

## **No.24 Laws on Labor Market** (text 353-374)

### **1 Restraints on Employment Brokerage Business**

#### **1.1 Intent and History of Restraints**

- Principle of the freedom of contract
- Employment Security Law in 1947
  - Ban in principle on the fee-charging job placement business
  - Total ban on the fee-charging manpower supply business
- Manpower Dispatching Business Law enacted in 1985
  - Lifting of the ban on the manpower dispatching business
- Revision of Ordinance for Enforcement of Employment Security Law in 1996
  - Liberalization in principle of the fee-charging job placement business

#### **1.2 Restraints on Job Placement Business**

##### **1.2.1 Concept and Subject of Job Placement**

- Concept (Art. 4, para. (1) of Employment Security Law)  
#7
- Subject
  - Public Employment Security Office
  - Nongovernmental job placement business

##### **1.2.2 Basic Rules in Job Placement**

- Freedom to choose a job seeker’s occupation
- Ban on disadvantageous treatment
- Elucidation of working conditions
- Protection of personal information
- Principle to accept recruiting and job hunting
- Principle to introduce a suitable occupation

##### **1.2.3 Restraints on Nongovernment Job Placement Business**

- Subject business: a negative list system
- License system
- Restraints on brokerage

#### **1.3 Restraints of Manpower Supply Business**

##### **1.3.1 Concept and Legal Restraints on Manpower Supply**

- Concept of manpower supply (Art. 4, para. (6) of Employment Security Law)
- Ban on the manpower supply business (Art. 44)
- Difference between “manpower supply” and “contract for business processing”?
  - Four Requisites in Art. 4 of Ordinance for Enforcement of Employment Security Law
  - Is temporary personnel placement service lawful (in those days)?
- Legalization of “manpower dispatching” by Manpower Dispatching Business Law

##### **1.3.2 Restraints of Manpower Dispatching Business**

- ◎Restraints on the manpower dispatching business
  - Subject business: a negative list system

- Restrictive period for dispatching
  - Specialized 26 works prior to the revision in 1999: no restriction on period
  - Works approved after the revision in 1999: one year (– 3 years)
- License/notification
  - General manpower dispatching business (including registration-type manpower): license system
  - Specified manpower dispatching business (limited to full-time employment manpower): notification system
- Dispatching with planned placement
- ⊙ Protection of dispatched manpower
  - Preparation/clarification of working conditions
  - Establishment of a responsibility-taking system under laws and regulations pertaining to labor
  - Duty for a company where temporary workers are assigned to propose a labor contract when exceeding the restriction on a dispatching period

**RESEARCH** A bill for amending Manpower Dispatching Business Law is intended in principle to prohibit the dispatching for daily employment (those who are employed by a temporary personnel placement agency on a daily basis or with a set-up period within 30 days). Is this appropriate from a policy point of view?

## **2 Employment Policy Law**

### **2.1 Type and Trend of Labor Market Policy**

- Passive labor market policy
- Positive labor market policy ← Keynesianism

### **2.2 Passive Labor Market Policy**

#### **2.2.1 Unemployment Insurance System**

- Insured person: a worker with 20 hours or more per week, and expected for the employment for one year or longer
- Premium: 1.2% of the total wage (halving between the worker and employer)

#### **2.2.2 Job Seeker Benefit Package (Unemployment Allowance)**

- Qualification for receiving the benefit: an insured period of 12 months or longer in 2 years
- “Unemployment” situation (Art. 4, item (iii) of Unemployment Insurance Law)
- Benefit total: 50-80% of the wage before the loss of employment
- Benefit period: 90-360 days depending on an age, length of the insured period, and reason for loss of employment

### **2.3 Positive Labor Market Policy**

#### **2.3.1 Two Undertakings of Unemployment Insurance**

- Employment stabilization undertaking
- Skill development undertaking

#### **2.3.2 Development of Human Resources**

- Human Resources Development Promotion Law
  - Public vocational training by the government and municipalities
  - Assistance/Aid in vocational training conducted by the employer

#### **2.3.3 Employment Promotion for the Elderly**

○Law concerning Stabilization of Employment of Older Persons

○Disabled Persons Employment Promotion Law

←Revision in 2008

○Law concerning Promotion of Regional Employment Development

#### **2.3.4 Employment Maintenance/Education and Training Benefits with Unemployment Insurance**

○Employment maintenance benefits

• Benefits of employment maintenance for the elderly

• Childcare leave benefits

• Family care leave benefits

○Education and training benefits

