The vocational rehabilitation service system in Japan

Heike Boeltzig-Brown∗, Chuji Sashida, Osamu Nagase, William E. Kiernan and Susan M. Foley

Institute for Community Inclusion, University of Massachusetts Boston, MA, USA
National Institute of Vocational Rehabilitation, Japan
Kinagau Research Organization, Ritsumeikan University, Japan

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Abstract. Working-age Japanese with disabilities (ages 15–64) experience substantially lower employment rates compared to non-disabled Japanese, indicating a need for policy and programs that promote disability employment opportunities in competitive settings. Historically, the vocational rehabilitation (VR) service system in Japan has involved two government administrations – the Ministry of Labour and the Ministry of Health and Welfare – that, despite the merger in 2001, continue to focus on competitive and facility-based (sheltered) employment, respectively. In this paper, the authors provide an overview of the enabling legislation, key policies and measures, and personnel resources of the VR service system under labour. A cornerstone policy and practice issue is the engagement of a mandatory disability employment quota for public-sector and private-sector employers administered by public employment security offices (PESO), and public employment and rehabilitation services delivered through a network of PESO offices, local and regional vocational centers, vocational training centers and employment support centers for persons with disabilities. The authors conclude with a discussion of current issues and trends in rehabilitation in Japan and implications for future cross-national comparative research. The information presented in this paper is based on a literature review and key informant interviews conducted between May 2012 and June 2012.

Keywords: Disability, competitive employment, employment quota, public vocational rehabilitation, public employment service, Japan

1. Introduction

Over the past decade many countries, including Japan, have recognized the importance of employment for people with disabilities and, more broadly, the need to create more inclusive societies [3]. To this end, numerous legislations, policies, and measures have been implemented nationally and internationally. These measures are intended to safeguard and promote the realization of disability employment rights, including the Convention on the Rights of Persons with Disabilities (CRPD). Adopted by the United Nations General Assembly in 2006, Article 27 of the CRPD states that people with disabilities have “the right to work, on an equal basis with others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities” [36]. Japan is one of 153 countries that have signed the convention [42] and is preparing for ratification in 2013.

According to data by the Ministry of Health, Labour and Welfare, there are approximately 7.44 million people with disabilities in Japan [14], out of a population of approximately 128 million [28]. Article 2 of the 1970
Basic Law for Persons with Disabilities (Law No. 84), as amended, defines persons with disabilities as “individuals whose daily life or social life is substantially and continuously limited due to physical, intellectual or mental disability” [2]. Of the 84 million working-age Japanese (ages 15-64) [28], approximately 2.05 million have a disability, including 1.34 million with physical disabilities, 355,000 with intellectual disabilities, and 351,000 with mental disabilities [22]. Physical disabilities include permanent visual, hearing, and speech impairments, orthopedic impairments, and impairments of the heart, kidney, lungs, immune system, and other functions [20]. Intellectual disabilities are defined as “[having] manifested during the developmental period (birth to 18 years of age) and [result in] functional deficits in skills for daily life which require supportive services” [5]. Mental disabilities include schizophrenia, psychotic disorders due to psychoactive substance use, intellectual disability, personality disorders, and/or other mental disorders [19].

Similar to the United States, working-age people with disabilities in Japan experience substantially lower employment rates [22] compared to people without disabilities [29]. 40.3 percent of people with disabilities were employed in either regular work settings or non-regular work settings in 2006 [22]. Regular employment is defined as working more than 20 hours per week with a contract that is not time-limited. Non-regular employment means working less than 20 hours per week under a fixed-time contract [22]. Non-regular employment includes business ownership, employment in a family business, employment as a company executive, part-time and daily employment, and employment in vocational aid centers and small workshops for people with disabilities. The last two types of non-regular employment are considered “welfare-oriented,” facility-based employment [18].

As is the case in many countries, employment rates vary by type of disability, employment setting, and sector (see Table 1). People with physical disabilities are more likely to be competitively employed, followed by people with mental disabilities and those with intellectual disabilities [22]. Conversely, facility-based employment is more likely for those with intellectual disabilities compared to people with mental disabilities and those with physical disabilities. People with disabilities in general, and those with physical disabilities in particular, are more likely to be employed in the private than in the public sector [18].

Japan recognizes, as do many other countries, that there is a role for government in maintaining and improving the employment rate of its citizens with disabilities. Government measures include a mandatory disability employment quota for public-sector and private-sector employers, and public employment and vocational rehabilitation (VR) services. The need for these types of services will be even greater considering Japan’s rapidly aging population. Japan has made considerable advances in medicine and public health that combine to promote longer life expectancy. There is continued engagement in the labour market beyond the retirement age of 60, whether for financial, social, or emotional reasons [26]. Increasingly, the Japanese government recognizes the impact of aging and health changes on disability and implications for employment [39]. In 2003, partly in response to these demographic changes, the Japanese government consolidated the administration of public employment services for seniors with similar services for people with disabilities under the Japan Organization for Employment of the Elderly, Persons with Disabilities and Jobseekers (JEED) with the goal to provide more integrated service delivery [13].

Historically, the VR service system in Japan has involved two government administrations: the Ministry of Labour, primarily focused on competitive employment, and the Ministry of Health and Welfare, mainly concerned with facility-based (sheltered) employment [43]. The two ministries were merged into the Ministry of Health, Labour and Welfare (MHLW) in 2001 [12]. Within the ministry, and despite the merger, competitive employment continues to be the responsibility of labour (Employment Security Bureau), whereas facility-based employment is that of welfare (Social Welfare and War Victims’ Relief Bureau). It should be noted that, in contrast to the United States, the term “welfare” has a much more positive meaning in Japan, where it refers to the promotion of the well-being or welfare of Japanese citizens including those with disabilities [24].

In this paper, we provide an overview of the enabling legislation, key policies and measures, and personnel resources of the VR service system under labour. A cornerstone policy and practice issue is the engagement of a mandatory disability employment quota for public-sector and private-sector employers administered by public employment security offices (PESO, also called “Hello Work”), and public employment and rehabilitation service delivery. These services are delivered through a network of 437 Hello Work offices, 47 Local Vocational Centers for Persons with Disabilities, two Large Region Vocational Rehabilitation Centers for Persons with Disabilities, 19 Vocational Ability
Development Centers for Persons with Disabilities, 20 private providers of vocational training for people with disabilities, and 272 Employment and Life Support Centers for the Elderly and Persons with Disabilities, in addition to the National Institute of Vocational Rehabilitation (NIVR) and other rehabilitation and related programs and providers [14, 27]. Each of these is briefly described in Table 2.

The final paragraphs offer the reader a sense of current issues and trends in rehabilitation in Japan and implications for future cross-national comparative research. The information presented in this paper is based on a review of current English and Japanese language literature, research, and data, as well as key informant interviews with government agency staff, rehabilitation practitioners, researchers, and disability advocates that we conducted in-person between May 2012 and June 2012. The first two authors took primary responsibility for data collection, review, and interpretation. The second author, in his capacity as a researcher at NIVR, facilitated contacts and arranged key informant interviews.

2. Legislation, policies, and measures for promoting disability employment

2.1. Disability employment legislation and policies

The Constitution of Japan proclaims that all people, including those with disabilities, are equal and have a right to maintain a minimum standard of life (Article 25) [41]. They also have a right and obligation to work (Article 27) [41]. There are several legislative approaches to guaranteeing the right to work for people with disabilities, the two main approaches being disability anti-discrimination legislation and employment quota legislation [10]. In the United States, Title I of the 1990 Americans with Disabilities Act, as amended, prohibits discrimination against people with disabilities in employment [1]. In contrast, Japan uses a quota-levy system that requires public-sector and private-sector employers to fill a certain percentage of their positions with people with disabilities. Private-sector employers who fail to meet the quota must pay a penalty or “levy.” The issue of disability discrimination has received attention in Japan, and there have been previous attempts to incorporate such a perspective into the Japanese legal system [10, 12, 31]. Prohibition of discrimination based on disability was first introduced in the 1949 Law for the Welfare of Persons with Physical Disabilities, though this was removed in 1967. It was only in 2004 when disability discrimination was prohibited again in the revised Basic Law for Persons with Disabilities [30]. However, there are no enforcement mechanisms attached to this law’s anti-discrimination clause. Therefore, Japan’s disability community is advocating for an independent and more comprehensive disability anti-discrimination legislation. There are currently efforts to draft such legislation by 2013 in preparation for Japan’s ratification of the CRPD [3, 31].

### Table 1: Number of working-age people with disabilities employed by type of employment setting and type of disability, and employment rates by type of disability, 2006 Data (Unit: 1,000 people)

<table>
<thead>
<tr>
<th>Total people with disabilities</th>
<th>People with physical disabilities</th>
<th>People with intellectual disabilities</th>
<th>People with mental disabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Total people with disabilities of working age (15–64)</td>
<td>2,050</td>
<td>1,344</td>
<td>355</td>
</tr>
<tr>
<td>b. Total employed</td>
<td>826</td>
<td>578</td>
<td>187</td>
</tr>
<tr>
<td>b1. Regular employment</td>
<td>335</td>
<td>280</td>
<td>35</td>
</tr>
<tr>
<td>b2. Non-regular employment</td>
<td>485</td>
<td>272</td>
<td>150</td>
</tr>
<tr>
<td>b2.1. Facility-based employment</td>
<td>163</td>
<td>38</td>
<td>111</td>
</tr>
<tr>
<td>b2.2. Other types of employment</td>
<td>295</td>
<td>234</td>
<td>39</td>
</tr>
<tr>
<td>Non-respondents</td>
<td>33</td>
<td>26</td>
<td>2</td>
</tr>
<tr>
<td>c. Employment rate ( = b/a × 100)</td>
<td>40.3%</td>
<td>43.0%</td>
<td>52.7%</td>
</tr>
<tr>
<td>d. Ratio of people in competitive (regular) employment ( = b1/b × 100)</td>
<td>40.6%</td>
<td>48.4%</td>
<td>18.7%</td>
</tr>
<tr>
<td>e. Ratio of people in facility-based employment ( = b2.1/b × 100)</td>
<td>20.8%</td>
<td>6.6%</td>
<td>59.4%</td>
</tr>
</tbody>
</table>

* Regular employment means working more than 20 hours per week with a contract that is not time-limited. * Non-regular employment means working less than 20 hours per week with a contract that is time-limited. * Facility-based or “welfare-oriented” employment in vocational aid centers and small workshops for people with disabilities [18]. * Other types of non-regular employment include business ownership, employment in a family business, employment as a company executive, and part-time and daily employment. Note. The category “regular employment” is used as a proxy for competitive employment. Source: [22].
The 1960 Physically Disabled Persons Employment Promotion Law (renamed Disabled Persons Employment Promotion Law in 1987, hereafter referred to as the “Employment Promotion Law”) provides a framework for Japan’s disability employment policy, as it established a quota-levy system and a VR service system [6]. It was the first Japanese law to focus on issues of disability, employment, and vocational rehabilitation. Initially, the law only applied to people with physical disabilities, but several amendments extended coverage to people with intellectual disabilities and those with mental disabilities. The law defines persons with disabilities as “those who, because of physical, intellectual or mental disabilities, are subject to considerable restriction in their vocational life, or who have great difficulty in leading a vocational life, over a long period of time” (Article 2) [6]. The law’s intention is for “workers who are disabled [to be] given the opportunity to utilize their abilities in vocational life as workers who are members of the economy and society” (Article 2) [6]. It should be noted that there are other laws in Japan that also relate to disability employment and vocational rehabilitation, including the 1966 Employment Countermeasures Law [7], the 1969 Human Resources Development Promotion Law [8], the 1974 Employment Insurance Law [9], and the 1974 Employment Insurance Law [10].

2.2. Employment promotion measures

2.2.1. Quota-levy system

The quota-levy system plays a key role in Japanese disability employment policy. It is the main government measure for increasing competitive employment for people with disabilities. The system is based on the premise that “all employers are persons with a public duty to provide appropriate places of work, based on the principle of social solidarity, and shall actively endeavour to hire the physically or intellectually disabled” (Article 37) [6]. Initially, the quota was not mandatory. However, because of lack of compliance, particularly by larger companies, it was made mandatory in 1976 (it then only covered people with physical disabilities) [9, 35]. At that time, Japan also introduced a levy system and other related measures (double counting of people with severe physical disabilities when calculating employers’ disability employment rate; public disclosure of employer names failing to meet the quota; and employer requirement to notify the government when firing employees with disabilities) [9]. The quota system is administered by Hello Work, whereas the levy and grant system is administered by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Jobseekers (JEED)—a quasigovernmental agency under MHLW.

Although the Employment Promotion Law covers people with physical, intellectual, and mental disabilities, the quota only applies to people with certified physical disabilities and, since 1997, to people with intellectual disabilities as well [9]. People with mental disabilities are not targeted for mandatory employment, but can be included in the calculation of the actual employment rate if they are already working for the employer [9, 14]. Under the quota system, part-time workers with mental disabilities are counted as half a person. This compares with full-time workers with physical or intellectual disabilities and part-time workers with severe physical or intellectual disabilities, who are counted as one person. Full-time workers with severe physical or intellectual disabilities are counted as two people.

The quota requires private employers with 56 or more employees and public employers with 48 or more employees to fill a certain percentage of their positions with people with disabilities: 1.8 percent for private-sector employers and 2.1 percent for public-sector employers [26]. Public-sector employers include national, prefectural, and municipal/local government, as well as independent administrative organizations (such as JEED). The quota for boards of education of prefectures and designated cities is 2.0 percent [26]. Starting in April 2013, the quota for private-sector employers will be 2.0 percent [26].

Private-sector employers, but not public-sector employers, who fail to meet the quota must pay a levy. Private employers with 200 or more employees who fail to meet the quota pay, for example, 50,000 yen (USD 628) monthly for each person not employed [14]. Levy money is invested in employer grants to support disability employment [14]. Grants fund, for example, the provision of workplace facilities and equipment, skills training for workers with disabilities, workplace attendants and job coaches, and travel expenses. Levy money is also used to fund allowances and rewards for employers who hire above the quota. Every year, employers must report their disability employment rate to Hello Work; employers who fail to meet the quota must submit a three-year plan for how to achieve the stipulated quota [14].

There is some evidence that the quota-levy system has helped to create employment opportunities for people with disabilities. Ministry of Health, Labour and Welfare data show an increase in the overall disability
employment rate among private-sector employers, from 1.46 percent in 2004 to 1.68 percent in 2010 [26]. However, the rate has not reached the 1.8 percent stipulated by the Employment Promotion Law, with less than half (47.0 percent) of private-sector employers meeting the quota [14, 26]. Translated into employment placements, the number of people with disabilities employed in the private sector through the quota increased from 258,000 in 2004 to 343,000 in 2010, with most having physical disabilities (86.0 percent in 2004 and 79.3 percent in 2010) [14, 26].

These official numbers do not mean actual numbers of employed people with disabilities, since double counting of people with severe disabilities inflates the numbers. For example, in 2006, the actual employment rate, without double counting, was 1.1 percent, while the official rate reflecting the double counting was 1.5 percent [34]. From 1993 to 2006, the actual employment rate, not reflecting the double counting, remained almost constant at about 1.1 percent.

Despite these numbers, little is known about how workers with disabilities identified by employers for the quota system fare in terms of working conditions (types of jobs, working hours, wages, opportunities for career development and advancement), other employer benefits – an issue that urgently needs addressing [18].

Under the current quota system, employers are not required to report this information to Hello Work. Quota employment does not always equal individual integrated employment. Under the quota system, very large employers have the option to establish special "barrier-free" subsidiaries, where people with disabilities work in group settings and count toward the parent company’s disability employment quota [14]. The Japanese government promotes this option, stipulating that, in order to establish such a subsidiary, at least 20 percent of the employees must have a disability and 30 percent or more of that group must have a severe disability [14]. Grants are available for employers to establish such subsidiaries; the grant amount correlates with the number of people with disabilities working for the employer in the subsidiary. As of 2009, there were 265 such subsidiaries, employing a total of 13,306 people with disabilities [9].

2.2.2. Vocational rehabilitation

Public employment security offices, or Hello Work, form an integral part of Japan’s VR service system. The Employment Promotion Law charges Hello Work with increasing employment opportunities for people with disabilities (Articles 9–18). This is to be achieved in two ways: firstly, by administering the disability employment quota and providing related advice, guidance, and supports to employers, and secondly, by providing employment and rehabilitation services to people with disabilities. This happens primarily through a network of 47 Local Vocational Centers and other providers of rehabilitation and related services listed in Table 2.

3. The vocational rehabilitation service system under labour

3.1. Historical development

At the core of today's VR service system in Japan is a network of 47 Local Vocational Centers, two Large Region Vocational Rehabilitation Centers, and the National Institute of Vocational Rehabilitation (NIVR) [44]. Prior to 1960, public employment security offices (PESO) provided employment and related services to people with mostly non-severe disabilities; serving people with more severe disabilities and more intense support needs was a challenge for the PESO. This, among other things, provided the impetus for the 1960 Physically Disabled Persons Employment Promotion Law that stipulated the establishment of "Vocational Centers for Persons with Physical Disabilities" (Article 19). The Employment Promotion Corporation (the predecessor of JEED), a quasigovernmental agency responsible for implementing the measures stipulated by the Employment Promotion Law, established the first Local Vocational Center in Tokyo in 1972 [44].

Over the next 10 years, centers were set up nationwide, with the last center being opened in Okinawa in 1982. The period between 1980 and 1990 was a formative period for Japan’s VR service system, as it laid the groundwork for rehabilitation service delivery, center operations, and staff training [44]. Employment Promotion Corporation staff reviewed rehabilitation approaches, methods, and techniques used in the United Kingdom, the United States, and Australia. As a result of the review along with additional research, staff introduced the work sample method for vocational evaluation of people with disabilities in 1981. In 1986, the corporation introduced a new center operations guide, replacing the old operations manual. This guide provided the basis for a unified and standardized approach to operating the centers across Japan. A "Collection of Vocational Counseling Cases" [37, 38] and other VR manuals were also published during that period. In addition, a professional journal called Kibō ("Hope") was created to provide technical information and resources.
Table 2: Overview of providers of vocational rehabilitation and related services

<table>
<thead>
<tr>
<th>Type of provider</th>
<th>Number of offices/centers &amp; location</th>
<th>Administered by</th>
<th>Services for people with disabilities</th>
<th>Services for employers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public employment security offices: Hello Work</strong></td>
<td>457 offices nationwide</td>
<td>Prefectural Labour Bureaus (one per prefecture) under the Ministry of Health, Labour and Welfare (MHLW)</td>
<td>• Vocational guidance&lt;br&gt;• Employment information&lt;br&gt;• Referral by a disability point person to vocational rehabilitation and other service providers&lt;br&gt;• Work preparation (incl. 3 months trial employment, and 3–12 months work experience for people with mental disabilities) and vocational training&lt;br&gt;• Assistance with job search and placement&lt;br&gt;• Work adaptation&lt;br&gt;• Post-employment advice, guidance and support&lt;br&gt;• Specialist support for people with disabilities working at home</td>
<td>• Processing of employees’ annual reports on total number of workers and workers with disabilities for determining whether employers meet the mandatory disability employment quota&lt;br&gt;• Advice, guidance, consultation, and support (mostly in the form of subsidies and grants) related to disability employment&lt;br&gt;• Special guidance for meeting the quota</td>
</tr>
<tr>
<td><strong>Local Vocational Centers for Persons with Disabilities</strong></td>
<td>47 centers (as of January 2011) – one center in each prefecture; 5 centers (Hokkaido, Tokyo, Aichi, Osaka, and Fukuoka) have branch offices (one branch each)</td>
<td>National Institute of Vocational Rehabilitation (NIVR), part of the Japan Organization for Employment of the Elderly Persons with Disabilities and Jobseekers (JEED), a quasigovernmental agency under MHLW</td>
<td>• Vocational assessment and evaluation&lt;br&gt;• Counseling and guidance&lt;br&gt;• Employment planning&lt;br&gt;• Work preparation (incl. work experience, social skills training)&lt;br&gt;• Referral to private providers for on-the-job training and to Hello Work for job placement&lt;br&gt;• Job-coach support&lt;br&gt;• Post-employment follow up&lt;br&gt;• Specialist employment support for workers with mental disabilities (re-work program) and for people with developmental disabilities</td>
<td>• Advice, guidance, and consultation related to employment of people with disabilities&lt;br&gt;• Job-coach support&lt;br&gt;• Specialist employment support for workers with mental disabilities (re-work program)</td>
</tr>
<tr>
<td><strong>Large Region Vocational Rehabilitation Centers for Persons with Disabilities</strong></td>
<td>2 centers (as of January 2011), one in Saitama prefecture and another in Okayama prefecture</td>
<td>Same as above</td>
<td>• Vocational assessment and evaluation&lt;br&gt;• Counseling and guidance&lt;br&gt;• Vocational training in various fields; courses are usually one year long; some courses specifically target people with intellectual disabilities</td>
<td>• Customized short-term vocational training for workers with disabilities upon employer request</td>
</tr>
<tr>
<td><strong>Vocational Ability Development Centers for Persons with Disabilities</strong></td>
<td>19 centers (as of April 2010) incl. 6 prefectoral centers and 13 national centers</td>
<td>2 of the national centers are operated by JEED; the remaining 17 centers are operated by prefectures</td>
<td>• Vocational training in various fields; courses are usually one year long; some courses specifically target people with intellectual disabilities</td>
<td>NA</td>
</tr>
</tbody>
</table>
Table 2 (Continued)

<table>
<thead>
<tr>
<th>Type of provider</th>
<th>Number of offices/centers &amp; location</th>
<th>Administered by</th>
<th>Services for people with disabilities</th>
<th>Services for employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private providers of vocational training for people with disabilities</td>
<td>20 providers (as of April 2010) nationwide</td>
<td>Private providers</td>
<td>• Same as above</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• All except one of the 20 providers focus on people with a particular type of disability (physical, intellectual, mental, visual)</td>
<td></td>
</tr>
<tr>
<td>Employment and Life Support Centers for the Elderly and Persons with Disabilities</td>
<td>272 centers (as of January 2011) nationwide</td>
<td>Non-profit organizations</td>
<td>• Work-related supports (such as job-search assistance, workplace adaptation)</td>
<td>• Processing employer applications for adjustment allowances, rewards, and grants under the levy system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Support with daily life and life planning (health/ disability management, transportation, money management, using health and welfare services, and leisure activities)</td>
<td>• Training and awareness-raising activities related to disability employment</td>
</tr>
<tr>
<td>National Institute of Vocational Rehabilitation (NIVR)</td>
<td>One institute headquartered in Chiba</td>
<td>JEED</td>
<td>• Disability employment and related information, research, and resources</td>
<td>• Disability employment and related information, research, and resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Education and training of job counselors stationed at employer sites</td>
</tr>
</tbody>
</table>

Note. A prefecture is the equivalent of a state in the United States. There are a total of 47 prefectures in Japan. Sources: [14, 27].
The period from 1991–2012 saw more systems growth, but also saw a shift in emphasis from vocational evaluation to vocational skills development [44]. During this period, the adoption of simulated work assessment gave way to the use of more onsite assessments as part of a move toward supported employment and the use of job coaching strategies in these centers. Other programs and strategies developed in the past decade include a return-to-work program for people with mental illness and an employment support program for people with developmental disabilities. Finally, with the Services and Supports for Persons with Disabilities Law of 2005, the trend from welfare to work started getting stronger [40]. Since then, the number of employment support providers (such as welfare agencies and medical facilities) has been increasing [44]. In response to growing concerns about local capacity and staff skills in implementing these new strategies, Local Vocational Centers have been providing advice and technical assistance to these organizations.

3.2. Institutional structure and funding

3.2.1. Ministry of Health, Labour and Welfare (MHLW)

MHLW has overall responsibility for policymaking and programming related to disability employment and vocational rehabilitation. As mentioned before, labour and welfare used to be separate ministries, focusing on competitive and facility-based employment respectively [43], and were merged in 2001 [12]. Some contend, however, that within MHLW, labour and welfare continue to function separately—the former dealing with competitive employment and the latter with facility-based employment. This has been a barrier to developing more integrated employment policies and programs for people with disabilities.

As illustrated in Fig. 1, there are several bureaus, affiliated institutions, and other entities within MHLW. The Employment Security Bureau is responsible for employment, training, and re-employment services; unemployment insurance and other work-related benefits; and employer subsidies and grants [25]. These services are provided through a national network of 437 Hello Work offices that are overseen by Prefectural Labour Bureaus [27]. Hello Work offices also liaise with employers who once a year must report the disability employment rate to their local Hello Work office. Within the Employment Security Bureau, the Department of Employment Measures for the Elderly and Persons with Disabilities focuses on employment and training services for seniors and people with disabilities; the employment quota and vocational rehabilitation; and other measures for the promotion of elderly and disability employment. Employment and rehabilitation services for people with disabilities are provided through a network of 47 Local Vocational Centers and two Large Region Vocational Rehabilitation Centers. These centers are administered by the National Institute of Vocational Rehabilitation (NIVR), which is part of the Japan Organization for Employment of the Elderly, Persons with Disabilities and Jobseekers (JEED), the successor of JAED. JEED also administers the levy and grant system under the quota.

The Social Welfare and War Victims’ Relief Bureau, another entity within MHLW, is responsible for general public assistance and relief pension benefits for families of war victims, training of welfare and related personnel (such as social workers and care workers), and measures to promote community welfare [25]. Within the bureau, the Department for Health and Welfare for Persons with Disabilities is concerned with temporary and permanent disability benefits, healthcare and welfare services for people with disabilities; and medical and rehabilitation facilities, including “welfare-oriented” facility-based employment settings.

MHLW’s total budget for FY 2011 (financed by taxes) was approximately 29 trillion yen (USD 364 billion), accounting for more than half (53.6 percent) of the government’s total budget [25]. Of those 29 trillion yen, approximately 22 billion yen (USD 276 million) – less than one percent – were allocated to disability employment promotion [23].

3.2.2. Japan Organization for Employment of the Elderly, Persons with Disabilities and Jobseekers (JEED)

Established in 1977, then called the Association of Employment of Physically Disabled Persons (AEPD), JEED is a quasigovernmental agency under MHLW. JEED is primarily responsible for employment and rehabilitation service delivery for people with disabilities and the elderly, as well as vocational training for the general population and for people with disabilities specifically [13]. With respect to disability, JEED administers the National Institute of Vocational Rehabilitation (NIVR), which includes 47 Local Vocational Centers and two Large Region Vocational Rehabilitation Centers [13]. In addition, JEED collects levies from employers who do not meet the disability employment quota, and administers grants that support employers who employ people with disabilities.
JEED has several departments and offices – some of which are located within NIVR. These departments deal with: general affairs, accounting, planning, system management, levies, disability grants, employment development and promotion, vocational rehabilitation, research and planning, employment promotion and research, elderly grants, jobseeker support and training, public vocational training, and housing transfers.

JEED’s total budget for FY 2010 was approximately 57 billion yen (USD 715 million), of which 88 percent (50 billion yen, or USD 628 million) was allocated to programs, 10 percent to personnel, and two percent to administration [15]. About half of the program funding (49 percent) was allocated to disability employment and related expenses, followed by subsidies for elderly employment (35 percent), Local Vocational Center operations (9 percent), and employment counseling for elderly jobseekers (6 percent); less than one percent was allocated to operations of the two Large Region Vocational Rehabilitation Centers.

3.2.3. National Institute of Vocational Rehabilitation (NIVR)

Established in 1991, NIVR consists of a vocational rehabilitation department, a research and planning department and a vocational rehabilitation center. NIVR’s vocational rehabilitation department is responsible for administering 47 Local Vocational Centers and two Large Region Vocational Rehabilitation Centers, as well as educating and training staff in these centers and other professionals (including job coaches and employment staff working for organizations such as Employment and Life Support Centers, Support Centers for Persons with Developmental Disabilities, and medical rehabilitation facilities) [13]. NIVR’s research and planning department is responsible for conducting rehabilitation research; disseminating information about disability employment to individuals with disabilities and their organizations, employers, service providers and rehabilitation researchers; developing new rehabilitation models and techniques and testing...
them at NIVR’s vocational rehabilitation center; and providing guidance and technical assistance on rehabilitation in conjunction with local and regional vocational centers to other organizations. The research and planning department is comprised of three groups, each with a different research focus (support for people with disabilities, support for employers, and social support) [40]. In autumn 2011, several departments from other organizations (such as JEED) were transferred to NIVR. These departments deal with: levies, disability grants, employment development and promotion, employment promotion and research, and elderly grants.

3.3. Personnel resources and staff training

3.3.1. Staff situation and capacity
JEED administers NIVR, which includes 47 Local Vocational Centers and two Large Region Vocational Rehabilitation Centers and is responsible for staffing those organizations. This includes staff recruitment, new staff orientation and training, staff rotation, and continuing training and professional development for existing staff. JEED makes all human resource decisions. As of April 2012, JEED employed a total of 360 staff across the 47 Local Vocational Centers, including directors, chief counselors (with 15 years of experience or more), counselors, and counselor assistants. JEED employed an additional 78 staff at the two Large Region Vocational Rehabilitation Centers.

3.3.2. Counselor recruitment and preparation
As mentioned before, NIVR’s vocational rehabilitation department is responsible for counselor education and training. NIVR is the only agency in Japan that trains vocational counselors and that has a training program accredited by MHLW. Article 24 of the Employment Promotion Law assigns the responsibility for counselor education and training to NIVR/JEED [6]. Graduates from NIVR’s counselor-training program are officially called “Vocational Counselors for Persons with Disabilities” [6]. This title is specific to NIVR/JEED. Vocational counselors in Japan share the same job responsibilities as their counterparts in the United States [43]. Some argue that counselors are expected to focus more on service coordination than direct service provision. This is due to the limited number of Local Vocational Centers relative to the number of Hello Work offices, Employment and Life Support Centers, and welfare and similar facilities, all of which provide some rehabilitation and related services. The focus on service coordination also comes from the government’s increasing emphasis on assisting individuals’ transition from welfare to competitive employment [3].

In the United States, rehabilitation counseling is an academic subject taught at colleges. However, this is not the case in Japan, where counselor preparation emphasizes practical training, rather than academic study. In order to enroll in NIVR’s counselor-training program, individuals have to become JEED employees, be 33 years old or younger, and have a bachelor’s or master’s degree [16].

There are three steps to JEED’s counselor recruitment process. Step 1 consists of a general knowledge test or “employment exam,” an essay on a particular topic, and a group interview. Those who successfully pass Step 1 then move on to Step 2, which consists of a knowledge test in a particular area (such as social work, psychology, pedagogy, or sociology) depending on the individual’s educational background; a group interview, and an individual interview with the leadership of JEED’s vocational training department. Those who pass Step 2 are invited to a final individual interview (Step 3) with JEED executives.

Individuals who successfully complete Step 3 become JEED employees. They enroll in the counselor-training program and are paid a monthly salary, which as of 2011 was about 174,700 yen (USD 2,192) for the duration of the one-year training [16]. The counselor-training program is fairly small, enrolling approximately 25 individuals every year [16]. On average, individuals are 25 years old when they enroll in the program. One-third have undergraduate degrees, another third have master’s degrees, and another third have both master’s degrees and some relevant working experience.

NIVR’s counselor-training program is one year long. It consists of a one-month lecture series at NIVR headquarters, followed by a nine-month practical training at one of the 47 Local Vocational Centers and a two-month lecture series at NIVR headquarters. Part of the practical training is to conduct a small study on a particular topic that trainees determine together with their supervisor. Trainees are expected to draft a short proposal outlining their study, data-collection methods, and expected results, and to submit this information to NIVR’s vocational rehabilitation department. A special committee consisting of several NIVR department directors reviews each trainee’s record (attendance, evaluation of their practical training, study report, and presentation) and determines whether to graduate him or her. Graduates are assigned to one of the 47 Local Vocational Centers to work as counselors.
3.3.3. Counselor in-service training and staff rotation

In addition to new counselor training, NIVR’s vocational rehabilitation department also provides continuing training and professional development to existing counseling staff in the 47 Local Vocational Centers and two Large Region Vocational Rehabilitation Centers. This includes: a one-week follow up training for counselor who have been in the field for one year; a two-week training for counselors with three and five years of field experience; and a one-week leadership training for counselors with nine years of experience of working in the field. All of these trainings are mandatory and are provided in person at NIVR headquarters.

JEED counselors hold a status similar to that of a civil servant. As such, they are expected to participate in staff rotation. Staff rotation is central to Japanese public administration and service, where it is used as a precautionary measure against bribery and corruption. All JEED counseling staff, regardless of their position, are periodically assigned to a different Local Vocational Center (typically every 3–4 years). Views on the staff rotation system vary. Some argue that, in addition to preventing bribery and corruption, the system provides opportunities for counselors to work in different communities, which adds to their experience, knowledge, and skill base. The system also provides a mechanism to standardize vocational rehabilitation service delivery across Local Vocational Centers. Others wonder if staff rotation interferes with counselors’ efforts to build trusting and long-standing relationships with local providers and employers for the benefit of job seekers with disabilities. In general, counselors may have to live separately from their families if the Local Vocational Center to which they have been newly assigned is too far for daily commuting. Participating in staff rotation is a counselor job requirement and key to being promoted.

3.4. Local Vocational Centers for Persons with Disabilities

3.4.1. Services for people with disabilities

There is one Local Vocational Center in each prefecture, in addition to two Large Region Vocational Rehabilitation Centers. Administered by NIVR, these Local Vocational Centers function as “core institutions for vocational rehabilitation in each region,” working closely with Hello Work and other service providers [13]. As described in Table 2, the centers provide a range of rehabilitation and related services. People with disabilities who want to work might self-refer to a Local Vocational Center, or might be referred by a family member, relative, or agency like Hello Work or another service provider. After the referral, the person is assigned a counselor who assesses and evaluates his or her vocational ability and develops with the person an individualized rehabilitation plan. The plan is then implemented by the counselor in conjunction with other professionals and service providers. The Japanese vocational rehabilitation process is similar to the one used in the United States [43]. A person’s employment plan might include vocational training through Vocational Ability Development Centers for Persons with Disabilities, or similar training offered by private providers or mainstream Vocational Ability Development Centers. Once a person has completed the rehabilitation process and is job ready, the counselor will refer him or her to Hello Work for job placement, unless the person continues to need more intense support.

The Local Vocational Centers also provide more specialized consultation and support for workers with mental health issues and their employers, also called “re-work support” (support for returning to work) [13]. Re-work support for individuals might include disability and stress management, work preparation and adjustment, and job simulation; re-work support for employers might include employment management and accommodations, supervisor and co-worker education, and periodic follow-up services. Re-work counselors work with these individuals, their employers, and their physicians to reach consensus on the process of and goals for returning to work. Re-work counselors are local professionals with background in mental health and related fields. They attend a one-week training at NIVR headquarters, followed by practical training provided by the centers.

Recently, more emphasis is being placed on the employment needs of people with developmental disabilities. This includes people with autism, Asperger’s syndrome and other pervasive developmental disorders, learning disorders, and attention deficit hyperactivity disorder (ADHD) [21]. A special employment support program for people with this type of disability was developed by NIVR in 2005. The program includes problem-solving skills training, job-skill training, relaxation training, and simulated work experience.

According to NIVR data, the number of people with disabilities who use Local Vocational Centers increased between FY 2006 and FY 2011 from 26,189 to 30,857, with the majority of customers having intellectual disabilities [17]. Table 3 provides a summary of the data.
Table 3
Number of people served by Local Vocational Centers for People with Disabilities by type of disability, FY 2006 and FY 2011

<table>
<thead>
<tr>
<th>Type of disability</th>
<th>FY 2006</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total served</td>
<td>26,189</td>
<td>30,857</td>
</tr>
<tr>
<td>People with physical disabilities</td>
<td>2,730</td>
<td>1,932</td>
</tr>
<tr>
<td>People with intellectual disabilities</td>
<td>14,143</td>
<td>11,840</td>
</tr>
<tr>
<td>People with mental disabilities</td>
<td>5,620</td>
<td>10,278</td>
</tr>
<tr>
<td>People with other disabilities</td>
<td>3,696</td>
<td>6,807</td>
</tr>
<tr>
<td>People with developmental disabilities</td>
<td>No data</td>
<td>4,472</td>
</tr>
</tbody>
</table>

Source: [17].

About 38 percent of users in FY 2011 were people with intellectual disabilities, decreasing from about 54 percent of users in FY 2006. People with mental disabilities are a growing population served, nearly doubling in representation over the last five years. People with physical disabilities represent about six percent of those served in FY 2011.

3.4.2. Services for employers and other organizations and agencies

Local Vocational Centers provide services for people with disabilities who want to work and services for employers [13]. As described in Table 2, employer services mostly take the form of advice, guidance, consultation, and support (such as job coach support and specialist employment support for workers with mental disabilities and their employers). NIVR collects best-practice case studies of disability employment and makes this information available to employers and other organizations through an online database (http://www.ref.jeed.org.jp) [33]. Users can search this database by type of industry and establishment, size of business (number of staff), type of disability, and type of information.

Local Vocational Centers also provide advice, staff training, and technical assistance related to disability employment to other organizations and service providers (such as Employment and Life Support Centers) [13]. The centers provide practical training for counselor assistants, as well as re-work counselors and job coaches. They also offer “Basic Employment Support Courses” to staff at welfare agencies and medical facilities responsible for providing employment support to people with disabilities.

4. Current issues and trends in rehabilitation in Japan

The effects of the ongoing disability policy reform on Japan’s ratification of the Convention on the Rights of Persons with Disabilities (CRPD) remains to be seen. In 2009, Japan’s Cabinet Office established a Committee for Disability Policy Reform (hereafter referred to as the Committee) to provide input and guidance on reforms of legislation, policies, and measures targeted at people with disabilities [3]. More than half of the Committee members (14 out of 24) are people with disabilities, their family members and representatives [3]. Based on Committee recommendations, the Cabinet Office decision was made in 2010. At that time, the Cabinet Office asked for a) a revision of the definition of persons with disabilities, focusing on working difficulties; b) a review of the double counting approach under the quota system; c) a review of “welfare-oriented” facility-based employment, including the application of labor laws and wage standards; d) the expansion of national and local government purchasing of services and goods from facilities that employ people with disabilities; e) the prohibition of discrimination based on disability and provision of reasonable accommodations at work places; and f) the implementation of necessary supports in commuting and communication, as well as job coaches [4].

The same Cabinet Office decision calls for the enactment of an independent new legislation to prohibit discrimination based on disability. Even if this becomes law and lack of reasonable accommodations is defined as a form of discrimination, it is not clear how much impact this will have on employers. In addition to the possible enactment of an independent general disability anti-discrimination legislation, the revision of the Employment Promotion Law to prohibit disability discrimination and mandate provision of reasonable accommodations in employment settings may prove more effective.

5. Conclusion and implications for future cross-national comparative research

Central government policy tools may include passage of disability anti-discrimination legislation with sufficient power to improve employment outcomes, quota-levy systems that are enforced, adequate funding of public employment and vocational rehabilitation services and supports, and economic and social incentives for people with disabilities to seek employment. Disability advocates and others in Japan are pursuing a disability anti-discrimination legislation that is breaking new ground. How this effort rolls out and what effect it has upon employers, the quota-levy system, and
changing cultural views about work status of people with disabilities will be interesting to follow. Quota systems would not have much political success in the United States, but how employers exceeding the quota use returned grant dollars would do much to stimulate demand-side initiatives.

In Japan, as in the United States, people with intellectual disabilities and those with mental health disabilities have the lowest employment outcomes and have become the most prevalent populations served by vocational rehabilitation systems. The re-work effort in Japan appears to combine both clinical therapies and vocational services by investing in mental health counselors’ knowledge of employment services. This is worthy of investigating cross-nationally to determine the techniques used to combine clinical and vocational services and the outcomes of such strategies.

Japan, like the United States, is facing significant shifts in demographics of its working population, putting significant pressure on public systems to partner across aging, healthcare, vocational, and clinical services. Much knowledge could be gained by joint endeavors to tailor demand-side and supply-side strategies to support older workers acquiring disabilities. People with intellectual disabilities have very poor employment outcomes in both Japan and the United States. Both nations’ economies are becoming more reliant on technology, interpersonal skills, and adaptability. To what extent can public employment systems support the community of workers with intellectual disabilities so that they are not relegated to low-wage shift work? More needs to be done to facilitate countries’ sharing of information, research, and best practices.

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