

JAPAN'S INDIVIDUAL ACTION PLAN

Promotion of Smooth Adjustment to Structural Changes

In order to maintain economic vitality and quality jobs in the face of intensifying global competition and the trend toward an ageing society, the Government of Japan has implemented the "Action Plan for Economic Structural Reform" adopted on 16 May 1997. The objectives of this Plan are to (i) facilitate the creation of new businesses; (ii) foster a business environment that is attractive to Japanese as well as foreign companies; and (iii) prevent the increasing public burden from undermining economic growth. Furthermore, Japan presented the "Emergency Economic Policy Package Reforming Japan for the 21st Century" on 18 November 1997, which consisted of economic structural reform focused on deregulation. Japan, moreover, developed the Action Plan on 24 December 1997 in order to incorporate new policies and accelerate its implementation. The main points of this revised Action Plan include the following:

- 1) In order to establish an environment favourable to the creation of new industries, Japan will implement comprehensive policies, which include:
 - "The Limited Partnership Act for Venture Capital Investment" has been submitted to this Diet Session. The purpose of the Act is to encourage the creation of venture investment partnerships by facilitating capital flows from foreign investors and pension funds to venture enterprises;
 - Tax measures have been designed to promote stock options. Internships to foster collaboration between industries and academics are being promoted;
 - "The Law Promoting Technology Transfer from Universities to Industry" has been submitted to this Diet Session to establish a technology transfer system for the rapid and smooth transfer of research results from university and national laboratories to the industrial sector.
- 2) In order to create an environment of international co-operation conducive to the creation of new industries and to promote the social climate which encourages entrepreneurship both domestically and internationally, Japan will implement the follow-up activities proposed by Japan at the Kobe Jobs Conference.

- 3) In order to correct the high cost structure, in-depth changes of the regulatory systems will be made in such sectors as logistics (e.g., truck transportation), energy (e.g., electricity and gas), information and telecommunications, medical care and welfare, standards and conformance, and finance. To this end, "The Three-Year Deregulation Programme" was renewed in March 1998.
- 4) To enhance entrepreneurship, enabling enterprises to better cope with the challenges facing them and to maintain their vitality, optimal allocation of enterprise resources will be encouraged through a reform of the corporate organisational systems. In particular, notification and reporting systems for mergers, stockholding, etc. will be reviewed, including introducing or raising the minimum threshold for notification and reporting. To this end, the Anti-Monopoly Law will be partially amended in this Diet Session. As for corporate tax, the Government of Japan lowered its corporate income tax rate by 3% and will consider a further reduction of the corporate income tax rate as soon as possible within the next three years in order to bring Japan's overall corporate income tax rate more in line with the international level.
- 5) In order to ensure that individuals can meet diverse challenges facing them, work and employment systems will be reformed. This will be done through labour mobility, flexible and optional work systems and autonomous and creative working styles. With respect to worker dispatching, the overall system will be reviewed, including the list of occupations that fall outside the scope for which worker dispatching is permitted, the length of dispatching period, as well as measures to protect workers. (Amendment of the worker dispatching law will be presented at the current Diet Session.) Regarding fee-charging employment placement projects, a study was initiated based on the ILO Convention No. 181 and other circumstances. With a view to further expanding the range of occupations covered and enlarging the terms of validity of the permission, necessary measures, including ratification of the ILO Convention and legal measures, will be taken as soon as possible. As regards the systems of working hours and labour contracts, the Labour Standards Law will be amended in this Diet session, which includes the maximum term of labour contracts and arbitrary work systems.
- 6) In order to prevent the increasing public burden due to the ageing society, from curbing economic vitality, efforts will be made to contain the public burden by improving the efficiency of the public sector, including social security costs such as pensions and medical care. This will enhance the compatibility between economic vitality and an ageing society.

Promotion of Employment of Young People Who Shoulder Responsibility for the Future

Today's youth will play an important role in ensuring the economic and social vitality in the future. Japan will promote comprehensive policies for youth employment in order to help the young develop a clear occupational consciousness, and to choose and obtain an

appropriate job.

- 1) Japan will improve the general information centre that continuously and systematically gathers job information, disseminates it to young people, and provides them with various work experiences. This will help the young to understand better the meaning and importance of work and to develop a clear occupational consciousness.
- 2) In order to promote the smooth transition from school to work, Japan will, through close collaboration between educational institutions and PES (Public Employment Services), improve the system for collecting and dispensing information on job experiences such as "internships", and encourage the introduction of these job experiences.
- 3) In order to help young people obtain work in the changing job environment, Japan will enhance the consultation function of PES. To this end, Japan will improve the provision of employment information in response to the information-oriented society to allow the young to make better use of the related information provided by PES. In particular, in order to help young people choose a job and make a job strategy in line with their abilities, Japan will improve an overall system of job assistance.

Promotion of Human Resource Development to Empower Workers to Sustain Economic Activities

As structural changes continue, companies are required to promote high value-added industrial activities or develop new business areas. In this situation, the development of human resources is urgently required to upgrade the expertise and professional skills of workers. Japan will promote comprehensive measures for human resource development as follows:

- 1) Japan will improve the provision of information, counselling and subsidies for companies that provide their workers with vocational training in order to support company-initiated human resource development.
- 2) In order to promote workers' own initiatives in human resource development throughout their lives, Japan will assist such initiatives by compensating workers who voluntarily take up vocational training for the costs directly spent on such training from the employment insurance system. Japan will also improve the provision of information and counselling for workers.
- 3) In order to encourage the development of human resources that sustain high value-added industrial activities, Japan will upgrade training courses implemented in public vocational training facilities.

- 4) In order to appropriately evaluate vocational ability adapted to economic structural changes, such as the growing trend of evaluating workers based on their ability or the increase in labour mobility, Japan will consider restructuring of its vocational ability evaluation systems.

Realisation of Active Ageing

In order to promote comprehensive policies for employment for older workers from the perspective of active ageing, Japan will implement the following measures:

- 1) In Japan, many older workers wish to continue to work, and the minimum age for entitlement to the public pension will be raised to age 65. In order to appropriately cope with these circumstances, Japan will promote measures to create a working society where continued employment is assured at least up to age 65. Japan will strive to gain public consensus to realise such a society and introduce and promote relevant systems in private companies.
- 2) In order to promote various forms of work, in accordance with the different health conditions and job preferences of older people, Japan will encourage reemployment of older workers with the assistance of public employment services. It will also develop and expand "silver human resource centres" (organisations which promote forms of remunerated social activities at the local level), and promote various types of employment according to the needs of older workers, such as dispatched or part-time jobs.
- 3) Japan will promote human resource development according to the specific needs of older workers.