

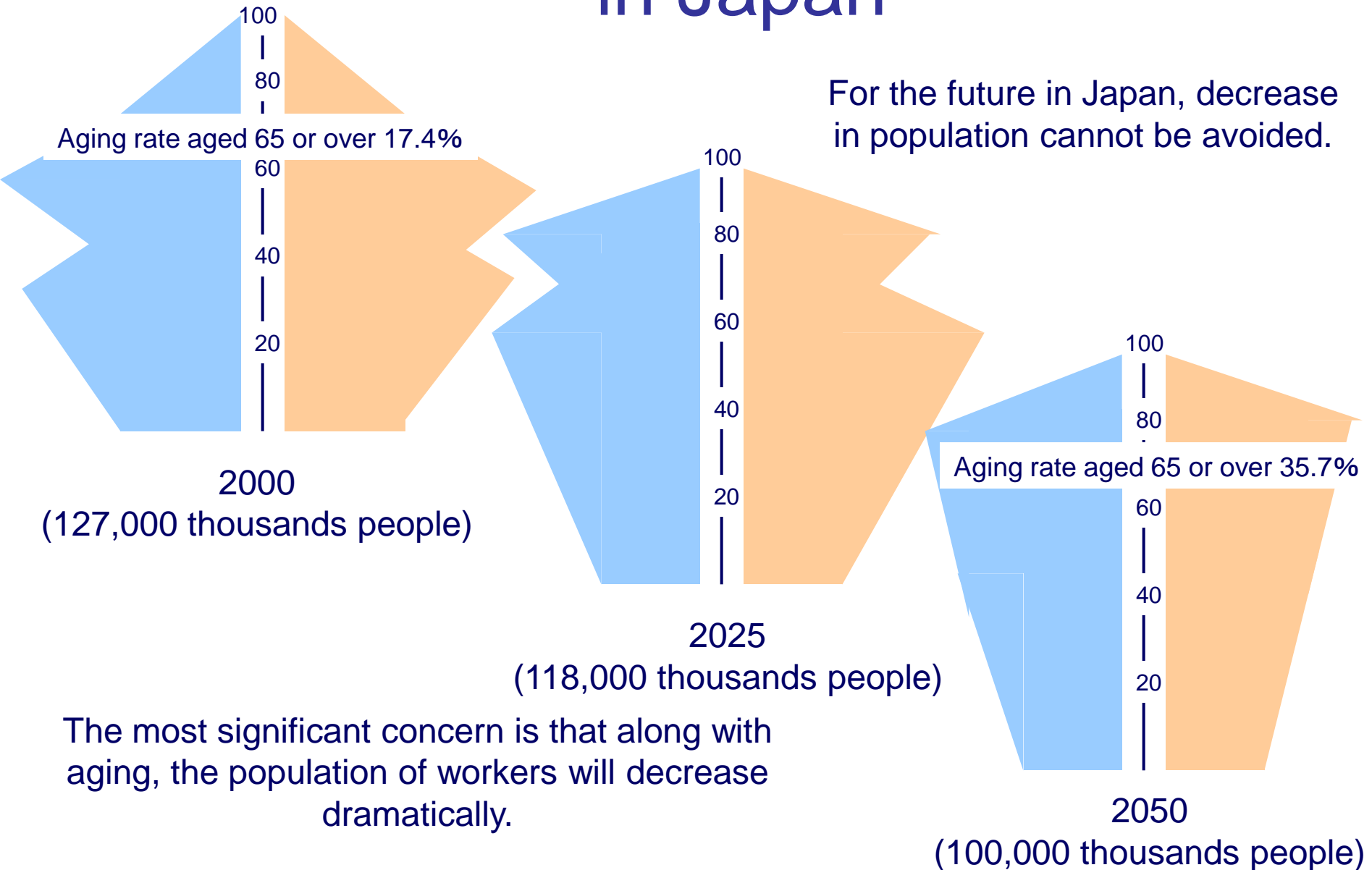
Employment of the Persons with Intellectual Disabilities in Japan (FY 2010)

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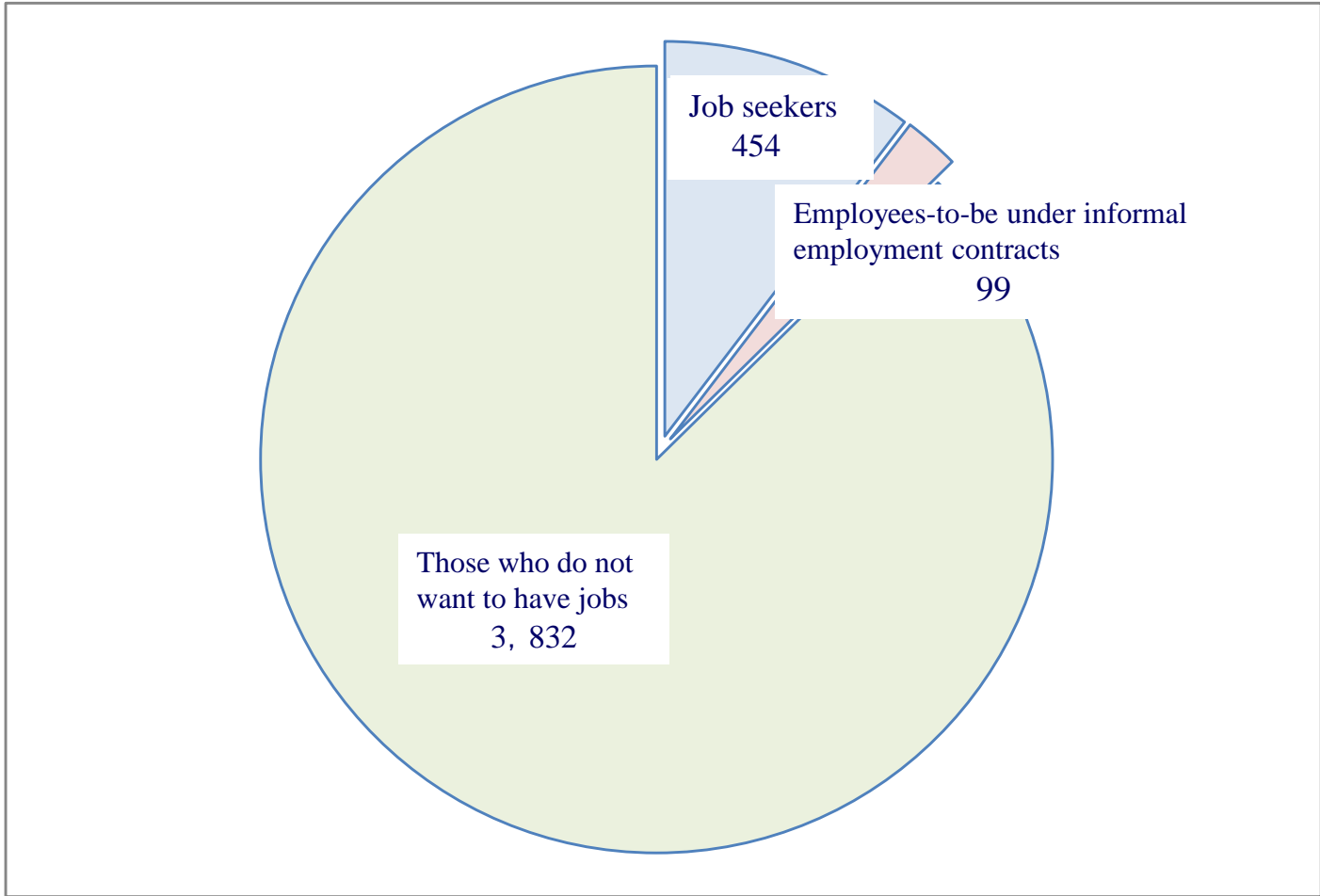
Overview of the work environment in Japan

Trends in population and aging in Japan



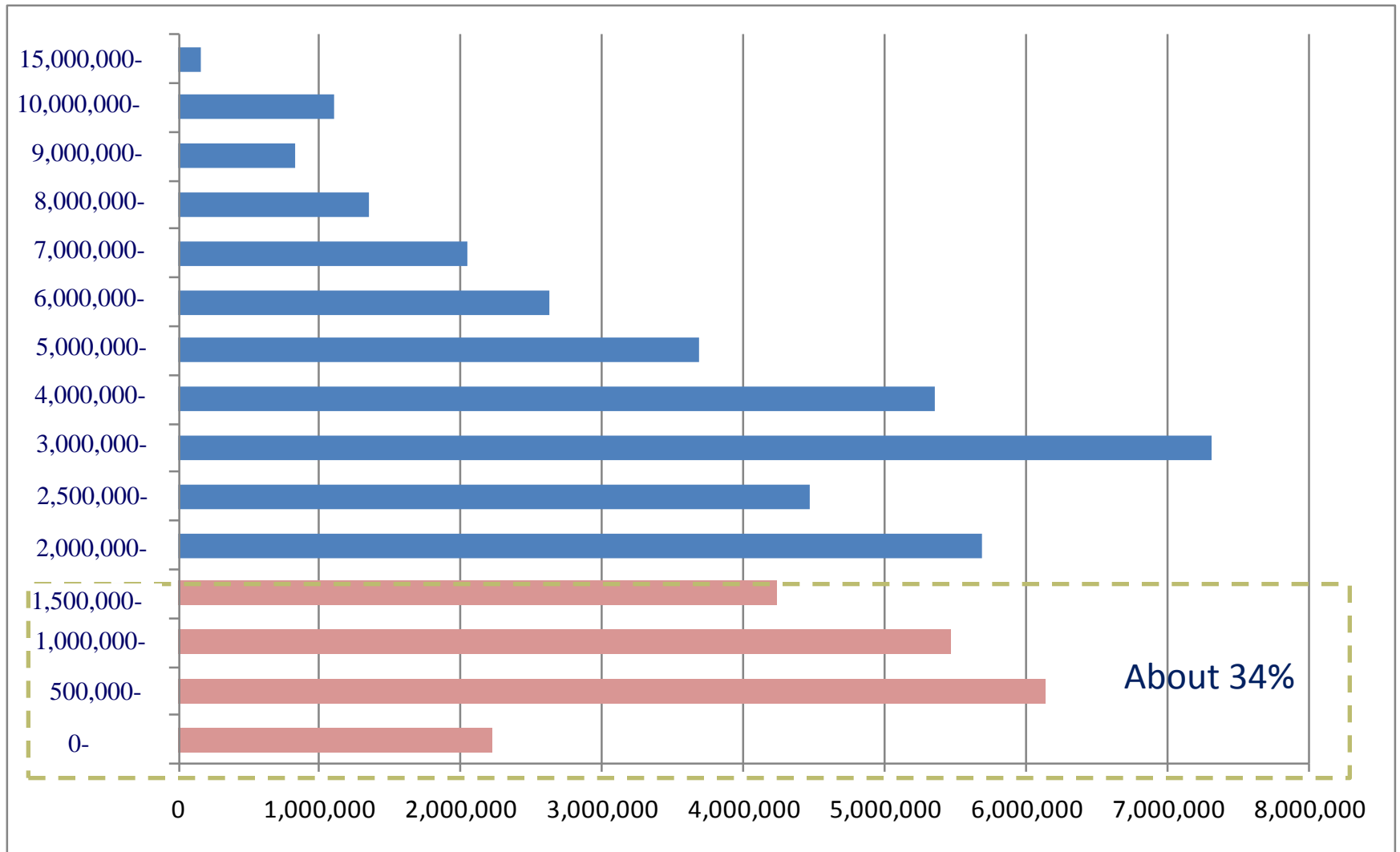
Japan has a working population of about 66 million, or 55% of the whole population

The chart shows about 44 million non-workers aged 15 or older by type



(Unit: 10,000 people)

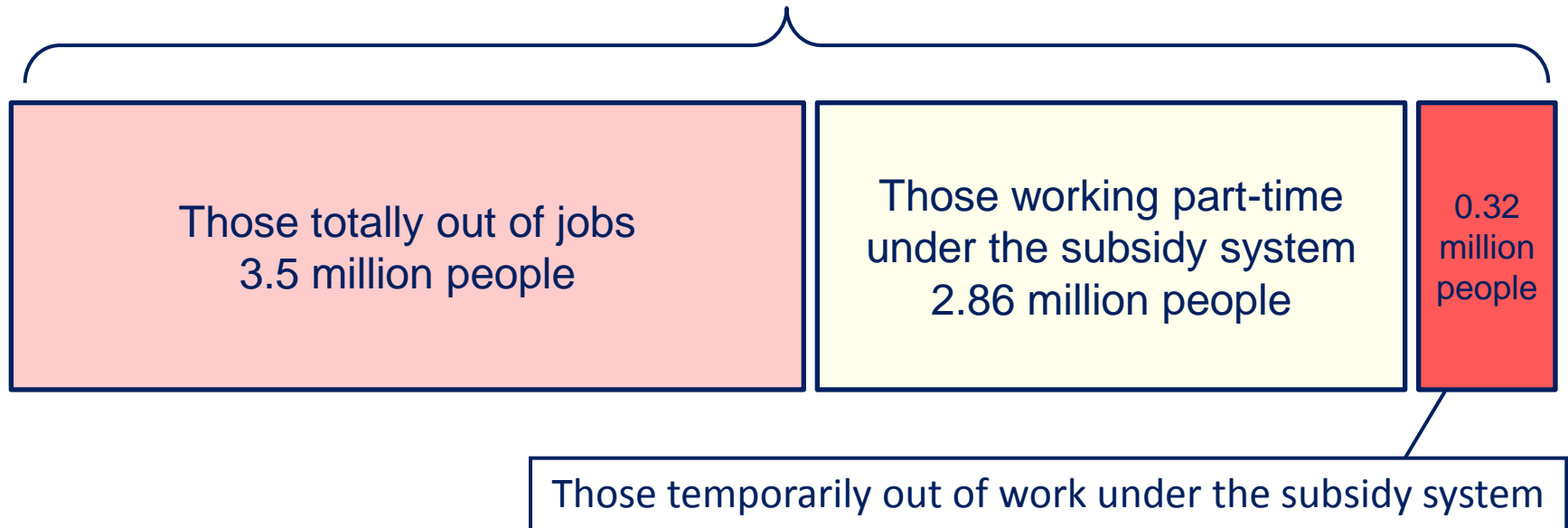
Annual amounts of salaries paid to workers



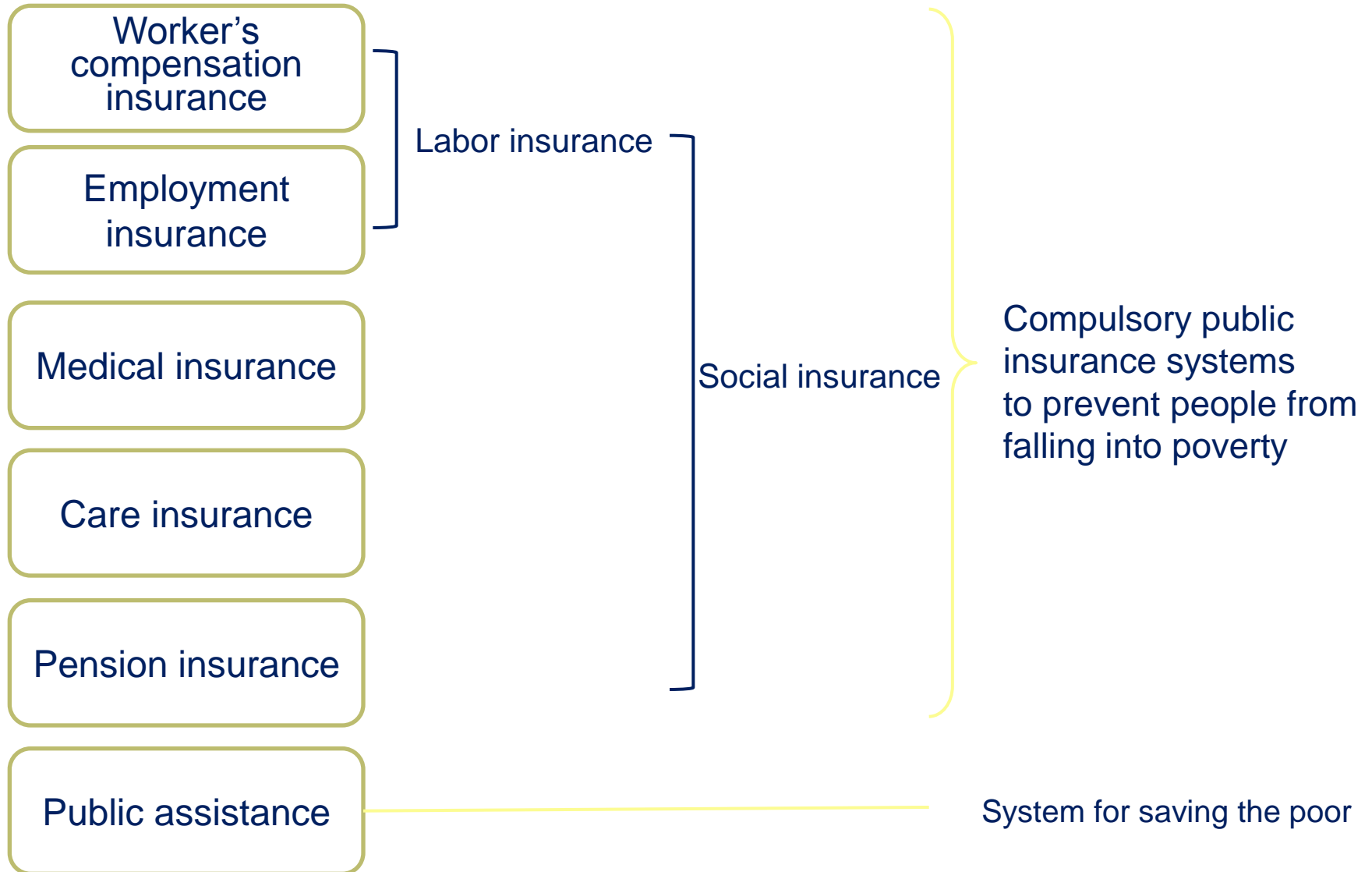
The number of workers ⇒

The number of the unemployed and the “shadow” unemployed

The number of those totally out of jobs plus those working part-time or temporarily out of work under the subsidy system makes 6.67 million, or 10% of all the working population in Japan. We are in the worst employment environment in the last fifty years, though it is a common situation in some other countries.



Public safety nets in Japan



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.

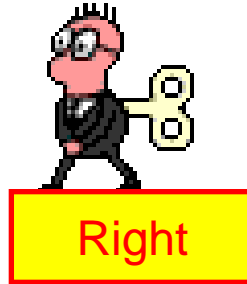
Structure of promoting employment of people with disabilities

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)

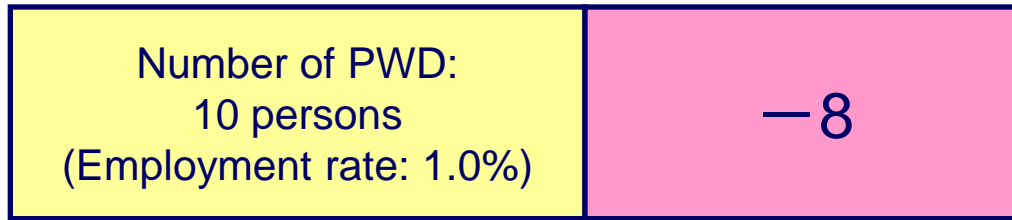
If a private company hire disabled workers whose number exceeds a certain legal level, it is entitled to receive regulation money (number of disabled workers in excess x unit regulation money). →27,000 yen/month/one excess

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%

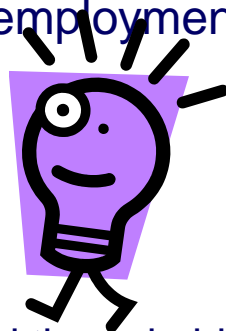


Company B (1000 employees 1.8%=18)



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.

Present status of the employment obligation system

- ◆ Law requires private companies with 56 or more employees to keep the employment rate of 1.8%
 - Actual employment rate in 2009: 1.63% (a 0.04% increase from the previous year)
 - 332,812 persons (counts)
 - Actual employment rate achieved by companies with 1,000 or more employees: 1.83%
 - Of those employed under the system, ratio of employees with intellectual disabilities: 17.1%
- ◆ Law requires public organizations to keep the employment rate of 2.1%
 - Actual employment rate in 2009:
National 2.17% prefectural 2.48% municipal 2.37%
 - 36,767 persons (counts)
 - Of those employed under the system, ratio of employees with intellectual disabilities: 1.4%

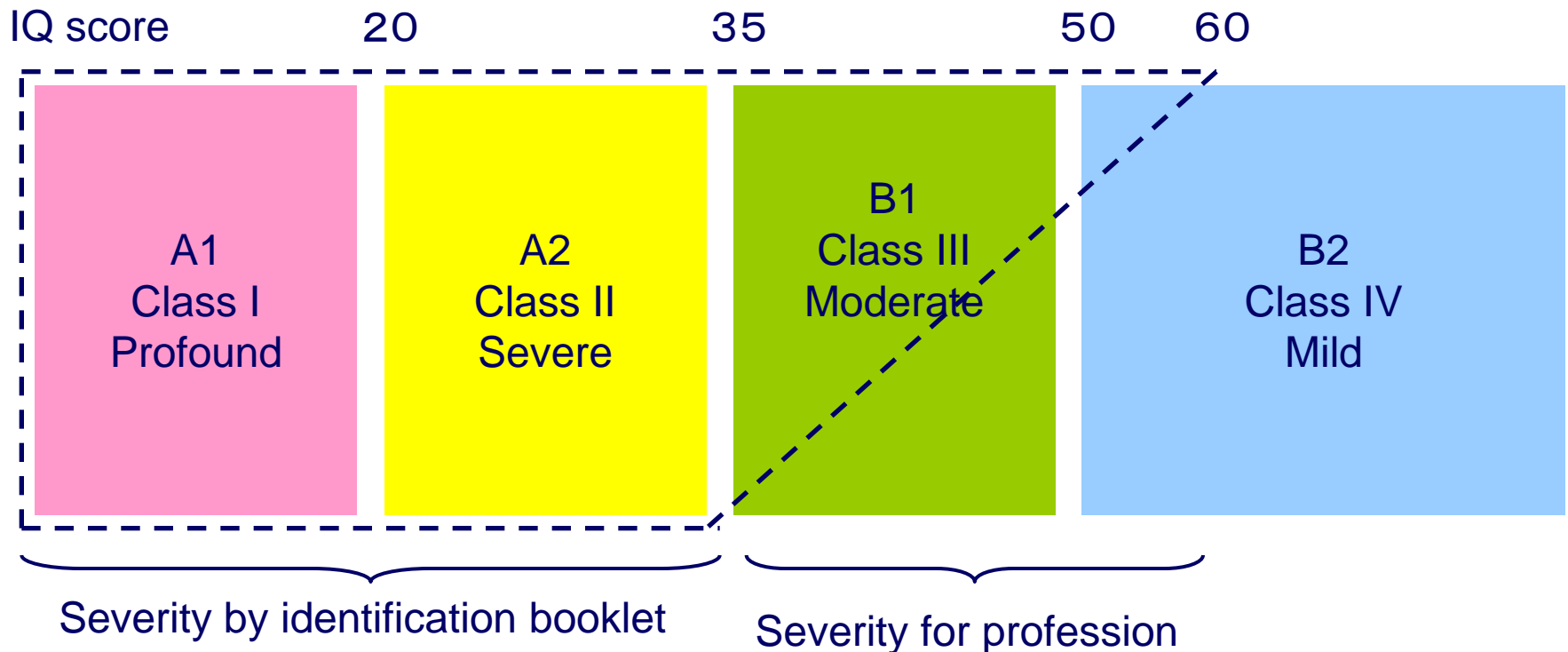
How to count disabled employment

			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



Findings of the survey on the employment of people with disabilities

Estimated number of people with disabilities employed by companies with 5 or more employees

Type of disability	Number of persons
Physical	346,000
Intellectual	73,000
Mental	29,000

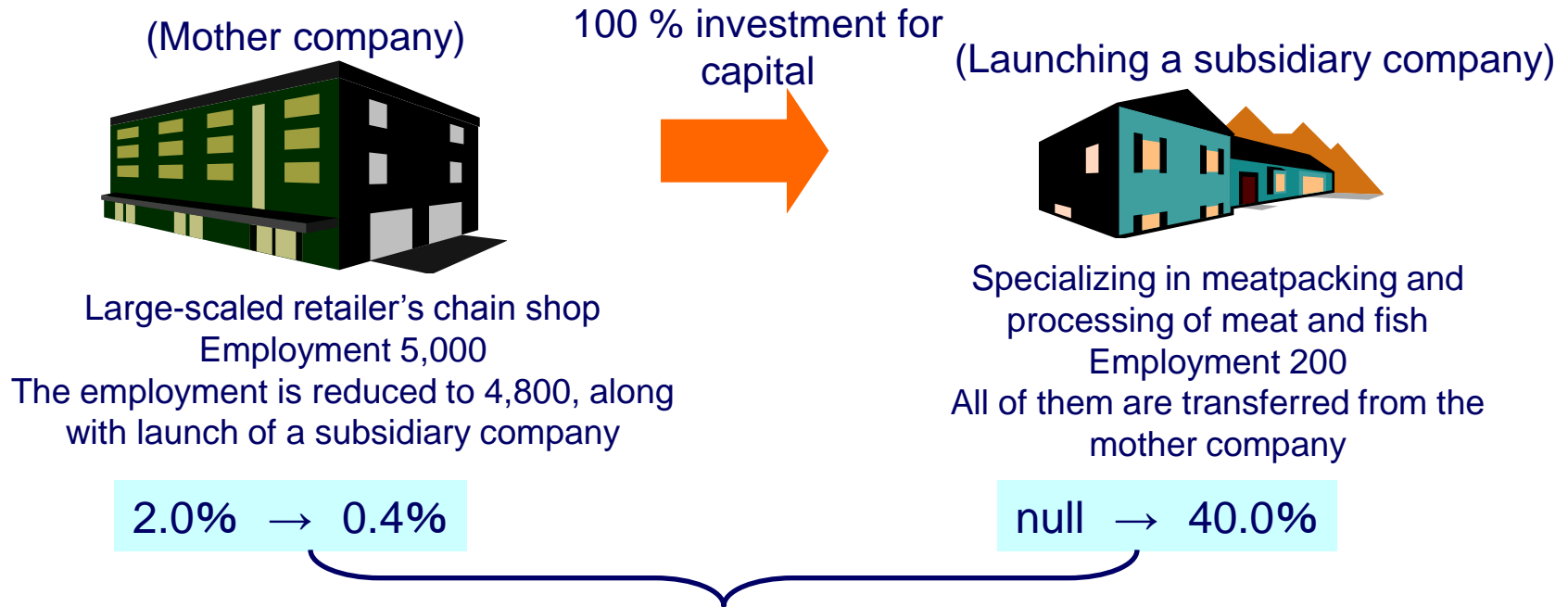
Amount of salary by type of disability

	Average	30 hours or more/week	20-30 hours/week	Less than 20 hours/week
Physical	254,000	268,000	197,000	52,000
Intellectual	118,000	124,000	83,000	40,000
Mental	129,000	157,000	59,000	24,000

Mechanism of a special subsidiary company

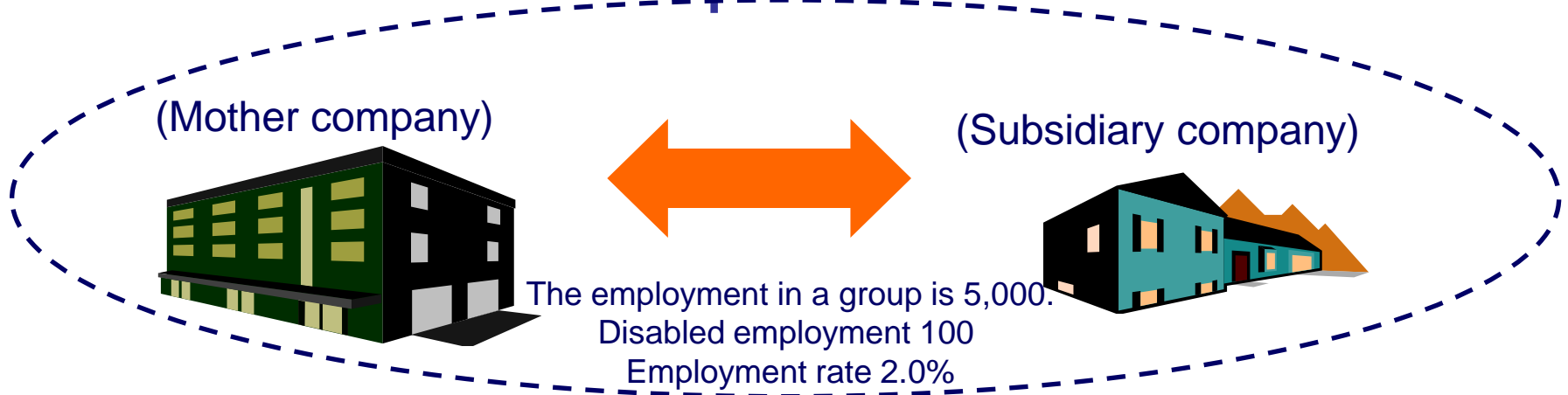
Drawbacks to be removed on the process of determining the employment rate for corporate entities

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



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.

Present status of special subsidiary companies

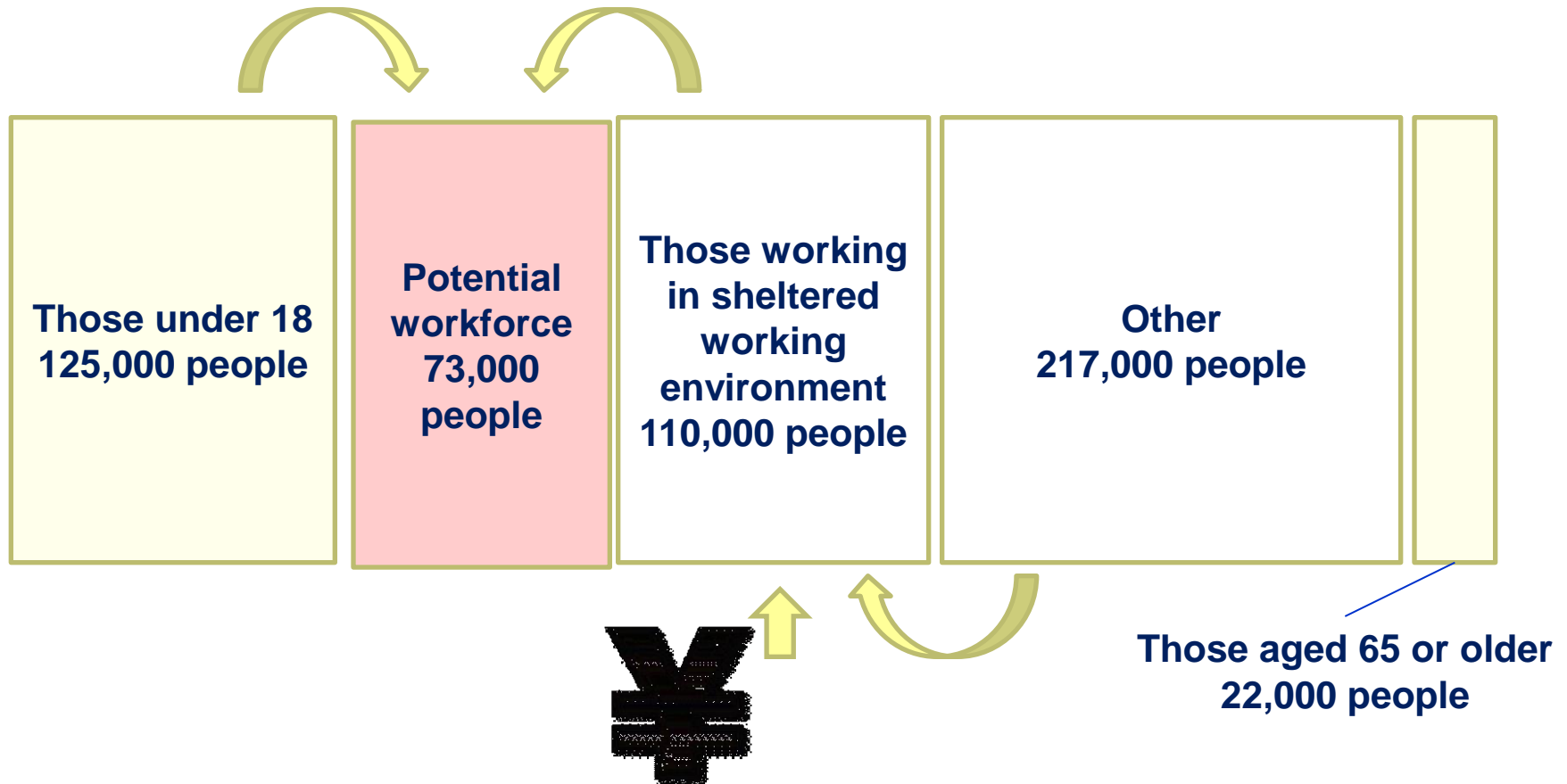
Status of special subsidiary companies as of June 1, 2009

Number of companies	265	Total number of employees	12,570
Number of people with disabilities employed by special subsidiary companies		8,635	
Type of disability	Physical	4,481	
	Intellectual	3,831	
	Mental	383	

To ease transition from welfare
to employment

Measures to promote the employment of people with intellectual disabilities

Measure 1: career development; and support for transition from welfare to employment



Measure 2: plan to double sales and wage