

Employment of the Persons with Intellectual Disabilities in Japan (FY 2009)

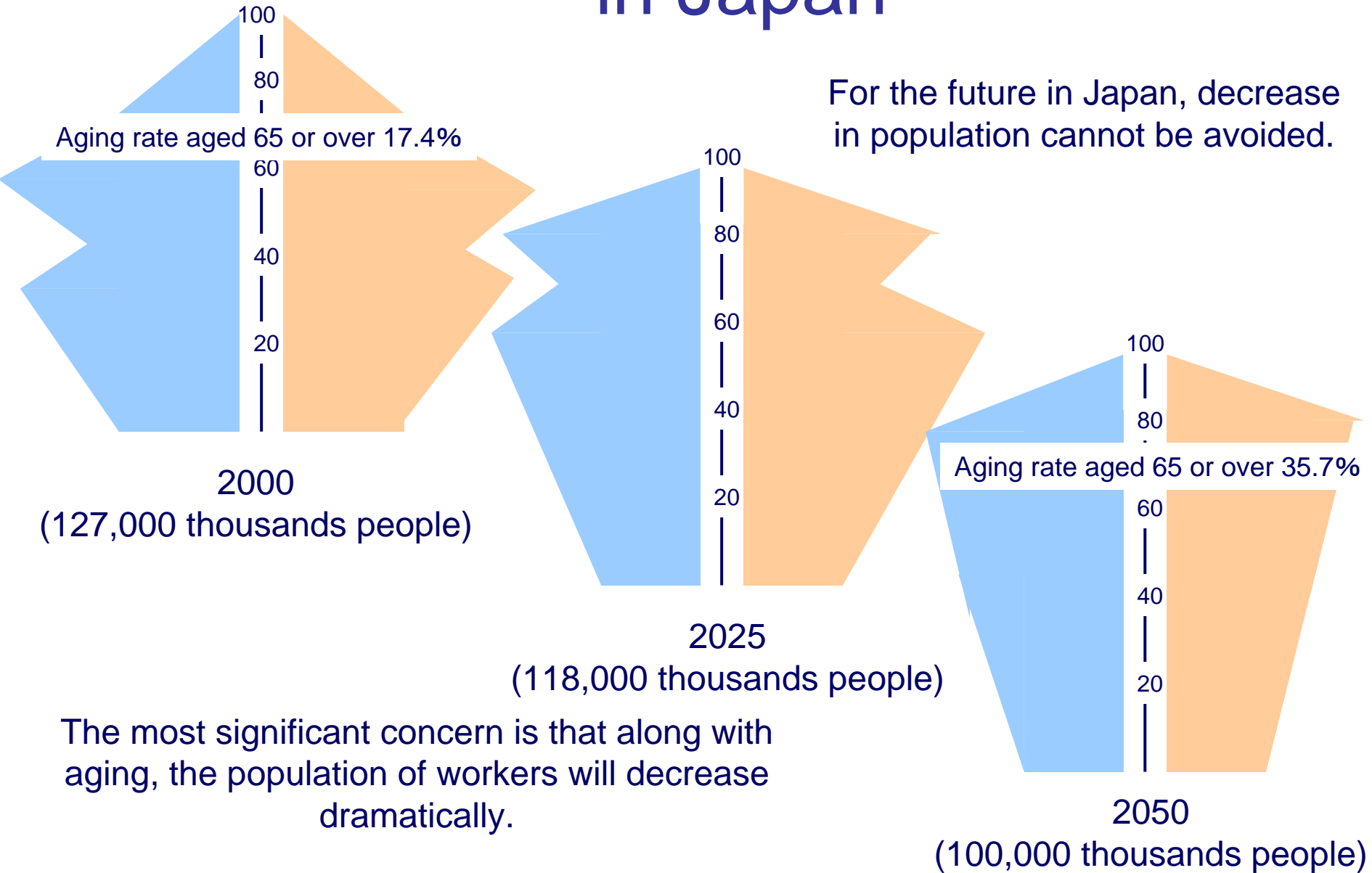
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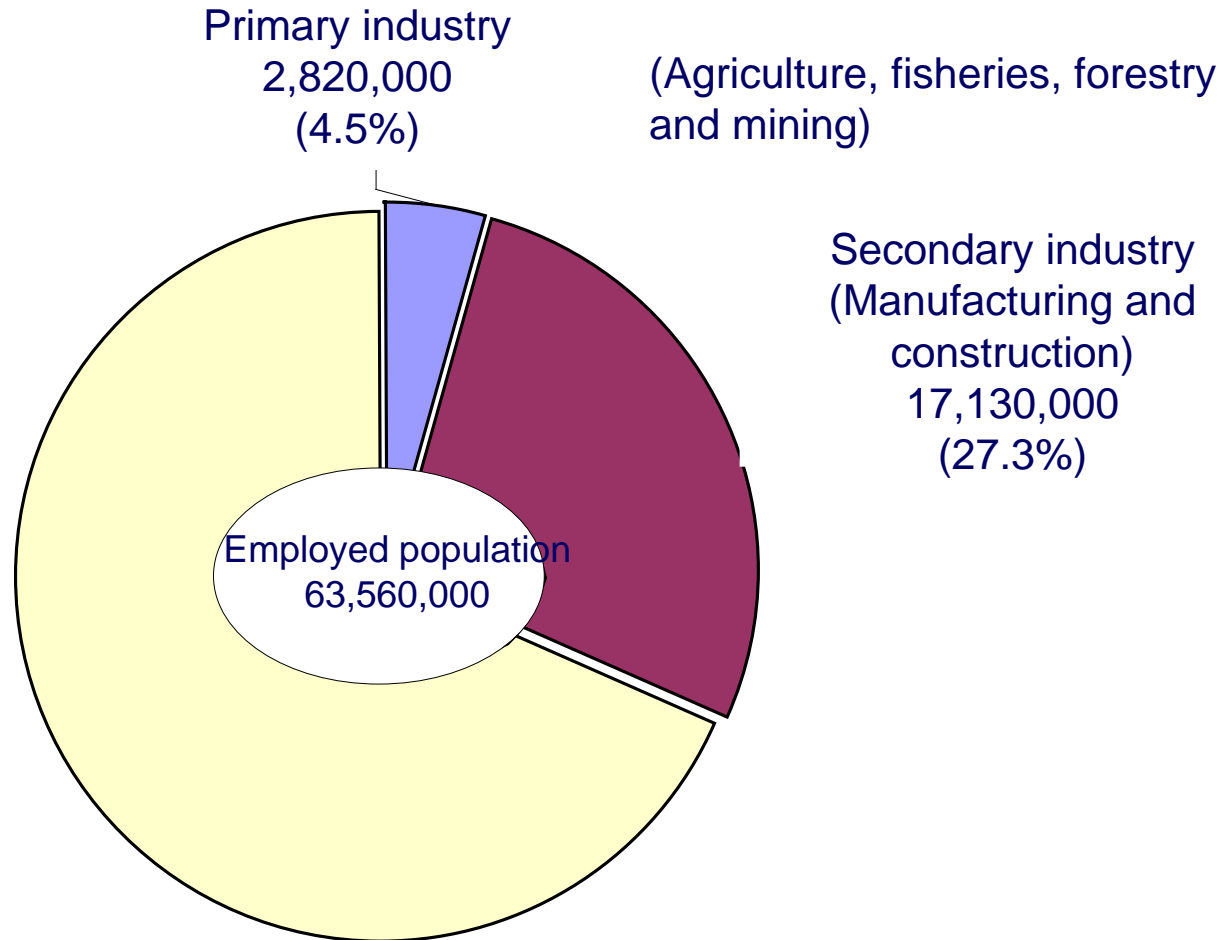


Overview of the work environment in Japan

Trends in population and aging in Japan



Employed population and industrial structure in Japan (as of 2005)



(Information and communication, finance, transportation, real estate, education, medical services, food services and other service sectors)

Working conditions of workers in Japan

【Regular workers】

	Male (average age 41.6)	Female (average age 38.7)
Monthly average wage	¥ 372,000	¥ 239,000
Weekly average working hours	41.9 h / w	35.1 h / w
(Average hourly wage)	¥ 2,139 / h	¥ 1,641 / h

【Part-time workers】

	Male (average age 47.0)	Female (average age 42.3)
(Average hourly wage)	¥ 853 / h	¥ 889 / h

Toward improvement of the working environment (governmental proposal)

- ◆ Redeveloping the environment that may grow competitive and more profitable **private entrepreneurs** in the global market.
 - Tax policy and government (smaller government and reduction in corporate tax)
 - Educational mechanism (fostering human resources of high caliber)
 - Deregulation and structural reform (to cope with economical globalization)
- ◆ Create a social platform offering a safety net and enabling the people to **challenge repeatedly**.
 - Establish a sustainable and reliable platform for public pension plan, health and nursing care insurance
 - Platform for re-challenge: This social platform is a dual carrier system that is designed to offer aids for relief from economical distress and to provide equal opportunities.

Structure of promoting employment of people with disabilities

What kinds of Labor power are Japanese private companies seeking now?

Employees who can survive the competitiveness of global society.



Highly educated, highly skilled in specialty and equipped with management capability

Able to work in teams and perform a lot of work even with a small team.

Low cost labor power whose number can be adjusted in peak seasons



Low wage, part-time workers that are outsourced to human resources companies.

Depending on dispatched staff from dispatching agencies.

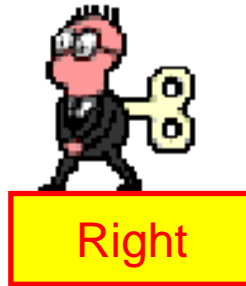
If left to market mechanisms, the persons with intellectual disabilities cannot find job.

Law supporting the employment of the persons with disabilities

The Law for Employment Promotion of the persons with disabilities (1960)

Constitution of Japan (1947)

Article 27
All the people have the right and obligation of work.



The persons with disabilities, as a working member composing the economical society, is given the chance of developing their ability in career life.



The persons with disabilities should be aware of his or her career in developing and improving his or her ability, and, as professional, make efforts to become self-sustainable.



Business owners, based upon **the principal of social consolidation**, should assume the responsibility of offering the support so that disabled workers can as professional be self-sustainable.

Don't expose employment of the disabled to the free labor market!

Specific approaches on the principle of social consolidation

Employment obligation and legal employment rate

Private companies are obliged to employ a certain percent of disabled workers to the number of employees. → 1.8% as employment rate in private companies (whose employment are 56 persons or more)

The central government, prefecture governments and municipal governments (city, town and village) also are obliged to hire a certain level of disabled workers. → 2.1% as employment rate in public sector organization(whose organization are 48 persons or more)

When the employment level in private companies and public sector organizations is noticeably lower than the legal level, they shall given a strong guidance and recommendation.

Payment and regulation money

Private companies, if they do not reach the legal employment level, must pay a certain amount of money (number of disabled workers who do not fill the vacant job places for the disabled x unit payment amount) → 50,000 yen/month /vacant place)

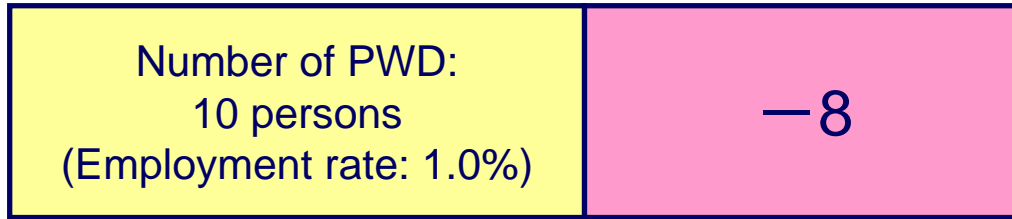
If a private company hire disabled workers whose number exceeds a certain legal level, it is entitled to receive regulation money (number of disabled workers in excess x unit regulation money). →27,000 yen/month/one excess

In addition, there is an employment subsidy system for the severely disabled.

Penalty, regulation money and subsidy system

Company A (1000 employees 1.8%=18)

¥50,000 × 8 persons = ¥400,000 (M)



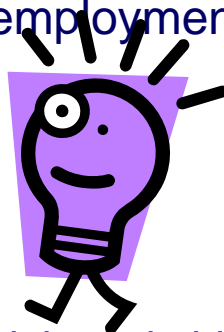
Legal employment rate 1.8%

Company B (1000 employees 1.8%=18)



Company C (disabled employment 10)

¥27,000 × 2 persons = ¥54,000 (M)



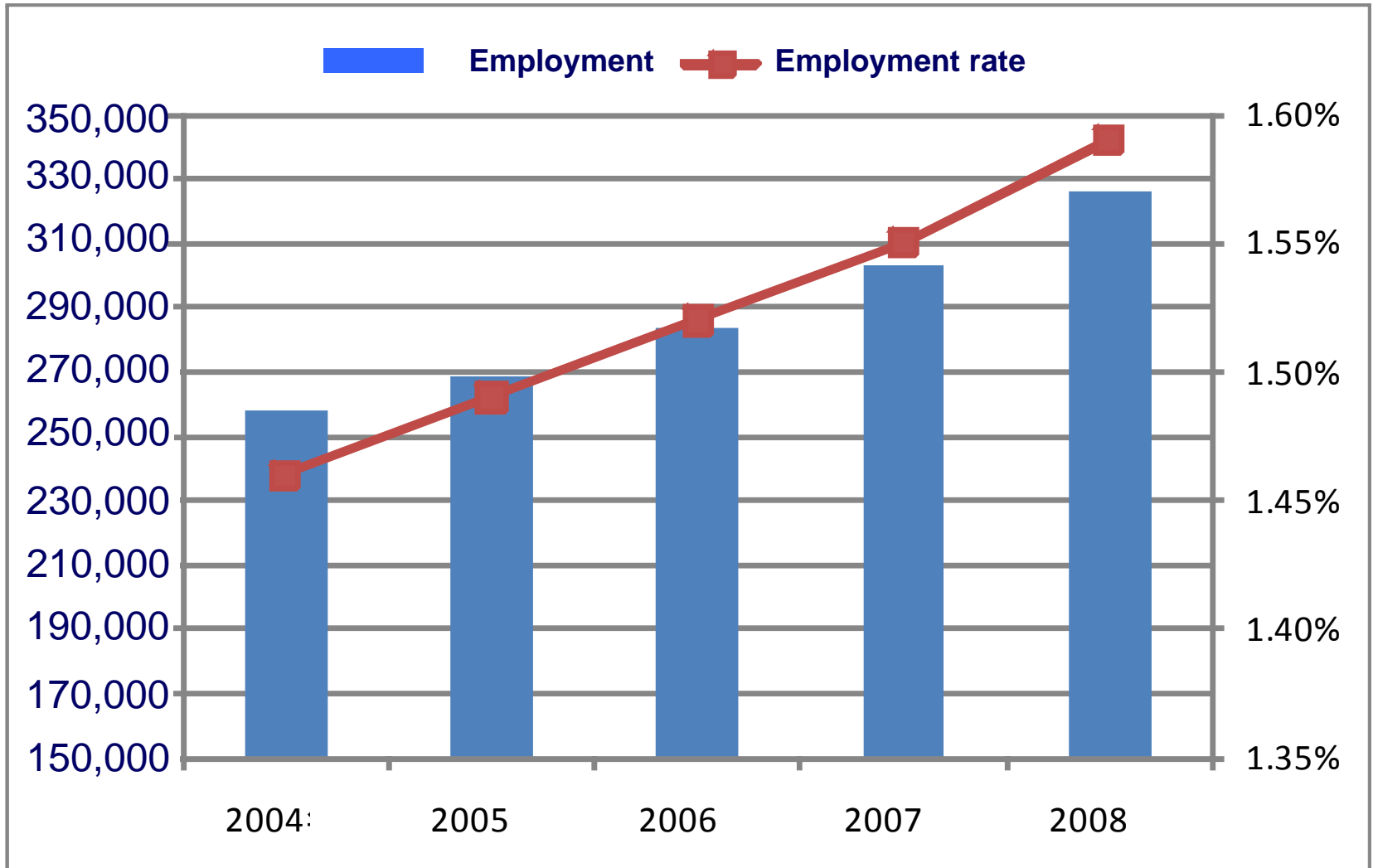
Awarded the subsidy for investment of mechanical equipment and placement of job coaches.

Current Status of the employment obligation system

- ◆ **Legal employment rate of private companies (exceeding 56 employees): 1.8 %**
 - 2008 actual employment rate: 1.595 % (0.04 % up from the previous year)
 - Percent of companies reaching the legal employment rate: 44.9 %
 - Percent of the persons with intellectual disabilities in the employment: 16.5 %
- ◆ **Legal employment rate in the public organizations 2.1 %**
 - 2008 actual employment rate

Central government	2.18 %
Prefecture governments	2.44 %
Municipal governments (city, town and village)	2.33 %
 - Percent of the persons with intellectual disabilities in the employment: 1.4 %
- ◆ It is revealed that the employment of the persons with mental disabilities has rapidly increased, but further increase is strongly expected. The total of those in private companies and public organizations are as small as 6,000 disables, only 1.8 % of the total employment.

Employment of persons with disabilities in private companies of more than 56 employees



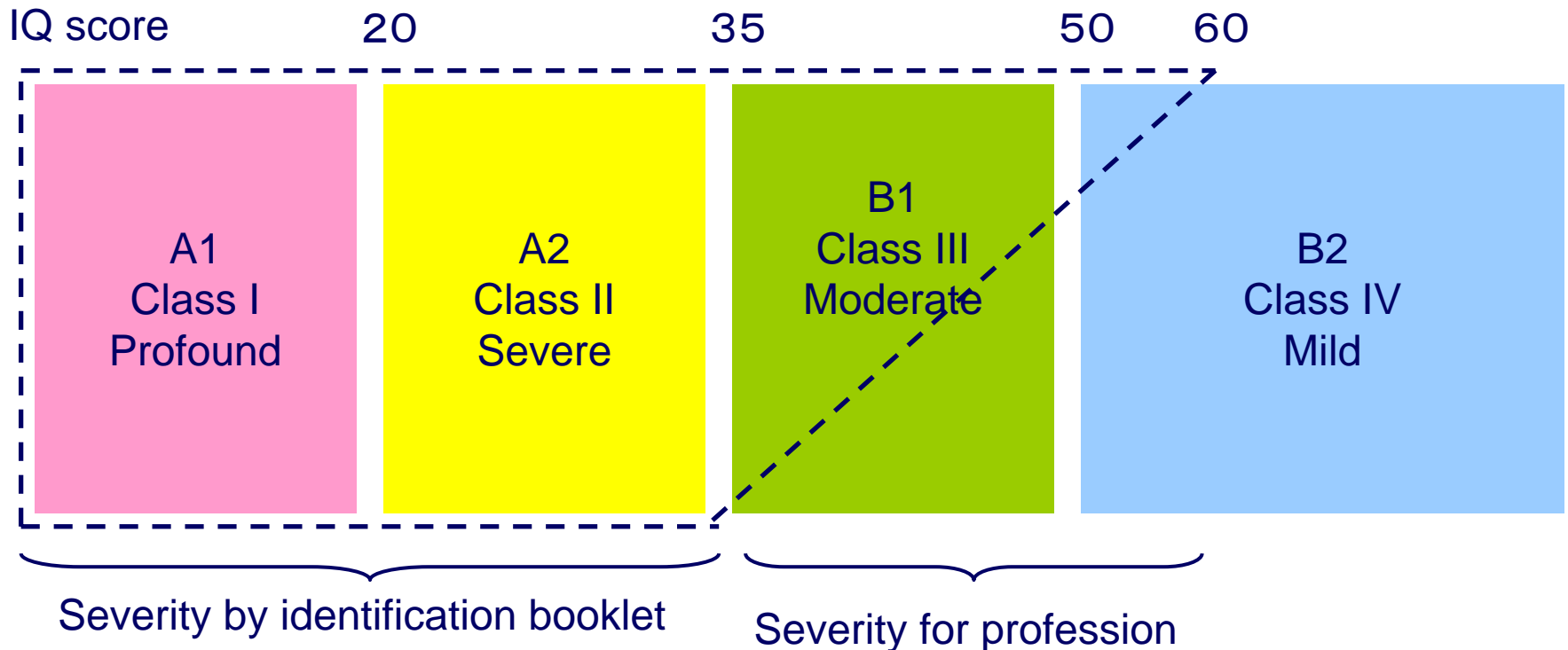
How to count disabled employment

			30 hours or more/week	20-30 hours/week
Employment obligation	Persons with physical disabilities	Severe	◎	○
		Other than "severe"	○	△
	Persons with Intellectual disabilities	Severe	◎	○
		Other than "severe"	○	△
Deemed employment	Persons with Mental disabilities		○	△

◎ . . . Double count ○ . . . Single count △ . . . Counted as "0.5 persons"

How to handle the persons with severe disabilities

- ◆ “Rating” on identification booklet for the persons with physical disabilities
- ◆ Rated as follows on identification booklet + National Institute of Vocational Rehabilitation (NIVR)’s judgment for the persons with intellectual disabilities



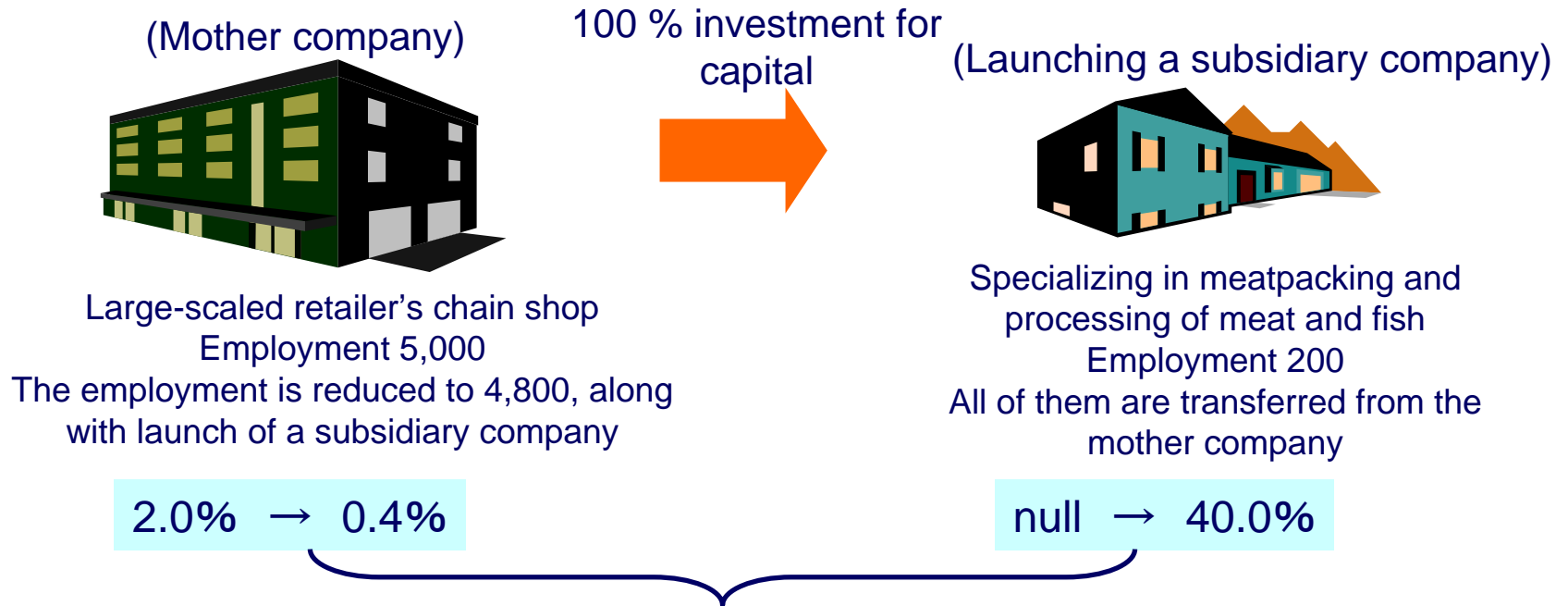
Summary

- ◆ In Japan, under the key word of advocating “social coordination”, the private sector is subject to the minimum mandated employment quota (the public sector, there is no policy for promotion of disabled employment.)
- ◆ In recent years, the employment of PWD has improved dramatically in private companies, especially at leading companies, because they face a strong social need of CSR (corporate social responsibility) and Compliance.
- ◆ The public sector is committed to development of various projects such as pre-vocational training, job coaching and continuous support for employment.

Mechanism of a special subsidiary company

Drawbacks to be removed on the process of determining the employment rate for corporate entities

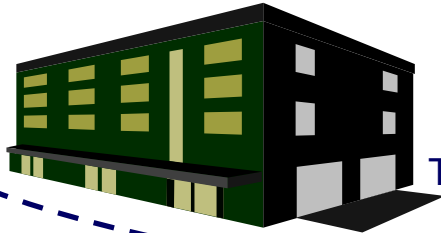
Typical case: A mother company hires 100 persons with intellectual disabilities works in cutting of beef, pork and poultry, as well as in the process of weighing and wrapping. Of those, the management decides to transfer 80 IDs to its subsidiary company.



As this case shows, many people believe that from the capital nature, the two companies belong to the same group. In this case, is it impossible to determine an employment rate by deeming the two companies as a group?

Provide special cases by the Job Development Act

(Mother company)



(Subsidiary company)



The employment in a group is 5,000.
Disabled employment 100
Employment rate 2.0%

Even in the case of a corporate company separated from the mother company, on the condition of meeting certain rules and obtaining the permission from Health Labour and Welfare Minister, the employment rate of a corporate group including the above separate company can be determined and used. Such a company having special characteristics in terms of the Law for Employment Promotion, etc., of the Disabled is referred to as “special subsidiary company”.

- Joint stock cooperation
- Disabled employment 5 or more
- More than 20% of the employment is the persons with disabilities
- Of the disabled employment, more than 30% are severely disabled or intellectually disabled
- Employment management responding to the characteristics of the disabilities
- The mother company controls the decision-making process of the subsidiary company (capital relationship)
- The subsidiary company has a close interaction with the mother company in the field of cadre staff, and accountingly, is consolidated into the mother company

The system of Special Subsidiary was launched in 1977, but after the late 1990s, the number has increased remarkably.

Current status of special subsidiary companies

Status of special subsidiary companies as of June 1, 2007

No. of special subsidiary companies	219	Total employment	10,441
Employment of the persons with disabilities in special subsidiary companies			6,470
Breakdown of disabilities	No. of the persons with physical disabilities		3,705
	No. of the persons with intellectual disabilities		2,610
	No. of the persons with mental disabilities		155

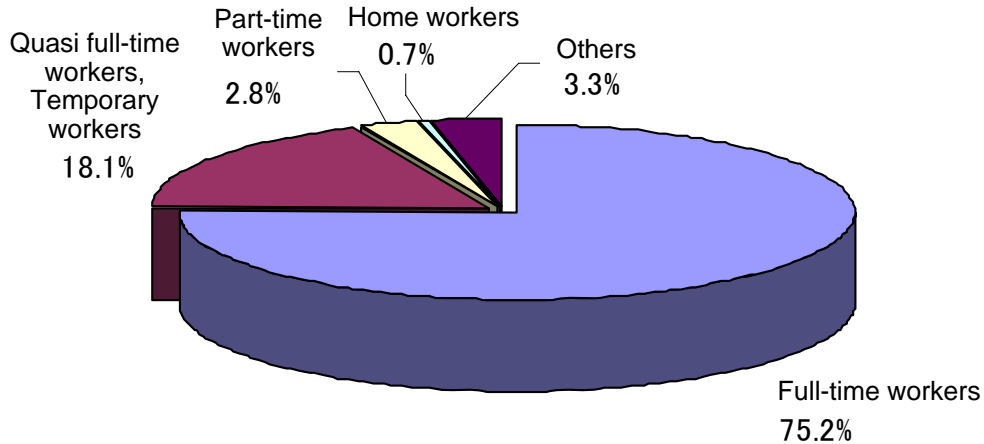
In Kanagawa Prefecture, there are many special subsidiary companies second to Tokyo. A number of people with intellectual disabilities are working.

Reasons why special subsidiary companies have increased

- ◆ **Merits a corporate group may enjoy by this system**
 - The employment rate can be achieved more easily, because of the quota being calculated on the base of group employment.
 - Setting job duties and working conditions to meet the characteristics of the persons with disabilities.
 - Placement of dedicated managers makes it possible to stock know-how on employment management in the company.
 - Able to promote job-retention of the persons with disabilities.
 - Since a special subsidiary company is a separate corporation in status, it facilitates for the subsidiary company to make efforts for being self-sustained.

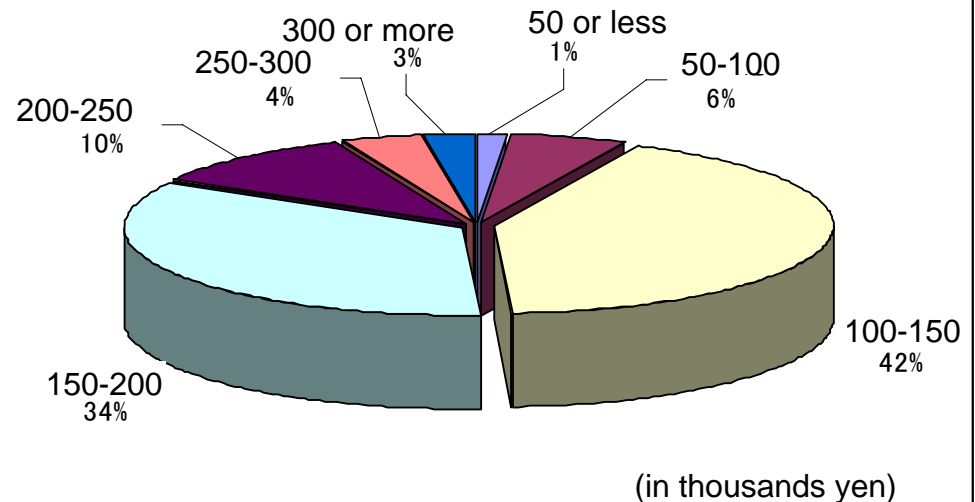
- ◆ **Merits for the working person with intellectual disabilities**
 - Assignment of job places more suitable for the characteristics of disabilities.
 - They, as full-time worker and under a welfare program the mother company offers, may work under more stable working conditions.
 - Disabled workers, under minute employment management, may feel willing to continue their job for a long term in stabilized employment.
 - Create teamwork and comradeship among the workers.

Working conditions of special subsidiary companies

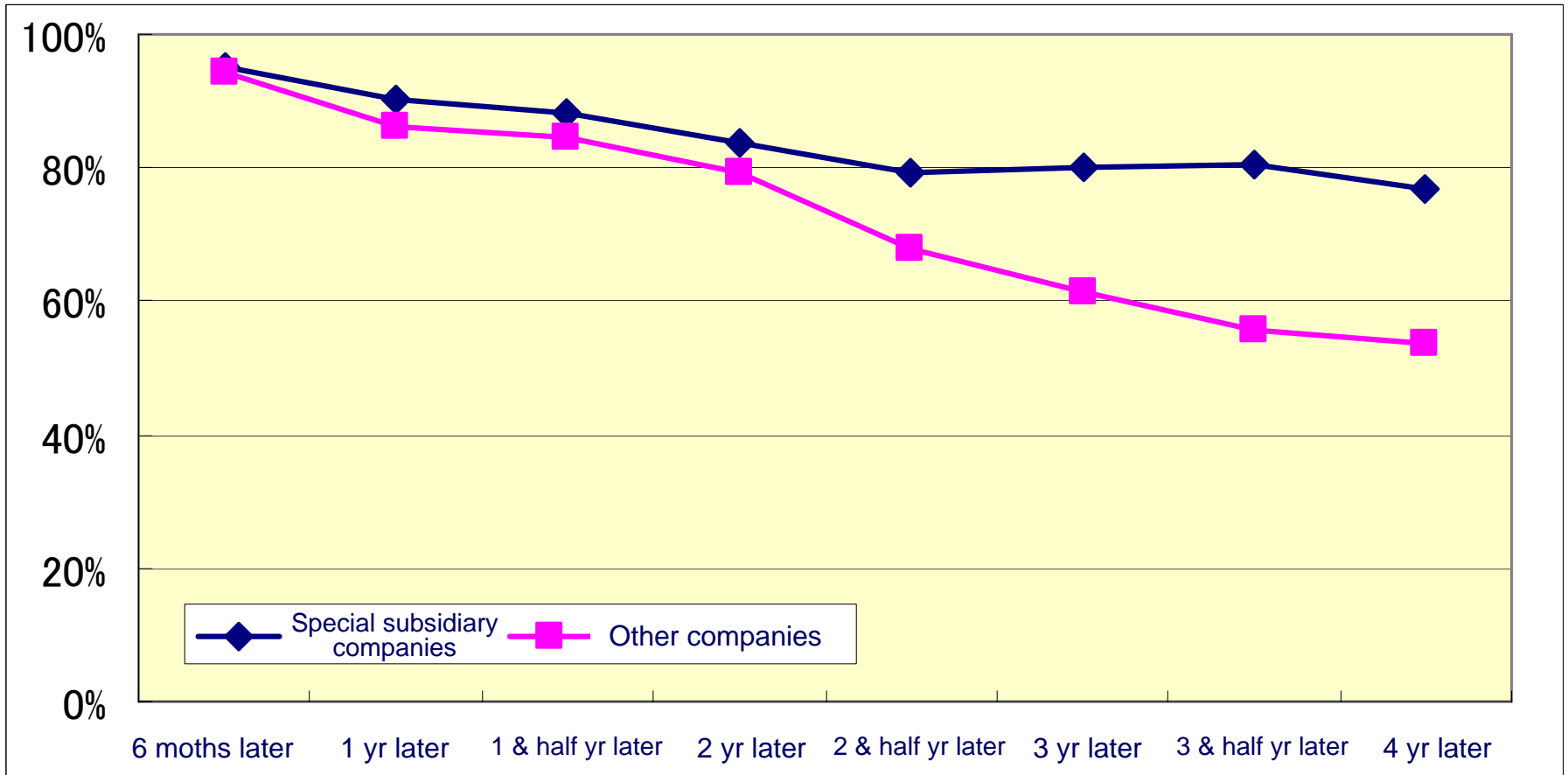


Employment patterns for workers of a special subsidiary company

Monthly Wages the disabled receives, which work for special subsidiary companies



Employment retention rate of special subsidiary companies

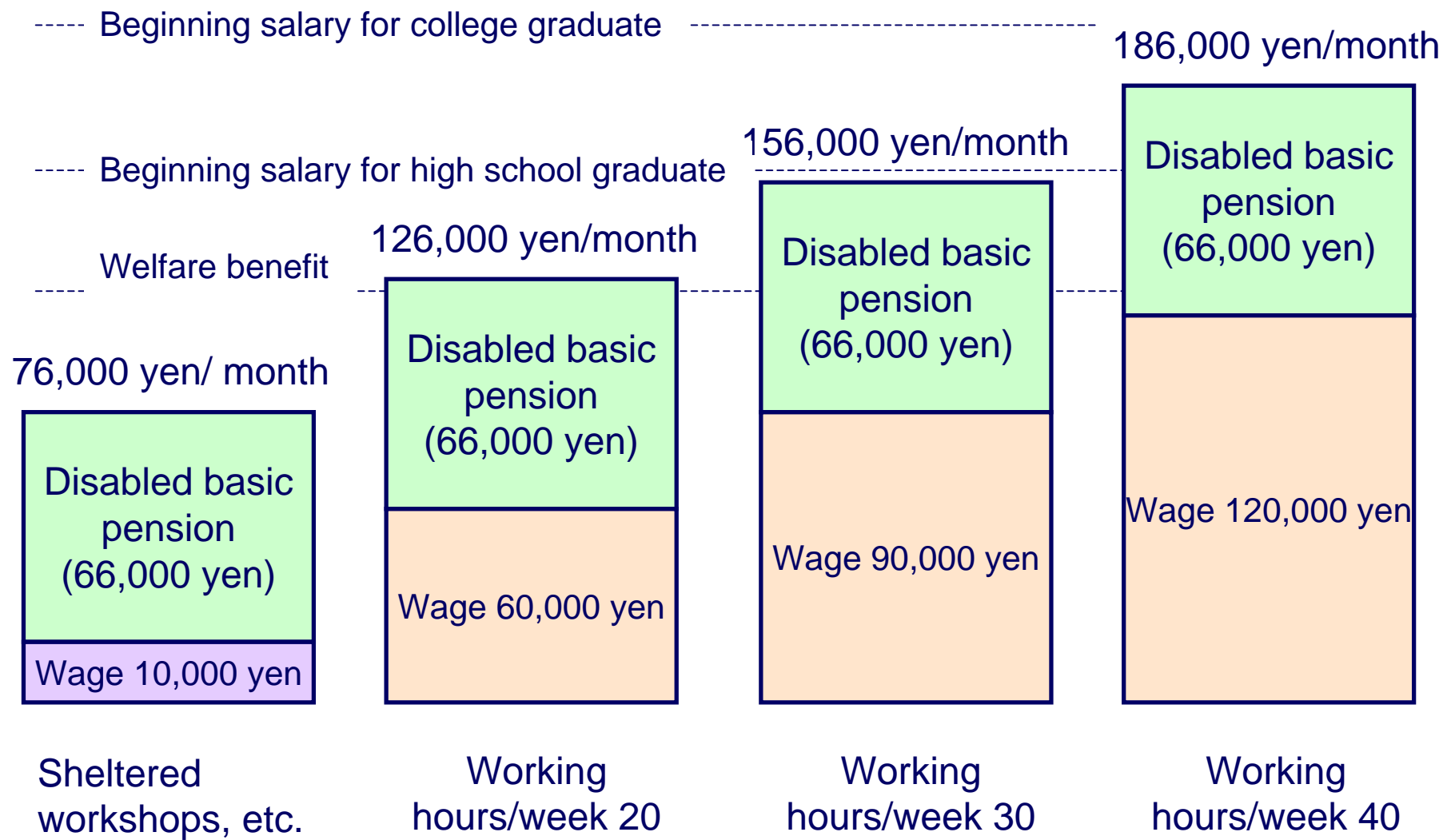


Overview

- ◆ In Japan, the employment of the persons with intellectual disabilities in special subsidiary companies has been promoted mainly at major companies.
- ◆ However, at the early stage of the system, this approach was criticized as violating the principal of “normalization”, and increasing of special subsidiary companies was at a slow pitch. Once a business model (making use of the mother company’s building for this purpose) minimizing the initial cost was established, the criticism against this approach has been eased.
- ◆ Reviewing the current status of management of special subsidiary companies reveals that their business environment is favorable for many of the persons with intellectual disabilities.

Employment and economical sustainability

Wage and pension programs for the disabled



Community Living of Person with I.D(example1)

	Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
7:00	<p>15 minutes commuting by foot (5 minutes by bicycle). Take breakfast and lunch at the job site restaurant.</p> <p>At a large restaurant, he works as cooking assistant. 5 working days per week (High days are not treated as holiday), 6 working hours per day.</p>						
12:00		<p>9:00</p> <p> </p> <p>15:30</p> <p>work</p>	<p>9:00</p> <p> </p> <p>15:30</p> <p>work</p>	<p>9:00</p> <p> </p> <p>15:30</p> <p>work</p>	<p>9:00</p> <p> </p> <p>15:30</p> <p>work</p>	<p>9:00</p> <p> </p> <p>15:30</p> <p>work</p>	<p>2 times/month</p> <p>PC lesson</p>
17:00		<p>17:00-18:30</p> <p>Helper visit</p>		<p>17:00-18:30</p> <p>Helper visit</p>		<p>17:00-18:30</p> <p>Helper visit</p>	
22:00	<p>The helpers from a dispatching company visit his home for support of cleaning, laundry and food preparation.</p> <p>The helper prepares 2 meals each time that are kept in the refrigerator.</p>						

He is a person with intellectual disabilities, working in the restaurant kitchen of a large hospital. He lives alone in the apartment.

Community Living of Person with I.D (example2)

