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### Protecting Jobs and Employment during Disasters: Lessons from Employment Insurance System in Japan

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**Protecting Jobs and Employment during Disasters:  
Lessons from Employment Insurance System in Japan**

**Yasuhiro Kawasoe<sup>1</sup>, Masaru Sasaki<sup>2</sup>, Sayuri Nakamura<sup>2</sup>, Sarah Coll-Black<sup>1</sup>**

**Abstract**

This paper examines how Japan's employment insurance system adapts to protect jobs and support workers during disasters, offering insights into the design of adaptive social protection systems. The analysis is set against the backdrop of an increasing frequency of disasters and the need for social protection responses to crises to go beyond the traditional use of social assistance. Japan's multi-layered social protection framework uses employment insurance as a primary defense to protect people from crises with a dual support mechanism: unemployment benefits (basic allowance) for displaced workers and employment adjustment subsidies to help employers retain staff during crises. A case study of the 2011 Great East Japan Earthquake illustrates the system's effectiveness. About 51% of the unemployed in the three most affected prefectures received basic allowance benefits. Meanwhile, the Employment Adjustment Subsidies program prevented an estimated 300,000 to 400,000 job losses, demonstrating the critical value of job retention mechanisms. The paper concludes with actionable recommendations for other countries: First, embed flexibility into legal frameworks for rapid crisis response. Second, build strong, coordinated administrative networks. Third, design inclusive programs for vulnerable workers. Fourth, ensure sustainable financing through contributory schemes with government backstops. Japan's experience demonstrates that a well-designed social insurance system can enhance the foundation of disaster resilience.

JEL codes: H55, E24, J65, H84, Q54

Keywords: Adaptive Social Protection, Disaster Risk Management, Unemployment Insurance, Job Retention, Natural Hazard, Climate Adaptation

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## 1. Introduction

The world is experiencing an unprecedented increase in disasters, fueled by climate change and the growing likelihood of compound events. Over the past five decades, the number of recorded disasters has increased fivefold, with the pace accelerating alarmingly (United Nations Office for Disaster Risk Reduction, 2023). The poorest nations are hit hardest, experiencing nearly eight times more natural disasters in the last decade than three decades ago, resulting in triple the economic damage (World Bank, 2023). Extreme events cause \$520 billion to global annual consumption loss each year and push approximately 26 million people into poverty (Bangalore, Hallegatte, Rozenberg, & Vogt-Schilb, 2016).

Disasters do not solely target the chronically poor; they also threaten the livelihoods of millions vulnerable to sudden job and income losses. The impacts are deeply gendered: pre-existing inequalities mean women often bear the brunt of disaster shocks, which can further entrench disadvantage and undermine future resilience (Erman, De Vries Robbe, Thies, Kabir, & Maruo, 2021). The risks are compounded by climate change: each one-degree Celsius rise in temperature is associated with a 9.1 percent increase in poverty and a 0.8 percent rise in income inequality (Dang, Nguyen, & Trinh, 2023).

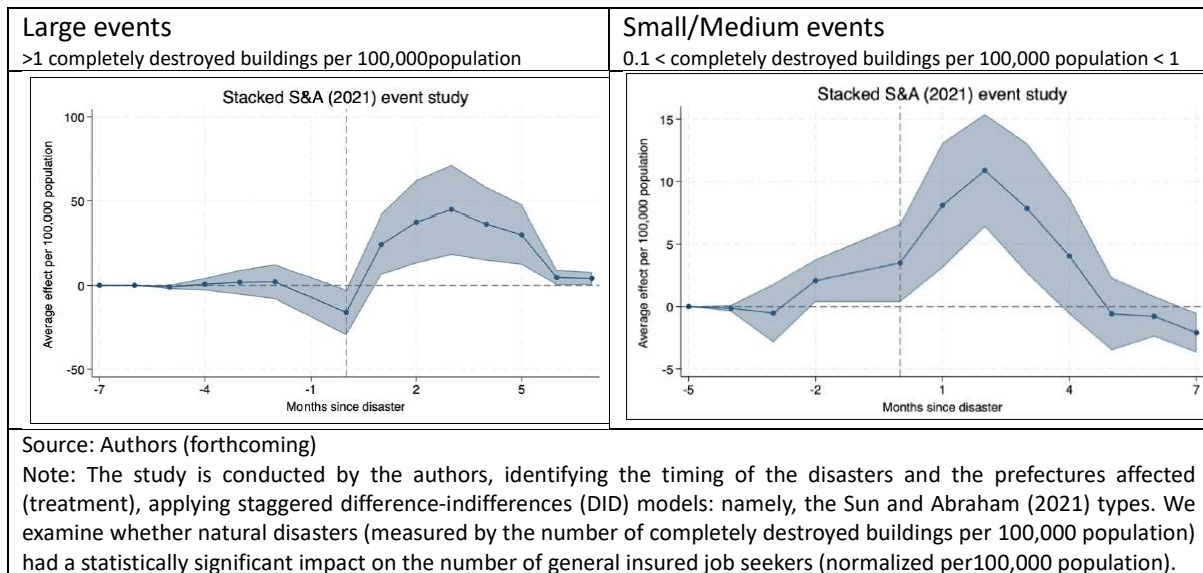
In response to escalating disaster risks, countries have increasingly turned to Adaptive Social Protection (ASP) to buffer populations against shocks (Bowen, et al., 2020). During the COVID-19 pandemic, countries relied on the systems they had in place, which often emphasized non-contributory social assistance funded entirely by government budgets. In low-income countries, 78% of social protection measures were non-contributory (Gentilini U., 2022). While the ASP agenda has predominantly focused on social assistance, countries also utilize social insurance and labor programs to protect people and workers from shocks. This highlights the need for a more balanced and comprehensive approach that integrates various social protection mechanisms to address structural limitations and ensure sustainability (World Bank Group, 2022).

Evidence suggests that social insurance programs such as unemployment insurance (UI) programs have played a critical role in providing support during shocks (Coll-Black, et al., 2023). Funded by contributions, these schemes can be adapted during emergencies by relaxing eligibility requirements and supplementing benefits with tax revenues, to reach those in need. However, the effectiveness of unemployment insurance in responding to disasters requires careful consideration of its inherent limitations. Traditional UI schemes are typically designed to address idiosyncratic employment shocks affecting individual workers or firms, rather than the covariate shocks that characterize natural disasters, which can simultaneously affect entire regions or sectors. Moreover, UI programs focus primarily on formal job loss rather than the broader spectrum of work-related income losses that disasters often trigger, a critical limitation when many affected workers may experience reduced hours, business disruptions, or informal sector impacts without technically losing their jobs.

Against this backdrop, Japan's experience offers a distinctive perspective. As a disaster-prone nation with one of the world's most mature social insurance systems, Japan has developed sophisticated mechanisms for adapting its UI system to respond to disasters. An empirical analysis utilizing monthly UI administrative records integrated with disaster databases from April 2010 to December 2024 (Figure 1) validates the system's responsiveness across varying disaster intensities:

- Large-Scale Events: Data indicates a statistically significant surge in employment insurance benefits beginning one month post-disaster, typically reaching a zenith between the second and third months.
- Small-to-Medium Events: While the magnitude of horizontal expansion (coverage breadth) is comparatively moderated, the temporal trend remains consistent, with claims peaking in the second month.

Figure 1 Event Study of Unemployment Insurance Occurrence and Disasters



While Japan's high formal employment rate and established contributory systems differ significantly from the contexts of many low- and middle-income countries, its innovations in using UI for disaster response provide valuable insights into what is possible when social insurance infrastructure is well-developed. This report examines Japan's approach not as a one-size-fits-all model, but as a case study that can inform adaptive strategies appropriate to different country contexts. This report examines how Japan, a country with high social insurance coverage and frequent exposure to natural disasters, has adapted its unemployment insurance system to respond to disaster-induced labor market disruptions. The analysis aims to:

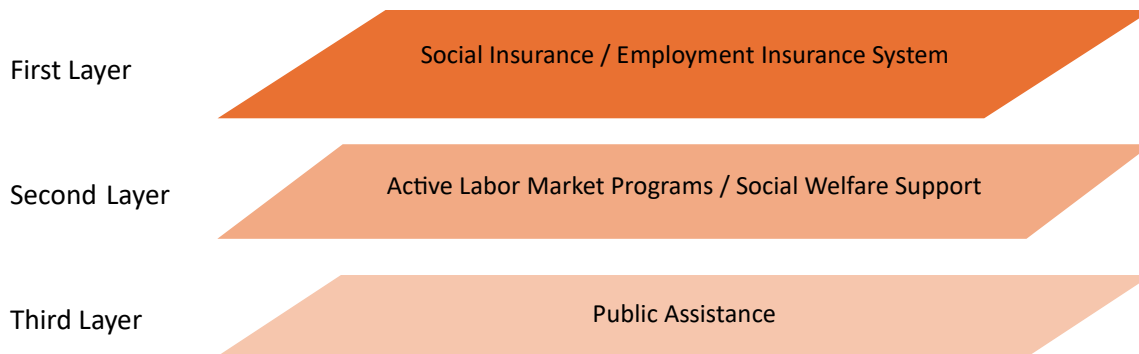
1. Document the specific mechanisms through which Japan's UI system provides disaster response
2. Identify the enabling conditions and institutional arrangements that make this approach effective
3. Extract lessons that can inform policy design in diverse country contexts, recognizing that implementation pathways will differ based on labor market structure, fiscal capacity, and existing social protection architecture

## 2. Overall Framework: Multi-Layered System supporting Japan's Adaptive Social Protection

Japanese society has developed a sophisticated system designed to provide layered support against various social risks such as unemployment and economic hardship, aiming to promote self-reliance while maintaining individual dignity, following the basic concepts and objectives of Japan's social protection system (Annex 1). This multi-layered system functions as a social framework that ensures

no one is left behind. As illustrated in Figure 2, Japan's social protection system is designed with a three-layer structure that functions progressively according to the nature of the risk and individual circumstances.

Figure 2 Japan's Multi-Layered Social Protection System



Source: Prepared by the author using information from Ministry of Health, Labour and Welfare (MHLW)

### 2.1. First Layer

Social insurance, the first layer of Japan's Social Protection System, is designed to prepare for various risks that may occur in life, such as illness, injury, childbirth, death, old age, disability, and unemployment. It aims to stabilize life by pooling insurance premiums in advance and providing certain benefits to those affected by risks. Participation in Japan's social insurance is compulsory for residents, and the scope of benefits and contributions is legally defined.

Japan's social insurance system includes the following types:

- **Employment Insurance:** Employment Insurance is a comprehensive system including unemployment insurance, to stabilize life and support reemployment for workers who become unemployed or face unstable employment situations. The details of employment insurance, the main focus of this report, are explained in the next section.
- **Health Insurance:** Insurance to reduce the self-burden of medical expenses, divided into employee insurance and national health insurance for self-employed, unemployed, and their dependents, with a general self-burden rate of 30% at medical institutions.<sup>3</sup>
- **Pension Insurance:** A system designed to ensure stable living for citizens by preparing for risks such as old age, disability, and death. The public pension system operated by the government includes the National Pension and Employees' Pension. The National Pension is a basic pension for all citizens aged 20 to 60, while the Employees' Pension is for company employees and public servants, supplementing the National Pension. Benefits such as old-age pension, disability pension, and survivor's pension are provided based on premiums paid during the working years.

<sup>3</sup> More strictly, (although the cost varies depending on the local government), 20% is paid until elementary school enrollment, 30% after entering elementary school until the age of 69, 20% is paid by 70-74 years old, and 10% is paid by those over 75 years old (30% of people over 70 years old have an income equivalent to that of active duty). <https://www.med.or.jp/people/info/kaifo/system/>

- **Long-term Care Insurance:** Insured persons are divided into those aged 65 and over (Category 1 insured persons) and those aged 40 to 64 who are enrolled in medical insurance (Category 2 insured persons). Category 1 insured persons can receive care services when certified as requiring care or support, regardless of the cause, while Category 2 insured persons can receive care services when certified due to age-related diseases.
- **Industrial Accident Compensation Insurance:** A system that provides necessary insurance benefits to workers or their survivors when they are injured or become ill during work or while commuting. Its primary aim is to protect workers and ensure workplace safety and health. Employers who employ even one worker are generally required to join Industrial Accident Compensation Insurance, regardless of business size or industry.

## 2.2. Second Layer

The "second safety net" was established to bridge the gap between social insurance (the first layer) and public assistance (the third and final safety net). Its primary objective is to prevent individuals from falling into reliance on public assistance by supporting their return to self-reliant living. This safety net primarily targets those who are ineligible for employment insurance or who find it difficult to rebuild their lives with employment insurance alone, and it is comprised of several interrelated programs.

Key components of the second safety net include:

- The **Job Seeker Support System** provides vocational training and living support to job seekers who are not eligible for employment insurance.
- The **Life Welfare Fund Loan System** offers loans to low-income households to cover essential living expenses.
- The **Self-Reliance Support System for Economically Distressed Individuals** delivers comprehensive support such as housing security and employment preparation.

These programs work in tandem to help individuals move from economic distress toward self-sufficiency. The Job Seeker Support System, in particular, forms the core of this safety net. Established in 2011 in response to the employment challenges following the global financial crisis of 2008, it was designed to strengthen protections for non-regular workers. The system offers free vocational training and a monthly living support allowance of JPY 100,000 (approx. USD 667) to job seekers who do not qualify for employment insurance. Importantly, this allowance is not merely a supplement for living expenses; it is intended to facilitate re-employment by enabling individuals to acquire new vocational skills, thus providing a concrete pathway back to the labor market and reducing the likelihood of transitioning to welfare. Financing for the Job Seeker Support System is shared between contributions from employees and employers through employment insurance premiums, as well as government funding, which is derived from tax revenue. As such, the system operates as a hybrid model, combining elements of insurance and public assistance.

In addition to the Job Seeker Support System, the Life Welfare Fund Loan System and the Self-Reliance Support System for Economically Distressed Individuals address immediate and specific needs, such as living expenses and rent during periods of job search. While the Job Seeker Support System focuses on skill development and basic living support, these additional programs provide targeted assistance for urgent and individualized needs, thus reinforcing the second safety net from multiple perspectives.

### 2.3. Third Layer

The last resort for individuals who are not rescued by any of the above layers or who cannot escape hardship even with support is the "Public Assistance System." Based on the principles of Article 25 of the Constitution, it guarantees a minimum standard of living.

In disaster situations, the system provides emergency social assistance through in-kind aid, such as food, water, clothing, and temporary housing, managed by local governments under the Disaster Relief Act (Kawasoe, 2020). Cash transfers are also available, considering material losses and damages, with additional benefits for families who have lost members or suffered injuries. Fee waivers, interest-free loans, and educational support are offered to vulnerable groups, including single-parent families and households with elderly or disabled members. Existing public assistance beneficiaries continue to receive assistance, while disaster victims can apply for regular public aid.

Each layer plays its respective role while collaborating to ensure that no one falls through the cracks, aiming to build a seamless support system.

### 3. Japan's Employment Insurance System – Building a Strong Building Blocks for Disaster Adaptation

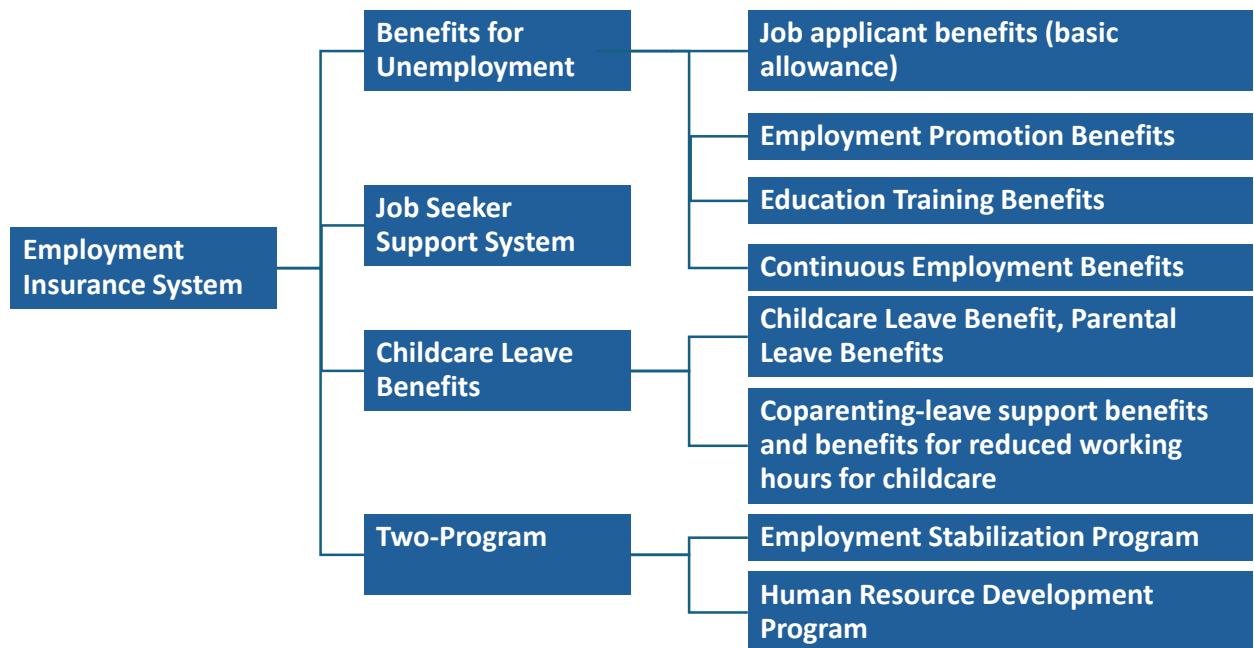
Japan's Employment Insurance System serves as the first layer of the country's multi-layered social protection framework. As a mandatory, government-administered scheme, it provides four key functions: (1) Benefits for Unemployment, (2) Job Seeker Support System, (3) Childcare leave benefits, and (4) Two-program (for employment), aimed at preventing unemployment (Figure 3). As of June 2025, approximately 45.5 million employees (67 percent of the total workforce) are covered by the system.<sup>4</sup>

The system's adaptive capacity during disasters stems from several foundational characteristics established during normal times. Understanding these core features is essential for analyzing how the system responds to shocks and what lessons can be applied to other contexts. Annex 2 provides more detailed technical specifications about Japan's employment system.

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<sup>4</sup> The total number of employees are obtained from the Labour Force Survey, and the number of employees covered by the employment insurance are collected by MHLW.

Figure 3 Structure of Japan's Employment Insurance System



Source: Prepared by the author using information from MHLW

### 3.1. Legal background on Employment Insurance and Disaster Risk Management

Japan's government response to natural hazards, particularly concerning employment insurance system, is guided by established laws, manuals, and regulations. The employment insurance system is designed to be adaptive, enabling flexible and effective responses even when unexpected disasters adversely impact the labor market.

Special measures for employment insurance during disasters are implemented under a framework of multiple laws applied in tandem. An overview of these measures is provided below.

- **Employment Insurance Act:** This is the foundational law governing the employment insurance system. Many disaster-related special measures are specified by ordinances of the MHLW, within the scope of this Act.
- **Severe Disaster Act:** When a disaster is designated as a "severe disaster" by Cabinet Order, particularly in cases of extensive damage with nationwide impact, this Act enables more generous special measures. These may include extending the duration of Job applicant benefits (basic allowance).
- **Disaster Relief Act:** This Act applies to areas where the prefectural (subnational) governor determines that rescue operations are necessary following a disaster. Special employment insurance measures are typically invoked for individuals employed in or residing within the affected area.

### 3.2. Dual Support Mechanism: Workers and Employers

Unlike many unemployment insurance systems that focus solely on displaced workers, Japan's employment insurance operates through two complementary channels:

- **Support for Workers:** Job applicant benefits (basic allowance) provide 50-80% of pre-employment wages for eligible unemployed workers, with benefit duration ranging from 90 to 360 days depending on age, insurance period, and reason for separation. Benefits begin after a seven-day waiting period, with additional restrictions for voluntary resignations.
- **Support for Employers:** The Employment Adjustment Subsidy, a part of the Employment Stabilization Program under the two-program (for employment), enables employers to retain workers during economic downturns by subsidizing wages for employees on leave, in training, or on secondment. The subsidy covers two-thirds to four-fifths of wage costs, depending on company size, for up to 100 days within one year.

This dual mechanism is particularly critical during disasters, as it provides flexibility: employers can choose to furlough workers with subsidies or allow separations that trigger benefits for unemployment. Importantly, workers cannot receive both simultaneously, preventing duplicate support while ensuring coverage.

In normal time, approximately 1.3 to 1.5 million eligible job seekers have received job applicant benefits annually (Table 1). Each year, around 4.6 million job seekers registered to seek employment, of whom approximately 1.2 million successfully secure jobs. With the number of job placements for recipients of public assistance estimated at around 60,000 to 70,000, it is clear that the employment insurance system serves a far larger group of families in need.

*Table 1 Summary Statistics of Employment Insurance (in thousands of people or cases)*

<b>Fiscal Year</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>New Job Application Count</b>	4,626	4,630	4,585	4,505
<b>Job Placements</b>	1,225	1,243	1,227	1,208
<b>Number of Determined Eligibility for Benefits for Job Application Benefits (basic allowance)</b>	1,514	1,320	1,333	1,372
<b>Job Placements for Recipients of Public Assistance</b>	65	68	63	61

Source: Prepared by the author using information from MHLW

### 3.3. Broad Coverage with Targeted Gaps

The system has systematically expanded coverage over decades (Box-1). Workers qualify if they work at least 20 hours weekly and have prospective employment for over 31 days. From 2028, this will extend to those working at least 10 hours weekly, further broadening the safety net. However, coverage gaps remain significant. During the 2011 Great East Japan Earthquake, enrollment rates in the three most affected prefectures ranged from 30-55%, well below the national average of 59% at that time. These gaps disproportionately affect:

- Part-time and non-regular workers in disaster-prone industries (fisheries, agriculture, tourism)
- Workers in smaller enterprises with lower formalization rates
- Self-employed and informal sector workers entirely excluded from the system

Understanding these limitations is crucial for assessing the system's disaster response capacity and identifying complementary measures needed to reach uncovered populations.

### Box-1: Historic Evolution of Japan’s Employment Benefit System

Japan’s employment insurance was established in 1947, following World War II, as the “Unemployment Insurance System.” In 1975, it was restructured as the “Employment Insurance System,” designed to address imbalances in benefits and to provide comprehensive employment-related functions, including two-program (for employment) aimed at preventing and reducing unemployment. Since its inception, the system has served as a safety net for workers’ employment.

Over the past years, the scope of benefits has expanded. In 1995, childcare leave benefits and employment continuation benefits for the seniors were introduced. Education and training benefits were added in 1998, followed by nursing care leave benefits in 1999. These enhancements broadened the system’s coverage and made it more comprehensive.

In response to deteriorating economic conditions, including the Financial Crisis, a series of interim measures were implemented, resulting in a more complex and multifaceted system. The changes in the scope of workers covered by employment insurance are summarized in Table 2.

Table 2 Changes in the Eligibility and Coverage of Employment Insurance System

Year Started	Requirements
1975	<ul style="list-style-type: none"><li>• Prescribed working hours: At least approximately three-fourths of regular workers’ hours and at least 22 hours per week</li><li>• Employment period: Must be employed on a recurring and continuous basis</li></ul>
1989	<ul style="list-style-type: none"><li>• Prescribed weekly working hours: 22 hours or more</li><li>• Annual income: JPY 900,000 (approx. USD 6,000) or more</li><li>• Employment period: Expected to be 1 year or more</li></ul>
1994	<ul style="list-style-type: none"><li>• Prescribed weekly working hours: 20 hours or more</li><li>• Annual income: JPY 900,000 (approx. USD 6,000) or more</li><li>• Employment period: Expected to be 1 year or more</li></ul>
2001	<ul style="list-style-type: none"><li>• Prescribed weekly working hours: 20 hours or more</li><li>• Annual income: (Annual income requirement abolished)</li><li>• Employment period: Expected to be 1 year or more</li></ul>
2009	<ul style="list-style-type: none"><li>• Prescribed weekly working hours: 20 hours or more</li><li>• Employment period: Expected to be 6 months or more</li></ul>
2010	<ul style="list-style-type: none"><li>• Prescribed weekly working hours: 20 hours or more</li><li>• Employment period: Expected to be 31 days or more</li></ul>
2028	<ul style="list-style-type: none"><li>• Prescribed weekly working hours: 10 hours or more</li><li>• Employment period: Expected to be 31 days or more</li></ul>

Source: Prepared by the author using information from MHLW

#### 3.4. Integrated Delivery Infrastructure

Japan’s Employment Insurance System is managed by the Ministry of Health, Labour and Welfare (MHLW). Each of 47 prefectures has a Prefectural Labour Bureau, within which the Employment Security Division supervises the Public Employment Security Offices, commonly known as “Hello Work.” These Hello Work offices serve as the operational backbone, providing integrated services across job placement, unemployment certification, benefit payment, and employer support. With 544 offices nationwide (approximately 11-12 per prefecture), Hello Work operates with notably lean staffing, approximately 10,500 staff and 18,000 counselors managing 69 million labor force participants. By contrast, there are 1,741 local governments (municipalities) as of October 1, 2024, indicating that the number of Hello Work offices is relatively limited. To address this issue, many Hello Work offices

maintains employment cooperation agreements with local governments to ensure that residents have access to the services.

The government, comprising the MHLW, Prefectural Labour Bureaus, and Hello Work offices, operates a unified employment insurance management system. This centralized system enables comprehensive data management, which is crucial for preventing overlapping benefit payments, such as simultaneous receipt of employer subsidies and basic allowance for the unemployed.

In recent years, the system has adopted digital tools to streamline procedures (MHLW, 2025b):

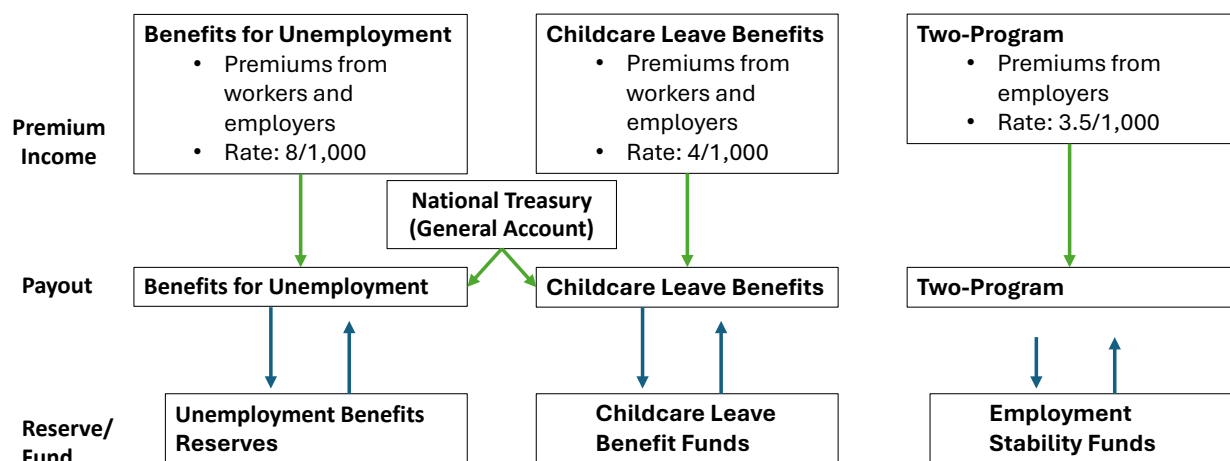
- **e-GOV Portal:** Employers submit necessary documents, such as separation notices, through this comprehensive government online service.
- **My Number Card Integration:** For individual insured persons, integration with Japan's National ID system (My Number Card) enables them to access separation notices needed for job applicant benefits via the My Portal online platform.

### 3.5. Contributory Financing with Government Backstop

The system is primarily funded through employer and employee premiums, with government subsidies added for stability for benefits for unemployment and childcare leave benefits (Figure 4). Two-program, which includes the Employment Adjustment Subsidy to be provided to employers solely rely on the premiums from employers. This mixed financing model provides:

- **Sustainability:** Contributory base ensures regular funding during normal times
- **Flexibility:** Premium rates can be adjusted based on reserve fund balances and projected needs
- **Shock absorption:** Government treasury can increase contributions during crises when reserves are insufficient

Figure 4 Financing Scheme for Employment Insurance



Source: Prepared by the author using information from MHLW

## 4. Japan's Employment Insurance Support during and after Disasters

### 4.1. Employment Insurance Support to Affected Workers

Special provisions grounded in the laws and regulations above provide a clear framework for extending eligibility and duration of the basic employment insurance allowance in the context of natural hazards. Table 3 summarizes these implementation measures and the available support mechanisms.

Under Japan's Employment Insurance Act, when a government-designated "severe disaster" disrupts work and wage payment, the workers in the designated area may access benefits for unemployment as if they had resigned or lost employment. This provision temporarily broadens eligibility to include workers who would not otherwise qualify. For example, following the Noto Peninsula Earthquake - designated a severe disaster on January 11, 2024 - special measures were enacted to provide basic allowances to workers in the designated affected areas.

Eligibility is further expanded when businesses cease operations due to the disaster. If a business located in an area covered by the Severe Disaster Act suspends operations, employees who cannot work as a result are eligible for the basic allowance. Likewise, in areas covered by the Disaster Relief Act, employees on temporary leave due to suspended operations are eligible for the basic allowance, including those slated for re-employment when business resumes.

Benefit restrictions are also eased. Where insured people are forced to resign due to damage from a severe or other disaster (including those subject to the Severe Disaster Act), the basic allowance may be paid for up to an additional 60 days beyond the standard benefit period. For those who were forced to resign due to such disasters and face particular difficulty finding employment, the allowance may be extended up to a maximum of 120 days beyond the standard period in areas designated by the MHLW. Separately, for insured persons residing in areas designated by the MHLW as locations where immediate reemployment is difficult due to deteriorated labor market conditions, the basic allowance may be paid for up to an additional 90 days beyond the standard period.

Table 3 Implementation measures for basic employment insurance allowance in the event of a disaster

Content of Measure	Basis of Law/Regulation	Content of Measure	1995 Hanshin-Awaji Earthquake	2011 Great East Japan Earthquake	2016 Kumamoto Earthquake	2017 Northern Kyushu Flood	2018 Northern Osaka Earthquake	2018 Heavy Rain	2020 Heavy Rain
Payout for Temporary Office Closure	Severe Disaster Act Article 25 (Requires designation by Cabinet Order as a disaster-stricken area)	If a business located in an area designated under the Severe Disaster Act suspends operations due to the disaster, employees are eligible for the basic allowance.	○	○	○	×	×	○	○
Payout for Temporary Leave	Employment Insurance Business Handling Guidelines (Automatically applied when the area subject to the Disaster Relief Act is designated)	For businesses located in areas subject to the Disaster Relief Act that suspended operations due to disaster, basic allowance will be paid even for those who take temporary leave (including cases where re-employment is planned after business resumption).	○	○	○	○	○	○	○
Shortening Benefit Restriction Period	Employment Insurance Business Handling Guidelines (Automatically applied when the Severe Disaster Act is applied)	For insured persons residing in areas subject to the Severe Disaster Act, the benefit restriction period (originally 2 months) will be shortened to 1 month, even if they resigned due to personal reasons.	○	○	○	×	×	○	○
Extension Benefit: Maximum days	60 Employment Insurance Act Article 24-2, Paragraph 1, Item 3 (Automatically applied when the area subject to the Disaster Relief Act is designated)	For businesses where insured persons were forced to resign due to damage from the Severe Disaster or other disasters (including those subject to Severe Disaster Act), the basic allowance will be paid up to a maximum of 60 days beyond the standard benefit period.	○	○	○	○	○	○	○
Extension Benefit: Maximum days	120 Employment Insurance Act Article 24-2, Paragraph 1, Item 2; Employment Insurance Act Enforcement Order (including those subject to Severe Article 5-2 (Designation Disaster Act), and for whom it is of area as particularly difficult to find requirements of Article 5-2 of the Enforcement Order)	For insured persons who were forced to resign due to damage from the Severe Disaster or other disasters (including those subject to Severe Article 5-2 (Designation Disaster Act), and for whom it is of area as particularly difficult to find requirements of Article 5-2 of the Enforcement Order) beyond the standard benefit period for areas designated by the MHLW. (For reasons prior to the 2017 revision)	NA – this measure was added after 2015 amendment to the Act.	×	×	×	×	×	○
Widespread Extension Benefit: Maximum days	90 Employment Insurance Act Article 25, Paragraph 1, Item 2; Employment Insurance Act Enforcement Order (Designation of area as per deteriorating employment conditions, requirements of Article 6 of the Enforcement Order)	For insured persons residing in areas designated by the MHLW as areas where it is difficult to find employment immediately even if seeking employment due to deteriorating employment conditions, the basic allowance will be paid up to a maximum of 90 days beyond the standard benefit period.	×	○	○	×	×	×	×

Source: Prepared by the author using information from MHLW

#### 4.2. Employment Insurance Support to Affected Employers

In the aftermath of the disaster, employers faced significant challenges in maintaining their workforce and resuming operations. While job applicant benefits (basic allowance) were paid directly to employees affected by the disaster, employers could also opt to receive the Employment Adjustment Subsidy, one of the two-program (for employment), as discussed in the previous chapter. These special measures were designed to help employers retain workers and facilitate business continuity. It should be noted that this subsidy covers part of the allowance and wages paid to employees who are forced to take leave, receive education and training, or be seconded due to reduced business activities caused by the disaster.

##### **Options Available to Employers**

Importantly, employees cannot receive the benefits for unemployment (basic allowance) at the same time that their employer receives the Employment Adjustment Subsidy. Only one of these support options can be used for a given employee. Thus, employers generally considered three main options in response to the disaster:

**1. Placing Employees on Leave with Paid Allowances:**

Employers could place employees on leave and pay leave allowances, utilizing employment adjustment subsidies (or emergency employment stabilization subsidies for small and medium-sized enterprises). Depending on company size, 2/3 to 9/10 of the leave allowance was subsidized, with the employer responsible for the remainder.

**2. Placing Employees on Leave without Pay to Receive Benefits for Unemployment:**

Employers could place employees on leave without paying wages, allowing workers to access benefits for unemployment. If operations resumed early, the period of insured status prior to the earthquake would not count toward future benefits for unemployment eligibility requirements. If resumption or re-employment was not possible, these special benefits would transition to regular benefits for unemployment.

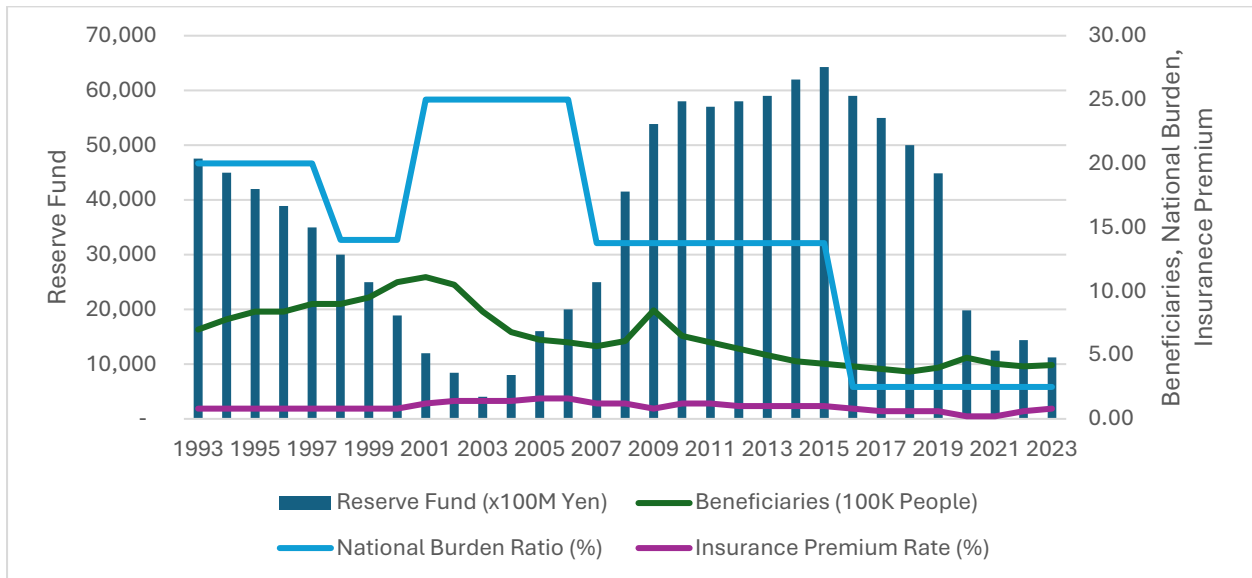
**3. Dismissing Workers and Providing Benefits for Unemployment:**

Employers could dismiss workers, enabling them to receive benefits for unemployment from employment insurance. Even temporary resignations with a reservation for re-employment were eligible for special benefits.

#### 4.3. Shock Responsive Financing of Employment Insurance System

The employment insurance system is designed to be both wage-linked and fiscally flexible. Benefit levels are tied to insured wages, while financing adjusts through three channels: premium rate changes, use of reserve funds, and national treasury contributions. Premium rates are periodically calibrated based on the reserve fund balance and projected payouts. The reserve fund functions as the first buffer and is drawn down to meet benefit payments under normal conditions and moderate shocks. When payouts exceed reserve capacity, such as during nationwide crises like the Global Financial Crisis or COVID-19, national treasury support increases to stabilize the account. In cases such as disasters affecting specific regions, dedicated financial resources are allocated to ensure that the overall fiscal position remains stable. Figure 5 below illustrates the changes in the premium rate, the ratio of the national treasury burden, and the balance of reserve funds in the special account for labor insurance.

Figure 5 Changes in the premium rate, the ratio of the national treasury burden, and the balance of reserve funds in the special account for labor insurance

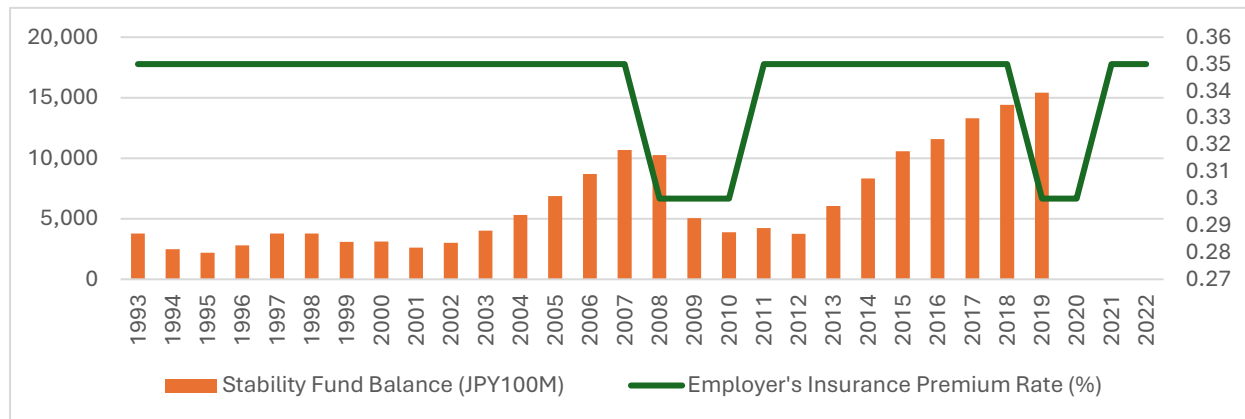


Source: Author based on “Current Status of the Employment Insurance System (MHLW)”

In contrast, the Employment Adjustment Subsidy was exhausted during the response to the COVID-19 pandemic because it was funded solely by employers. As special measures were extended and the provision of the subsidy increased, the balance of the Employment Stabilization Fund (initially JPY 1.5 trillion) was completely depleted, as illustrated in Figure 6. Murase (2023) estimates that the cost of maintaining one job for one month during the COVID-19 crisis (2020–2021) was approximately JPY 200,000 to JPY 250,000 (approx. USD 1333 to USD 1667), more than double the cost during the Financial Crisis period (2009–2010), which was just under JPY 100,000 (approx. USD 667).

To address this situation, funds were borrowed from the Unemployment Benefit Reserve (initially just under JPY 4.5 trillion [approx. USD 30 billion]). However, due to concerns about the potential depletion of these reserves, an additional JPY 1.7 trillion (approx. USD 11.3 billion) was transferred from the National Treasury. In response to the decrease in the Employment Stabilization Fund balance, the premium rates for the two employment insurance programs were increased, and the Employment Insurance Act was amended in March 2022 to restore the fund balance to a sustainable level.

Figure 6 Changes in Employment Insurance Premium Rates and Employment Stabilization Fund Balances Related to the Two Employment Insurance Projects



Source: Author based on “Current Status of the Employment Insurance System (MHLW)”

#### 4.4. Delivery System Adjustment during a disaster

In disaster situations, the standard unemployment insurance procedures remain in place, but three temporary flexibilities are introduced to safeguard access to benefits. First, if a claimant cannot attend the scheduled Certification Day at Hello Work due to disaster-related constraints (such as disrupted transport or emergency conditions), they may reschedule the certification to the earliest feasible date without jeopardizing eligibility. Second, when a disaster causes transport disruption or evacuation to a distant area, claimants who are unable to visit the Hello Work office that has jurisdiction over their residence may complete all application procedures at any other Hello Work office.

In order for the Government to respond to increased demands for the application and adjustments to procedures following a disaster, several special measures have been taken (Table 4). In disaster-affected areas, Labor Bureaus and Hello Work set up Special Consultation Desks to advise business owners on available subsidies and to provide job counseling for victims. To meet urgent needs, these offices also operate on weekends and holidays and offer telephone consultations. In parallel, the Minister or Director-General of Hello Work issues nationwide requests to major economic organizations to help maintain employment, with regional follow-up by local Directors-General and labor bureau officials who engage key organizations in each prefecture.

Table 4 Implementation Measures for Employment Insurance Administration in the Event of Natural Disasters

Content of Measure	Content of Measure	1995 Awaji Earthquake	Hanshin- East Earthquake	2011 Great East Japan Earthquake	2016 Kumamoto Earthquake	2017 Northern Kyushu Flood	2018 Northern Osaka Earthquake	2018 Heavy Rain	2020 Heavy Rain
Establishment of Special Consultation Desk	Set up "Special Consultation Desks" at Prefectural Labor Bureaus and Hello Work in disaster-affected areas to handle consultations on various subsidies for affected employees and job consultations for disaster victims.			o	o	o	x	o	o
Weekend and Holiday Response	To respond to urgent consultations from those who have lost their jobs or employees whose business activities have shrunk, implement weekend and holiday openings and telephone consultations at Prefectural Labor Bureaus and Hello Work in disaster affected areas.	x		o	o	o	x	o	o

Source: Prefectural Labor Bureau Employment Insurance Officer Specialized Training Materials

## 5. Case study: The Great East Japan Earthquake and Tsunami in 2011

The Great East Japan Earthquake, which occurred on March 11, 2011, caused enormous damage primarily in the Tohoku region, characterized by the largest recorded earthquake at 9.0, its resulting tsunami, and the accident at the Fukushima Daiichi Nuclear Power Plant. This unprecedented disaster not only devastated human lives and infrastructure but also caused widespread business shutdowns and supply chain disruptions, leading to an employment crisis of unprecedented proportion.

Under these circumstances, Japan's employment insurance system has implemented large-scale and flexible special measures, distinct from regular practices, to stabilize the livelihoods of affected workers, support their re-employment, and sustain employers' ability to retain their workforce.

### 5.1. Disaster Damages and Immediate Response

Immediately after the Great East Japan Earthquake, the three prefectures that suffered particularly the most damage were Iwate, Miyagi, and Fukushima, collectively referred to as "three affected prefectures". Amid the extremely cold conditions with temperatures dropping below freezing, the earthquake and tsunami caused devastating damage. In addition to the direct damage caused by the earthquake and tsunami, the death toll rose to 22,228 people when "earthquake-related deaths" such as those resulting from deterioration of health during evacuation periods were included. It is also reported that the total damage to buildings reached about 130,000 buildings that were completely destroyed, about 265,000 buildings were partially destroyed, about 743,000 buildings were partially damaged, and about 36,000 buildings were flooded by the tsunami. Various forms of infrastructure including transportation, electricity, gas, water, and communications were severely disrupted. Alongside shortages of food and drinking water, many victims were forced to live in evacuation centers.

Labor administrative agencies were not exempt and faced significant challenges in carrying out regular operations due to employee casualties and damage to government buildings. In particular, some facilities such as Hello Work and Labor Standards Inspection Stations in coastal areas were directly hit by the tsunami and became unusable. Lifelines and communications were cut off, and therefore, it took time to recover. For example, at the joint government building housing Hello Work Ishinomaki

and the Ishinomaki Labor Inspection Office, services were restored on the following dates: electricity on March 17, landline telephone on March 19, water on March 23, and gas on April 9. In addition, all restorations of business systems were completed on April 5. In addition, while the transportation network was not functioning, employees had difficulty commuting.

Under these circumstances, the affected labor administration facilities accepted evacuees as a humanitarian and emergency evacuation response, although they were not designated evacuation centers under the Disaster Relief Act. Although the staff were also victims of the disaster, they worked tirelessly to take care of the evacuees. For example, they provided information on the earthquake disaster from the radio on the government broadcast, provided information on people to inquire and evacuated destinations, patrolled to see if anyone was unwell, provided very little food to children, and struggled to buy water and food. The response during this period was a demonstration of the limitations of administrative functions in an unprecedented situation, and at the same time showed the dedicated response of the field staff.

## 5.2. Impact on Populations and Employment Insurance Coverage

In the aftermath of the Great East Japan Earthquake, it is estimated that approximately 98,000 individuals in the three most severely affected prefectures (Iwate, Miyagi, and Fukushima) were classified as unemployed in 2011 (Table 5). Of these, approximately 50,800 individuals received job applicant benefits (basic allowance), indicating that roughly 51% of the unemployed population in these prefectures received support from the employment insurance system.

The rate of job applicant benefits (basic allowance) in these three prefectures was generally higher than the national average, with the exception of Iwate, prior to the disaster. In 2011, all three prefectures experienced an increase in the benefit recipient rate, with particularly notable rises in Miyagi and Fukushima. The industries most severely damaged by the earthquake in these regions were fisheries, agriculture, and tourism. Differences in industrial structure, such as the proportion of these industries within each prefecture, and variations in the enrollment rates of the employment insurance system by industry may have contributed to disparities in benefit recipient rates.

*Table 5 Number of Completely Unemployed Persons and Actual Number of Unemployment Benefits Recipients*

	Number of Unemployed (Thousands)			Recipients of Unemployment Benefits (Thousands)			Recipient Rate (%)		
	Iwate	Miyagi	Fukushima	Iwate	Miyagi	Fukushima	Iwate	Miyagi	Fukushima
2010	38	34	33	8	12.7	11.2	21.1	37.4	33.9
2011	38	33	27	10.6	22.4	17.8	27.9	67.9	65.9
2012	29	24	22	5.6	9.7	8.3	19.3	40.4	37.7

*It is important to note that accurately determining the number of completely unemployed individuals in 2011 was challenging. The estimates presented are based on information compiled by the MHLW's Labour Policy Office, utilizing data from the Ministry of Internal Affairs and Communications' "Labour Force Survey" and supplementary estimates related to the earthquake.*

Source: MHLW (2012); Iwate Labour Bureau; Miyagi Labour Bureau; Fukushima Prefecture Statistical Yearbook (2016)

An analysis of the insurance coverage (enrollment) rates of the employment insurance system prior to and after the disaster reveals significant differences across prefectures (Table 6). In fiscal year 2010, the national average enrollment rate of the employment insurance system was approximately 59%. In

comparison, the enrollment rates in the three affected prefectures were consistently lower, with Fukushima Prefecture’s rate being roughly 30 percentage points below the national average.

Table 6 Labor Insurance Enrollment Rate in the Three Disaster-Affected Prefectures (Iwate, Miyagi, Fukushima)

	Labor force (Thousands)			Number of insured persons under employment insurance (Thousands)			Insurance Coverage Rate (%)		
	Iwate	Miyagi	Fukushima	Iwate	Miyagi	Fukushima	Iwate	Miyagi	Fukushima
2010	699	1,149	1,741	340.3	638	517	48.7	55.5	29.7
2011	680	1,192	1,724	343.5	643	510	50.5	53.9	29.6
2012	677	1,235	1,707	355.4	660	520	52.5	53.4	30.5

Source : MHLW (2012), Iwate Labour Bureau; Miyagi Labour Bureau; Fukushima Statistical Yearbook (2016)

### 5.3. Special Measures on Benefits for Unemployment to affected Workers following the Earthquake Disaster

To stabilize the livelihoods of workers and facilitate their re-employment in the aftermath of the earthquake, the government urgently implemented a series of special measures to protect livelihood of workers. These interventions were designed to provide immediate income security and support for affected individuals, drawing on lessons learned from previous disasters.

As summarized in Section 4.2 (Table 3), the following measures were applied: payouts for temporary office closures; payouts for temporary leave; shortening of benefit restriction periods; extensions of benefit duration (up to 120 days); and widespread benefit extensions (up to an additional 90 days). The entitlement period for job applicant benefits (basic allowance) was initially extended by up to 120 days for employees affected by the earthquake. As some recipients began exhausting benefits by October, an additional 90-day extension was approved in September for 45 municipalities along the coastal areas of the three prefectures most affected by the tsunami. In addition, as discussed in section 4.5, beneficiaries were granted flexibility regarding certification dates and the location of Hello Work offices they could visit.

Given the severity of the disaster, further procedural flexibility was introduced. Recognizing the difficulties in obtaining evidence documents due to the disruption and evacuation authorities allowed the issuance of leave certificates *ex officio*, based on claimant testimony and prevailing wage conditions in the area. This ensured continued access to benefits during periods of leave.

To support individuals unable to travel to Hello Work on designated certification dates, flexible arrangements included certification by mail or telephone and the ability to modify certification schedules. Jurisdictional requirements were also relaxed, permitting certification at offices outside the usual area of residence. These adjustments expanded practical access to basic allowances without compromising integrity controls.

Finally, the Job Seeker Support System – which is the second layer of Japan’s social protection system and designed to provide vocational training and livelihood support for job seekers who do not qualify for employment insurance due to insufficient enrollment periods, was actively promoted to enhance support for those affected.

#### 5.4. Support Provided to Employers Following the Earthquake Disaster

Table 7 presents data on the amount and number of cases of Employment Adjustment Subsidies provided during the period of the Great East Japan Earthquake. From 2010 to 2011, when the earthquake occurred, the use of employment adjustment subsidies increased dramatically, by approximately three to five times. However, beginning in 2012, the number of subsidies and the total amount gradually returned to more typical levels.

Table 7 Employment Adjustment Subsidy

	Amount (JPY million)			Number of cases		
	Iwate	Miyagi	Fukushima	Iwate	Miyagi	Fukushima
2010	2,025	3,145	4,236	3,835	6,397	9,130
2011	6,632	15,166	11,545	6,694	14,419	14,907
2012	1,453	2,138	3,724	2,820	4,956	7,235

Source : MHLW

Asao (2017) estimated the macro effect of employment adjustment subsidies to be about 400,000 and 300,000 respectively in the period ending April ~ June 2011 during the Great East Japan Earthquake. It points out that the unemployment rate may have been higher by about 0.6 percentage points and 0.4 percentage points, respectively.

According to Labor Policy Research Report No. 156 (2013), employers faced a difficult choice between benefits for unemployment and employment adjustment subsidies. These decisions were often influenced by the financial strength of individual establishments and their prospects for resuming business. Establishments with sufficient resources and a clear path to reopening tended to maintain employee connections through paid leave and subsidies, while those facing severe challenges opted for layoffs. Those lacking financial resources but wishing to maintain ties with employees often chose unpaid leave with access to special insurance benefits. At Hello Work Ishinomaki, approximately 1,000 companies were briefed on these special provisions for employment insurance and the employment adjustment subsidy in the weeks following the earthquake.

When employers chose to utilize the Employment Adjustment Subsidy instead of job applicant benefits (basic allowance), the following special measures were additionally introduced in response to the Great East Japan Earthquake:

- **Relaxation of Production and Sales Requirements:**

The standard eligibility requirements, which usually mandated a 10% or greater decrease in the monthly average value over the past three months compared to the previous three months or the same period in the previous year, were relaxed. For businesses located in areas covered by the Disaster Relief Act, eligibility was extended to those experiencing a 5% or greater decrease in the most recent month compared to the previous month or the same period in the previous year. Additionally, the eligibility period was expanded to include the first month after the earthquake (until June 16, 2011), even if production and sales were expected to decrease.

- Expansion of Eligible Workers:**  
Employers became eligible to receive subsidies even for part-time employees who have enrolled in the employment insurance system for less than 6 months if the employers also paid leave allowances to them. This expansion enabled more employees to retain their jobs during the recovery period.
- Expansion of Target Areas and Establishments:**  
Special measures were implemented for establishments located in areas covered by the Disaster Relief Act, including parts of Aomori, Iwate, Miyagi, Fukushima, Ibaraki, Tochigi, Chiba, Niigata, and Nagano. Eligibility was additionally extended to establishments with significant economic ties to the disaster area, such as those where more than one-third of total business volume or more than half of their secondary subcontract business volume linked to affected areas.
- Increase in the Upper Limit of Payment Days:**  
During the one-year special measures period, employers could receive subsidies for up to 300 days, regardless of previous payments. This did not affect the number of days available after the special measures period ended.
- Increase in Subsidy Rates:**  
Subsidy rates were raised above standard levels: small and medium-sized enterprises received four-fifths, and large companies two-thirds of the leave allowance paid to workers. For employers meeting certain criteria, such as not dismissing employees, rates were further increased to nine-tenths for small and medium-sized enterprises and three-quarters for large companies.
- Relaxation of Procedural Deadlines:**  
Recognizing the difficulties of submitting advance notifications during the chaos following the earthquake, the requirement to submit business closure plans in advance was temporarily waived. Employers were permitted to submit these plans retroactively for a limited period (initially until June 16, 2011).

These special measures enabled many affected employer to resume or downsize operations without resorting to layoffs. The Employment Adjustment Subsidy proved to be a central mechanism for maintaining employment in the aftermath of the earthquake.

#### 5.5. Other Initiatives for Employment Recovery Following the Great East Japan Earthquake

One of the most significant initiatives for employment recovery following the Great East Japan Earthquake was the "Japan as One" Employment Project, led by the Employment Security Bureau of the MHLW. This comprehensive, cross-ministerial project was launched to provide robust support for the employment of disaster victims and to promote job creation in the affected areas following the earthquake. The project was implemented in multiple phases and included a wide range of support measures. The first phase, which focused on immediate emergency policies, was built on three main pillars: the two outlined below, along with the employment adjustment subsidy.

##### 1. Reliable Job Creation through Recovery Projects

The recovery and reconstruction process itself was designed to serve as a direct source of employment for disaster victims. Existing programs such as the "Priority Sector Employment

Creation Project” and the “Emergency Employment Creation Project” were significantly expanded to rapidly generate diverse job opportunities tailored to local needs. Public works in the affected areas prioritized contracts with local businesses and the employment of local residents, strongly promoting “local priority employment.” This approach aimed to directly link the path to recovery with the rebuilding of livelihoods for those affected.

## 2. Establishment of a Matching System between Disaster Victims and Jobs

A system was created to accurately connect each disaster victim who became unemployed with job openings across the country. At the core of this system, the “Japan as One” Employment Councils were established at the prefectural level, bringing together labor organizations, local governments, financial institutions, and other stakeholders to jointly develop and implement employment creation strategies rooted in local realities. The functions of Hello Work offices in the affected areas were also significantly strengthened as “Japan as One” offices. Additional counselors were deployed, nationwide job information was consolidated and provided, and, where necessary, employment support was integrated with housing information to offer comprehensive assistance.

### 5.6. Business Continuity and Operations

All measures outlined in Section 4.4., Table 9 have been implemented, including: (i) establishment of a special consultation desk; (ii) weekend and holiday response; (iii) nationwide requests to economic organizations for employment maintenance; and (iv) regional requests to economic organizations for employment maintenance. Following the disaster, visits to Hello Work offices in the three most affected prefectures increased sharply. To meet this surge in demand, Hello Work extended weekday operating hours and opened them on Saturdays, Sundays, and holidays. Administrative services were reinforced, and systems were enhanced to support the increased workload.

Further, the MHLW initially dispatched 160 staff members and experienced career counselors to the disaster-stricken areas within a month after the disaster. Anticipating sustained administrative demand, a nationwide support system was established, resulting in the dispatch of a total of 20,576 staff members (5,424 to Iwate, 10,403 to Miyagi, and 4,749 to Fukushima as of February 2012) from labor bureaus across the country from the second month of the disaster. This large-scale mobilization enabled the prompt and accurate processing of various operations, including job placement, employment insurance, subsidy reviews (e.g., employment adjustment subsidies), workers’ compensation benefits, and the certification of accrued wage payment projects. Concurrently, measures were implemented to minimize the burden on the regions providing staff support.

In the severely damaged coastal areas, Hello Work offices experienced a sharp increase in employment insurance-related tasks, such as the issuance of resignation and leave slips and the determination of benefit eligibility requirement. To address this emergency, offices in the disaster-affected areas, including Ofunato Station in the Iwate Bureau and Kesenuma Station in the Miyagi Bureau, where systems were down for extended period, requested assistance from Hello Work offices within the same labor bureau and nearby regions. These offices undertook critical tasks, ensuring that essential services continued despite local disruptions.

Through these coordinated efforts, labor administrative agencies were able to maintain vital employment services and support for affected populations, highlighting the importance of flexible and responsive administrative systems in times of crisis.

**Box Story: Adaptive and Flexible implementation of the benefits for unemployment payouts after the earthquake and tsunami in Iwate Prefecture, Japan**

In the immediate aftermath of the disaster, benefits from the employment insurance system were often the sole source of income for many affected individuals. Recognizing the urgency of the situation, the highest priority was placed on the prompt provision of benefits. Local staff exercised discretion in administrative decisions and paperwork, as waiting for instructions from central authorities was not feasible under these circumstances.

Following the disaster, the employment insurance information system at Hello Work Ofunato Office in Iwate Prefecture became inoperable, disrupting the usual nationwide network for managing employment insurance data. To maintain continuity of support, administrative procedures and data entry were adapted locally. Input documents were transported daily from Ofunato office to the other Iwate Prefectural Hello Work Office in Tono, where data processing was conducted the following day. This substitute data entry was facilitated by an employee commuting between Tono and Ofunato, who also managed the transfer of documents during his commute.

Eligibility for benefits was determined based on the information provided by applicants, even in the absence of wage proof, certificates, or identification cards. The wage column on resignation slips was completed using the amounts reported by applicants, and procedures were carried out based on the trustworthiness of individuals' statements. Furthermore, procedures for issuing resignation slips, normally processed at Kesenuma Office, which was also affected by the disaster, were undertaken at Ofunato Office to ensure continuity of support between stations.

*Source: Interviews at the Employment Security Department of the Iwate Labor Bureau (April 28, 2025):*

These lessons from the Great East Japan Earthquake and Tsunami in 2011 have been applied to employment measures during subsequent emergencies, such as the Kumamoto earthquake in 2016 and the COVID-19 pandemic, and have provided valuable experience for enhancing the role and responsiveness of the employment insurance system in times of crisis.

## **6. Conclusions and Lessons Learned**

Japan has developed a robust, Multi-Layered Social Protection System designed to safeguard its population against large-scale, unexpected social and economic shocks, such as natural disasters and pandemics. This system comprises three tiers:

- Employment Insurance (first safety net): Provides income support through job applicant benefits (basic allowance) and plays a preventive role in labor market stability via employment adjustment subsidies.
- Active Labor Market Programs / Social Welfare Support (second safety net): Offers targeted assistance to individuals and households facing financial hardship.
- Public Assistance (final safety net): Serves as the last resort for those unable to maintain a minimum standard of living.

The employment insurance system is central to this architecture, ensuring both income stability for the unemployed and the preservation of jobs during crises through proactive measures.

A key strength of Japan's social protection system is its clear rules and well-established procedures during normal times, combined with the capacity for rapid and flexible activation of emergency special measures. Multiple legal frameworks are designed to work in concert, enabling the government to swiftly implement extraordinary interventions when needed. For example, during the Great East Japan Earthquake and the COVID-19 pandemic, authorities were able to quickly relax eligibility criteria for benefits for unemployment, extend benefit periods, and expand employment adjustment subsidies. These measures provided comprehensive support to affected workers and businesses, helping to prevent a sharp rise in unemployment and maintain labor market stability.

Japan's experience offers several important lessons for countries seeking to strengthen their social protection systems:

**1. Flexibility and Rapid Response of Systems During Crises**

The disaster highlighted the critical need for existing subsidy systems to be implemented swiftly and flexibly in response to unpredictable events such as large-scale disasters or economic crises. The immediate activation of special measures for employment adjustment subsidies, such as relaxing requirements and expanding support based on local conditions, rather than adhering strictly to peacetime rules, proved essential for maintaining employment. Japan's capacity to rapidly adapt policies and extend coverage during emergencies, for example, by relaxing eligibility requirements for job applicant benefits (basic allowance) and increasing subsidy amounts, was critical in mitigating the impact of large-scale shocks.

*Interview excerpt from Iwate Labour Bureau Employment Security Department: "It is important to respond without being bound by precedent, based on the situation on the ground. To put it bluntly, we should prioritize speed over attention to detail, and not lose sight of the correct priorities."*

**2. Effectiveness of Broad-Based Collaboration and Nationwide Networks**

When Hello Work offices became overwhelmed, the effectiveness of a nationwide network, enabling labor administration agencies across Japan to collaborate by dispatching support staff and assisting with tasks such as data entry, was demonstrated. This network served as a vital lifeline for maintaining administrative services by distributing the enormous workload that could not be managed by the affected areas alone.

*Interview excerpt from Iwate Labour Bureau Employment Security Department: "While we were grateful for the dispatch of support staff, arranging accommodations and transportation for them placed a heavy burden on our staff. Large-scale disasters raise issues such as what tasks support staff should handle, how to arrange accommodations, and who will assist with travel to the affected areas. Support for the departments handling these logistics is just as important as support for the front lines. Similar support staff dispatches occurred during the Kumamoto and Noto Peninsula earthquakes."*

### 3. **Inclusiveness and Coverage Expansion of the Employment Insurance System as a Safety Net**

The importance of extending support to workers not typically covered by standard employment insurance system (e.g., non-regular employees) through special measures such as emergency employment stabilization subsidies became evident. This inclusiveness is vital for protecting vulnerable groups often excluded from conventional social insurance schemes. Moreover, it allowed a great number of people to stabilize their livelihoods and pave the way toward recovery.

### 4. **Multi-Layered Employment Measures Tailored to Disaster Phases**

The layered approach, combining employment insurance, targeted support for the needy, and public assistance, ensures that individuals can receive appropriate support based on their circumstances, reducing the risk of falling through the cracks during crises. The concurrent implementation of subsidies with different objectives (such as “employment retention” through employment adjustment subsidies and “reemployment” through disaster victim employment development subsidies), demonstrates the importance of multi-faceted, layered employment measures tailored to the phase of the disaster. A phased approach, starting with protecting existing jobs and then promoting new employment to support reemployment and regional economic recovery, proved effective.

It is important to design employment measures to balance immediate stability with long-term growth, encouraging hiring during the subsidy period to avoid abrupt post-subsidy layoffs. Kamibayashi (2017) notes that while employment adjustment subsidies in Japan maintain employment during economic distress, they may suppress hiring. The study, covering 2008-2013, shows that establishments receiving subsidies experience significant layoffs post-subsidy but later hire more aggressively, increasing net employment growth. This suggests subsidies maintain employment but also suppress hiring.

Drawing on Japan’s experience and World Bank evidence, the following recommendations are offered for countries developing or reforming their social protection systems:

#### **1. Establish Clear Legal Frameworks for Emergency Response:**

Countries should design social protection laws and regulations that explicitly allow for the rapid activation of special measures during crises, including flexible eligibility requirements and benefit adjustments. Japan’s experience, particularly during the Great East Japan Earthquake and the COVID-19 pandemic, demonstrates the effectiveness of having multiple legal frameworks (such as the Employment Insurance Act, Severe Disaster Act, and Disaster Relief Act) that can be swiftly invoked to relax eligibility criteria for various benefits from the employment insurance system, extend benefit periods, and expand employment adjustment subsidies. This proactive legal preparedness ensures that the system can adapt quickly to unforeseen large-scale shocks, providing timely support to affected populations.

## **2. Build Strong Administrative Networks:**

Investment in nationwide coordination mechanisms is crucial to mobilize resources and personnel efficiently during emergencies. Japan's "Hello Work" offices, despite being fewer in number compared to local governments, effectively collaborate with municipalities and leverage a nationwide support system. During the Great East Japan Earthquake, the Ministry of Health, Labour and Welfare dispatched thousands of staff members across the country to assist affected areas, demonstrating how a robust, interconnected administrative network can maintain vital employment services and distribute overwhelming workloads, ensuring continuity of support even when local offices are incapacitated.

## **3. Expand Coverage to Vulnerable Groups during crisis:**

Social insurance schemes should be designed to include non-regular workers, part-time employees, and other vulnerable populations, especially during crisis. Japan's experience, particularly with the "severe disaster exception" during disasters, allowed individuals who would not officially qualify for benefits from the employment insurance system (such as those on temporary leave due to business suspension) to receive support. The expansion of the Employment Adjustment Subsidy during COVID-19 to cover part-time workers also highlights the importance of inclusiveness to protect vulnerable groups often excluded from standard social insurance schemes, thereby stabilizing livelihoods and promoting recovery.

## **4. Ensure Financing Sustainability and Flexibility:**

Countries should establish robust and flexible financing mechanisms to guarantee the sustainability of social protection programs during both normal times and crises. Japan's employment insurance system is financed through a combination of contributions from employers, employees and the government, with premium rates that can be adjusted based on the reserve fund balance. During large-scale disasters or economic crisis, the national treasury provides additional support, ensuring that resources are available to meet increased demand for benefits and subsidies. This dual approach, combining contributory financing with government backing, enables the system to remain solvent and responsive even under severe stress.

## **5. Simplify Enrollment and Delivery Systems:**

Streamlining administrative procedures and leveraging technology can significantly facilitate access to social protection benefits, particularly for small businesses and marginalized groups. While Japan traditionally relied on in-person applications at Hello Work offices, the report notes a shift towards electronic applications through e-GOV and integration with the My Number Card (National ID system). This modernization, coupled with flexible certification procedures (such as mail or telephone certification) and simplified documentation during the Great East Japan Earthquake, demonstrates how reducing bureaucratic hurdles can ensure more people receive timely support during crises.

## **6. Promote Continuous Learning and Adaptation:**

Fostering a culture of institutional learning, regularly reviewing policies, and updating systems are essential to reflect changing social and economic conditions. This is exemplified by Japan's application of lessons learned from the Great East Japan Earthquake and the Global Financial Crisis to its COVID-19 response, particularly in expanding the Employment Adjustment Subsidy. The report emphasizes

the importance of adapting rules and extending coverage based on local conditions rather than strictly adhering to peacetime rules, highlighting a pragmatic approach to policy evolution.

#### **7. Integrate Social Protection with Disaster Risk Management:**

Social protection programs should be linked with broader disaster risk management strategies to enhance resilience and ensure rapid support for affected populations. Japan's multi-layered social protection system, which includes employment insurance as a first layer, is designed to buffer populations against shocks. The use of employment insurance not only for job loss but also for disaster response, through measures like the Employment Adjustment Subsidy, demonstrates how social protection can be a critical component of a comprehensive disaster response framework, helping to maintain employment and stabilize livelihoods during and after catastrophic events.

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## Annex-1: Basic Concepts and Objectives of Japan's Social Security (Protection) System

The significant development of Japan's social protection system can be traced back to the post-World War II era, following the promulgation of Article 25 of the Japanese Constitution. This article declares the right of all citizens to "maintain the minimum standards of wholesome and cultured living" and mandates the state to "strive to promote and improve social welfare, social security, and public health in all aspects of life," thereby advocating the right to life both domestically and internationally.

In 1950, the Social Security System Council defined the social security system in its "Recommendations on the Social Security System" as follows: "The social security system is designed to provide economic security through insurance methods or direct public burden against causes of distress such as illness, injury, childbirth, disability, death, old age, unemployment, multiple children, and other causes of poverty. It ensures a minimum standard of living for those who fall into economic hardship through state assistance, while aiming to improve public health and social welfare, enabling all citizens to live lives worthy of members of a cultured society." "The responsibility for such life security lies with the government. The government must establish comprehensive plans and implement them democratically and efficiently through the government and public organizations. This system must, of course, target all citizens and adhere to the principles of fairness and equal opportunity. It must also maintain a standard that ensures a healthy and cultured lifestyle. As the state assumes this responsibility, citizens must also respond accordingly, fulfilling the necessary social obligations to maintain and operate this system based on the spirit of social solidarity."

The framework of Japan's social protection system has developed based on the above concepts. The purpose of social protection is to ensure a healthy and secure life for citizens when their life stability is compromised. In recent years, social protection is generally defined as "providing benefits to support life under public responsibility, aiming to ensure a healthy and secure life for citizens when their life stability is compromised" (Social Security System Council (1993)). Specifically, it involves supporting unstable lives caused by illness, unemployment, retirement, labor accidents, etc., using various systems.

Japan's social protection system serves as a safety net supporting the "security" and "safety" of citizens' lives. It supports citizens from cradle to grave and consists of the following four components: social insurance, social welfare, public assistance, and health insurance/public health.

- **Social Insurance:** A system designed to prepare for various life risks, including illness, childbirth, death, disability, old age, and unemployment.
- **Social Welfare:** A system to support people facing difficulties in life due to various reasons, such as the elderly, disabled, children, and single-parent families, to lead independent lives.
- **Public Assistance:** A system to ensure a minimum standard of living and support self-reliance for citizens in economic hardship.
- **Health Insurance/Public Health:** A system aiming to balance advanced medical services and preventive healthcare so that citizens can live healthily.

## Annex -2: Detailed Technical Specifications of Japan's Employment System

As of June 2025, approximately 45.5 million employees, or 67 percent of the total number of employees are covered by the employment insurance in Japan.<sup>5</sup> The enrollment conditions for the employment insurance have evolved over time, expanding its coverage (Box-1). As of 2025, workers must meet the following requirements to qualify for benefits for the employment insurance system:

- Work 20 hours or more per week.<sup>6</sup>
- Have prospective employment for a minimum of 31 days.
- Have an insured period of at least 12 months within the two years prior to resignation. (For those resigning due to bankruptcy, dismissal, etc., an insured period of at least 6 months within the year before resignation is required.)
- Visit the Public Employment Security Office (Hello Work) and apply for a job.
- Be unemployed despite possessing both the will and ability to work.

### Benefits for Unemployment

There are two types of benefits for unemployment: those that directly support job seekers and those aimed at preventing workers from becoming unemployed. The former includes (1) job applicant benefits (basic allowance) and (2) employment promotion benefits, and the latter implies (3) education and training benefits and (4) employment continuation benefits.

#### i. Support for Unemployment

Although unemployment is often seen as an unpredictable contingency, it can also result from voluntary job changes. Japan's employment insurance system provides benefits not only to individuals who are involuntarily separated from their jobs but also to those who resign voluntarily. However, individuals who resign voluntarily for personal reasons face certain restrictions: there is a waiting period before benefits are received, the required insured period to qualify for benefits is longer, and the total number of days benefits are provided is shorter compared to those who lose their jobs involuntarily.

In the context of insurance for unemployed workers, "unemployment" refers not only to being without a job but also to being unable to work despite having both the desire and the ability to do so. Since assessing the "will to work" is inherently subjective and difficult to measure objectively, Hello Work (Japan's public employment service offices) evaluates job-seeking activities every four weeks during the unemployment certification process to determine whether job seekers demonstrate the willingness and ability to work. To facilitate a swift return to employment, Hello Work also provides job counseling and placement services as part of this certification process.

#### **Job applicant benefits and Employment promotion benefits:**

There are two schemes to provide eligible job seekers with benefits during periods of unemployment and to facilitate them succeeding in early reemployment.

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<sup>5</sup> The total number of employees are obtained from the Labour Force Survey, and the number of employees covered by the employment insurance are collected by MHLW.

<sup>6</sup> From October 1, 2028, the scope of employment insurance coverage will be expanded: the minimum prescribed working hours will be revised to 10 hours or more per week.

1. **Job applicant benefits (basic allowance):** The benefits cover living expenses during unemployment, allowing the job seekers to concentrate on their job search.
2. **Employment promotion benefits:** Job seekers who manage to secure early reemployment before the end of the period for job applicant benefits are eligible to receive a portion of the remaining benefits. It helps prevent moral hazard and encourages them to swiftly return to the labor market. Additionally, various allowances are available to further support and incentivize early and stable reemployment. These include the reemployment allowance, employment promotion settlement allowance, non-regular employment allowance as well as coverage for relocation expenses and job search support expenses.

### **Benefit Level (as of August 1<sup>st</sup>, 2025)<sup>7</sup>**

- Benefit rate:
  - 50~80% of pre-employment wages for those below 60 years old (calculated based on salary for 6 months before leaving work)
  - 45~80% for those over 60 years old and under 65 years old
- Daily job applicant benefits (basic allowance):
  - Lower limit JPY 2,411 (approx. USD 16) regardless of age groups
  - Upper limit JPY 4,272 – JPY 8,870 (approx. USD 28 to USD 59), depending on a job seeker's age
- Number of days of benefits:
  - Determined between 90 days and 330 days (360 days for the disabled), depending on age, period of insurance, reason for leaving the job, etc.

For example, if a worker aged between 45 and 59 years with a daily wage between JPY 13,140 and JPY 17,740 (approx. USD 88 and USD 118) loses his or her job, the person is entitled to receive 50% of their pre-employment wages as a basic allowance, amounting between JPY 6,570 and JPY 8,870 (approx. USD 44 and USD 59) per day.

#### **ii. Supports for Incidents Other Than Unemployment**

Japan's employment insurance system provides benefits not only for eligible unemployed workers seeking a job, but also for other employment-related incidents. These additional benefits include education and training benefits, employment continuation benefits (such as elderly employment continuation and nursing care leave benefits).

#### **Education Training Benefits:**

These benefits support workers who undertake vocational training by covering part of the training costs. A certain percentage of the training cost is paid to individuals who are currently insured by employment insurance or who have ceased to be insured within the past year, provided that they complete education and training programs designated by MHLW. There are three types of training programs below.<sup>8</sup>

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<sup>7</sup> See the website from MHLW ([https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000160564\\_00048.html](https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000160564_00048.html)) (in Japanese).

<sup>8</sup> See the website from MHLW ([https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou\\_roudou/jinzaikaihatsu/kyouiku.html](https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou_roudou/jinzaikaihatsu/kyouiku.html)) (in Japanese).

- General education training benefits: 20% of training costs (up to JPY 100,000 [approx. USD 667] per year) are paid.
- Specified general education training benefits: 40% (up to JPY 200,000 [approx. USD 1,333] per year) are paid. If an individual obtains a qualification or similar achievement and is employed as an insured person under the employment insurance system within one year after completing the training, 50% of the training expenses will be reimbursed. This reimbursement corresponds to the difference between the benefits already received and 10% of the training expenses, up to a maximum limit of JPY 250,000.
- Specialized practical education training benefits: up to 50% (up to JPY 400,000 [approx. USD 2,667] per year) are paid. If an individual obtains a qualification or similar achievement and is employed as an insured person under the employment insurance system within one year after completing the training, 70% of the training expenses will be reimbursed. This reimbursement corresponds to the difference between the benefits already received and 20% of the training expenses, up to a maximum limit of JPY 160,000 (approx. USD 1,067). Additionally, if the wages increase by at least 5% after the training is completed, 10% of the training expenses will be reimbursed. This reimbursement corresponds to the difference between the total annual benefits already received and 80% of the training expenses, up to an annual limit of JPY 80,000 (approx. USD 533).

The Education and Training Leave Benefit was introduced on October 1, 2025. This benefit is available to employees enrolled in the employment insurance system who take an unpaid education or training leave for 30 days or more. The aim of this new benefit is to support employees in acquiring new skills through education and training while remaining employed.

#### **Continuous Employment Benefits:**

These benefits support workers in maintaining employment despite income reduction caused by changes in work circumstances, such as aging or caregiving leave, thereby helping to prevent unemployment.

- Continued Employment Benefit for Elderly Workers: This program is designed to encourage elderly workers to remain employed until the age of 65. It provides benefits to workers eligible for the employment insurance system who are aged 60 to under 65 and employed with wages reduced to less than 75% of what they earned at the time when they turned 60.
- Nursing Care Leave Benefit: This is a financial benefit under the Employment Insurance system designed to compensate employees who temporarily stop working to provide constant care for an eligible family member (e.g., a parent or spouse). If employees eligible for the employment insurance system takes nursing care leave, 67% of their daily wage prior to the leave is provided (which can be divided into three installments) for up to 93 days.

#### **Job Seeker Support System**

As mentioned in the Section 2, the Job Seeker Support System, which includes the second layer of the social protection programs, is part of the Employment Insurance System. The system provides free vocational training and a monthly living support allowance of JPY 100,000 (approx. USD 667) to job seekers who are not eligible for regular employment insurance. The objective of this system is not only to assist those job seekers with living expenses but also to encourage them to acquire new vocational

skills and regular employment, thereby reducing the risk of reliance on welfare. The cost for the Job Seeker Support System is shared equally by labor, management and government funding.

#### Childcare Leave Benefits

These benefits help workers maintain employment while taking childcare leave, contributing to stability in both employment and daily life. Following the 2020 revision, childcare leave benefits are now positioned separately from employment continuation benefits. In addition, starting from April 2025, two new benefits were introduced: post-childbirth leave benefits and shortened working hours benefits. These measures are part of effort to address the declining birthrate.

#### Two-program: The Two Employment Insurance Projects

Japan's employment insurance system extends beyond providing the unemployed with benefits to support their lives; it also includes ancillary projects aimed at preventing and reducing unemployment. These projects are designed to address changes in industrial structure, economic fluctuations, and evolving social trends, ensuring stable and favorable employment conditions for workers. While job applicant benefits (basic allowance) primarily support eligible workers who have lost their jobs, these ancillary projects focus on supporting firms (employers) in maintaining employment and developing their workforce. Consequently, only firms are responsible for bearing insurance premiums associated with these projects.

The two main ancillary projects are:

1. **Employment Stabilization Program**
2. **Human Resource Development Program**

**The Employment Stabilization Program** aims to prevent unemployment caused by economic fluctuations and changes in the industrial structure while promoting increased employment opportunities. Its primary initiative is to provide subsidies to employers, known as employment adjustment subsidies. These subsidies cover part of the allowance and wages paid to employees who are forced to take leave, undergo education and training, or be seconded due to reduced business activities caused by economic downturns and other factors. While employers are the recipients of these subsidies, the funds ultimately benefit employees by supporting their livelihoods during the leaves of absence requested by their employers. This initiative helps businesses retain their workforce and avoid resorting to layoffs, thereby promoting stability in employment.

The following are requirements for receiving the subsidies:

- The employer must be enrolled in the employment insurance system.
- Indicators of business activity, such as production and sales, must have decreased by more than 10% over the past three months compared to the same period in the previous year.
- The monthly average numbers of eligible employees and temporary workers for the most recent three months must not have increased by more than 10% and more than 4 persons for small and medium-sized firms, or more than 5% and more than 6 persons for large-sized firms, compared to the same period in the previous year.
- Employment adjustment should be implemented as follows.
  - Leave of absence: Leave must be applied for the entire duration of a scheduled working day as stipulated in an agreement between labor and management.

Alternatively, it can be implemented for specific employees at an establishment for more than one hour.

- Education and training: In addition to meeting the same standards as for leave of absence, the educational content must aim to develop and improve knowledge and skills relevant to the current occupation. A report from the participant must also be submitted.
- Secondment: The secondment must begin within the eligible subsidy period, last for a duration of 3 months to 1 year, and employees must return to their original position after the secondment ends.
- Generally, employers who previously received an employment adjustment subsidy must wait at least for 1 year before applying for the subsidy again.

The benefits that eligible employees receive are determined based on the following:

- For leave of absence: The amount is calculated based on the leave allowance paid by the employer, multiplied by the subsidy rate outlined in Table 8.
- For education and training: The benefit is calculated based on the employer’s wage burden, multiplied by the same subsidy rate, with an additional daily allowance per eligible employee.

Eligible employees can receive benefits for leave of absence or education and training for up to 100 days within one year from the start date and up to 150 days within three years. For secondment, benefits are provided for the duration of the secondment period, up to one year.

*Table 8 Employment adjustment subsidies by company size*

Company Size	Subsidy Rate	Education and Training Benefit Amount
Small and Medium Enterprises	2/3	JPY 1,200 (approx. USD 8)
Large Enterprises	1/2	JPY 1,200 (approx. USD 8)

Note: Subsidy rate may be reduced, and the education and training benefit may be increased depending on the implementation rate of the education and training during the leave

Source : Prepared by the author using information from MHLW

**Human Resource Development Program** aims to enhance employees' professional skills and support career development as per request from employers. The primary initiative is the human resource development support subsidy, which covers a portion of the training expenses and wages during the training period when the employer systematically implements vocational training for employees. This subsidy supports various types of training such as Off-JT (off-site training) and OJT (on-the-job training).

#### Financing Employment Insurance System

Japan’s employment insurance system is primarily funded through premiums paid by both insured employees and their employers (Figure 4). In addition, the government also plays a significant role in contributing to a portion of the benefit costs and administrative expenses. Because unemployment is not just a private risk but also a matter of public policy, the government assumes shared responsibility for funding and oversight. This arrangement ensures the system’s ability to respond effectively to economic shocks and structural changes in the labor market. The system is designed to strike a balance

between individual and corporate responsibility, with varying premium rates and cost-sharing structures, depending on the type of benefit or program.

### **Job applicant benefits (basic Allowance) + Childcare Leave benefits (effective in FY2025)**

- Premium Rate for employees: 0.55% of wages (5.5/1000)
- Premium rate for employers: 0.55% of wages (5.5/1000)
- Cost Sharing: The premium is split between the worker and the employer. Government subsidies are added.

### **Two-Program (for Employment)**

- Premium Rate for employees: 0.35% of wages (3.5/1000)
- Cost Sharing: The costs are borne entirely by employers. Because these programs are often initiated by corporate actions (such as wage practices or employment adjustments), and firms directly benefit from them, only employers pay the premiums for these programs.

### **Institutional Arrangements <sup>9</sup>**

Japan's Employment Insurance System is managed by the Ministry of Health, Labour and Welfare (MHLW). Each of 47 prefectures has a Prefectural Labour Bureau, within which the Employment Security Division supervises the Public Employment Security Offices, commonly known as "Hello Work." These Hello Work offices serve as the frontline of Japan's employment insurance system. Currently, there are 544 Hello Work offices nationwide, averaging approximately 11 to 12 offices per prefecture. By contrast, there are 1,741 local governments (municipalities) as of October 1, 2024, indicating that the number of Hello Work offices is relatively limited. To address this issue, Hello Work offices collaborate closely with local governments to ensure that residents have access to the services.

Hello Work offices offer integrated services across three key areas: job placement, employment insurance, and employment measures, including guidance and support for firms. This comprehensive approach enhances the effectiveness of support for individuals struggling to secure employment. The primary functions of Hello Work include managing employment insurance, such as unemployment certification and benefit payments; assisting job seekers; implementing employment measures for businesses; and providing job placement services. Specifically, Hello Work offices:

- Facilitate job matching between job seekers and employers;
- Administer benefit payments for the unemployed under the employment insurance scheme;
- Provide vocational training to promote reemployment;
- Offer consultation services regarding working conditions and workplace environments;
- Deliver regionally tailored services based on local employment conditions.

In numerous municipalities, Hello Work has established employment cooperation agreements with 317 local governments, facilitating joint operations at integrated facilities. At these locations, Hello Work's free job placement services are offered alongside welfare and other services provided by local governments, creating a one-stop service model through national-local collaboration. Additionally,

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<sup>9</sup> <https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/0000054084.html>  
<https://www.mhlw.go.jp/content/000935626.pdf>

Hello Work shares its job vacancy information online with local governments, strengthening local employment initiatives and delivering community-based employment support.

Although Hello Work offices operate with fewer staff compared to major countries such as Germany and France, they have focused on improving services through system modernization and by implementing the PDCA (Plan-Do-Check-Act) cycle to evaluate and enhance performance across all offices (Table 9). As of April 1, 2025, Hello Work offices employ 10,466 staff members and 18,140 counselors. In terms of the number of staff relative to the labor force and unemployed population, Japan's Hello Work offices operate with a significantly smaller workforce compared to their European counterparts.

Table 9 Comparison of Number of staff and unemployment incidence across countries

Institution name	Number of offices	Number of Staff	Labor Force (Thousands)	Labor Force per Staff Member	Labor Force per Institution	Number of Unemployed (Thousands)	Unemployed per Staff Member	Unemployed per Institution	Unemployment Rate (%)
United Kingdom Employment Service (Note 2)	778	-	34,551	-	44,410	1,393	-	1,790	4.0
France Public Employment Service (France Travail) (Note 3)	896	59,191	30,576	517	34,125	2,234	38	2,493	7.3
United States State Employment Agencies (Note 4)	2254	-	167,116	-	74,142	6,080	-	2,697	3.6
Sweden Employment Service (Employment Agency) (Note 5)	Approx .300	10,560	5,710	541	19,933	440	42	1,467	7.7
Germany Federal Employment Agency	Approx .755	88,800 (95,100)	43,905	494 (462)	58,152	1,376	15 (14)	1,823	3.1
Japan Public Employment Service	544	10,330 (28,923)	69,252	6,704 (2,394)	126,873	1,783	173 (62)	3,296	2.6

(Note 1) Numbers in parentheses in the columns for "Number of Staff," "Labor Force per Staff Member," and "Unemployed per Staff Member" include temporary staff.

(Note 2) The number of institutions includes 144 temporary job centers (as of July 2023). The number of staff members in public employment service agencies alone is unknown.

(Note 3) The number of staff members does not include temporary staff, and excludes volunteers (*Volontaires en Service civique*).

(Note 4) Since employment introduction services are provided at the state level, the total number of staff members is unknown.

(Note 5) The number of institutions includes 111 appointment-based employment service offices, as well as national service centers (142 locations) and municipal facilities that provide employment introduction services through contracts with employment agencies. The number of staff members excludes those engaged in employment introduction at national service centers and municipal facilities, and the number of temporary staff is unknown.

Source: Compiled by the MHLW based on OECD data and various statistical reports from national homepages. (Note: Data for France and Germany are as of 2022. Data for Sweden and Japan are as of 2024. Other data are as of 2023.)

### Delivery system and Information System

The employment insurance system in Japan is primarily administered by Hello Work offices, which manage all procedures from registration to benefit payment. The detailed mechanics of this operational framework, including certification requirements and penalties, are based on MHLW guidance and procedures (MHLW, 2025a). The system's reliable delivery is underpinned by a unified national network and modern IT infrastructure.

The government, comprising the MHLW, Prefectural Labour Bureaus, and Hello Work offices, operates a unified employment insurance management system. This centralized system enables comprehensive data management, which is crucial for preventing overlapping benefit payments, such as simultaneous receipt of employer subsidies and basic allowance for the unemployed.

In recent years, the system has adopted digital tools to streamline procedures (MHLW, 2025b):

- e-GOV Portal: Employers submit necessary documents, such as separation notices, through this comprehensive government online service.
- My Number Card Integration: For individual insured persons, integration with Japan's National ID system (My Number Card) enables them to access separation notices needed for job seekers benefits via the My Portal online platform.

Under Japan's unemployment insurance, benefits begin after separation from employment and registration as a job seeker at a Hello Work office (Figure 7). A mandatory seven-day waiting period applies from the date eligibility is confirmed, during which no allowance is paid. For those who resign without just cause, an additional restriction period starts after the waiting period. This typically lasts one to three months, one month for resignations on or after April 1, 2025, and up to three months for cases involving serious misconduct or repeated unjustified resignations (three or more within five years).

To receive payments, claimants must attend a scheduled Certification Day at Hello Work, usually every four weeks, and certify compliance with the statutory conditions. They must demonstrate active job search: at least two job-seeking activities per certification period in general, and at least three during the restriction period and the first period thereafter. Valid activities include submitting job applications, receiving counseling or referrals at Hello Work, and attending approved courses or seminars; browsing job ads or informal networking does not qualify. On Certification Day, claimants submit the Unemployment Certification Declaration Form, reporting any work or income and detailing their job-search activities.

Following successful certification, the basic allowance is typically transferred to the designated bank account about one week after Certification Day. If the claimant secures stable employment, they must notify Hello Work, generally by moving Certification Day to the day before work starts. Individuals who return to work with a sufficient number of unused benefit days may be eligible for a lump-sum payment, such as the Re-employment Allowance.

To protect program integrity, strict sanctions apply to false reporting or failure to declare work. Consequences include permanent suspension of future benefits, repayment of improperly received amounts, an additional penalty of up to twice the fraudulent amount (total liability up to three times), and, in severe cases, criminal prosecution.

Figure 7 Flow of Employment Insurance Application and Job applicant benefits (handled by Hello Work)



Source: Prepared by the author using information from MHLW

### Annex -3: Case Study: COVID-19

Although this report primarily focuses on the effect of natural hazard on employment through the employment insurance system, it also examines the effect of the COVID-19 pandemic due to its unprecedented nationwide economic shock on employment. Unlike most disasters, which typically affect specific regions, COVID-19 had a nationwide impact, necessitating extraordinary, and wide-reaching policy measures. Notably, the policy approach during COVID-19 differed from disaster recovery efforts: rather than promoting employment, the government actively encouraged business closures and work stoppages to contain the virus. Nevertheless, Japan’s employment insurance system’s response to this nationwide crisis provides valuable insights.

The economic damage inflicted by COVID-19 led to a rapid contraction in business activity, surpassing even the impact of the Global Financial Crisis. However, as illustrated in Figure 8, the increase in the unemployment rate during the COVID-19 pandemic was more moderate than during the Global Financial Crisis. This was largely attributable to the expansion of employment insurance system, particularly through the "employment adjustment subsidy" facilitated by special measures within the employment stability program.

Figure 8 Unemployment rate in Japan (2006-2024)



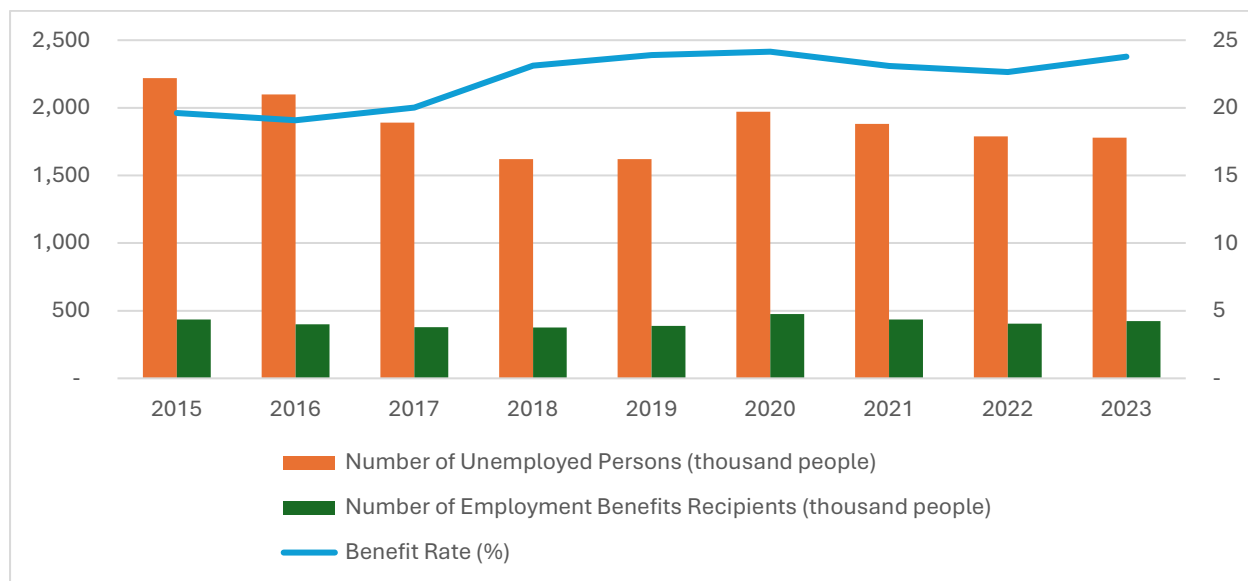
Source : FRED Federal Reserve Economic Data (<https://fred.stlouisfed.org/series/LRUN64TTJPM156S>)

#### iii. Special Measures for Workers

Under the “Act on Special Measures for Pandemic Influenza and New Infectious Diseases” (April 2020–March 2023) the designated areas were not limited to specific disaster-affected regions, as seen in severe disasters, but rather spread nationwide. As a result, all workplaces and workers nationwide were included in the scope of the measures. Even if workers voluntarily resigned for personal reasons to prevent the spread of the infection or avoid the risk of severe illness, they were treated as “workers with specific reasons for resignation” and were eligible to receive job applicant benefits (basic allowance). For those unable to receive leave pay, the “COVID-19 Infection-Related Leave Support Grant” was established to provide up to 80% of pre-leave wages (with a monthly cap of JPY 330,000 [approx. USD 2,200]). As the impact of the COVID-19 pandemic on employment worsened and workers' job searches prolonged, the duration of job applicant benefits (basic allowance) was extended by 60 days as a general rule.

When looking at the average annual percentage of completely unemployed people who actually received benefits for unemployment, Figure 9 shows that this percentage rose from about 20% in normal times to about 24% during the COVID-19 pandemic. In 2020, the economy experienced severe damage from the COVID-19 pandemic, resulting in approximately 350,000 more completely unemployed individuals than the previous year. Additionally, since the actual number of recipients of unemployment benefits increased by approximately 89,000, the recipient rate calculated using the marginal concept was approximately 25.3%.

Figure 9 Number of Unemployed Persons and Number of Unemployment Benefits Recipients



Source : Prepared by the author using information from MHLW(2024)

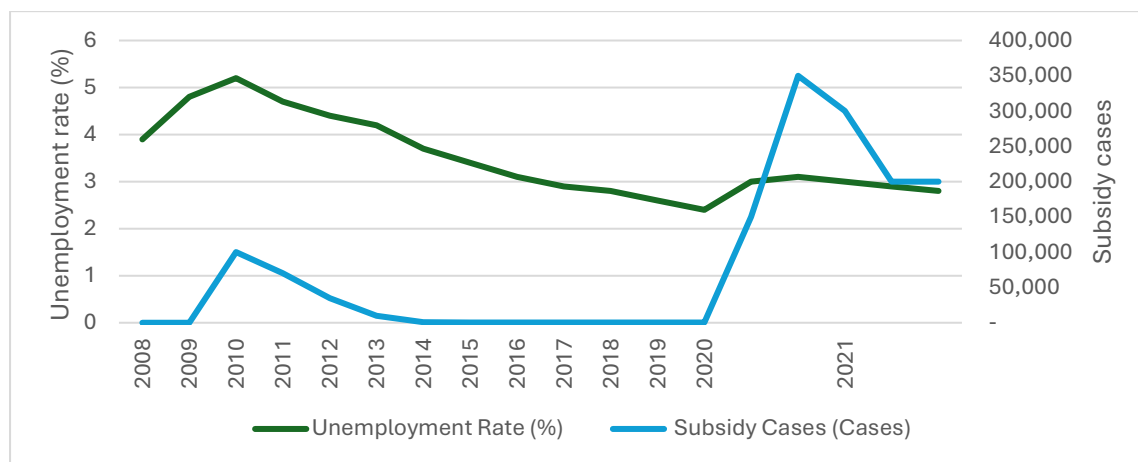
#### iv. Special Measures for Employers

In response to the COVID-19 pandemic, Japan significantly expanded the Employment Adjustment Subsidy, a key component of its employment insurance system. Under the “Special Measures for Novel Coronavirus Infection,” eligibility was relaxed and subsidy rates increased, surpassing those introduced during previous crises such as the Global Financial Crisis. From February 2020 to March 2023, the maximum daily subsidy was raised to JPY15,000 (approx. USD 1,000) at the peak, with a 100 percent subsidy rate for employers who maintained employment without layoffs. Coverage was also extended to part-time employees insured for less than 20 hours per week. Additionally, premium payments could be deferred for up to one year for employers experiencing a 20 percent or greater decline in business income.

The impact of these measures was significant. According to Murase (2023), the expanded Employment Adjustment Subsidy preserved approximately 1.1 million jobs in fiscal year 2020 and 890,000 jobs in fiscal year 2021. The unemployment rate was estimated to be 1.6 percentage points lower in 2020 and 1.3 percentage points lower in 2021 than it would have been without the subsidy. Figure 10 shows that, during the pandemic, the number of subsidy cases and payments surged, peaking at nearly 350,000 cases in October 2020 and over JPY 510 billion in August 2020. In comparison, the unemployment rate increase during the COVID-19 pandemic was limited to 0.7 percentage points, far less than the 1.5 percentage point rise seen during the Global Financial Crisis.

Historically, special measures for the Employment Adjustment Subsidy were also implemented during the Global Financial Crisis and the Great East Japan Earthquake, but the scale of support during COVID-19 was unprecedented. While the number of furloughed workers typically fluctuated between 1 and 2 million, it surged to nearly 6 million in April 2020, with subsidy payments increasing in tandem. As of November 2020, the approval rate for the Employment Adjustment Subsidy applications was 95.2 percent, reflecting the government’s commitment to rapid and broad support. The temporary layoff support grant, introduced as an additional measure, achieved an approval rate of 88.3 percent.

Figure 10 Number of employment adjustment subsidy payments and key variables (unemployment rate and number of unemployed workers)



Source : Japan Institute for Labour Policy and Training (2023)

Recent research by the Japan Institute for Labour Policy and Training (JILPT, 2025) provides a nuanced evaluation of the special measures implemented during the COVID-19 pandemic. Using administrative data and survey results, JILPT found that the Employment Adjustment Subsidy had a significant effect on employment retention in the initial phase of the pandemic, with survival probabilities for jobs reaching 85–90 percent. However, the effectiveness of the subsidy diminished as the payment period was extended, indicating that prolonged reliance on the scheme may reduce its impact. The benefits of education and training programs linked to the subsidy were also concentrated in the early stages of the pandemic, with limited effects observed later. Furthermore, the Emergency Employment Security Grant was found to be less effective than the Employment Adjustment Subsidy, particularly among small enterprises, highlighting challenges in reaching and supporting smaller businesses.

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## ABSTRACT

This paper examines how Japan's employment insurance system adapts to protect jobs and support workers during disasters, offering insights into the design of adaptive social protection systems. The analysis is set against the backdrop of an increasing frequency of disasters and the need for social protection responses to crises to go beyond the traditional use of social assistance. Japan's multi-layered social protection framework uses employment insurance as a primary defense to protect people from crises with a dual support mechanism: unemployment benefits (basic allowance) for displaced workers and employment adjustment subsidies to help employers retain staff during crises. A case study of the 2011 Great East Japan Earthquake illustrates the system's effectiveness. About 51% of the unemployed in the three most affected prefectures received basic allowance benefits. Meanwhile, the Employment Adjustment Subsidies program prevented an estimated 300,000 to 400,000 job losses, demonstrating the critical value of job retention mechanisms. The paper concludes with actionable recommendations for other countries: First, embed flexibility into legal frameworks for rapid crisis response. Second, build strong, coordinated administrative networks. Third, design inclusive programs for vulnerable workers. Fourth, ensure sustainable financing through contributory schemes with government backstops. Japan's experience demonstrates that a well-designed social insurance system can enhance the foundation of disaster resilience.

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## KEYWORDS

Adaptive Social Protection, Disaster Risk Management, Unemployment Insurance, Job Retention, Natural Hazard, Climate Adaptation

