

Employment of the persons with Intellectual Disabilities in Japan (FY 2007)

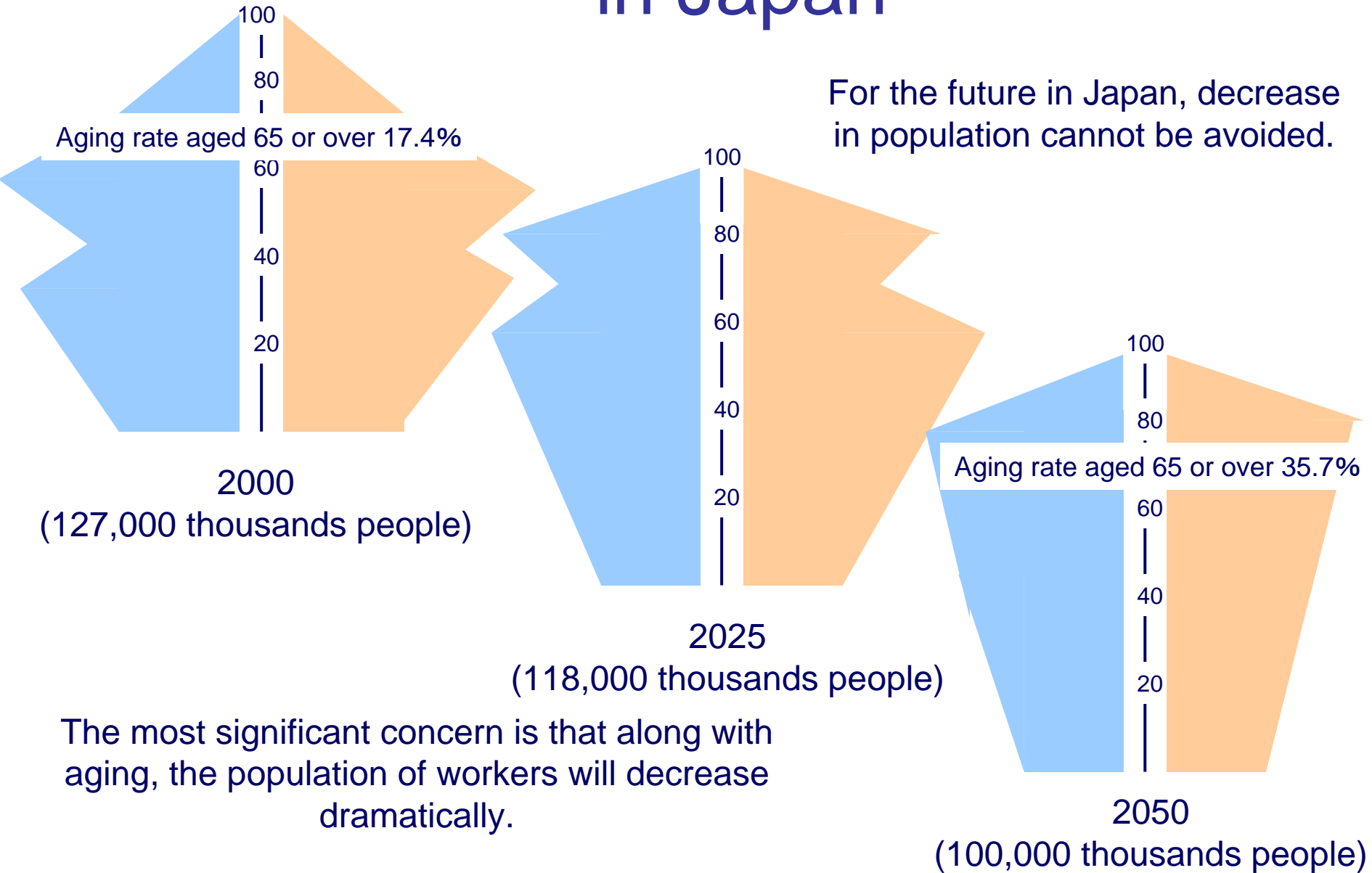
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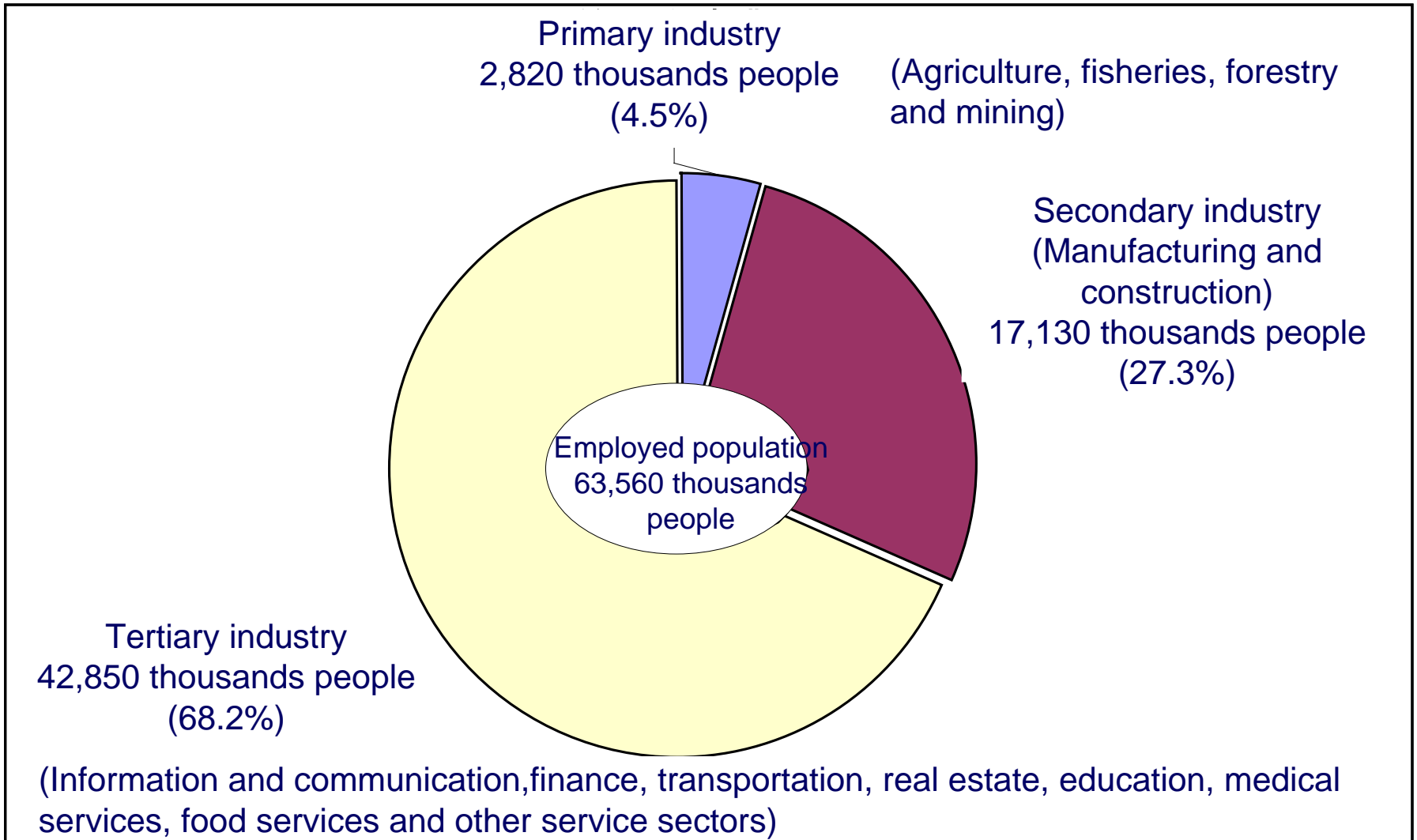


Overview of the work environment in Japan

Trends in population and aging in Japan



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



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.

Platform for the promotion of the people with disabilities employment

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

Corporate soldiers able to 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.

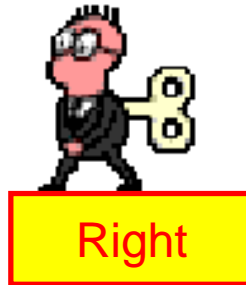
If left to market mechanisms, the persons with intellectual disabilities cannot find job places.

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 (To, Do, Fu, Ken) 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 (employment 1,000)

$¥50,000 \times 8 \text{ persons} = ¥400,000 \text{ (M)}$

No. of the persons with disabilities in employment: 10 persons (Employment rate: 1.0%)	Insufficiency in disabled employment: 8 persons
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Company B (employment 1,000)

Legal employment rate 1.8%

No. of the persons with disabilities in employment: 20 persons (Employment rate: 2.0%)	Excess in employment over the legal level : 2 persons
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Company C (disabled employment 10)

$¥27,000 \times 2 \text{ persons} = ¥54,000 \text{ (M)}$



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 (hiring more than 56 employment): 1.8%
 - Actual employment rate in 2006: 1.52 % (0.03% up to the previous year)
 - Percent of companies achieving the legal employment rate: 43.4%
 - Percent of the intellectually disabled in the total employment: 15.4%
- ◆ Legal employment rate for public organizations: 2.1%
 - Actual employment rate in 2005
 - Central government: 2.17%
 - Prefecture governments: 2.37%
 - Municipal governments (city, town and village): 2.23%
 - Percent of the persons with intellectual disabilities in the total employment: 0.6%
- ◆ For the companies not achieving the legal employment rate, they are given guidance from the government, such as submission of a plan of disabled employment.

Trends in employment rate and employment in the private sector



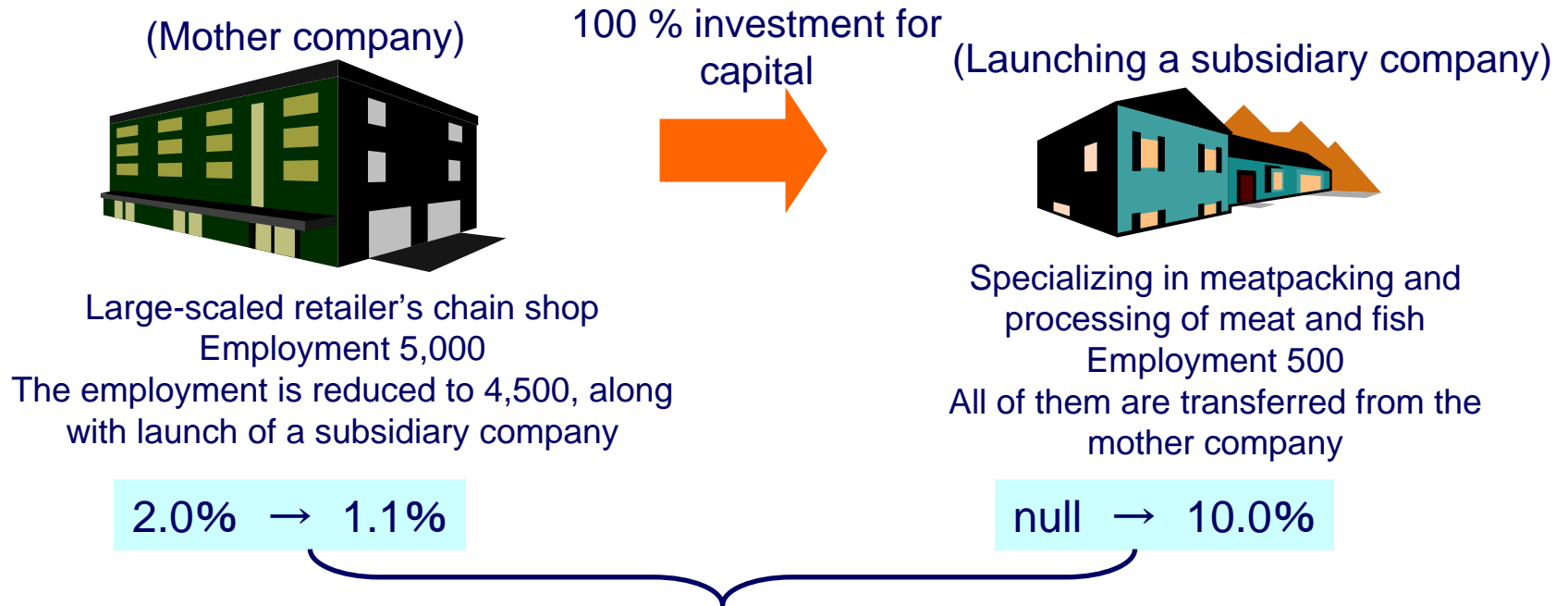
Summary

- ◆ 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, disabled employment 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 life.

Mechanism of a special subsidiary company

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

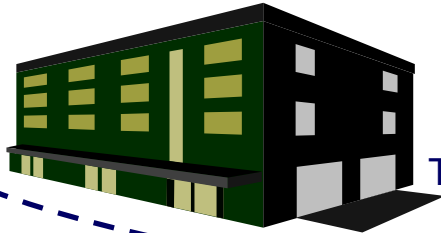
Typical case: A mother company hires 100 persons with intellectual disabilities works in cutting of beef, pork and poultry, as well as in the process of weighing and wrapping. Of those, the management decides to transfer 50 disabled to its subsidiary company.



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, 2006

No. of special subsidiary companies	195	Total employment	8,958
Employment of the persons with disabilities in special subsidiary companies			5,637
Breakdown of disabilities	No. of the persons with physical disabilities		3,570
	No. of the persons with intellectual disabilities		2,021
	No. of the persons with mental disabilities		46

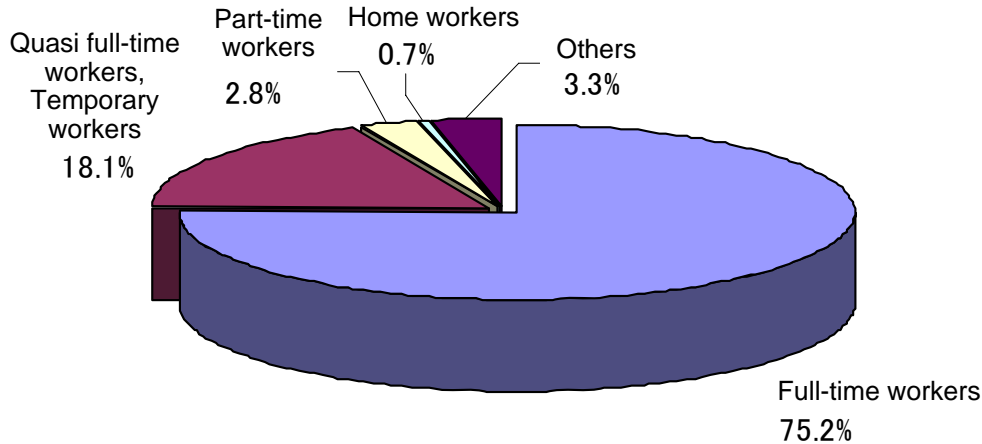
As of January 2007, special subsidiary companies had increased to 205, and disabled employment is expected to have increased accordingly.

Reasons why special subsidiary companies have increased

- ◆ **Merits a corporate group may enjoy by this system**
 - The employment rate in goal 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.

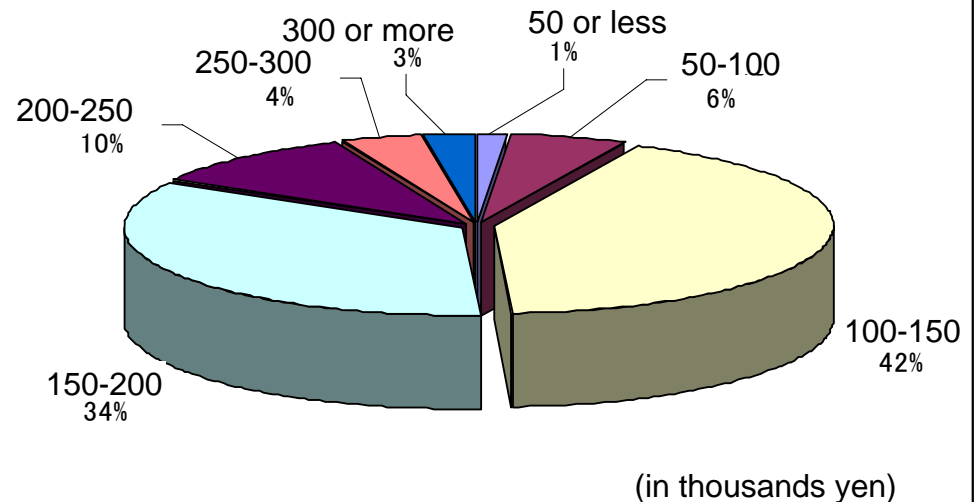
- ◆ **Merits for the working person with intellectual disabilities**
 - Assignment of job places more suitable for the characteristics of disabilities.
 - They, as full-time worker and under a welfare program the mother company offers, may work under more stable working conditions.
 - Disabled workers, 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

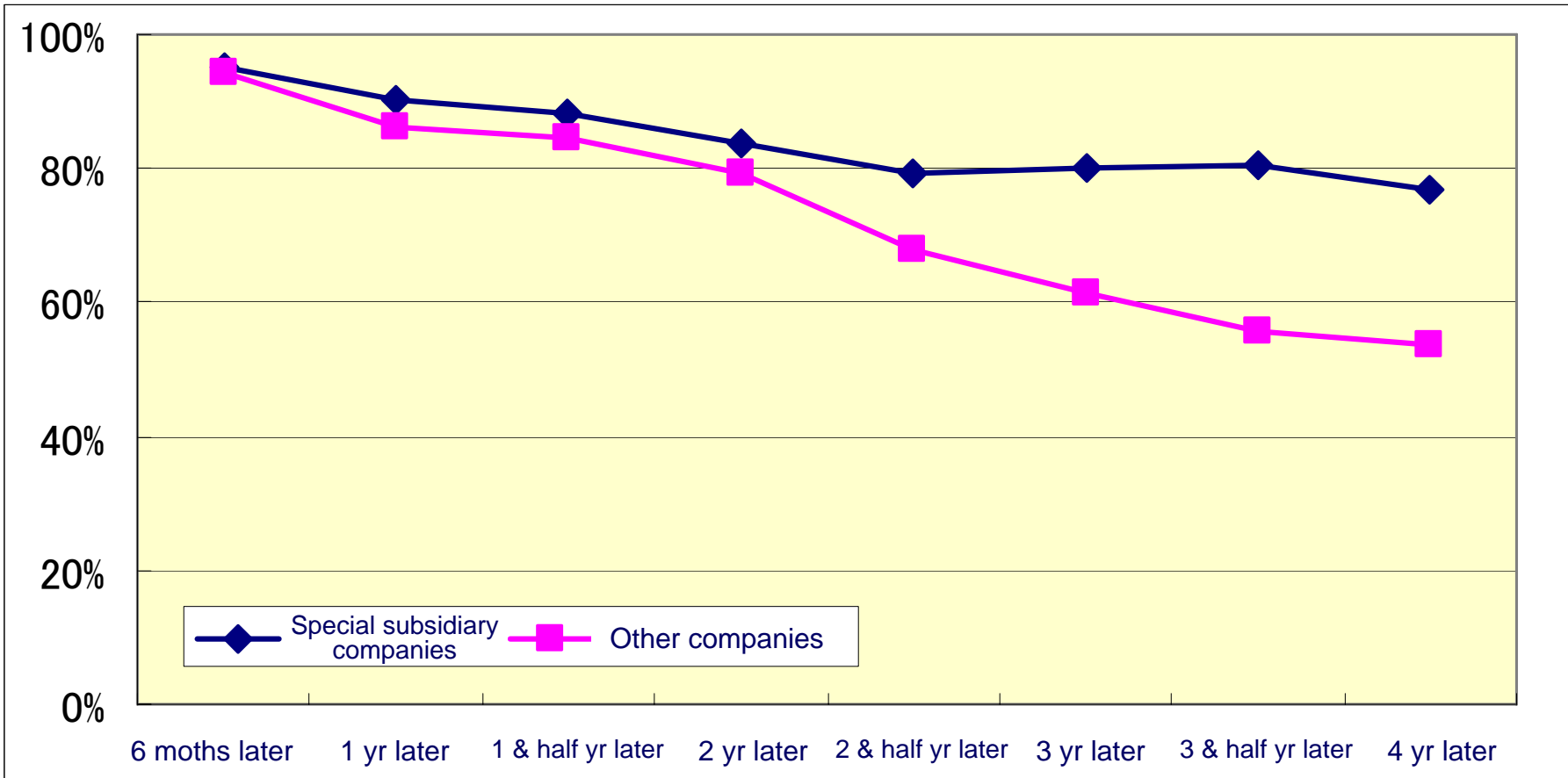


Employment patterns for workers of a special subsidiary company

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



Employment retention rate of special subsidiary companies



Overview

- ◆ Japan promotes employment of the persons with intellectual disabilities mainly at their special subsidiary companies of large 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 business of special subsidiary companies reveals that their business environment is favorable for many of the persons with intellectual disabilities.

Challenge in the employment for people with intellectual disabilities in Japan

Number of people with disabilities in Japan

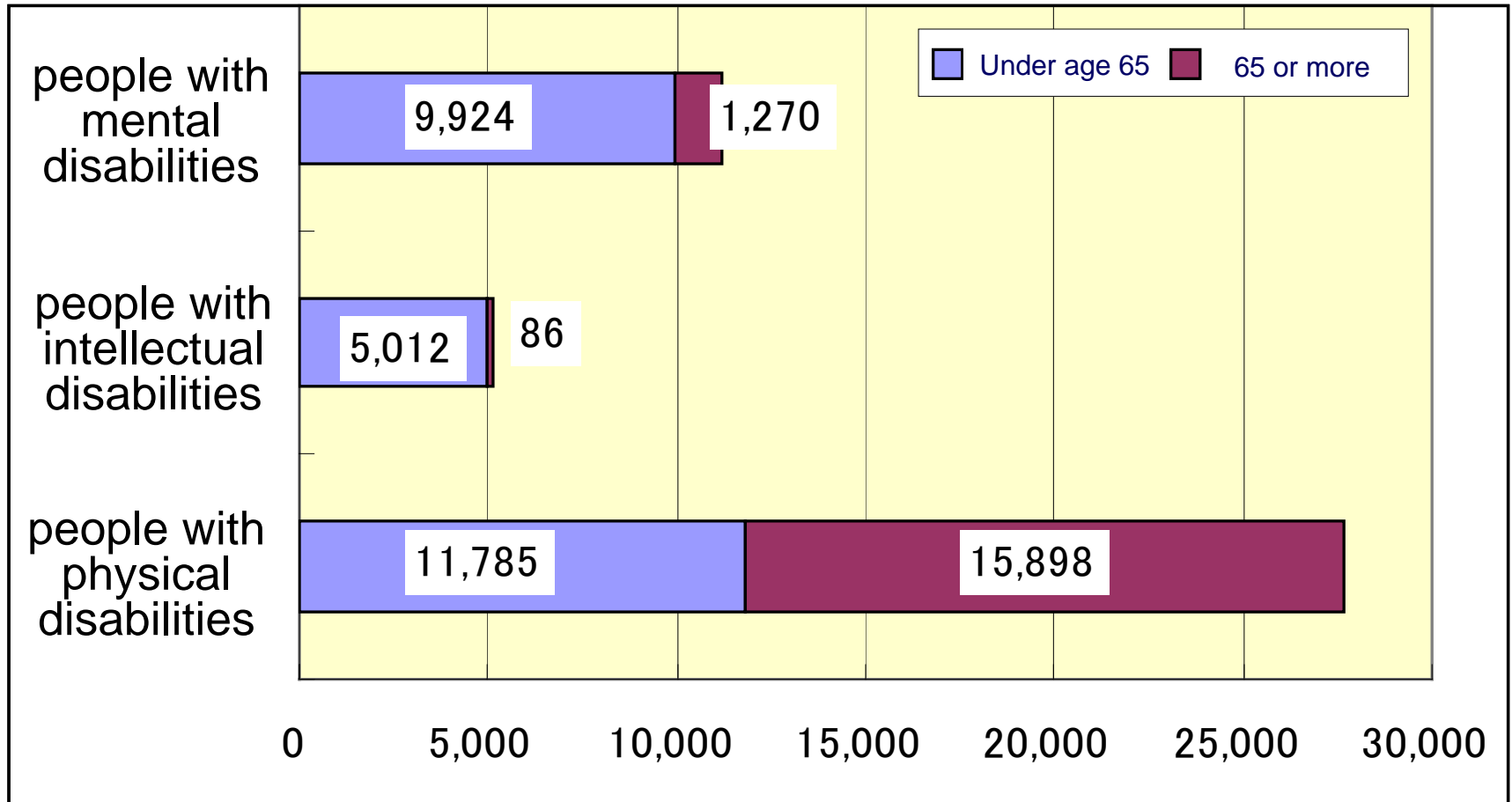
The Japanese Law specifies the following three disabilities.

the persons with physical disabilities	<p>3,516,000</p> <p>(The physically disabled elderly of 65 or older ages is much higher than 60%.)</p> <p>Physical disability, Hearing & Speech impairments, Language disability, Visual impairments, Internal impediment</p>
the persons with intellectual disabilities	<p>547,000</p> <p>(Of this figure, 28% are people of less than 18 years in age.)</p>
the persons with mental disabilities	<p>2,584,000</p> <p>(To 450,000 mentally disabled people, the mental health and welfare notebook is issued.)</p>
(Total)	6,647,000

The Japanese population is estimated to 126 millions 200 thousands, so the percent of people with disabilities is 5.3.

Taking a city of 1, 300,000 population as example

In any town and city across Japan, people with intellectual disabilities are the least in number of the disability categories.

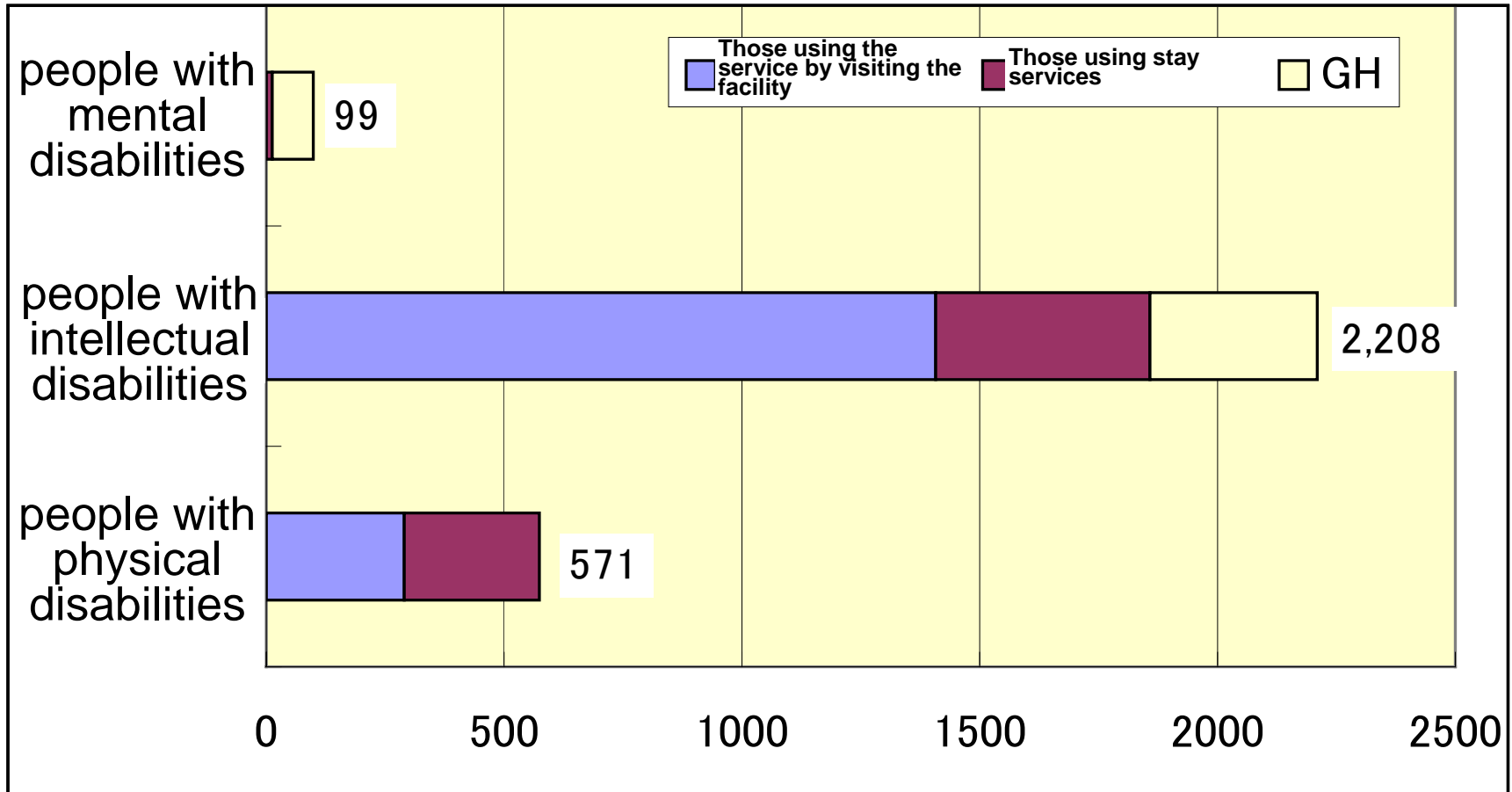


(Actual number of Kawasaki city in Kanagawa prefecture)

Breakdown in age of people with intellectual disabilities :

under 18: 1,478 18 to 64: 3,534 65 or more: 86

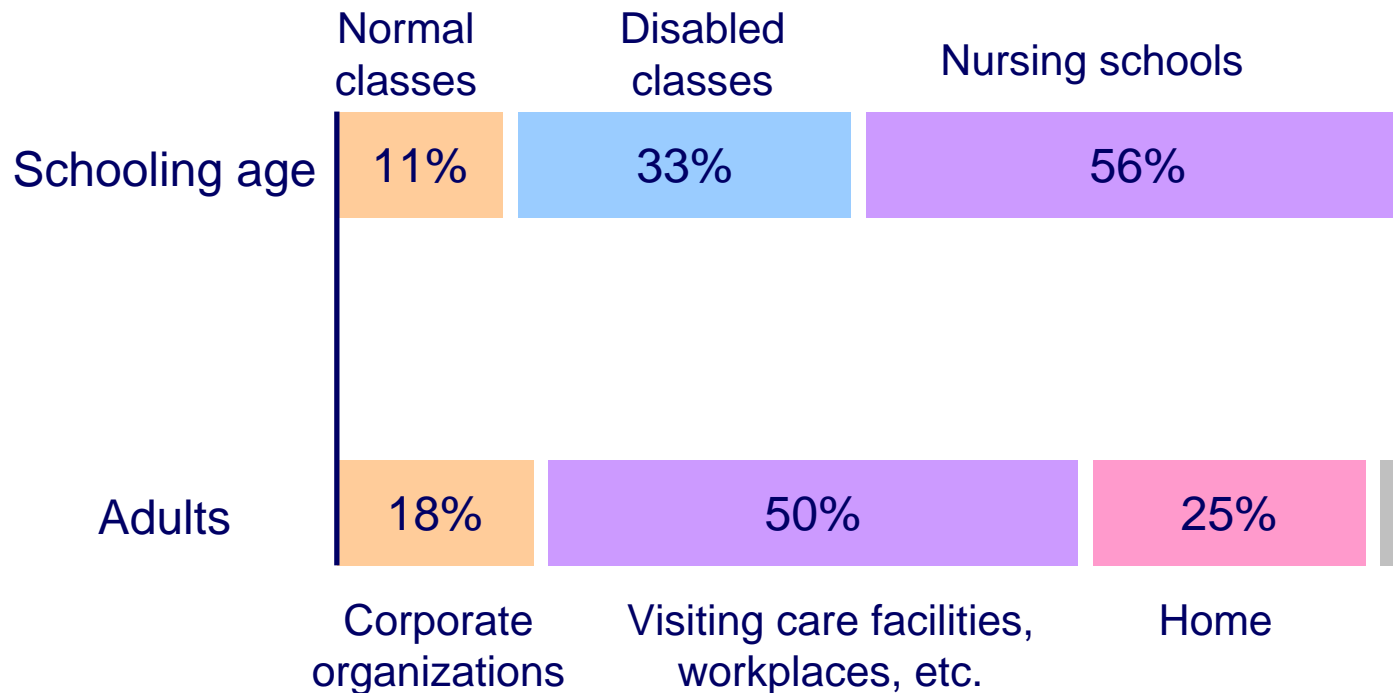
Reviewing the status of the disabled, about how the disabled use welfare services



Among the people with disabilities, those with intellectual disability are in the least. But when viewing this from the aspect of welfare service supplying cases, they exceed in number. In other words, the welfare for the disabled almost accounts for intellectual disabilities. If the status is categorized per kind of disability, we can say the welfare service for the intellectually disabled are well furnished.

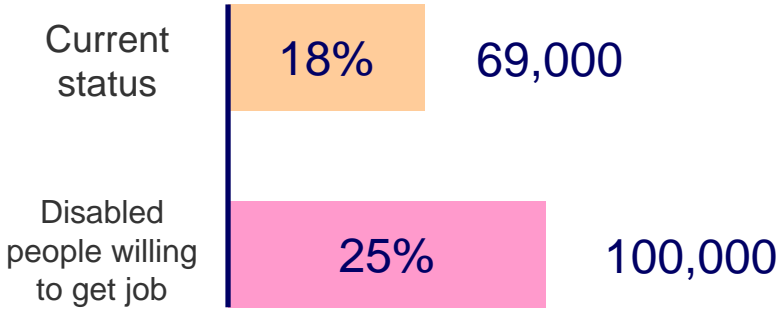
Does furnishing the welfare service amply lead to decrease of disabled workers?

In Japan, 21% of the number of the intellectually disabled stay in stay service facilities. For the remaining 79%, the daytime they are spending are allocated in the following activity places:

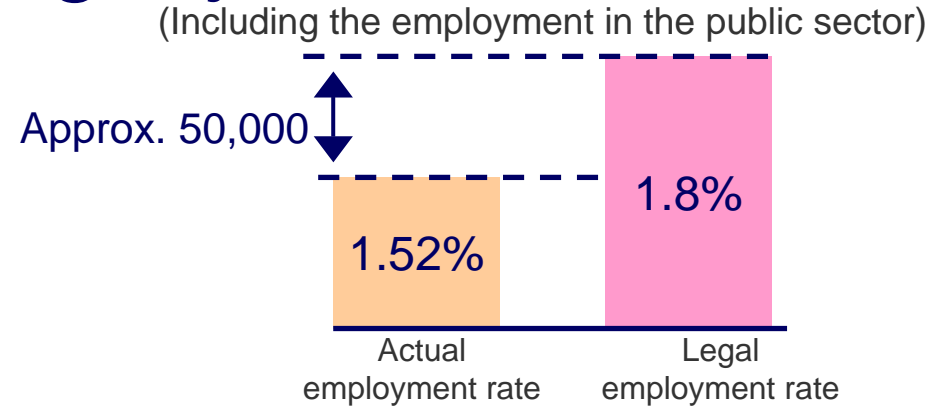


The people with disabilities of age 18 years or older, living in district communities, is estimated 393,830; 18% of them, 69,000 people are workers.

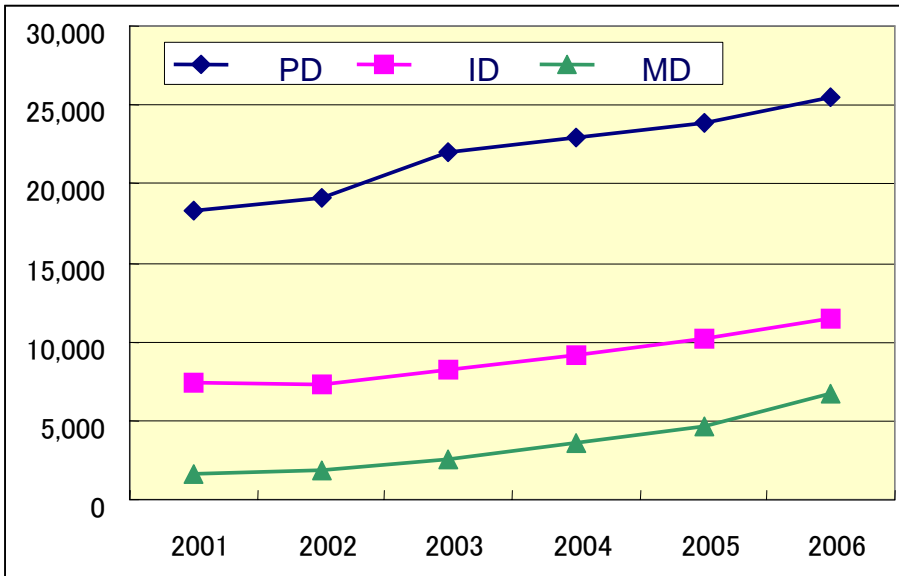
How many people with intellectual disabilities get jobs?



There are many people with intellectual disabilities seeking jobs, at least, 31,000.



In order for the number of disabled employment to reach the legal rate, another 50,000 job places are required.



Number of employment through job placement services by the "Hello work" (see the left diagram) The diagram shows that workers with intellectual disabilities account for 26% of the total disabled workers.

To reach the legal employment rate, 26% of 50,000 people, 13,000 are required. As there is difference between job placement and employment retention, the actual number of required job places must be 20,000.

Numerical goals and changes in welfare service systems

In 2006, the law intended to significantly change the disabled welfare system was put in effect (Law to Support Independence of Disabled People).

1) Numerical goals set in the disabled welfare program

2004

Every year, 2000 disabled will leave the facility and enter corporate employment.



2012

Every year, 8000 disabled will leave the facility and enter corporate employment.

2) Change in and enhancement of the welfare system

Projects to support employment entering

The service will be extended for approximately 2 years, consisting of pre-employment training and job-place seeking for the disabled to enter corporate employment.

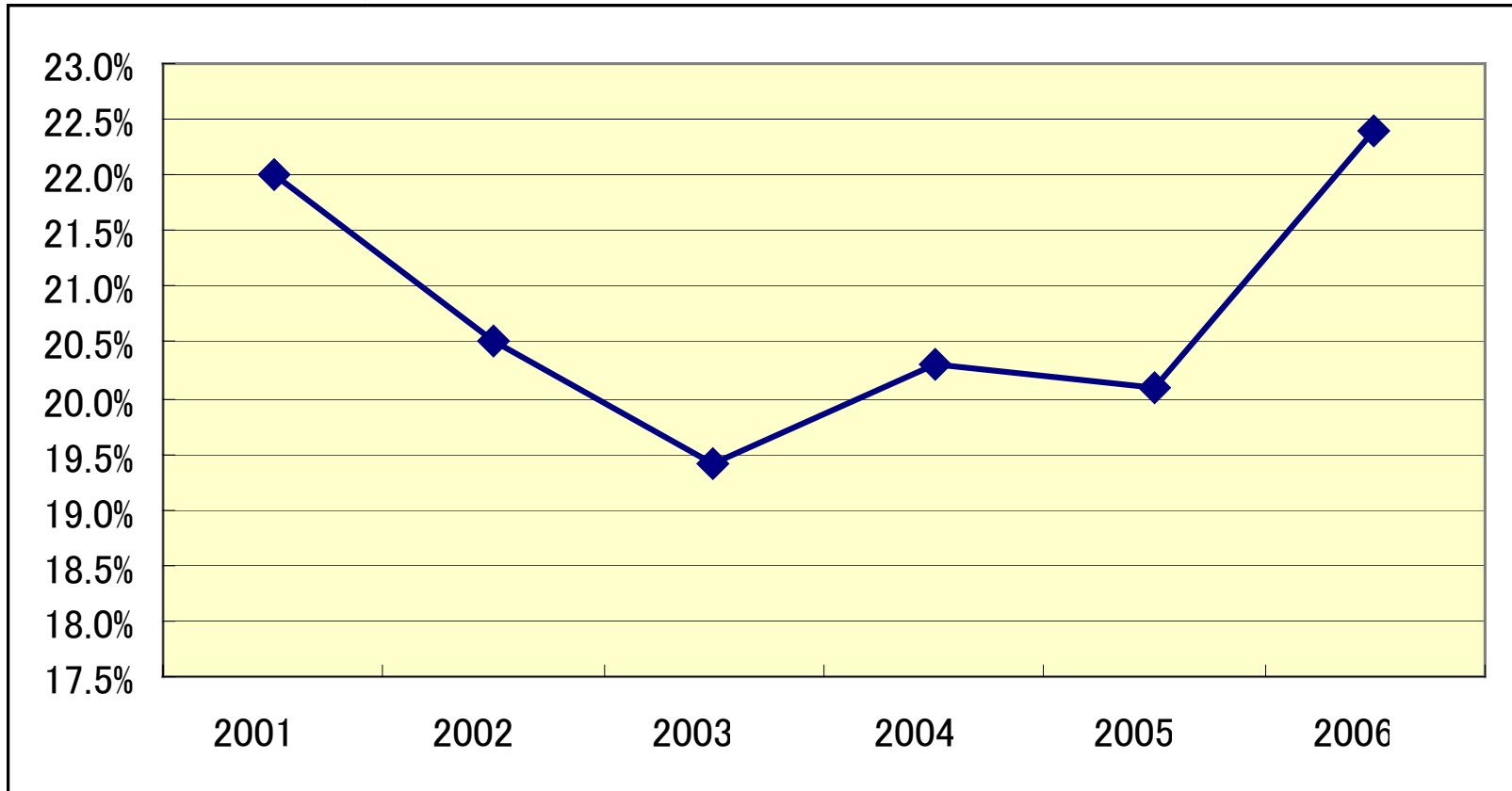
Centers for employment and life support

- Counseling to the disabled willing to enter employment
- Support in job-retention and livelihood for disabled workers

Employment rate for graduates from schools for the people with disabilities shifts upwards

The number of the disabled youth (age 18 years) who enter employment begins increasing. However, the current number of graduates from disabled schools is approximately 13,000 only, with those having job places remaining at a low level of 2,890.

For the future, the effort aimed at higher employment rates will be developed through coordination of education, labor and welfare sectors.

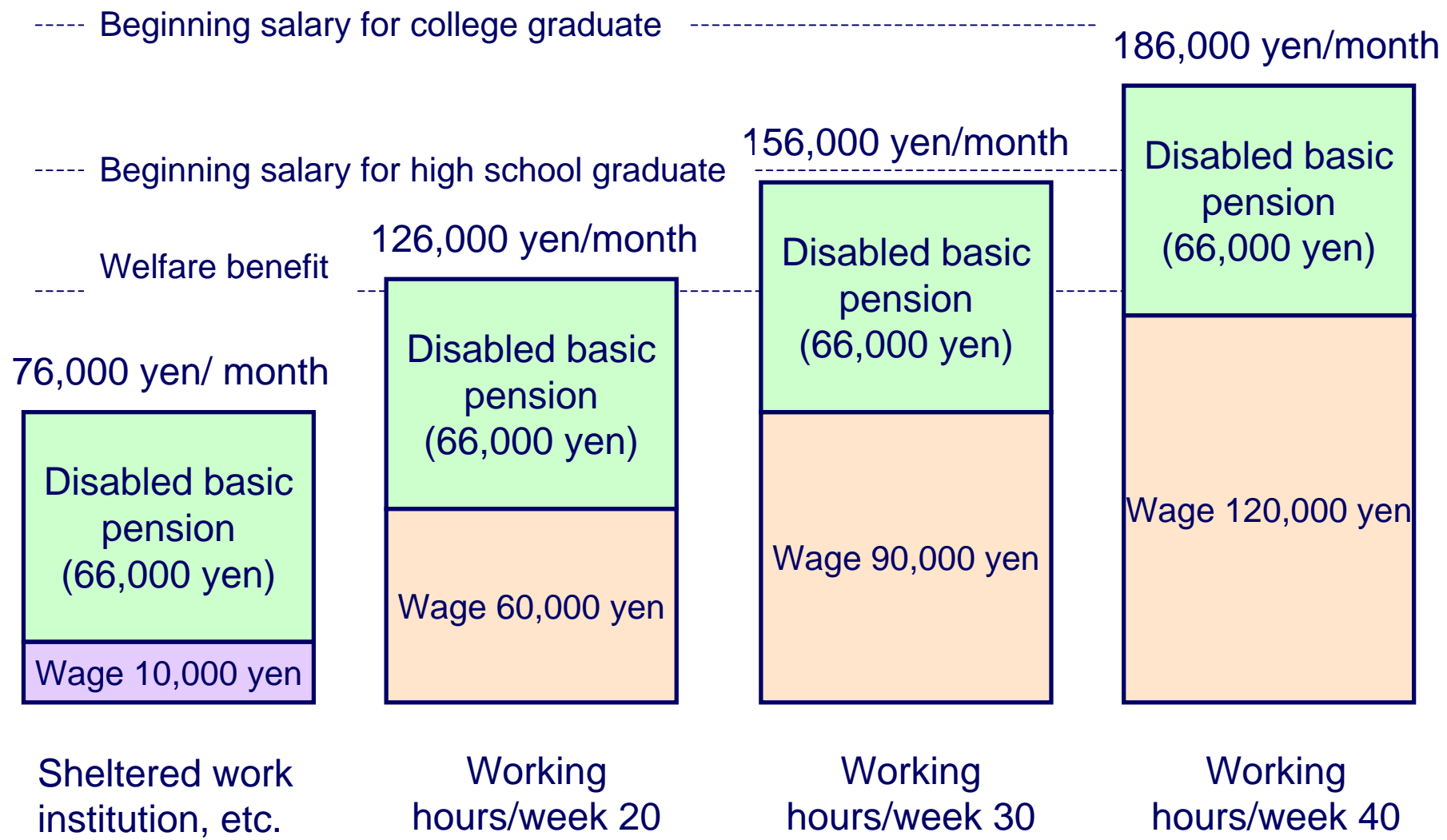


Overview

- ◆ In Japan, 18% (69,000) of the people with intellectual disabilities are working at job places.
- ◆ Among these having no job place (using visit and stay facilities), there are many who want to enter employment. In order to achieve the goal employment rate, in coming several years, we are faced with creation of about 20,000 job places.
- ◆ Central and regional governments are developing a system of promoting disabled employment through coordination of labor, welfare and education sectors.

Employment and economical sustainability

Wage and pension programs for the disabled



How does a person with intellectual disabilities spending daily life in the community? (1)

	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. 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 15:30 work</p>	<p>9:00 15:30 work</p>	<p>9:00 15:30 work</p>	<p>9:00 15:30 work</p>	<p>9:00 15:30 work</p>	<p>2 times/month PC lesson</p>
17:00		<p>17:00-18:30 Helper visit</p>		<p>17:00-18:30 Helper visit</p>		<p>17:00-18:30 Helper visit</p>	
22:00	<p>The helpers from a dispatching company visit his home for support of cleaning, laundry and food preparation. 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.

How does an intellectually disabled person spending daily life in the community? (2)

