

Chapter 5.

Creating a Welfare Society Where Elderly can be Active and Comfortable

Section 1. Steady Operation of a Long-Term Care Insurance System and Promotion of Related Measures

1. Establishment of the Long-Term Care Insurance System

In order to cope with the increase in elderly requiring long-term care due to the rapid aging of society and changes in the environments of families that have been supporting those requiring long-term care, including the orientation toward being nuclear families, the long-term care insurance system was established in April 2000 as a system to support the nursing care of elderly throughout society.

Since the establishment of the long-term care insurance system, bases that offer nursing care services are improving rapidly. In addition, the number of users has quickly increased and the long-term insurance care system has now been firmly established among people as a system to support the safety of their lives in old age.

2. Measures to Establish a Sustainable System for Safe Nursing Care Services for the Public

While the long-term care insurance system has been firmly established with people, the expenditure of the system is increasing quickly due to the rapid growth in users. As Japan is facing a further birth rate decline and aging, securing a sustainable long-term care insurance system is becoming an important future issue.

In addition, as elderly with dementia and elderly single-person households are expected to increase, the creation of a “bright and vigorous super aging society” is being called for.

To cope with these problems, the Long-Term Care Insurance Act was revised in 2005 and efforts are now being made to promote long-term care and establish a system of community-based comprehensive care. Furthermore, the “Vision for Safe and Desirable Nursing Care” was compiled in November 2008 to indicate the ideal

nursing care for various issues related to nursing care (see Figure 5-1-1).

Figure 5-1-1 Vision for Safe and Desirable Nursing Care (Overview)

November 20, 2008

In face of upcoming super-aging society, proposal is made on the measures looking ahead to 2025 with the aim of creating a society where people can lead a safe and desirable life overcoming anxieties for future.

1. Creating an environment where the elderly can contribute to safe and desirable community development
~ to create a society where the elderly and people requiring nursing care can choose their lifestyles till the end of the life while maintaining connection with people ~
① Producing community work coordinator (provisional name):
Recruiting "community work coordinator (promoter for the elderly's community activities)" (provisional name) in community, who are the elderly or community residents who are motivated to become a "key person" to connect what the elderly in community "wants" and "what can be done" and develop community business and mutual aid activities in which the elderly can independently and actively participate, and provide opportunities to learn advanced cases and various know-how.
② Enhancing community support function of Community General Support Center
2. Enhancing quality of nursing care that enables the elderly to continue to live in a familiar home or community
~ to continue to the elderly's living in a familiar home or community even when nursing care is required~
① Establishing service base to support life at home: Establishment of networks for home-visit care and home-visit nursing, information provision to families concerning appropriate nursing care, etc.
② Enhancing rehabilitation to support life at home: Promotion of efforts to establish and improve the quality of rehabilitation centers, etc.
③ Strengthening cooperation between medical care and nursing care: Establishment of a system that enables care workers, who have taken necessary training, can perform tube feeding and sputum suction for facility residents as far as safety is secured under the cooperation with doctors and nurses, etc.
④ Improving measures for dementia: Standardization of dementia care, use of adult guardianship system, etc.
⑤ Providing housing for the elderly in accordance with community characteristics: Provision of housing and facilities that suit with regional characteristics, creation of small housing to facilitate communication among generations, etc.
3. Realizing safe and desirable working environment for care workers
~ to create an ideal working environment where care workers can engage in worthwhile work with pride~
① Promoting to actively unveil information on the working conditions of care workers at each service provider.
② Creating an ideal working environment where care workers can engage in worthwhile work with pride: Establishment of nursing-care fees to improve working conditions of care workers, consideration to work-life balance, creation of a mechanism for career enhancement that commensurates with qualifications and experiences, promotion of research and development of nursing robots, etc.
③ Securing and nurturing care workers: Cultivation of potential certified care workers, implementation of preparation training for returning to nursing care sites, employment support for people without experience in nursing care, etc.

3. Services Provided by Diverse Entities

One of the characteristics of a long-term care insurance system is that diverse entities, including profit corporations and non-profit corporations, are allowed to enter the market so that the quality of services is secured through appropriate selection by users and competition among business operators.

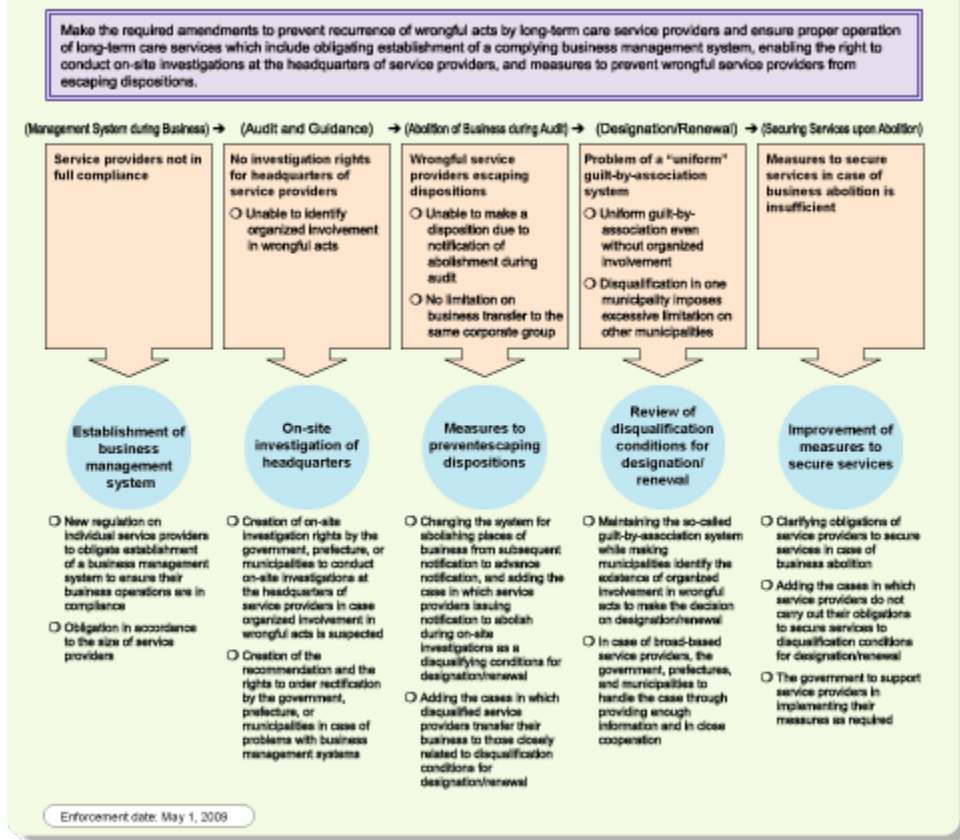
Since the establishment of the long-term care insurance system, many long-term care service providers have entered the market. However, it was pointed out that the quality of services was not properly secured and the ex-post regulation not working effectively. Hence the revision of the Long-Term Care Insurance Act in 2005 introduced a designated renewal system and reviewed disqualification conditions to secure and improve the quality of services, in addition to promoting nursing care

prevention.

4. Reviewing Restrictions on Service Providers

While efforts are being made to establish bases to provide high-quality services through diverse entities, malicious and systematic wrongful acts by broad-based long-term care service provider took place. In consideration of this, the “Draft Act to Amend the Long-Term Care Insurance Act and Welfare Act for the Aged” to review regulation of long-term care service providers was presented at a regular Diet session in 2008 after going through discussions at a Subcommittee for Long-term Care Insurance of the Medical Social Security Council to prevent the recurrence of any such wrongful acts and ensure proper operation of long-term care services. This draft law was approved in May 2008 and enforced on May 1, 2009 (see Figure 5-1-2).

Figure 5-1-2 Summary of the Act to Amend the Long-Term Care Insurance Act and Welfare Act for the Aged



5. Measure to Prevent Elderly Abuse

In recent years, elderly abuse in homes or long-term care facilities has become a social problem in Japan. It is thus very important to prevent elderly abuse in maintaining their dignity. Hence the “Elder Abuse Prevention and Caregiver Support Act” introduced by a Diet member was approved in 2005 and enforced in April 2006.

After enforcement of this law, efforts are being made in municipalities for early detection/response of abuse including establishment of contact points for abuse and responding to consultations and reports. In addition, an inquiry report on the situation with correspondence by the prefectures and municipalities in FY 2007 was published in October 2008 and matters that require attention, using the results of this inquiry, have been informed to prefectures.

6. Improving the Working Conditions of Care Workers

(1) Revision of Long-term Care Fees in FY 2009

In FY 2009, long-term care fees paid to each service provider were revised in accordance with review of the long-term care programs and revision of premiums conducted by local governments.

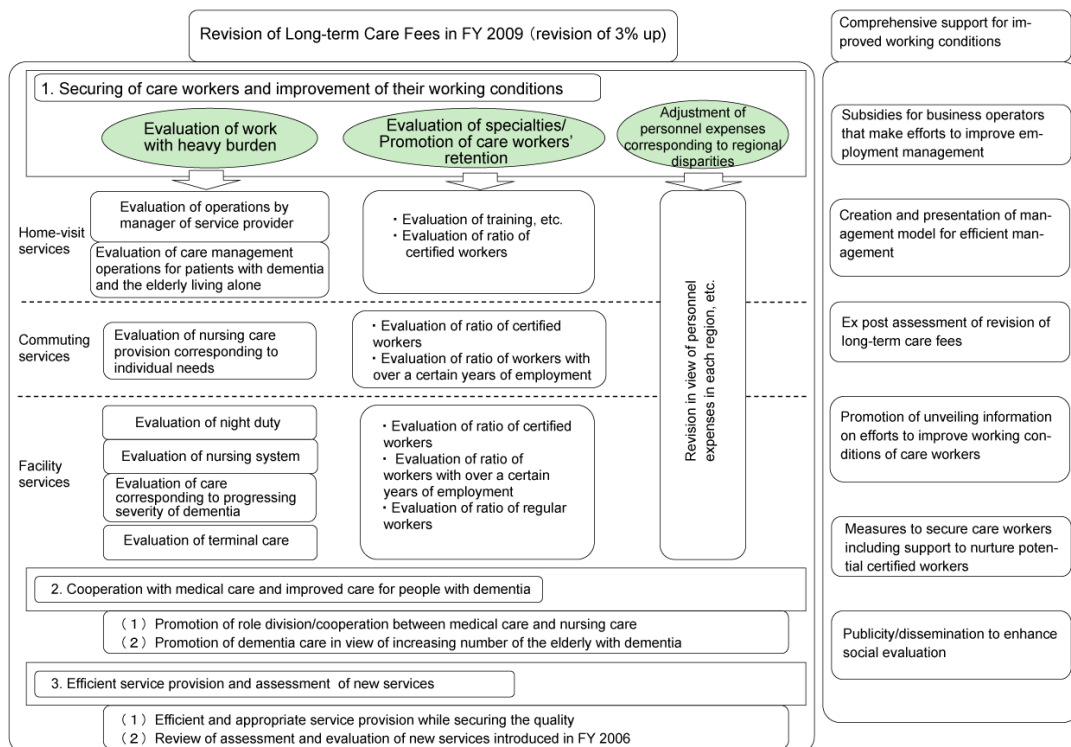
In recent years, high turnover rate of care workers and difficulty in securing human resources by business operators have been pointed out in the field of care services. The “Act on Improvement of Working Conditions of Care Workers with View to Secure Care Work Forces” was approved at a FY 2008 regular Diet session, and promulgated and enforced on May 28, 2008.

In line with these situations, it was decided to raise long-term care fees by 3% in the “Measures to Support People's Daily Lives”, formulated by the government and ruling parties on October 30, 2008.

Afterwards, discussions on working conditions of care workers were held at the Subcommittee for Long-term Care Benefits of the Social Security Council, and new long-term care fees were put into effect on April 1, 2009.

The revision of long-term care fees was conducted taking into account improving conditions of care workers to allow users to safely and steadily receive high-quality services, enhancing cooperation with medial care as well as dementia care services, efficiently providing services, and conducting investigations and assessments about new services introduced in FY 2006 (see Figure 5-1-3).

Figure 5-1-3 Revision of Long-term Care Fees in FY 2009



It is important that this revision of long-term care fees contributes to improving working conditions of care workers, diversified measures are to be taken to support business operators' improving working conditions not only through measures for long-term care fee revision, but also through subsidizing business operators that are making efforts to improving their employment management, preparing and presenting management model for efficient management, and appropriately implementing ex post assessment of revision of long-term care fees to see if it leads to the improvement of working conditions of care workers.

(2) Improving Working Conditions of Care Workers

In addition to the aforementioned long-term care fee revision by upward 3 % (see (1) "Revision of Long-term Care Fees in FY 2009") and in consideration of the "Policy Package to Address the Economic Crisis" formulated by the government and

the ruling parties on April 10,2009, the FY 2009 supplementary budget stipulates that subsidies are provided for three years to business operators that are making efforts to improve working conditions of their care workers for instance by the means of pay raise

Furthermore, based on the FY 2009 supplementary budget, length of period will extended to three years for the subsidies paid for the provision of facilities for long-term care and regional base for long-term care.

Section 2. Promotion of Employment Measures for the Elderly Aiming at Creating a Society Where People can Work regardless of Age

1. Securing Employment Opportunities until 65 Years Old

A society with a full-scale decreasing population due to a rapid progression of a birth rate decline and aging has arrived in Japan and the labour force is also expected to decrease in the future. In addition, the people of so-called baby-boom generation will be reaching 60 years old in 2007 through to 2009.

Meanwhile, the pensionable age of Old-age Employees' Pension for men was started from April 2001, and implemented gradually. The pensionable age will be raised to 65 by FY 2013 for the fixed-amount portion, and FY 2025 for the remuneration-based portion.

In order to secure stable employment until 65 years old, business operators will be obligated to implement either a gradual extension of the retirement age until 65 years old, the introduction of a continued employment system, or abolishment of the age retirement system in accordance with the revision of the Law Concerning Stabilization of Employment of Older Persons made in June 2004.

On-site advice by Hello Work staffs is given to business operators that have not introduced these job security measures for elderly. In addition, specialized/technical support by elderly employment advisors of the Japan Organization for Employment of the Elderly and Persons with Disabilities is being provided to business operators that need to review their system of treatment of personnel, improvement of their workplaces, or development job areas for introducing these measures.

Through these efforts, approximately 96% of enterprises with 51 workers or more have already implemented these measures as of June 1, 2008. Further efforts will be made for steady implementation and improvement of measures to secure elderly employment in the future.

2. Promotion of initiatives “Companies where People can Work until age 70”

As the rapid birth rate decline and aging is progressing, it is important to create a

society in which everyone can work regardless of age as long as they have the motivation and ability to do so in making the lives of the elderly more active while maintaining the vitality of society and the economy.

In addition to improving measures to secure elderly employment, efforts are being made to realize “companies where people can work until age 70” in establishing environments where everyone can work regardless of age as long as they have the motivation and ability to work.

More concretely, the Japan Organization for Employment of the Elderly and Persons with Disabilities established an “companies where people can work until age 70” promotion project committee and suggestions for the realization of “companies where people can work until age 70” were formulated in September 2007. In addition to dissemination and enlightenment activities, individual consultations and assistance for reviewing a system of personnel treatment are being provided by employment support advisors for people until 70 of the Japan Organization for Employment of the Elderly and Persons with Disabilities, individual consultations and seminars are being entrusted to business operators’ organizations in respective regions to support measures to facilitate employment after 65 years old and efforts made to establish environments for expanding employment opportunities so that people can work regardless of age as long as they have the motivation and ability to work.

Furthermore, in order to promote extension of the retirement age to 65, a “Subsidy for Extension of Retirement Age” was expanded in April 2008. Subsidies are given to the organizations of business operators that provide consultation and guidance on introducing measures to secure employment of the elderly until 65 years of age, and creating other employment environments, to small- and medium-sized enterprises that have extended the retirement age to 65 years old or older, abolished the age retirement, or introduced a continued employment system till 70 targeting all who are interested the system, as well as to business operators implementing model projects to develop new occupational fields.

3. Reemployment Support for Retired Employees including those of the Baby-Boom Generation

The employment situation of the middle-aged and older people is improving, but reemployment is still difficult once they have left a job.

Therefore, efforts are being made to expand opportunities to apply for work and employ workers that include guidance on setting employment age limits for application, which is forbidden in accordance with the revised Employment Measures Act enforced on October 1, 2007. If business operators set employment age limits less than 65 years old due to inevitable reasons, they are required to indicate the reason. Guidance is also given on this requirement.

In addition, assistance to prepare support plans for job seeking activities is being provided as well as providing consultations and support for business operators who are implementing measures to facilitate reemployment.

To facilitate the smooth reemployment of the middle-aged and older people, subsidies for trial employment that aims at future transfer to regular employment (Subsidy for Trial Employment of Middle-aged and Older People) are being paid to middle-aged and older householders who are in need of urgent reemployment. Based on the FY 2008 primary supplementary budget, the elderly at the age of 65 or older has become eligible for this subsidy. The target of the subsidy for employment development for specified job seekers also has been expanded. Additionally, special subsidies for employment development of the elderly was created for business operators that continue to employ job losers aged 65 or above through introduction by Hello Work, etc.

Furthermore, reemployment support for the elderly just before and after retirement has become an important issue, and thus, community-based reemployment program for the baby-boom generation has been implemented, which offers job interview sessions, etc., by entrusting organizations of regional business operators with development of needs for human resources within the member companies.

4. Promotion of Silver Human Resource Centers

As there are great differences in work motivation and physical strength among older people, diverse forms of employment and work opportunities should be provided so that they can find suitable jobs.

In consideration of this, Silver Human Resource Centers offer community-based temporary, short-term, or light work as well as voluntary activities to retired employees who are looking for opportunities to participate in society (as of end of March 2009, there were 1,329 centers with 760 thousand members).

In addition, when a group of 3 or more people aged 45 or older start their own business and employ middle-aged and older people in providing opportunities for continuous employment/work, a Grant for Creation of Collective Employment Opportunities for Older Persons is being provided to partially subsidize the expenses associated with the new business and encourage older people's entrepreneurship through utilizing their business experience.

5. Establishment of the Basic Policy on Employment Security Measures for Older Persons

Under the current increasingly severe employment situation, it is an important issue to stabilize employment of the elderly whose reemployment is still difficult once they have left a job. It is also critical to cope with the problem of securing labour force due to a progression of a birthrate decline and aging, and to steadily promote to secure employment of the elderly in order to realize a society where the elderly can lead a life worth living by showing their abilities.

Under such circumstances, the "Committee on employment measures for basic problems within the Subcommittee for Employment Security of Labour Policy Council" held discussions on the future employment measures for the elderly from August 2008 to January 2009. Based on the laws related to stable employment of the elderly, discussions were made on revising the "Basic Policy on Employment Security Measures for Older Persons", which stipulates goals of hiring the elderly and the measures to be taken by business operators. In consideration of the results,

the “Basic Policy on Employment Security Measures for Older Persons” for 4 years from 2009 to 2012 was formulated on April 1, 2009.

Section 3. Building a Sustainable and Secure Pension System

1. Issues after the Reform in 2004

(1) Raising the National Subsidy Ratio for Basic Pensions

In the 2004 reform of the pension system, in consideration of rapidly progressing birthrate decline and aging, both benefits and burdens were reviewed aiming at building a sustainable pension system, and new framework for pension finance was established. The reform of the system stipulated that the national subsidy ratio shall be raised to 1/2. In addition, its supplementary regulations stated that the national subsidy ratio shall be raised from 1/3 to 1/2.

The national subsidy ratio was gradually raised in each fiscal year in accordance with this road map. In a FY 2009 regular Diet session, the “Draft Act to Amend the Act to Amend the National Pension Act” to realize the national subsidy ratio of 1/2 was approved on June 19, 2009 and enforced on June 26, 2009.

This law stipulates that the national subsidy ratio of 1/2 is realized by shifting funds from special accounts for the Fiscal Investment and Loan Program to the general account in order to procure the extraordinary fiscal resources in FY 2009 and FY 2010. In addition, the law states that the national subsidy ratio of 1/2 will be perpetuated, after securing stable necessary fiscal resources through the drastic tax reform. Even if the subsidy ratio has not been perpetuated by the end of FY2011, the ratio of 1/2 will be maintained through temporary legal as well as fiscal measures until perpetuation of 1/2 ratio is realized.

(2) Enhancing Minimum Safeguard Function of the Basic Pensions

With the realization of the national subsidy ratio for the basic pensions of 1/2, the framework for pension finance based on the 2004 reform of the pension system has completed, which contributed to enhancing stable pension finance. In recent years, the maturity of the pension system has increased the number of the elderly who receive full payment of the basic pensions after 40 years of contributions. Nevertheless, coupled within expanding income disparity of the elderly that has been pointed out recently, the actual situation that there exist people who receive no

or only small benefits of pensions has been increasingly attracts attention. With regard to the ideal public pension system, various views have been presented through suggestions by organization for labour-management relations and mass media along with discussions at the Diet. The final report of the National Council on Social Security, compiled in November 2008, recommended enhancing minimum safeguard function of the basic pensions. In consideration of this, the Subcommittee for Pension Reform of the Social Security Council also compiled at the end of November 2008 the interim report on discussions at the Subcommittee for Pension Reform on the unsolved issued in the FY 2004 revision of the pension system.

Furthermore, the “Medium-Term Program” for establishing a sustainable social security system with stable revenue sources, which was adopted by the Cabinet at the end of 2008, suggested the timetable for enhancing minimum safeguard function. In consideration of this, aforementioned supplementary regulations for the “Draft Act to Amend the Act to Amend the National Pension Act” incorporated the rules for discussion on enhancement of minimum safeguard function of the basic pensions. Based on the “Medium-Term Program” and the rules for discussion, concrete measures for enhancement of minimum safeguard function of the basic pensions, etc. need to be established in accordance with the discussions on the roadmap for securing fiscal resources.

(3) Unification of Employees’ Pension Schemes and Expanding Application of Employees’ Pension to Part-Time Workers

With regard to the remaining issues of the 2004 revision of the pension system, namely unification of public pension schemes and expanding application of employees’ pension to part-time workers, the “Draft Act to Amend Employees’ Pension Insurance Act for the Unification of Employees’ Pension Schemes” to unify Employees’ Pension schemes (employees’ pension and Mutual Aid Pension for public officers and such) and expand application of employees’ pension to part-time workers, whose work styles are similar to that of regular workers, was presented at a FY 2007 regular Diet session, and was under examination at a FY 2009 regular Diet session, but was shelved.

(4) Results of the Financial Inspections in FY 2009

Concerning the pension finance, the 2004 reform of the pension system stipulated that financial inspections would be conducted at least every 5 years to see whether the balance between benefits and burdens have been secured in order to formulate the financial outlook (financial inspections). For this end, inspections were conducted by utilizing the long-term economic assumptions, which were discussed at the Subcommittee for Pension Reform of the Social Security Council consisting of financial and economic experts. The results of the financial inspections in FY 2009 were announced on February 23, 2009.

The financial inspections in FY 2009 factored in the serious future trend of birthrate and the current severe economic conditions, envisioning return to a growth track overcoming the current economic turmoil. Particularly in “the basic case”¹, the final income replacement ratio of 50.1% was estimated, and this confirmed that long-term balance between benefits and burdens would be secured.

2. Management and Operation of Pension Fund

With regard to management and operation of pension fund, the Government Pension Investment Fund formulates the mid-term goals including the ratio of bonds and stocks (portfolio) and specific policy for operation after taking into consideration mid-term goals set by the Minister of Health, Labour and Welfare, and entrusts the actual operation in the market to private trustee organizations (trust banks and investment management companies). The Government Pension Investment Fund takes responsibility for selecting, managing, assessing and canceling trustee organizations.

The concrete management policy is to diversify investments in domestic and foreign bonds as well as stocks, intensively in domestic bonds in particular, to control risks as much as possible by introducing in principle passive management that aims average profits in the market, in order to secure long-term investment returns.

In FY 2008, due to the sharp appreciation of the yen against the euro in addition to

the plunge in stock prices at home and abroad triggered by the global economic crisis, management profits turned negative. The positive accumulated profits, however, have been maintained since FY 2001 when in-house management started because the pension fund is being managed so that stable profits can be secured reflecting the long-term economic growth.

3. Responding to Globalization

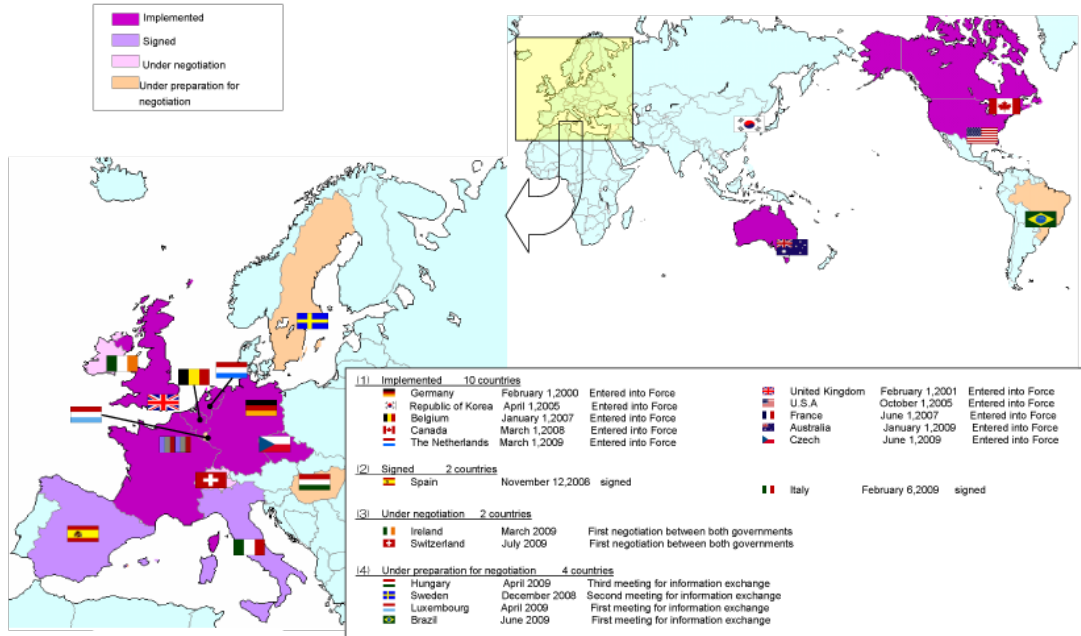
The Government of Japan makes continuous efforts to conclude bilateral agreements with foreign countries in order to prevent Japanese workers abroad from duplicable coverage under the pension systems of both countries or to totalize the total periods of contribution under both countries' pension systems for establishment of entitlement to a benefit. The agreements with Germany, United Kingdom, Republic of Korea, United States, Belgium, France, Canada, Australia, the Netherlands and the Czech Republic have been effective. and agreements were signed with Spain in 2008 and with Italy in 2009. At present, government-level negotiations with Ireland and Switzerland have been conducted and expert-level discussions have also been conducted with Hungary, Sweden, Luxembourg, and Brazil, aiming at stepping up to the government-level. (see Figure 5-3-1).

The Government of Japan will continue to further promote efforts to conclude the Social Security Agreements with other countries, with comprehensive consideration of the scale of burdens of social insurance contributions to the social security systems of a country, situation of Japanese people living or Japanese companies in that country, degree of concrete demands from the business group, bilateral relations with that country, and differences of the social security systems between Japan and that country.

¹The case based on the medium variant projections of the fertility rate (1.26 in 2005) and the economic assumptions after 2016 (long-term inflation rate of 1.0%, nominal wage increase rate of 2.5%, nominal investment yield of 4.1%).

Figure 5—3—1 Present Status of Conclusion, etc. of Agreement on Social Security

As of July 13, 2009



4. Situation of Corporate Pensions

(1) Situation of Corporate Pensions and Measures against Economic Crisis

Aiming at complementing public pensions and enriching life after retirement, corporate pensions have been diffused mainly through employees' pension fund and tax qualified pension plan. Nevertheless, due to the substantial changes of the environments surrounding corporate pensions such as a progression of a birth rate decline and aging, the deteriorating economy, and greater employment mobility, defined contribution pensions were introduced in 2001, and defined benefits corporate pensions were launched in 2002. Shift to the new systems reduced the number of employees' pension funds, while defined contribution pensions and defined benefits corporate pensions have been steadily increased their enrollments.

On the other hand, finances of the corporate pensions have become severe due to the recent deteriorating economy. Concerning the fiscal situation of employees' pension funds, in particular, it is expected that the statement of accounts for 2008 will post much severer result because comprehensive fund, which is jointly

established mainly by small- and medium-sized enterprises, accounts for about 80% of employees' pension funds. Accordingly, elastic measures for fiscal management was taken including grace for additional contribution to reverse the reserve shortfall.

(2) Promotion of Shift from Tax Qualified Pension Plan

Tax qualified pension plan is to be abolished at the end of March 2012 due to its insufficient system to protect vested retirement benefit. In order to maintain corporate pensions which can receive tax breaks, it is necessary to shift to other corporate pensions (employees' pension fund, defined contribution pensions, and defined benefits corporate pensions). Although process for shift takes around 1 to 2 years, as of the end of March 2009 with less than three years by the abolition, however, 25,000 contracts of tax qualified pension still remain, which are about one third of the contracts when the abolition was decided.

Thus, efforts have being made to speed up examination and to streamline application procedures in order to facilitate smooth shift from tax qualified pension plan to corporate pensions. In addition, publicity activities have been implemented to urge early shift from tax qualified pension plan by utilizing the web site of the Ministry of Health, Labour and Welfare as well as posters. Furthermore, the "Liaison Conference to Facilitate Smooth Transition from Tax Qualified Pension Plan" was established on June 25, 2008, comprising related ministries and agencies. Efforts have been made to develop close cooperation among the related ministries and agencies aiming at smooth transition for example through conducting fact-finding surveys targeting business operators that have a contract of tax qualified pension plan.

(3) Establishment of Defined Contribution Pensions

It is necessary to further improve corporate pensions as a system to secure income of the public at a later stage, and as a major alternative to tax qualified pension plan after its abolition. Accordingly, in order to establish a whole system of corporate pensions and to support voluntary efforts to secure income of the public at a later stage, the "Draft Legislation to Amend the Defined Contribution Pension Act, etc. to Establish Corporate Pensions, etc.", which incorporated the introduction of individual

contributions of corporate defined contribution pension plan, was presented at a FY 2009 regular Diet session but was shelved.

Section 4. Promotion of Welfare Activities According to Various Needs in Communities

1. Reconstruction of Community Welfare

Public welfare services have been improved in individual field, but particularly in the fields concerning elderly and people with disabilities they have been upgraded both in terms of quality and quantity in recent years through the Long-Term Care Insurance Act and the Services and Support for Persons with Disabilities Act. However, there are some problems with gaps in the systems in communities as well as various issues that cannot be handled only by public services at the moment which include small needs for help such as help in taking out the garbage or changing light bulbs and also isolation problems with neighbors. In addition, there are also complex problem cases, for example households with parents requiring long-term care or children with disabilities, where public welfare services are not being provided in a comprehensive manner.

However, self-realization needs are being realized through community activities and various activities such as watching over people that require support are being carried out in some communities.

Because of this background a “Study Group on Community Welfare in the Future” has been held since October 2007 with the report of “In Search of 'New Ways of Mutual Support' --- New Wave of Welfare in Cooperation between Residents and Administration” being prepared in March 2008.

In this report, it was deemed necessary to promote community welfare so that it can respond flexibly to the various issues of community life through expanding and improving the scope of “new ways of mutual support” (assistance) in communities on the principle that basic needs should be handled by welfare services. The report also points out that community welfare can be a base for local community revitalization through strengthening relationships between people. In addition, it suggests the required conditions and improvement methods for promoting community welfare and the revisions needed with existing measures.

The Ministry of Health, Labour and Welfare is to promote community welfare by

taking into consideration the suggestions made in this report. “Special Support Project to Promote Community Welfare” has been implemented to make pioneering/trial efforts to resolve the problems in community, to vitalize community-based welfare activities and to support people who are leading unstable life.

Furthermore, in cooperation with cities, towns, and villages, the “Project to Create Safe and Secure Life” is to be launched in FY 2009, which includes implementation of model projects and examination of their impacts, creation of regional welfare networks, information exchange, and disseminating information on pioneering efforts.

2. Consumers' Co-Operative Association System

The consumers' co-operative association system was created in 1948 as a mutual support organization that aims at the cultural and financial improvement of members' lives. At present there are 63.18 million members in 1,093 associations that implement various programs which involve, supply, usage, and mutual aid (as of March 31, 2008). The system has become significant economic business entities and makes a great contribution to their members' lives.

To cope with the changing environments surrounding the consumers' co-operative association system and requests from the public, the “Act to Amend the Consumers' Co-operative Associations Act” to provide better protection for contractors of mutual insurance and to improve insurances' managerial/accountability system was revised in 2007 and enforced in 2008 based on its purpose of the system to provide mutual support for its members.

3. Support Project for Settlement into Community Life

Aiming at supporting self-sufficiency of older or disabled people who have been released from prison, a “Support Center for Settlement into a Community Life” has been established in each prefecture, and the “Support Project for Settlement into a Community Life” was launched with cooperation between judiciary and welfare in

order to provide welfare support for people released from prison.

4. Implementing Measures for Socially Withdrawn People

Socially withdrawn people have become a social issue. Conventional consultation services in the field of mental health welfare, child welfare, and measures for NEET, covered consultation on socially withdrawn people. In addition to them, a “Community Support Center for Socially Withdrawn People” has been newly established in FY 2009, and the “Project to Promote Measures for Socially Withdrawn People” was launched for the purpose of promoting efforts to secure comprehensive support system by establishing a core institution to cope with socially withdrawn people in community.

Section 5. Appropriate Implementation of Public Assistance System

1. Public Assistance System

(1) State of public assistance system

The public assistance system aims to provide protection in accordance to the degree of need for those who cannot maintain the minimum standard of living even by utilizing all available assets, capacity to work, and other measures, to secure the minimum standard of a healthy and cultural life and to promote their self-sufficiency. The system is called the last safety net in social security.

Amid severe employment/unemployment situation triggered by the global economic crises in 2008, the government has been implementing employment and welfare measures for those who lost their houses through emergently providing support for their job seeking activities, housing and daily life. The purpose of the public assistance system is to secure lives of people who cannot overcome poverty even with these measures. The number of public assistance recipients has been on the increase, reaching 1.65 million people as of March 2008.

Concerning rapidly growing public assistance recipients, it is important to provide support so that they can find jobs as much as possible and restore their self-reliant lives, in addition to necessary protection. Particularly, self-sufficient support programs have been actively implemented in partnership with related organizations including Hello Work for the purpose of enabling public assistance recipients, who lost their jobs amid severe employment/unemployment situation, to find their jobs as early as possible.

(2) Discussions between the National and Local Governments on the Public Assistance System

Discussions were made from November 2008 to March 2009 between the national government (the Ministry of Health, Labour and Welfare) and the local governments (the Association of Prefectural Governors and the Japan Association of City Mayors) for the purpose of setting the direction for the revision of the public assistance system in accordance with the First Outline of the Promotion of Decentralization

Reform decided by the Headquarters for Promoting Decentralization Reform following the first recommendations of the Decentralization Reform Committee made in May 2008.

Aiming at being able to cope with changing social situation for the past 50 years since the foundation of the public assistance system, discussions were extensively made on: a) self-sufficiency b) medical aid c) prevention of being left out and prevention of abuse along with relationship between the measures for labour and social securities in consideration of recent serious economic and employment situations. Then, the summary of the results of the discussions was compiled.

In the summary, each issue was sorted either into a) the issues requiring prompt measures (for instance that the government suggests detailed contents and implementation procedure for self-sufficiency program and support the program); b) the issues which need practical information exchange aiming at formulating definite plan (for example comprehensive efforts such as cooperation with educational department and enhancement of a support system to improve self-sufficiency support for the younger generation); c) the issues requiring mid- and long-term discussions at councils/committees (for instance, discussions on measures to bring about desire to work through earned income exemption and to secure stable life after acquiring self-reliance. In line with this summary, efforts are to be made to improve the public assistance system with cooperation between the national and local governments.

(3) Improving and Enhancing Self-Sufficiency Support

In FY 2005, the “self-sufficiency support program” was introduced as a system to actively and systematically support independence and employment. This program sorts out the situations of public assistance recipients and the factors inhibiting their independence and sets up support programs for independence for each of them to describe the details (such as cooperation with related organizations) and procedures of independence support (including selection, recording and evaluation of the programs). The programs worked on in FY 2008 include the one related to debt settlement of multiple debtors. In addition, local governments are establishing various programs and working to support self-sufficiency.

In FY 2009, efforts are being made to improve and enhance the programs as follows: a) early employment support program for those who lost their jobs due the current employment situation and have recently started to receive protection; and b) employment support program for single mother family. In addition, employment support has been implemented through creating support programs to bring about desire to work, and utilizing NPOs and private job placement agencies with specialized experiences and knowledge for public assistance recipients who have many challenges to overcome to find a job.

Furthermore, targeting families with children receiving public assistance, the FY 2009 supplementary budget is allocated to: a) formation and implementation of the “Program for Children’s Healthy Development” to provide support for help children and their parents to acquire daily living habits, support for going on to a higher stage of education, and support for socially withdrawn youth and chronic truants; and b) establishment of the “Study Support Budget” to be allocated for the expenses for purchasing books required for study at home such as study-aid books and books for general education as well as the expenses necessary for after-school club activities. These measures have been implemented since July.

(4) Promoting measures for prevention of being left out and prevention of abuse

Concerning operation of public assistance, it is important that those who are eligible for assistance will receive payment (prevention of being left out) and those who are not eligible do not receive payment (prevention of abuse). More specifically, efforts are being made for prevention of being left out through attentive services to consulters, establishment of a system to check contents of consultation, appropriate responses to notification of withdrawal, necessary support provided at the place where consultation is made, and cooperation as well as information sharing with related organizations. Efforts are also being made for prevention of abuse by means of measures against members of organized crime groups and response to users of pension collateral loan.

2. Establishing New Safety Net to Support Job Losers who Have Lost Homes

For the purpose of coping with the current severe employment/unemployment situation and providing support for job losers' daily lives and housing, it was decided in the FY 2009 supplementary budget to implement comprehensive support for reemployment, daily life, and housing through improving employment measures and establishing "new safety net".

As new safety net related to welfare measures, further efforts are to be made to support reemployment of job losers and to secure their safe lives by implementing measures to support job seeking activities, securing of housing, and daily life for job losers who are not eligible for employment measures and by providing loans for living costs until they can receive public aid.

(1) Project for Emergent Special Measures concerning Housing Allowance

In most cases, a certificate of residence and an account of financial institution are required to find a job. In order to acquire them, stable housing is indispensable. In addition, rent of an apartment is a fixed expense that incurs every month. In consideration of them, the "Project for Emergent Special Measures concerning Housing Allowance" was created in the FY 2009 supplementary budget and is to be enforced in October so that job losers can conduct job seeking activities without anxiety.

Under this project, housing allowance is provided for the maximum of 6 months to job losers who have the ability and desire to work but have lost or might lose their houses. In addition, support for securing employment opportunities for recipients is provided by supporters for securing houses and employment placed in each local government.

(2) Livelihood Welfare Fund Loan System

Livelihood Welfare Fund Loan System provides loans to low-income households with the aims of securing their stable lives. In the FY 2009 supplementary budget, further promotion is to be implemented to encourage job losers and low-income people to use this system, and fundamental revision of the system to enable

effective support is to be carried out. The revised system is to be enforced in October.

In addition to continuous consultation services, this revision integrates and consolidates funds through establishing the “Comprehensive Support Fund” to provide loans for living costs and temporary loan. Furthermore, lowering of loan interests and relaxation of requirements for joint surety will be implemented.

(3) Temporary Special Stop-gap Loan Program

In the FY 2009 supplementary budget, the “temporary special stop-gap loan program” was established to finance living costs targeting job losers without houses whose application for state benefits including unemployment benefit, housing allowance, and public assistance, or state loans such as the stable employment fund loan, and the livelihood welfare fund loan have been accepted and at the same time who do not have living expenses until they can receive the accepted benefits. This program is to be enforced in October

(4) Expanding Support for Homeless

As for homeless issues, pursuant to the “Act on Special Measures for Self-Sufficiency Support for the Homeless” that was enforced in August 2002, a national survey on actual the situation of the homeless was made in January, 2007. In accordance with the survey results, the “Basic Policy to Support Self-Sufficiency of the Homeless” was revised in July 2008, and comprehensive measures for employment, housing, health and medical care, and welfare are being promoted.

Furthermore, based on the FY 2009 supplementary budget and for the purpose of taking emergent and flexible measures for an increase in the number of homeless due to the current severe employment situation, support for homeless has been expanded such as through enabling emergent and temporary lodging project for homeless by utilizing Japanese inns and vacant company dormitories, and through increasing the number of counselors to provide consultation services for the people who are using or have left an emergent and temporary lodging in accordance with individual situation.

3. Support for Sufferers of Disasters

In FY2008 many disasters including earthquakes like the Iwate-Miyagi Nairiku Earthquake, and torrential rainfall, took place causing damage. And as a result the Disaster Relief Act was applied in 5 prefectures and 11 municipalities. Regarding the payment of disaster condolence grants in accordance with the “Act Concerning the Provision of Disaster Condolence Grant”, condolence grant was paid in 26 cases and loans from the disaster relief fund made in 61 cases. Further efforts are being made so that appropriate emergency rescues can be provided to those needing them.

Section 6. Promotion of Securing and Nurturing of Welfare/Long-term Care Workers

1. Promotion to Secure Human Resources

(1) Background for Promotion of Measure to Secure Human Resources in Welfare/Long-term Care Services

In the field of welfare/long-term care services, the turnover rate of workers is relatively high and job openings always exist. Although there is a persistent shortage of human resources, growing need for welfare/long-term care services is expected. Accordingly, it has become an important issue to support the settlement of welfare/long-term care workers and to promote entry of new human resources into this field.

In consideration of such situation, the “Basic Guidelines for Measures to Secure Workers in Social Welfare Services” was revised in accordance with the Social Welfare Act in August 2007. This guideline provides measures to be taken by service providers, related organizations, the government, and local governments in order to secure human resources in welfare/long-term care. Efforts are to be made in cooperation with related organizations in accordance with the contents of the guideline.

In addition, the issue to secure human resources in welfare/long-term care was widely discussed at the Diet, and as a result, the “Act on Improvement of Working Conditions of Care Workers with View to Secure Care Work Forces” was approved in May 2008, which stipulated that additional discussions are to be made on measures to improve wages and other working conditions of care workers and that necessary measures are to be taken when required based on the results of the discussions.

In consideration of these backgrounds, the FY 2008 and the FY 2009 budgets incorporated various measures to further promote entry and settlement of welfare/long-term care workers.

(2) Concrete contents of major efforts for entry and settlement of

Welfare/Long-term care Workers

a) Expansion of Educational Fund Loan for Certified Care Workers

In order to promote young people's entry into welfare/long-term care field, the educational fund loan of 50,000 yen is provided monthly to the students who entered a training school for certified social workers and certified care workers. Those who engage in welfare/long-term care services for 5 years after graduation will be exempt from returning educational fund loan.

b) Cultivating Potential Qualified Workers (Nurturing Program for Potential Qualified Workers)

In consideration that there exist many potential qualified workers, who have acquired a certification of social worker but do not actually work in the welfare/long-term care field, designated training will be provided to these potential qualified workers and local residents, etc. in order to support their reemployment and promote new entrant into this field.

c) Offering Opportunity for Job Experience (Job Experience Program)

In order to narrow the gap between job seekers and service providers and to promote smooth entry into the field of welfare/long-term care, opportunities for job experience will be offered.

d) Settlement Support for Workers who have just started their Jobs

In consideration that there exist many workers who have just started their jobs, human resources settlement advisors (tentatively named) will be placed in prefectures, who visit service providers to offer consultation services and advices on personal relationship at the workplace in order to promote settlement of workers.

e) Matching Support Program for Welfare/Long-term Care Workers

In consideration of the situation that it is difficult for job seekers to find appropriate jobs and to show their career vision due to insufficient provision of working environment, career support specialists (tentatively named) will be placed at social service human resource centers in prefectures, who develop suitable employment to each job seeker and provide guidance and advices on realizing ideal working conditions for the purpose of promoting smooth employment and settlement at the workplace.

f) Visiting Program to Instruct Career Design

Instructors of schools of certified care workers visit welfare/long-term care service providers and offer training related to nursing skills/technologies in order to support workers' career progression, improvement of their qualification and settlement at workplace.

2. Revision of Certified Care Worker and Certified Social Worker Systems

Systems of certified care workers and certified social workers were created in 1988 to nurture and secure human resources with specialized abilities and the necessary knowledge for people to be able to consult them on welfare and ask for long-term care without anxiety.

With the expanding welfare and long-term care services, the number of certified care workers and certified social workers who act as the core manpower in long-term care has been steadily increasing. As of the end of February 2009, the number of certified care workers posted 730,000 and that of certified social workers reached 11,000.

With regard to the systems of certified care workers and certified social workers, the "Draft Act to Amend Certified Social Workers and Certified Care Workers Act" was approved in November 2007 and promulgated in December 2007 in order to unify the methods of qualification acquisition for instance through imposing national examination to the graduates of school of certified care workers.

In addition, in response to the revision of the system, the content of nurturing course education for certified care workers and the requirements for instructors will be reviewed in its entirety, and took place in April 2009.

Furthermore, efforts will be made to improve the process of making questions of the National Examination for certified care workers and certified social workers for the purpose of enhancing the quality of the examination questions.

3. Promotion of Improved Employment Management in the field of Nursing Care

Working conditions in the field of nursing care are severe in terms of wages,

mental/physical anxiety and discontent. Many problems remain to be solved in employment management including low worker retention with many qualified people not engaging in nursing care related work.

In consideration of this situation, the Ministry of Health, Labour and Welfare has been implementing consultation support programs. In addition, subsidies are paid to cover part of the expenses in cases like nursing care related business operators employing specific workers or implementing programs to improve employment management when they start providing new services.

In addition, based on the FY2008 supplementary budget, further support has been implemented for business operators that are making efforts to improve employment management of care workers and secure human resources through offering subsidies to cover part of the expenses required for employing workers with no experience in long-term care and retaining them for a certain period of time, as well as introducing nursing care equipments based on the certified introduction /operation plans to improve employment management of their workers in long-term care.

In addition, efforts have made to allow business operators to voluntarily improve their employment management by launching the system in March 2008, which enables business operators to easily assess their own employment management situation and obtain information related to the cases of successful employment management from the Internet.

Section 7. Memorial Services for the War Dead and Measures for the Japanese Remaining in China after the War

1. Memorial Ceremonies for the War Dead Organized by the Government

As memorial services for the war dead, a National Memorial Service for the War Dead and the Chidorigafuchi War Dead Ceremony are held by the government every year.

The government runs a National Memorial Service for the War Dead on August 15 every year at the Nippon Budokan, which both the Emperor and Empress attend. The memorial service is conducted to remind the whole nation of the large number of people who sacrificed their lives in World War II, mourn for the war dead, inform later generations of the sacrifice they made, and re-affirm a permanent peace oath.

At the Worship Ceremony held at the Chidorigafuchi War Dead Cemetery remains of bodies that have been recovered abroad but cannot be delivered to their bereaved are taken to the government managed cemetery where participants can then collectively worship them. The ceremony is organized by the Ministry of Health, Labour and Welfare and conducted every spring with the attendance from the members of the Royal family.

2. Promotion of Memorial Services for the War Dead

(1) Recovery of the Remains of the War Dead Abroad and DNA Analysis of the Remains

The Ministry of Health, Labour and Welfare has been engaged in recovering the remains of war dead abroad since 1952, pursuant to a Diet resolution, with the remains of approximately 310 thousand people having been recovered to date. Inclusive of that number the remains of approximately 1.25 million of all the people that died abroad (approximately 2.4 million people) have been returned to Japan. However, 60 years have passed since the end of the war and recovering all the remains is becoming difficult, especially in southern regions, due to a lack of information on the remains. And hence focused efforts to collect information on

unrecovered remains abroad in the southern regions have been made since FY 2006 to facilitate the future recovery of them. In FY 2008, the remains of 2038 people were discovered, an increase from the previous year due to cooperation with the NPO. In FY 2009, further efforts will continue with appropriate cooperation.

If the recovered remains can be identified from the deceased's belongings, the government can then notify their bereaved of it. As it was recently discovered that DNA analysis can help in the identification, the analysis has been conducted upon request from the bereaved since FY 2003, provided that certain conditions are met. By the end of March 2009 the remains of 674 people had been identified in that way.

(2) Pilgrimage for Memorial Services and Construction of Monuments for the War Dead

Pilgrimages for memorial services that mainly concerned the war bereaved started in FY 1976. In addition, a Friendship and Goodwill Memorial Project for Children of the War Dead began in FY 1991 with the aim of providing an open memorial service for war victims through which children bereaved in the war can share their ordeal with local people in major war areas.

Regarding the construction of war dead monuments with sincere condolence and a desire for peace, monuments for the war dead have been erected since 1970 on Iwo Jima Island and in another 14 locations abroad, along with individual monuments in the former Soviet Union.

(3) Death Toll of Those Who Died During Internment in the Former Soviet Union

Regarding the death toll of people who died during the interment in the former Soviet Union, Russia has been providing information based on the "Agreement between the governments of Japan and the former Soviet Union on Prisoners in the Camps". Among 55,000 people who died during the internment (projected by the Ministry of Health, Labour and Welfare), 32,000 remains have been identified, and their bereaved families have been informed of death situation.

In addition, in October 2008, the Japanese government urged further information provision on the remaining about 21,000 people, and Russia expressed willingness to proceed in cooperation with Japan. Based on this, in March 2009, the data of

21,000 people prepared by Japan was presented to Russia in request of further investigation and provision of materials.

3. Support Measures for Japanese Remaining in China after the War

(1) Investigation on Japanese Orphans Remaining in China after the War

Regarding investigations on the relatives of Japanese orphans remaining in China after the war, the governments of Japan and China have been conducting investigations in directly interviewing applications by orphans and witnesses. As a result of requesting information on relatives of orphans in cooperation with news media, 1,282 out of 2,815 orphans have located their families to date. (1 orphan was identified in FY 2008.)

(2) Support for Returning of Japanese Remaining in China (Japanese Remaining in China and Sakhalin)

Travel expenses and daily living allowances are being provided to Japanese remaining in China, etc. so that they can to return and then live in Japan for the rest of their lives. In addition, as support for temporary returns, travel expenses and expenses during their stay in Japan are being provided to remaining orphans who wish to visit their relatives or burial sites.

(3) Self-Sufficient Support for Japanese remaining in China

A program has been implemented to accommodate the Japanese remaining in China, etc. and their families in a Placement Center for Persons Returning from China for 6 months after returning to Japan to help facilitate their daily lives in the communities to which they belong. "Training Centers for People Returning from China to Establish Self-Sufficiency" are then available which they can attend from their homes for 8 months to receive further Japanese lessons and guidance on living and employment.

Based on the "Act to Amend the Act Concerning Promotion of Smooth Return of Japanese Remaining in China and Self-Sufficiency Support after Returning for Permanent Residence", which was approved in November 2007, full-fledged

implementation of new support measures started in April 2008. In addition to full payment of Old-age Basic Pensions, support payments are being made for those belonging to households with incomes lower than a certain amount in order to offer attentive treatments in accordance with individual needs.

Furthermore, aiming at creating local community where Japanese remaining in China and their families lively lead their lives, projects have been implemented mainly by local governments to provide facilities for Japanese remaining in China to learn Japanese in local communities as well as facilities to teach Chinese to promote exchange with local people utilizing their strengths.

In addition, to facilitate understanding across the generations about the problem of the Japanese remaining in China, the symposium were held at 3 locations in FY 2008 in an easy-to-understand manner such as through performing drams.