

I N C L U S I O N

By:

Mr. Ryosuke Matsui, Rehabilitation International

The views expressed in this paper are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Directors or the governments they represent. ADB makes no representation concerning and does not guarantee the source, originality, accuracy, completeness or reliability of any statement, information, data, finding, interpretation, advice, opinion, or view presented.

INCLUSION

By

Ryosuke Matsui, RI Vice President for Asia and the Pacific Region

1. Disability population in Japan

According to the national surveys conducted periodically by the Ministry of Health, Labor and Welfare (MHLW, former Ministry of Health and Welfare), the total number of people with disabilities in Japan who are 18 years old and over, is 5,780,300, out of whom 5,166,200 (89.4%) are living at home and 614,100 (10.6%) are living in residential institutions or hospitals at present. (Table 1)

Table 1 Number of disabled persons at home and in institutions

	at home	in institutions	Total	Year
physically disabled	3,245,000	154,000	3,399,000	(2001)
mentally retarded	221,200	121,100	342,300	(2000)
psychiatrically disabled	1,700,000	339,000	2,039,000	(1999)
Total	5,166,200	614,100	5,780,300	

2. Employment situations of persons with disabilities

1) Persons with a physical disability

(1) Employment rate

The number of persons with a physical disability, who are 18 years old or more, and living at home, increased by nearly 250% from 1,314,000 in 1970 to 3,245,000 in 2001 while those who are in employment increased by around 130% from 579,000 to 738,000 during the same period. However, their employment rate decreased by 20.7 points from 44.1% in 1970 to 23.3% in 2001 while the employment rate of non-disabled workers decreased by 7.4 points from 66.8% in 1970 to 59.4% in 2001. The employment rate of physically disabled workers is less than half (around 40%) of that of non-disabled workers in 2001.

One of the major reason of such big decline in the employment rate of persons with a physical disability is their aging. During the same period the percentage of those who are aged 65 or more increased by 27.7 points from 33.6% to 61.8%. while those without a disability who are aged 65 or more increased by only 10.4% from 10.8% to 21.2%. However, among 2,429,000 persons with a physical disability who are not working in 2001, 979,000 (40.3%) had jobs before, and nearly one third of them (304,000) want to return to work.

(2) Type of employment

The results of the MHLW surveys show the employment type of persons with a physical disability underwent the following change during the last 30 years;

Table 2 Employment type of persons with/without a disability

	1970		2001	
	Disabled	Non-disabled	Disabled	Non-disabled
self-employed	41.8%	19.4%	26.2%	9.5%
family workers	11.2	16.3	9.2	3.6
employees	42.5	64.2	44.5	86.5
others	4.5	0.1	12.0	0.4
N.A.				

The rate of those who are self-employed among workers with a physical disability decreased by 15.6points from 41.8% in 1970 to 26.2% in 2001 while that of non-disabled workers decreased by 9.9 points from 19.4% to 9.5% during the same period. In 2001 12.0% workers with a physical disability who are classified as others, include those who are working at sheltered or community workshops for persons with disabilities. Compared with non-disabled workers, the rate of self-employed workers with a physical disability is around 280% higher. On the other hand the rate of employees with a physical disability slightly increased by 2.0 points from 42.5% in 1970 to 44.5 % in 2001 while that of non-disabled employees increased by 22.3 points from 64.2% to 86.5% during the same period.

This means that persons with a physical disability are placed in a disadvantaged position in finding equal employment opportunities in business and industries.

2) Persons with mental retardation

(1) Employment rate

Persons with mental retardation, who are 18 years old and over, increased by

84,500 from 254,400 in 1990 to 338,900 in 2000 while those who are in employment increased nearly 140% from 100,300 to 138,100 during the same period. Their employment rate increased by 1.3 points from 39.4% in 1990 to 40.7% in 2000. Compared with persons with a physical disability, their employment rate is much higher in 2000.

(2) Type of employment

The characteristics of the employment of persons with mental retardation, compared with that of persons with a physical disability, is low employment rate in private business enterprises, and high employment rate in sheltered or community workshops for persons with disabilities. The latter rate even increased by 7.3 points from 43.2% in 1990 to 50.5% in 2000. As majority of persons with mental retardation are working at such places, nearly one third of them received less than 10,000 yen per month, and nearly half (45.1%) of them receive less than 30,000 yen per month while around 12% of them receive 100,000 to over 150,000 yen per month. Though majority of persons with severe mental retardation receive monthly basic disability pension of either around 84,000 yen or 67,000 yen, still their combined incomes from sheltered or community workshops and pension are not enough to cover their living expenses in the community unless they live together with their parents.

Table 3 Employment type of workers with mental retardation

	1990	2000
Full-time employees	22.2%	19.6%
Part-time employees	16.0	10.9
Workers at sheltered or community workshops	43.2	50.5
Non-paid work at home	11.8	7.5
Others	6.8	11.5

Persons with a psychiatric disability

There is lack of reliable statistics on the employment of persons with a psychiatric disability:

According to a sampling survey of around 3,800 persons with a psychiatric disability conducted in 1993 by the National Federation of Families with Psychiatric Disabled Members, the number of those who are working is 2,366 (63%), and that of those who are not working is 1,105 (30%). (The remaining 7% are N.A.)

The employment type of those who are at work is as follows; employees: 23%(full-time employees: 8% and part-time or temporary employees: 15%), workers at

sheltered or community workshops for persons with disabilities: 61%, and others: 16%. As in case of persons with mental retardation the majority of persons with a psychiatric disability are working at sheltered or community workshops. The employment rate of those who are employed in business and industries is much lower than that of persons with mental retardation, which means that persons with a psychiatric disability are in much worse position than those with mental retardation in regard to the mainstream employment opportunities in the open labor market.

3. Major affirmative strategy to improve the employment of persons with disabilities

1) Development of quota and levy system in Japan

The first major employment law for persons with disabilities in Japan was the 'Physically Disabled Persons Employment Promotion Law' enacted in 1960. This law was introduced to promote the employment of persons with a physical disability through the establishment of an employment quota system in Japan, an on-the-job adjustment scheme, and a financial assistance system in addition to offering vocational guidance and placement services through approximately 600 Public Employment Security Offices (PESOs) and their branch offices. The PESOs were established in accordance with the provision of the Employment Security Law, and they have been playing a central role in providing vocational guidance, employment referral and placement services for disabled as well as non-disabled job seekers. Each PESO maintains special staff for these services, and offers a broad range of related services from intake and vocational guidance to placement, and guidance, instruction and allowances to those disabled job seekers who wish to receive vocational training, and function as a contact point to provide various types of financial assistance to employers of disabled workers.

The employment quota under the original law of 1960 was merely a moral obligation imposed on employers without much enforcement power. The law was drastically revised in 1976 to make the quota a legal requirement. Under the revised law employers are requested to report to the local PESO the number of workers with a physical disability they employ annually. The PESO may then request employers who fail to employ sufficient number of physically disabled workers, to draw up a plan for their employment. In such cases where employers are apparently not willing to fulfill their obligation, their names may be disclosed to the public, in order that the adverse publicity may bring about changes in their attitudes towards the employment of people with disabilities.

The employment quota system is complemented by a 'levy and grant system', the purpose of which is to redress the financial inequality of employers who provide job opportunities for physically disabled persons. A certain amount of levy, which is at present 50,000 yen per person per month, is collected from those employing over 300 full-time employees and who do not reach the mandated quota percentage, and this amount is redistributed in the form of various grants, for the provision of job adaptation for persons with severe disabilities, for the provision of facilities for workers with post-employment disabilities, and to employers who hire persons with a physical disability. The operation of the levy and grant system is entrusted to Japan Association for Employment of Persons with Disabilities, which is semi-governmental organization under the MHLW. Besides collecting levies and awarding grants, the Association organizes educational programs to raise public awareness of the employment of people with disabilities, and conducts training courses for employers to improve their understanding of disabled persons' needs and to acquire the technology necessary for creating jobs for those people. It also operates a nation-wide network of Vocational Centers for Persons with Disabilities, including the National Institute of Vocational Rehabilitation (NIVR), a national focal point for research and staff training in vocational rehabilitation.

The Physically Disabled Persons' Employment Law was drastically revised in 1987, and renamed the 'Law for the Employment Promotion etc. of Disabled Persons'. Based on the revision some part of the law could be applied to persons with all types of disabilities. It is responsible for the employment security of disabled workers in addition to their employment promotion; and for the first time vocational rehabilitation has been defined systematically. And the law was revised again in 1997. As a result of the latest revision the quota and levy system is now fully applied for assisting persons with mental retardation.

2) Present quota system

The employment quota is determined according to a formula that is developed to provide persons with disabilities with an opportunities for employment corresponding to the state of full-time employment and unemployment in the open labor market. In keeping with the concept that all employers share the obligation of employing those persons equally, the number of persons with a physical disability or mental retardation whom a given employer covered by the quota system needs to employ is calculated by multiplying the total number of persons employed by the employer, with the employment quota. This quota is reviewed at least every five years giving due consideration to the changes that have occurred during this period. The present employment quota determined according to his formula is as follows (Table 4).

Table 5 Current employment quota for different types of organizations

Type of organizations	%
National and local governmental agencies	2.1
Semi-governmental organizations (Special corporations)	2.1
Private business enterprises with 56 full-time employees or more	1.8

Since employment of persons with severe disabilities is much more difficult than of those with slight or moderate disabilities, special provisions are provided to promote their employment. In the double count system, when business enterprises employ a physically disabled persons whose disability is more severe than the criteria set by the law, they can count such an employee as two disabled persons for the purpose of computing their employment rate. The same provision is applied to persons with severe mental retardation.

In Japan massage and acupuncture have long been considered occupations specially suited to persons with visual impairment. Even today, these occupations play a substantial role among blind and partially blind persons. Given this background, those business establishments, such as hospitals and hotels, that employ traditional style and modern masseurs/masseuses and acupuncture specialists are required to ensure that 70% of these jobs are filled by persons with severe visual impairment. For persons with severe disabilities who are unable to carry out jobs during regular working hours, a category of short-time workers with severe disabilities, who work between 20 and 30 hours per week is introduced to fulfill an employer's legal quota..

At present the employment quota is not applied to persons with psychiatric disabilities. However, on-the-job adjustment training and grants are applied to them.

3) Achievements and shortfalls of the quota system

(1) Employment trend of persons with disabilities in targeted private business enterprises

The number of persons with disabilities employed by targeted private business (61,115 enterprises with a total of 16,936,056 full-time employees as of June 2001) under the present employment quota system (that is those with 67 full-time employees or more until March 1988, those with 63 full-time employees or more from April 1988 to June 1998, and those with 56 full-time employees or more since July 1998) decreased by 0.08 points from 1.71% in 1977 to 1.63% in 2001. The actual employment rate of the targeted enterprises as a whole increased by 0.40 points from 1.09% to 1.49% during the same

period. While the employment rate of disabled workers in these enterprises increased, the tempo of their progress has been rather slow, and still falls short of the present legal quota of 1.8% by 0.31 points as of June 2001.

Table 6 Employment situations of persons with disabilities in targeted private business enterprises

	Persons with a physical disability	Persons with Mental Retardation	Total	Quota	Actual Employment Rate
1977	128,429		128,429	1.5%	1.09%
1983	155,515		155,515		1.23
1988	177,708	9,407	187,115	1.6	1.31
1993	225,035	15,950	240,985		1.41
1998	224,913	26,530	251,443	1.8	1.48
2001			252,870		1.49

The percentage of private business enterprises which have achieved the quota tends to become lower as the size of enterprises becomes larger. However, the largest increase in the employment rate has been observed in enterprises with 1000 full-time employees or more where the rate increased by 0.77 points from 0.80% in 1977 to 1.57% in 2001,

The greatest effect of the inclusion of persons with mental retardation in the employment quota since 1988 is evident in small-sized enterprises. The actual employment rate increased by 0.24 points in enterprises with 63-99 full-time employees, while it increased only by 0.02 points in those with 1,000 full-time employees or more in 1988. This indicates that persons with mental retardation are mainly employed by smaller enterprises in Japan.

Until early 1990s the private business enterprises under the employment quota system increased their total workforce yearly by recruiting new employees. However, due to a prolonged recession which started in May 1991 many of these enterprises have been taking measures to decrease their workforce, which adversely affect the employment of disabled persons. The actual employment rate of enterprises with 56-99 full-time employees decreased by 0.48 points from 2.11% in 1993 to 1.63% in 2001. So far regardless of the economic situation, larger enterprises have been trying to increase the number of disabled employees while at the same time reducing their total workforce. In case of enterprises with 1,000 full-time employees or more the number of disabled employees increased by 10,379 from 103,636 in 1993 to 114,015 in 2001, while the total number of full-time employees decreased by 574,818 from its peak of 7,847,151 in 1993 to 7,272,333

in 2001.

Until the legal employment quota increased from 1.6% to 1.8% in 1998 mining and manufacturing industries used to surpass it while the employment rate in other industries, especially tertiary industries remains much lower than the legal quota. However, the largest increase in employment is observed in finance and insurance enterprises. Their rate increased by 0.91 points from 0.48% in 1977 to 1.39% in 2001.

Manufacturing enterprises were most affected by the employment of persons with mental retardation since 1988. Their actual employment rate increased by 0.12 points in 1988. Due to the economic recession and its accompanied restructuring, the total workforce in manufacturing enterprises decreased by 912,284 from its peak of 7,324,579 in 1992 to 6,412,295 in 2001, and the number of disabled employees decreased by 12,351 from its peak of 121,977 in 1993 to 109,626 in 2001. However, the actual employment rate of disabled employees increased by 0.04 points from 1.67% to 1.71 % during the same period as the decrease in the number of disabled employees was smaller than that of the decrease in the total workforce. On the other hand the workforce in service enterprises increased by 1,147,847 from 2,801,946 in 1992 to 3,949,793 in 2001, and disabled workforce increased by 17,781 (0.06 points) from 39,037 (1.39%) to 56,818 (1.45 %) during the same period.

(2) Employment trend of persons with disabilities in private business enterprises with 5 full-time employees or more

According to the surveys conducted by the MHLW (former Ministry of Labor) in 1978, 83, 88, 93 and 98 on private business enterprises with 5 full-time employees or more, the total number of disabled workers employed in these enterprises increased by 252,000 from 264,000 in 1978 to 516,000 in 1998. (Table 7) Number of disabled persons employed by enterprises with 5 full-time employees or more

	Persons with Physical Disability	Persons with Mental retardation	Persons with Psychiatric Disability	Total
1978	233,000	31,000	0	264,000
1983	314,000	40,000	0	354,000
1993	344,000	60,000	23,000	427,000
1998	396,000	69,000	51,000	516,000

The number of persons with physical disabilities increased by 163,000 from 233,000 in 1978 to 396,000 in 1998, and the number of persons with mental retardation increased by 38,000 from 31,000 in 1978 to 69,000 in 1998 while that of persons with a psychiatric disability increased by 28,000 from 23,000 in 1993 to 51,000 in 1998. Among

these disabled workers the percentage of those in manufacturing industry has been gradually decreasing while that in tertiary industries has been increasing as a result of the ongoing structural change of business and industry in Japan.

The percentage of persons with physical disabilities who were employed in manufacturing industry decreased by 19.7 points from 56.5% in 1978 to 36.8% in 1998 while that of persons with mental retardation decreased by 13.1 points from 72.3% in 1978 to 59.2% in 1998. The percentage of non-disabled workers in manufacturing industry decreased by 13.9 points from 39.0% to 25.1% during the same period. In comparison with non-disabled workers the rates for disabled people in 1998 were higher by 11.7 points in the case of physically disabled workers, and by 34.1 points in the case of mentally retarded workers.

The latest survey conducted in 1998 revealed that out of a total of 396,000 physically disabled workers in these enterprises, 277,000 workers had pre-employment disabilities while 119,000 workers had post-employment disabilities, and out of a total of 51,000 psychiatrically disabled workers in these enterprises, 28,420 workers had pre-employment disabilities while 22,580 workers had post-employment disabilities. (Table 8 & 9)

Table 8: Number of full-time employees with pre-/post-employment physical Liabilities (1998)

Size of Enterprises	Onset of Disabilities Before Employment	Onset of Disabilities after Employment
	(277,000)	(119,000)
5 – 29	41%	28%
30 - 99	28	27
100 – 499	28	32
500 – 999	4	6
1,000 or more	5	8

Table 9: Number of full-time employees with pre-/post- employment psychiatric disabilities (1998)

Size of Enterprises	Onset of Disabilities Before Employment	Onset of Disabilities after Employment
	(28,420)	(22,580)
5 – 29	12%	2%
30 – 99	6	1
100 – 499	42	27
500 – 999	24	49
1,000 -	16	20

These data clearly indicate that the employment quota system also gives impetus to private business enterprises to retain their employees who become disabled after they are employed.

The average monthly wages of those workers who became disabled after they were employed was higher at 329,000 yen while that of those with pre-employment disabilities was 262,000 yen as of October 1998. This variation may also be a reflection in the difference of the age structure; the former consists of more aged people than the latter. (The onset of physical disabilities is related to higher age. Many Japanese enterprises still maintain a life-time employment policy. Under this policy, the wages are linked to seniority. Thus, the older workers, who are more susceptible to physical disabilities, tend to have longer term employment at these enterprises, with higher wages.

4. Further tasks

As mentioned above, regardless of the various positive employment measures, including the employment quota, and the levy and grant systems for disabled people, to promote the employment of persons with disabilities in Japan, the employment opportunities for the majority of disabled people are still limited, especially in the case of persons with mental retardation or psychiatric disabilities. And the employment participation rate of persons with a physical disability has been declining due to the rapid increase of those aged 65 or over and those with severe disabilities.

For a long time Japan enjoyed a much lower unemployment rate (1~2%) compared with other developed countries. However, as a result of the recent prolonged recession and restructuring in business and industry, which led to gradual change in traditional employment practice in Japan, the unemployment rate has been increasing and surpassed 5% in 2001, which adversely affects the employment situation of persons with disabilities.

As the above result the number of sheltered or community workshops for persons with severe disabilities have been rapidly increasing due to the lack of their employment opportunities, especially for those with mental retardation or psychiatric disabilities. There are nearly 7,000 such workshops with the total capacity of around 140,000. Though these workshops aim to assist their clients in obtaining employment in the open labor market, their annual placement rate in business and industry remains low at less than 2%. In the meantime the clients' length of stay at sheltered workshops for disabled people has been becoming longer; as of 1991 the majority (55%) of them had stayed at these workshops

more than 5 years. Therefore, in reality sheltered workshops in Japan have been rather providing long-term work opportunities for the majority of the clients, who find it difficult to be integrated into the open labor market.

Presently it is expected that the number of workers employed in manufacturing industry will continue to decrease as a result of its restructuring and the prolonged recession, as well as due to much higher manpower costs compared with those in neighboring countries, such as in China. Therefore, employment opportunities for persons with disabilities should be expanded in tertiary industries by providing them with relevant training, including supported employment, in collaboration with educational institutions, vocational training institutions and enterprises. Their training opportunities could be significantly expanded through promoting integration of persons with disabilities into mainstream programs, rather than training them mainly at specialized vocational training facilities for persons with disabilities.

At the same time concerted efforts need to be made by all parties concerned to actively create more job opportunities for the increasing number of unemployed people, including those with severe disabilities

.