and help the scale of the company expanded.”



(Conclusion)

It is essential to secure places where people in that region can work in order to make areas livable. Besides, mobilizing wisdoms of people in such the region is indispensable so as to secure places that people can work. We are eager to support for those efforts.

(Refer to)

○About Job Creation Promotion Business (package business), Job Creation Realization Business, Subsidy for Pacesetting Foundation in Job Creation

<http://www.mhlw.go.jp/bunya/koyou/chiiki-koyou/index.html>

○Teshio Town

<http://www.teshiotown.com/index.html>



A bowl of rice with fried octopus and kimchi



Looks of a career forum

## (2) Support for SMEs for their stable employment

SMEs have been played the role to stimulate the Japanese economy and create employment. In order to secure SME's workforces and create employment opportunities, support has been implemented for the efforts to secure and develop human resources of SMEs, and retain them at workplace, and measures to improve their employment management have been taken.

Furthermore, with the shrinking population, enhancement of SME's productivity has become an urgent issue. Accordingly, in FY 2009, for the purpose of promoting the use of the Subsidies for Securing Core Human Resources for Small- and Medium-sized Enterprises, which are paid to SMEs when they newly hire human resources required for starting business, entering into a different industry and improving productivity (core human resources), the amount of subsidy was expanded from 1.4 million yen to 1.7 million yen. In this way, support measures were taken focusing on the employment of core human resources.

Chart 2-6-18 Overview of Subsidy for Securing Core Human Resources for SME

**Purpose**

◦ In order to create employment opportunities taking advantage of SME dynamism, subsidy is provided to the SME employers who newly hire human resources required for starting new business, launching business in a different industrial sector and improving productivity (core human resources) as general insured person of the employment insurance program.

**Eligible employers**

Subsidy is provided to the employers meeting both following conditions:

- (1) SME employers who formulate a plan to improve employment management, be certified by the governor of prefecture and hire core human resources within one year after being certified among those who start business in a different sector or who need to improve productivity
- (2) Employers who pay over 2.5 million yen on the facilities and equipment to enter into different sector and those who pay over 3 million yen on the facilities and equipment to improve productivity.

**Contents of subsidy**

- When launching business in a different sector  
1.4 million yen per person (core human resources) (up to 5 people)
- When improving productivity  
1.7 million yen per person (core human resources) (up to 5 people)