

A Forum on the restated OECD Jobs Strategy in Tokyo

Towards implementation of the restated OECD Jobs Strategy

THE JAPANESE EXPERIENCE

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Summary

Japan is now enjoying a period of economic recovery. With regard to the employment situation, the country is experiencing an overall improvement, and the unemployment rate remains at low levels. However, the total population level is predicted to fall into a decline in 2007, and supply restrictions of the labour force are getting strict. In the current circumstances, our country is confronted with various new problems, including an increase in the number of unemployed in the younger age group, labour market duality and gap expansion between employment forms and regions, and treatment disparity within a company.

When our country considers employment and labour policy going forward, it is important that all involved aim for the realization of "a society in which all people can work autonomously and feel secure." In other words, it is important for all people 1) to have an opportunity to demonstrate their motivation and abilities, 2) to have an opportunity to enhance their abilities, 3) to feel secure and in fair work circumstances, and 4) to fill their lives in other ways outside of work.

1. Labour Market Situations

In Japan, while the decrease in the birthrate continues to progress and the total fertility rate declined to 1.25 in 2005, aging is progressing with an extension of the average life expectancy. The productive population of those from 15 to 64 years old already started to decrease in 1996, the male population started to decrease in 2004 for the first time since after the war, and the total population turned into decline in 2005. The total number of baby boomers born from 1947 to 1949 was around 7 million in 2000, accounting for a high rate (5.4%) of the total population. These generations will sequentially reach the age of 60 starting in 2007, will exceed the age of 65 in 2015, and will enter the later stage of old age (over 75) starting in 2022.

In such a depopulating society, it is expected that the proportion of the population of those 65 or older will experience an increase that will have a big

influence on social structure and consequently on people's way of life. We therefore need to review the shape of our economic society.

The employment situation in Japan continued to be increasingly severe, while the economy remained sluggish for a long time after the collapse of the bubble economy in the beginning of the 1990s. However, with the economic recovery from early 2002, the employment situation started showing a general improvement; the average active ratio of jobs to applicants in the 2005 fiscal year increased 0.12 points over the preceding year to 0.98 and the average unemployment rate in the 2005 fiscal year decreased 0.3 points from the preceding year to 4.4%. It is considered that progress in the dissolution of the negative inheritance accompanying the collapse of the bubble economy, like disposal of bad loans and the effect of various employment policies have greatly contributed to this improvement. However, in confronting reality, problems that are different from those which came before have been becoming apparent over the last ten years, in addition to the severe unemployment that continues to persist in some fields. In particular, problems relating to labour market bipolarization and a widening gap have been observed against the background of an increase in the number of unemployed in the younger age group, an increase of various ways of working other than those of a "regular worker," and a delay in employment improvement in the local regions.

The background of those changes leading to the current employment situation includes the recent economic and industrial development and the change of business behavior and workers' attitudes as a result of this development. Most notably, enterprises have changed their actions in various ways in order to survive in the world: globalization, changes of industrial structure such as the expansion of the service industry, progress in information technology, and a prolonged economic stagnation as an aftereffect of the collapse of the bubble economy. These changes are appearing along with more and more use of workers other than regular workers, human resource outsourcing, and a decrease in educational training investment based on a growing company's short-range profit-oriented business attitude. On the other hand, while women's participation in society is increasing, the number of those people who wish to fulfill their lives outside of work and those who desire various ways of working has increased, which suggests a change in workers' views and

actions.

2. Measures to Promote Labour Market Participation

2.1. Job placement service and an employment insurance system

As a measure to promote labour market participation, there are job placement services provided by the public employment security offices (Hello Work), which are established nationwide.

A job-hunting application can be made anywhere in about 600 public employment security offices established all over the nation. The public employment security offices provide various services according to applicants' conditions, such as an occupation consultation, which considers the person's capabilities (qualification, license, experience, etc.), aptitude, and wishes according to the information which the applicant provided; the correction and instruction of application documents; interview instruction and training; assessment by a vocational aptitude test or a job interest test; various scheduled seminars; the recommendation of public vocational training; and support for a smooth adaptation to the workplace after employment.

For job placement, the staff at the public employment security offices match the conditions of the job offer to the experience and skills of the applicant at the consultation counter; the staff makes contact with the establishment making the offer and sets up the interview day, etc., in the normal procedure; and even when the applicant's status does not match all of the assumptions, the staff will explain the job seeker's eagerness and experience and ask to adjust the conditions of the job offer. Furthermore, when applicants cannot find a job offer which meets their wishes, the staff advises other job alternatives and also goes directly to the establishment to develop a new job offer more suited to the applicant's wishes.

Specifically, the public employment security offices are putting emphasis on promoting a recipient's reemployment by implementing unemployment accreditation and employment assistance in an integrated manner as a part of the employment insurance system operation. They promote early

reemployment by leading recipients, who visited the office for unemployment accreditation, to the employment consultation counter, and by guiding them in the use of various support measures.

Target setup and results management was performed from FY2004 regarding the main indexes of the business concerning the job placement of the public employment security offices, such as the rate of employment. According to the record, the rate of employment in the 2005 fiscal year was 31.6% compared to the target rate of 32%. From the 2006 fiscal year, each employment security office set numerical targets and implemented results management through the PDCA (Plan-Do-Check-Action) cycle with the aim of 1) realizing business operations with the security office staff's involvement and under their own initiative; and 2) enhancing the function of the employment security office through active communication among the Ministry, labour office and the employment security office.

Our country's employment insurance system is a measure which promotes early reemployment for jobless people. This system is planned to provide unemployment benefits for life stability, as well as employment stability and employment promotion as an institutional measure.

Specifically, an irregular fixed-rate system is used for the benefit rate of the basic allowance by assigning a low benefit rate to a person with a high wage level compared with a person with a low wage level at the time of their leave, and by establishing a maximum benefit rate. Consequently, the unemployment benefit level is lower than the wage level at the time of reemployment. The given benefit days of the basic allowance are determined as between 90 days and 360 days, according to the period during which the beneficiary was insured, his/her age, and the reason for unemployment. In order to receive the basic allowance, it is required that the applicant be jobless in spite of having the intention and ability to work. And the accreditation of joblessness is performed strictly at the public employment security offices by making the recipient submit a progress report of his/her job search activity once every four weeks, for example.

Moreover, the system encourages the recipients' earliest reemployment in a positive manner by stimulating their motivation toward reemployment in the

granting of an employment promotion allowance to those who find a new job at an early stage.

2.2. Support measures for a specific group

2.2.1. Young people

Although the active opening ratio which pertains to young people (15 to 34 years of age) has been high compared to that of other age groups after the middle of the 1990s, the unemployment rate has remained relatively high.

Particularly with reference to those in their early 20s, the non-regular employment ratio rose a great deal through the 1990s, and the income gap widened along with it. As a result, the number of young people called NEET (Not in Employment, Education or Training) increased to about 0.64 million and the number of “freeters” exceeded two million people. It is especially difficult for freeters to shift to regular employment, and their wages tend to be at a relatively low level. Furthermore, they have few opportunities for vocational ability development, and their motivation to establish a future-oriented career is minimal.

In these circumstances, it is necessary to diversify the path from school to work. It is essential to enhance support for freeters’ access to regular employment in order to secure opportunities for freeters to improve their abilities and find a job that shapes a career toward the future as a result of their efforts, even when they are not employed soon after graduation or quit a job after becoming employed.

Specifically, 0.25 million freeters per year are targeted to become regular workers through the following measures, based on the “Independence and Challenges Plan for Young People (June 2003)” and the “Independence and Challenges Action Plan for Young People (formulated in December 2004, revised in January 2006)”: 1) enhancement of employment support at public employment security offices and at the One-Stop-Service Center (also known as the Job Cafe) for young people; 2) the “Trial Employment Project for Youth” which aims at the realization of early regular employment through a short-term

trial position; and 3) the “Dual System in Japanese Style” which assists in the development of professional workers through programs integrating practical workplace training and classroom training. In addition, measures taken to support the vocational independence of young people including NEETs comprise: 4) the “self-support school for young people” program that stimulates confidence and motivation through working experiences and so on; and 5) the establishment of the “regional young people support station” that supports independence through the use of a network among regional supporting institutions for young people. These measures show successful results; for example, the unemployment rate of young people under 24 began to decrease after the peak in 2004, and the number of freeters has been decreasing for two consecutive years.

However, people who could not obtain regular worker positions and who became freeters during the time when hiring cutbacks were significant after the bubble economy collapse, also known as so-called “seniority freeters” (between the ages of 25 and 34), are still behind in the improvements and are in a severe situation. Therefore, more support for young people who challenge again toward finding the job they wish to acquire is intended to be provided by: 1) making the hiring and personnel system flexible with an approach to companies, including legislative preparations, to introduce a double-track type hiring system which has a wide range of acceptance for those other than recent graduates and to raise the hiring age; and 2) providing “seniority freeters” with career consulting, ability evaluations and a training course which meets companies’ hiring requirements. In addition, in order to foster professionals with practical techniques as a core workforce on the job and in the workplace, 3) dissemination of the “practical training combined-type vocational training system,” which combines the OJT in a company with a lesson in an educational training organization in order to develop practical ability, will contribute to enhancing on-site skills, helping practical young people to avoid becoming freeters or unemployed, and in so doing, also helping to decrease the total number of these persons.

2.2.2. Older people

Older people are precious human resources who tend to have a high level

of work motivation, as well as accumulated vocational abilities acquired throughout their long working lives. When the aging of the population is progressing, we need to redesign society as a place where older people can make the best of their abilities. In particular, the baby boomers will reach 60 years of age from 2007, and while reduction of the work force caused by a low birthrate and extended longevity is expected, it is important that older people who have the motivation to work are able to perform actively as functioning supporters of society.

Japan has reformed its pension system, which serves as a form of income security for old age, in order to establish a system that provides employment incentives to older people and to consequently promote their labour market participation. To be concrete, in the pension system revisions in 1994 and 2000, the age of pension payment eligibility was raised from the early 60s through a phased approach due to the fact that 1) life expectancy has increased and the pension receipt period has been prolonged, 2) we need to suppress the increase of the premium burden payment for future generations, and 3) the insurance system should be designed with an active society of 65-year-olds in mind, taking into account the continuing progress of a low fertility rate and the aging of the population. (In the case of men, the pension age is to be raised by one year every three years from April 2001 to March 2013 for the flat rate basic pension, and from April 2013 to March 2025 for the income-related portion. Women's pension age will be raised with a five-year lag behind that of men. We are now in the middle of the process.)

Since the pension payment eligibility age for the fixed-amount portion of the special payment to the early 60s was raised in the 2004 pension system reform, it was expected that the number of recipients who would receive only the income-related part (which means they would receive a comparatively low amount of pension) would increase. Before the reform, when these recipients became employed and subsequently were insured, 20 percent of their pension used to be cut uniformly. However, taking the above situation into account, such a scheme was abolished. In addition, with an increase in the number of older people who are working, it was

expected that more people would wish to start receiving the pension after retirement. Thus, a scheme was adopted which allows people to choose to delay their pension payment eligibility age for the old age welfare pension for those aged 65 or older.

To promote older people's participation in the labour market, the Law Concerning Stabilization of Employment of Older Persons was revised in 2004. This law then introduced an obligation for establishments to take one of the following steps as "measures to ensure elderly employment," beginning in April 2006: to gradually raise the mandatory retirement age up to 65, to introduce a system that allows all employees to continue working, or to abolish the mandatory retirement system.

In addition to these measures, actions carried out to increase the ratio of job offers available for all ages by the public employment security offices contributed to partly improve the employment environment for older people, but the active ratio of jobs to applicants still remains low and it is in a relatively difficult situation. To ensure the enforcement of the Revised Elderly Employment Stabilization Law as a countermeasure to these challenges, staffs of the public employment security offices and advisers for elderly employment of the Japan Organization for Employment of the Elderly and Persons with Disabilities have provided timely and useful advice, guidance and forms of support. As a result, the proportion of companies that have introduced measures to ensure elderly employment under the Revised Elderly Employment Stabilization Law was 84% as of June 2006 (an estimate from data reported by 81,382 companies with 51 employees and over). For companies that have not yet introduced the measure, an intensive individual guidance exercise is performed. And in order to achieve job and social participation other than employment, community-based work is now supported by the Silver Human Resources Center, which is based in the region.

2.2.3. Women

In our country, working women often retire after childbirth for parental care. There are around 0.7 million women who are job-hunting with children under 12 years of age, and around 1.8 million would like to hold a job but are not currently

seeking a job (Employment Status Survey 2002). However, the number of women who are able to find the job they desire is limited. It is a substantial issue to utilize the women's workforce when the labour force population is expected to drop sharply as a result of the depopulation and the retirement of the baby-boomer generation.

To change the trend of a declining birth rate, it has become vital to promote the support of balancing family and work as well as a review of working styles that attaches growing expectations of company's activities. The Law for Measures to Support Development of the Next-Generation (hereinafter referred to as the Next-Generation Law) was formulated in 2003 and fully enforced in April 2005. This Law acts as a framework for tackling this issue with the supporting development of the next-generation on a societal level, including through actions carried out by local public authorities and companies.

The Next-Generation Law obliges establishments with more than 300 regular workers to formulate an "Action plan for general business owners" to further improve the arrangements of the employment environment, allowing it to be a friendly place to balance work and childcare. The establishments must submit a notification of the plan. Also, establishments with 300 or less regular workers are obliged to do their best along the same lines. Ninety-nine point seven percent of business owners with more than 300 regular workers had submitted the notification as of June 30 2006. This fiscal year, support is being provided for business owners with 300 or less regular workers to formulate and notify the action plan in the same manner.

For companies that introduce various systems to help employees balance work and childcare/nursing, and also make arrangements to allow them to choose flexible and diversified work styles, the government recognizes them as family-friendly companies by granting awards (Health, Labour and Welfare Minister Award and General Director Award of the Prefectural Labour Bureau) to praise them for their activities and to encourage introducing the same activities throughout the country. In addition, a balance indicator has been made available through the Family-Friendly Site where companies can assess their level of family-friendliness. These measures were adopted to promote

voluntary activities in each company.

Job placement offices for mothers (Mothers' Hello Work) opened in 12 cities around Japan starting in April 2006. These offices work to arrange an environment which is easy to visit with children and offer good employment support for women wishing to find a job while raising children. Mothers' Hello Work provides mothers who wish to find early reemployment while raising children with a comprehensive and unified job-search support system by drawing up an employment realization plan suitable to their wishes, needs and situation; counseling carried out by the same person with a reservation made in advance; provision of information on nursery centers through close cooperation with local public authorities; and secure job offers which meet these women's wishes or needs.

Furthermore, for those people who have resigned to childcare or nursing care and wish to find a job again at a further point in the future, a re-challenging support program is offered, which includes meticulous forms of support to allow these persons to plan out a path toward reemployment. For example, assistance such as seminars and provisions of information, as well as counseling by career consultants, are implemented in cooperation with the Mothers' Hello Work program to accelerate reemployment.

2.2.4. People with disabilities

The number of persons with disabilities who were employed through the public employment security offices shows a high growth rate reaching 38,882 cases in FY 2005 (a 8.4% increase compared with the preceding fiscal year). And the number of new job-seekers is continuing an increasing trend with 97,626 people (a 4.8% increase compared with the preceding fiscal year), and the number of effective job offers are hovering around 0.15 million people. While employment of people with disabilities is progressing with this kind of increasing motivation, more serious and diverse disabilities have been observed, making it necessary to enhance linkages among employment, welfare and health services, to provide intensive support adequate to each type and level of disability, and to strengthen independence assistance for the disabled. In addition, since providing options of various types of work at home will lead to the

expansion of employment opportunities for people who have difficulties commuting, it is necessary to arrange for these kinds of environments.

Based on this situation, the following measures are implemented in our country for the promotion of labour market participation of people with disabilities.

Firstly, the public employment security offices intensify guidance for companies that do not reach the statutory employment ratio (1.8%), according to the law on the promotion of the employment of persons with disabilities, so that they can achieve the employment ratio, and also individually perform meticulous vocational counseling and job placement services for persons with disabilities. In addition, the following supporting measures are used effectively to accelerate the employment of persons with disabilities: 1) the "Trial employment program for persons with disabilities" is carried out as an opportunity to allow for the employment of persons with disabilities, 2) a form of support by a so-called workplace adaptation assistant (or Job Coach), 3) a unified form of support from both working sides and life sides (Programs for employment and living aid for persons with disabilities), etc. In 2005, the law on the promotion of the employment of persons with disabilities was revised, including the creation of an in-home job support system for persons with disabilities and measures for an organic linkage between employment measures and welfare measures for persons with disabilities.

To allow persons with disabilities to live independently in their home area, it is also vital, from the point of view of welfare measures, to actively support them in finding a role and work in their regions. The Law on Supporting the Independence of Persons with Disabilities (enforced from 2006) contains new programs such as "employment support," which aims at the improvement of knowledge and abilities necessary for the employment of people with disabilities who wish to find work, and "employment continuance support," which seeks to provide employment opportunities for people with disabilities who have difficulties in finding work in general establishments. Also, to increase the positive effects brought about by these projects, the law encourages, through the construction of a network among stakeholders of welfare and employment, establishing a system to more effectively support employment in corporations,

etc., and to allow people with disabilities who resigned at one point to once again approach the challenge of seeking employment.

The disability pension system values employment for people with disabilities, and from the perspective of enhancing their conditions on an economic basis to enable their independent life in the region, the disability system was revised in 2004. Specifically, in the past, it used to be a system through which, in principal, the basic pension and the employee's pension could only be jointly paid out when the grounds for the payment were the same. So the disability basic pension and the old age employee's pension could not be paid simultaneously, and the insurance fee, which the beneficiaries of the disability basic pension paid by working with their disabilities, was not easily returned to them as their pension benefit. However, the 2004 reform introduced a system which allows for a simultaneous payment of basic disability pension and old age employment pension, and also of disability basic pension and the employee's pension for the bereaved.

2.2.5. Others

2.2.5.1 Independence support for beneficiaries of public assistance

The Public Assistance System guarantees a minimum standard of living to people who are at the poverty level after utilizing all available assets, capabilities, other laws and measures by providing protection of the standard suitable for their poverty level and by helping them to become independent. The system adopts an independence support program to help establish the independence of households receiving public assistance in addition to financial aid. The program provides, in addition to employment support, additional needed forms of support for each household receiving public assistance by arranging programs intended to provide independence in daily life.

In this system, not all of the persons' income would be the cause of a decrease in benefits, and a certain part would be subtracted, and this would work as an employment incentive.

2.2.5.2. Promotion of independence support for a mother whose family does

not have a father

Although the latest number of divorce cases is decreasing, the number of fatherless households is increasing. The figure reached 1.23 million households in 2003, and it has increased by about 30% as compared with the number from five years ago. Although around 80% of fatherless families have mothers who hold a job, regular workers are around 40%, and 50% are temporary or part-time workers, which indicates that the proportion of non-regular type employment is relatively high. Also, with regard to the average income per one fatherless family household, it has remained at about 40 percent of that of one general household.

In the changing circumstances surrounding fatherless families' mothers, related laws were revised in 2002 to focus on a more comprehensive form of support than a childcare allowance-oriented support, with the following pillars: 1) childcare and livelihood assistance measures, e.g. legislated preferential entrance to a nursery center; 2) employment support measures, such as promotion of fatherless family employment and independence support center programs; 3) measures for securing childcare support payments, such as legislating the obligation to make an effort to pay childcare expenses; and 4) financial support measures, such as the provision of childcare allowance. From the 2003 fiscal year, new services for employment support that is mainly performed by local public authorities started, including independence support training benefits, which promote independence support for fatherless families' mothers.

3. Facilitating the Development of Labour Force Skills and Competencies

3.1. Providing effective vocational training adapted to needs

The vocational ability which workers are asked to demonstrate varies, is often specialized and is greatly changing. The establishment of opportunities for various vocational and educational training courses is aimed at by setting up public vocational training courses according to needs, and by disseminating a

training system so that workers can acquire more practical abilities.

3.1.1. Promotion of public vocational training

The country and prefectures have to make efforts "to afford human resources development as required for those workers who wish to change their occupation and those who particularly need assistance for the development and improvement of their human resources." Based on this regulation, public vocational training facilities are installed and various vocational training courses corresponding to the needs of every worker are carried out.

Specifically, after performing career consulting with the training candidate, and based on the applicant's wishes, capabilities, and aptitudes, the course which is best suited to his/her needs is selected. In addition to a public vocational abilities development institution, the private educational training organization of a vocational school, university and graduate school, NPO, as well as a company which offers a job are utilized positively, and the training opportunity is sponsored according to the various needs of employers.

In the 2005 fiscal year, about 380,000 people participated in: the retired employee training program, in which an applicant learns the abilities required for finding a new job; the tenured person training program, which aims at the improvement of workers' skills; and the graduate training program, in which the skills and knowledge that are required for an occupation are taught to recent graduates. These programs were carried out in 288 national institutions.

3.1.2. Training to acquire more practical skills: a good mix of experience in the workplace and classroom lectures

In a society in which the population is rapidly reducing, it is important to link the recovery of business and employment to the human resource development of the relatively few young people who bear the future of our country's economic society. There are important issues to address, which include starting a system which leads young people to the workplace to carry out practical educational training, and advancing the succession of skills with the retirement of baby boomers. It is because of the training and securing of these talented people

who bear the weight of the workplace that there is greater attention being brought to a decline of "on-the-job power."

For this reason, employers are expected to take initiatives in promoting recent graduate training in the workplace as they are strengthening "on-the-job power" so that young people may avoid being jobless or becoming freeters. They are also working to reduce the number of freeters. As a result, part of the Human Resources Development Promotion Law was revised, and the "practical system to develop human resources," which makes practical vocational abilities the key, was defined by law. The system combines training in a fixed period within the employment relationship at companies and study at an educational training organization.

3.2. Promoting HRD conducted by employers

It is important that vocational abilities development be performed throughout all workers' employment periods, and it is necessary to actively promote the abilities development which employers carry out in workers' active vocational abilities development. The Ministry of Health, Labour and Welfare supports the abilities development program that employers carry out through the following measures:

3.2.1. Aid to employers which supports workers' abilities development

In order to promote the vocational abilities development of the workers in a company, when employers carry out the implementation of vocational training, the support of spontaneous vocational abilities development, the implementation of vocational abilities evaluation, and ensuring a career counseling opportunity with employees, career development promotion grants that support parts of the training expenses are provided.

As basic requirements for grants, it was defined that employers would hear the opinion of a labor union and draw up the vocational abilities development plan within enterprises as well as the annual vocational abilities plan based on this, and the contents of the plan concerned would be well-known to the worker. In addition, it is necessary for employers to assign the human resources

development promoters specified by the Human Resources Development Promotion Law. Since its foundation in October 2001, grants have been provided for 1,390,000 people, and a positive evaluation has been obtained from the users of the grants.

3.2.2. Promotion of abilities development through the use of authorized vocational training

In order to manage the maintenance and improvement of the level of vocational training that employers provide, the prefectural governor authorizes vocational training programs according to a standard including the subject, the period, and the equipment being used in the programs, which are defined by the ministerial ordinance.

In order to promote the use of authorized vocational training, the country has provided systems, such as an authorization training support working expenses subsidy, which assists in part of the cost, when the prefecture itself handles the cost of management of the authorization vocational training that employers perform.

3.3. Vocational abilities evaluation systems

3.3.1. Vocational abilities evaluation systems

As a social infrastructure for linking the external labour market and the internal labour market, and in order to enable the smooth functioning of the labour movement, it is essential to strive for the maintenance of the vocational abilities evaluation systems with the country's involvement.

The national trade skill testing and certification system authorizes the level or grade of workers' trade skills. This is a national government-authorized official approval system. It is implemented based on the Human Resources Development Promotion Law for the purpose of improving workers' skills and their status. Since its inception in FY1959, a total of about 3,300,000 people have become certified skilled workers. In FY 2005, this system processed about 470,000 people's applications throughout the whole country, and about

170,000 people have passed the test and have been certified.

The business career development system supports a systematic study for white-collar workers to acquire the knowledge necessary for fulfilling job assignments. After organizing vocations into ten general fields and specifically cataloguing the professional expertise required for vocational execution into 162 units, the Minister of Health, Labour and Welfare authorizes the educational training applicable to the "authorization standard" which determines the contents, such as the knowledge which should be acquired for each unit. Also, the educational training organization carries out the courses and final certified examinations to confirm the results of persons who have completed the course.

In addition, the abilities necessary to be acquired are determined by industrial classification and the vocational descriptions are classified into a system, and the maintenance of a basis for ability evaluation is established which serves as a "form of measurement" and a "common language." This established system serves as a target for concrete action on the business scene, including the knowledge required for job execution, for a worker's vocational choice and for his/her career formation, as well as the training of the talented people in a company. Until now, the standard basis for capability evaluations of 23 types of industry has been established, such as the electrical machine instrument manufacturing industry, the automobile manufacturing industry as well as clerical work, such as personnel affairs and accounting. The basis for other types of industry is advanced sequentially.

3.3.2. YES-program (Youth Employability Support Program)

The YES-program was developed in 2004, and it was designed to assist young people in acquiring the fundamental skills that companies regard as important and necessary. The program assists youth in tackling the improvement of abilities with a sense of purpose and direction, and in this sense vocational ability is given a proper evaluation.

This program gives young people a goal and allows them to learn about those "fundamental employment skills" that a company requires of young people, including communication abilities, business worker awareness, fundamental

academic achievement as well as business etiquette.

Also, there are authorization courses and certification tests in the YES-program based on applications from each organization regarding those courses and tests which are performed in a private educational training organization or a private vocational school so that the young people who have established the goal of abilities acquisition can study and prepare for the examinations. Provision of information about the program is made available to the public. At present, there are about 1,800 authorized courses and 300 authorized tests.

Furthermore, following young people's applications, they are given a "Youth Employment Support Program Mastery Certification" when they complete those authorization courses and pass the relevant certifying examinations in their professional fields. The number of people who have completed authorization courses and passed certification tests in this program reached 300,000 in FY2005. The next goal is to spread and promote this program so that it may be widely used as a common basis for "fundamental employment skills" and may establish a link between young people and companies.

3.4. Facilitating school-to-work transition

While homes, schools, companies, the community, and others all play a role, respectively, it is necessary to strive for mutual cooperation and to support young people in their preparation for a vocational career, which includes the cultivation of a vocational consciousness, and the acquisition of the basic skills required for a profession.

For this reason, in the Ministry of Health, Labour and Welfare, in order to support the formation of an efficient and effective vocational consciousness from the early stages while enrolled in school, it is vital to tackle the facilitation of the school-to-work transition. This can be done by, in cooperation with companies, placing youth job supporters at the Public Employment Security Offices throughout the country, who provide support at all stages, ranging from dispatching company people to schools, promoting students' understanding of work, supporting students' job hunting activities and their settlement into the

workplace.

In addition, “the vocational museum”, a one-stop institution which offers about 40 kinds of vocational experience opportunities, systematic vocational information as well as job consultation, is in operation. This institution has obtained a high review from visitors, including students, since it opened in March 2003.

4. Measures for Expanding Labour Demand while Addressing Issues of Labour Market Duality

4.1. Support for business start-ups

Regarding Japan’s regional employment conditions, while there has been improvement in urban areas such as the Tokyo area and the Nagoya area where the manufacturing of products such as automobiles and digital appliances and information-related industries are leading in the recent economic recovery, the local regions seem to be lagging behind in the recovery. For instance, the influence of the advanced shift to overseas operations in manufacturing and the severe conditions surrounding construction caused by the reduction of public work programs have led to a lag in improvement and therefore a widening of regional disparities.

Due to these conditions, the Ministry of Health, Labour and Welfare will support regions that actively work on industry creation by focusing on their advantages and what makes them uniquely appealing and by creating a working space where people can show their pride in their local area while also making the most of their abilities.

Therefore, the Ministry is applying targeted employment policies to seven prefectures out of 47, where improvements in the employment situation are weak. The targeted program includes the establishment of a regional conference on employment strategy. With the cooperation from related

ministries, and with coordination among related local government bodies, this program is aimed at the effective implementation of measures by each prefecture for regional revitalization, which then leads to job creation.

A shortage of the manpower needed for the development of the region that could bring out these potential advantages has been observed in some cases, and the Ministry will also assist in securing this type of human resources. Specifically, it is supporting municipalities in drawing up plans for employment creation within their administrative regions and in bringing together wisdom and ideas for creating employment with regional voluntary approaches by providing them with expert advice, information about successful employment creation cases, etc. (Regional Employment Opportunity Creation Backup Service)

In addition, in regions with low employment opportunity, the Ministry selects, in a contest format, those projects that are the most effective in creating jobs, and then commissions the projects to the conference that proposed the plan, which consists of municipalities and business groups in the region. (Employment Opportunity Creation Services with Regional Proposals)

4.2. Approaches towards the self-reliant establishment of working hours

4.2.1. The revision of the Law Concerning Temporary Measures for the Promotion of Shorter Working Hours (hereinafter Shorter Working Hours Law) to the Law for Improvement of Setting Working Hours

Recently, we have been facing new challenges, such as a so-called “Growing polarization of working hours”: the proportion of those who hold longer working hours and those who work a shorter number of hours has increased, lowering the accession rate of annual leave with pay, and diversifying the circumstances surrounding workers, and so on.

Based on this situation, the Law Concerning Temporary Measures for the Promotion of Shorter Working Hours was revised and took effect on April 1st,

2006 as the Law for the Improvement of Setting Working Hours, in order to improve the setting of working hours, holidays, vacations, etc., so that they would be well adapted to the various ways of working and would respect the worker's health and life.

In addition, in order to promote voluntary labour-management approaches for the improvement of setting working hours in medium and small enterprises, the Ministry is providing guidance and assistance from experts to the associations of medium-small enterprises, as well as aid to the associations of medium-small enterprises that are tackling the improvement of setting working hours by utilizing a collective approach.

4.2.2. Approaches under the Labour Standards Law

Under the Labour Standards Law, in principle the legal number of working hours is eight hours per day, 40 hours per week. However, the adoption of diverse variations of working hour systems is permitted; for instance, a flexible working-hour system or a system of setting hours on a monthly basis can both make the flexible allocation of working hours possible. For workers who do not receive concrete instructions from their employer, a flexible working-hour system, such as the discretionary setting up of hours in labour systems for specialized operations or planning operations, is adoptable based on a voluntary approach by labour and management. The Government is now reviewing the introduction of the self-reliant setting of working hours in accordance with the prevention of long working hours.

4.3. Equal treatment between regular workers and part-time workers

The number of part-time workers has dramatically increased to reach 12.66 million in 2005, and short-term workers account for 24.0%; one out of four people of the total number are non-agroforestry workers (52.80 million). Of the part-time workers, 8.82 million are women, who account for 69.7% of the

short-term workers. In addition, short-term workers account for 40.6% of the female non-agroforestry workers (21.71 million); two out of five female workers work part-time.

As mentioned above, part-time workers have become indispensable for Japan's economic society. However, their treatment is not always commensurate with the work they fulfill, and in the perspective of securing a necessary work force while confronting a depopulating society, making part-time work an attractive employment option that allows workers to effectively develop their abilities has become a more significant issue.

In light of this, the Ministry of Health, Labour and Welfare is working on approaches that ensure appropriate working conditions and improve employment management for part-time workers, based on the law concerning the improvement of employment management of part-time workers (hereinafter referred to as the Part-Time Work Law). Specifically, the guidelines based on the Part-Time Work Law present concrete ideas regarding the proper treatment (equal treatment) of part-time workers, taking into account their actual work and balancing this with the work of regular workers. The Ministry is currently focusing on spreading and promoting this idea throughout Japanese society. Approaches toward equal treatment for part-time workers are also being promoted through measures including 1) the provision of subsidies, whose content was substantially revised from April 2006, to strengthen the support of employers who work on establishing balanced treatment and 2) the creation of an internet-accessed diagnostic system which the employers can utilize to self-check how much balanced treatment they have achieved.