

Employment measures in Post-Financial Crisis Japan

- 1 Employment Measures in the “Comprehensive Immediate Policy Package to Ease Public Anxiety”
(29th August 2008) \9.94billion
- 2 Employment Measures in “Measures to Support People's Daily Lives”
(30th October 2008) \250billion
- 3 Employment-Security Programs in “Immediate Policy Package to Safeguard People's Daily Lives”
(19th December 2008) \150billion
- 4 Policy Package to Address Economic Crisis
(10thApril2009)\2512billion

Comprehensive Immediate Policy Package to Ease Public Anxiety (labour issues) (29th August 2008) ¥9.94billion

Promotion of policies for non-regular workers: ¥2.78bn

- Strengthen support for daily dispatch workers by enhancing the Hello Work capabilities: ¥0.68bn
- Enhance support for employment of non regular workers as regular workers: ¥0.72bn
- Provide comprehensive support to ensure steady employment of unstable homeless workers: ¥0.
- Develop an employment support structure for non-regular workers in metropolitan areas: ¥0.34bn

Support for employment maintenance in SMEs: ¥6.94bn

- Support for SMEs affected by soaring raw material prices to maintain employment: ¥4.45bn
- extensive training for job losers, and job-placement support jointly with prefectural governments: ¥2.49bn

Employment support for women: ¥0.08bn

- Expand the program aimed at assisting parenting women: ¥0.08bn

Employment support for older people: ¥0.04bn

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

Employment support for people with disabilities: ¥0.11bn

- Job-placement and retention support for people with disabilities by enhancing the Hello Work capabilities: ¥0.11bn

Employment measures included in “Measures to Support People's Daily Lives”
(30th October 2008)

> Reduction of unemployment insurance premiums

[Measures to supporting family budget]

possible cuts in the unemployment insurance premiums by maximum of 0.4 percentage points (from current 1.2%) only for the one-year period of FY 2009.

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

- ◆ Establishment of a special grant program for employers that actively hire young job-hopping part-timers as regular employees
- ◆ Reinforcement of capabilities of the public employment agency to enhance employment support structure for non-regular workers and intensify search for job openings
- ◆ Expansion of systems to pay living assistance during the training period

➤ **Reinforced measures to support employment in SMEs**

[Measures to strengthening the employment safety nets]

◆ **Amplification of the Employment Adjustment Subsidy**

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

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

➤ **Creation of regional employment opportunities**

[Measures to strengthening the employment safety nets]

◆ **Establishment of the hometown employment revitalization special grant**

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

◆ **Additional training for job losers**

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

> Improvement of working conditions in long-term care services

[Measures to Reassuring daily life]

- ◆Expansion of subsidies for securing and retaining personnel in long-term care services
to help employers secure and retain personnel for long-term care services, the subsidy program will be revised to provide employers with a higher subsidy than usual (¥1m per person instead of usual ¥0.5m) only when they hire a young adult job hopper who has never worked in the industry.
- ◆Establishment of a grant program for equipment introduction for long-term care workers
MHLW will subsidize half (up to ¥2.5m) the cost of introducing long-term care service aid equipment (e.g., powered mobile lifts) that eases the physical burden on workers.

> Enhanced measures to support childbirth and child-rearing

[Measures to Reassuring daily life]

- ◆Expansion of the child-rearing support subsidy for SMEs
The subsidy for SMEs with up to 100 employees will be improved; for the company's first 5 employees (instead of current 2) to take child-care leave or use the short-time work system.

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

- ◆Establishment of a grant for SMEs to employ people with disabilities for the first time
When SMEs that have never hired people with disabilities employ for the first time any person with disabilities, they will receive a grant (¥1m).
- ◆Establishment of a subsidy to promote the establishment of special exceptional subsidiaries
This new subsidy will be given to employers that have set up special exceptional subsidiaries or companies to hire many employees with severe disabilities, for example, by hiring people with disabilities who had been fired or forced to quit due to the recent economic downturn.

Employment-Security Programs in “Immediate Policy Package to Safeguard People's Daily Lives”

(December 19, 2008)

- Policy actions to ensure housing and daily life for job leavers

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

- Subsidizing employers who continue providing charge-free corporate housings for their workers that they have dismissed
- Providing a loan to finance housing-related moving-in startup costs
- Providing housings for job leavers who are forced to leave from corporate dormitory
- Providing special subsidies to local governments that temporarily hire job leavers

① Employment-security programs

Expanding the Employment Adjustment Subsidy program

- The Employment Adjustment Subsidy program provides subsidies that will finance a certain percentage of wages (4/5 for a small- and medium-sized enterprise). The government expands this program to non-regular workers serving for such eligible corporation for less than 6 months. (Currently 6 months or longer.)

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

- If an employer directly hires agency workers, the government provides such employer with \1m subsidy per worker (or, a half of these subsidy amount for large-sized enterprises).

② Reemployment support programs

> Creation of job opportunities by local governments

Preparing ¥400bn job-creation fund supporting activities as follows;

- Local governments will support job opportunity creation by the private enterprise.
- Prefectural governments and silver human resources centers will create temporary employment/job opportunities (employment contracts of shorter than 6 months) for non-regular workers or middle-aged and older people who have lost their job.

[Program examples] forest improvement; nursing-care and nursing-care supports for elderly people; education (math/science and IT education by assistant teachers)

> Supporting active employment of young adult job hoppers

- The government will provide employer hires young adult job hoppers (age 25 to 39) as a regular worker with subsidy.

③ Addressing corporate employment offers withdrawals

> Preventing corporate withdrawal of employment offers to new school graduates

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

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

④ Cutting down the unemployment insurance premium

> Cutting down the unemployment insurance premium by 0.4% (insurance premium cut by 0.2% on the employer side and by 0.2% on the employee side) only for FY2009 (¥20,000/year for a standard household)

⑤ Reviewing eligibility of the unemployment insurance program

> Expanding insurance coverage to non-regular workers, and also relaxing applicable eligibility requirements from “1 year” to “6 months”

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

- Providing additional 60-day-worth insurance benefits to job seekers (in particular, job seekers facing difficulty in finding a new job)

Housing- and Daily Life Support-related Programs

Counseling Services for Eligible Workers

Setting up Appropriate Counseling Service Program

- Providing counseling services at 154 Hello Work nationwide in order to ensure housings and stable job opportunities

Lending housing- and daily life support-related fund

• Financial institutions will provide loans via Hello Work

- Moving-in startup costs (\500,000 at maximum)
- Rent support (\60,000 a month at maximum, 6 months at longest)
- Daily life and job-hunting costs (\1 million at maximum)

* Recipients of unemployment insurance benefits are entitled to the loan for financing their moving-in startup costs (\500,000 at maximum) and daily life and job-hunting costs (\100,000 at maximum).

* Partially exempting repayment of the loan if a borrower finds a new job 6 months later

Allocating employment promotion housing units

- Making the most use of employment promotion housing units not decided to be abolished (13,000 vacant units) and providing counseling services at Hello Work in order to encourage eligible workers to quickly move into employment promotion housing units

Requests to Employers

Requesting for prolonged use of corporate housing units

- Labor bureaus and Hello Work will make requests to employers so that dismissed employees would be able to continuously stay in corporate dormitory.
- In addition, Minister of Health, Labour and Welfare will also make similar requests to business organizations.

Subsidizing employers that continuously provide their corporate housing units

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

* This program is applicable to employers that provide their corporate housing units on December 9 or later.

Employment measures included in “Policy Package to Address Economic Crisis” (10h April 2009)

1. Increasing the subsidies for employment adjustment

◆ Revision of the Employment Adjustment Subsidy program

2. Support for re-employment and development of vocational skills

- ◆ Comprehensive support for vocational training and re-employment as well as daily-life support through the “Emergency Human Resource Development and Employment fund”
- ◆ Enhancement of support for the development of vocational skills
- ◆ Employment support for people with disabilities
- ◆ Enhancement of the Public Employment Security Offices

3. Measures to create new jobs

4. Measures to protect dispatched workers, measures to prevent withdraws of job offers and support for foreign workers