

Recent Development of Labor Policy in Japan

- Towards Formation of the Flexible Labor Market

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- 1.Improving Worker Dispatching Undertakings and the Fee-charging Employment Placement Project
- 2.Information Technology in the Field of Employment
- 3.Human Resources Development to Meet the Needs of Society
- 4.Legal Measures concerning Labor Issues related to the Division of Companies
- 5.Prompt Settlement of Labor Management Disputes

Improving Worker Dispatching Undertakings and the Fee-charging Employment Placement Project (1)

Background

- Government policy of deregulation
- Necessity for smoother adjustment of supply and demand of labor

Measures already taken

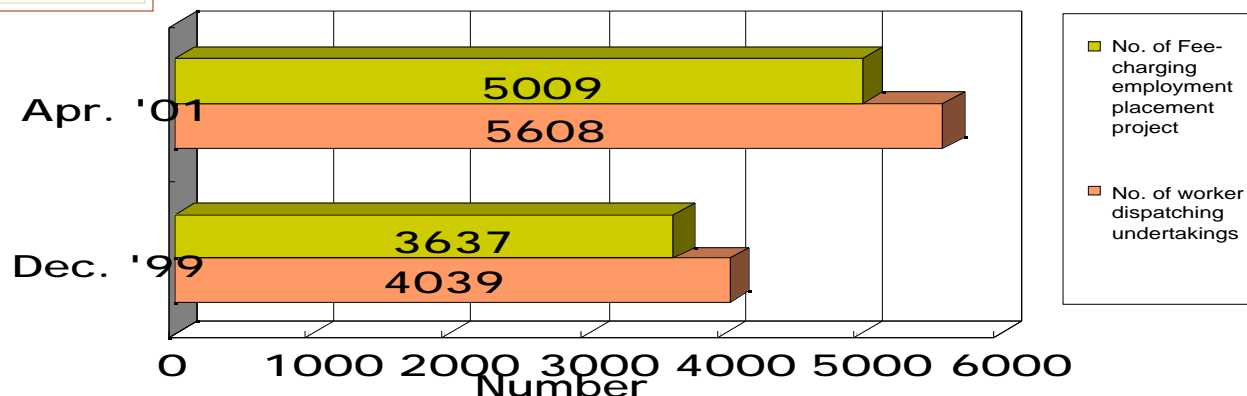
<Worker Dispatching Undertakings>

- **Revision of the “Worker Dispatching Law (Enforced Dec. ‘99)**
(Tremendous expansion in types of businesses allowed)
- Made possible to dispatch workers with the possibility of a employment contract on completion of the dispatching period(so called ‘temp to perm’) (Enforced Dec. ‘00)
(Diversification of employment methods)

<Fee-charging employment placement project>

- **Revision of the Employment Security Law (Enforced Dec. ‘99)**
(Expansion of range of jobs able to be covered by the Fee-charging employment placement project)

Effects of Revision of Laws



Businesses Allowed to be Covered by Worker Dispatching Undertakings

Before '97 revision of Law

Businesses allowed to be covered =16 *1

Before '99 revision of Law

Businesses allowed to be covered =26 *2

After '99 revision of Law

Businesses newly allowed to be covered by worker dispatching undertakings
ex. Operations, sales, general office work, vehicle operation, etc.

Businesses not allowed to be covered by worker dispatching undertakings
(1) harbor express, (2) construction, (3) security, (4) medical related, (5) manufacturing (with some exceptions)

Improving Worker Dispatching Undertakings and the Fee-charging Employment Placement Project (3)



*1: Businesses allowed to be covered before 1997 revision (16):

software development; machinery design; operation of broadcasting equipment; direction of broadcast programs; operation of office equipment; interpretation, translation, and shorthand; secretarial services; filing; surveys; financial processing; preparation of business documents; demonstrations; travel guides; building cleaning; operation of building facilities; inspection and maintenance; guide and reception services; and parking management services.

*2: Businesses allowed to be covered before 1999 revision (26):

software development; machinery design; operation of broadcasting equipment; direction of broadcast programs; operation of office equipment; interpretation, translation, and shorthand; secretarial services; filing; surveys; financial processing; preparation of business documents; demonstrations; travel guides; building cleaning; operation of building facilities; inspection and maintenance; guide and reception services; parking management services; research and development; business system planning and proposals; book preparation and editing; advertising design; interior coordination; announcers; OA instruction; telemarketing; sales engineer operations; prop services in broadcast programs.

Improving Worker Dispatching Undertakings and the Fee-charging Employment Placement Project (4)

Range of Jobs Able to be Covered by Fee-charging Employment Placement Project

total about 18% Å® about 60%('97) Å about 93%('99)

Main classifications (number of employees) (total 52 million)	Jobs allowed to be handled (total about 18% ??about 60% ? about
A. Specialized and technical jobs (7.1 million)	about 60% *2 (4.3 million)(2.8 million)
B. Managerial jobs (2.8 million)	*3
C. Office jobs (11.7 million)	
D. Sales jobs (7 million)	
E. Service jobs (3.8 million)	about 66% *4 (2.5 million)(1.3 million)
F. Security jobs (950,000)	
G. Agricultural, forestry, and fishery jobs (400,000)	
H. Transportation and communications jobs (2.25 million)	
I. Skilled workers and excavation, manufacturing, and construction jobs (12.3 million)	Construction jobs (3.7 million)

(Note 1)

[Yellow] indicates jobs handled before and after the revision of system.

[Blue] indicates jobs added by revision of system in 1997.

[Red] indicates jobs newly added by 1999 revision of law.

(Note 2) Scientists and engineers, physicians, dentists, pharmacists, midwives, nurses, medical technicians, dental technicians, lawyers, certified public accountants, patent attorneys, artists, clothing designers, movie and theater technicians, actors, interpreters

(Note 3) Managers

(Note 4) Housekeepers, barbers, beauticians, kimono instructors, cleaning technicians, cooks, bartenders, waiters, models

IT in the Field of Employment

Background

- Spread of the Internet → Increased need for information provision in the field of employment
- Revision of Employment Security Law → Coexistence of both public and private employment agencies

Measures already taken

<“Hello Work Internet Service”>

(Service started in March 1999)

- Information on 180,000 job offers in metropolitan areas of Japan
- Information on labor market
- Information on employment insurance and subsidies

Job seekers and job offerers

"Hello Work" : Government run public employment security offices ...
615 offices throughout country

<Work Information Net>

(Service scheduled to start July 2001)

Listings and Search

•“Hello Work” Internet Service

Job Offer Information

- Fee-charging employment placement project
- Private job information provision agencies
- Economic organizations

Effects

- Simple and broad searches of information
- Promotion of use of private services

Strengthening of adjustment of supply and demand in labor market

Human Resources Development to Meet the Needs of Society



Changes in Medium and Long Term Policies

<Up to Now>

Promotion of human resources development conducted by employers predicated on long term employment

<Recent Changes>

- Change in employment structure Å Increase in labor mobility
- Change in the way of thinking of employers and workers

<Future>

Promotion of human resources development conducted on workers' own initiative as well as that conducted by employers predicated on long term employment

Short Term Priority Measures

- Addressing the mismatch in workforce supply and demand arising along with rapid introduction of IT
- IT training for total of 1.4 million workers (the fiscal year of 2000 and 2001 (for two years))
 - In public human resources development
 - In private sector education and training facilities consigned by public sector

Legal Measures Concerning Labor Issues Related to the Division of Companies

Background

- Introduction of company division system by the Commercial Code, etc.

Law concerning the Succession of Labor Contract upon the Divisive Reorganization of Company

(Main Content)

*Companies are obliged to notify all workers, etc. of any impending company segregation.

*Succession of labor contracts

- When labor contracts of workers mainly engaged in promotion of company activities are succeeded to the future company
 - >Agreement of the workers is not required
- When labor contracts of workers mainly engaged in promotion of company activities are not succeeded to the future company
 - >The workers may raise objections
 - >When the workers raise objections, the labor contracts will be succeeded to the future company

*Succession of labor agreements

- When labor contracts of union members are succeeded to the newly established company
 - >The labor agreement shall be deemed as having been concluded with the same content between the newly established company and labor union.
- Exception: Portions which labor and management agree may be excluded (labor conditions may not be excluded)

Effects

- Proper protections to workers affected by corporate divisions
 - > avoidance of unnecessary disputes
 - >Proper use of company division system

Prompt Settlement of Labor-Management Dispute



Background

Corporate restructuring and shift toward individualization in personnel and labor management

- > Increase in labor-management disputes between individual workers and employers regarding labor
- > Need for prompt and simple solution in accordance with situation of these disputes

Resolution

Bill concerning Promotion of Settlement of Individual Labor-Management Disputes (Scheduled to be enforced from October 2001)

(Main Content)

- **Advice and guidance by director-general of prefectural labor bureaus**
Provided when assistance is sought for settlement of individual labor-management disputes from one or both parties
- **Conciliation by dispute settlement committees**
 - Dispute settlement committees will be established in the prefectural labor bureaus.
 - The director-general of each prefectural labor bureau will ask the dispute settlement committee for conciliation when deemed necessary based on an application for conciliation from one or both of the parties as to an individual labor-management dispute.