



## Labor Update No.10 June, 2017

*This bulletin contains information on law changes that have either passed, or are being discussed, in parliament, court decisions, and other labor issues in Japan that are of interest to activists.*

### **1. Proposed new university test: private certificate exam to be used for English**

On May 16, the Ministry of Education released a proposed implementation plan and sample problems for the new “Common Test for University Entrance” (provisional name) that is to replace the National Center Test for University Admission in 2020. The plan features the use of a private certification exam for English.

Two plans were presented: a plan A, in which the English test will be completely replaced in 2020 by a private exam, and a plan B, in which the current type of test will continue in use alongside the private exam until 2023. This will be narrowed down to one plan before the end of June.

In addition to reading and listening, the new English test will also give marks for writing and speaking. Out of ten types of test, such as the EIKEN Test in Practical English Proficiency (EIKEN) and TOEIC, those that meet the standards set by the National Center for University Entrance Examination will be selected as “accredited tests”. Students in their final year of high school will be able to take the test twice between April and December, with the higher of their two scores being counted.

But if a private exam is introduced, can test-taking opportunities and fair evaluation be guaranteed? This will be a point of contention. There are major differences among the various private exams in terms of times administered per year, number of places to sit the exam, fees etc. It will be necessary to take measures to ensure test-takers do not see their opportunities narrow depending on where they live or on their family’s economic circumstances.

Proposed implementation plan and sample problems for “Common Test for University Entrance” (provisional name) linked below (in Japanese).

<http://bit.ly/2rgPbi5>

### **2. Bank of Tokyo Mitsubishi UFJ moves to give the same meal subsidy to regular and contract employees**

Bank of Tokyo Mitsubishi UFJ has finalized a plan to make bank employees’ meal subsidies the same for regular employees and contract employees. This is part of a

broader effort to make their conditions more alike.

Management communicated their intentions to the union on the 19<sup>th</sup>. When employees eat their lunch at the cafeteria of a main bank or branch, regular employees get a subsidy of up to 3500 yen per month, but this did not cover contract employees. From now on they will be provided with the same amount as regular employees. At workplaces that have no cafeteria, both regular and contract employees got subsidies, but there was a large disparity between the amounts. From now on they will be set to the same standard.

Bank of Tokyo Mitsubishi UFJ has 35,00 regular employees. There are approximately 9000 contract employees, who work at bank windows or do office work. Although they often have their meals together at work, the subsidy amounts were different, and there were calls to improve this state of affairs. Under the proposed “equal pay for equal work” guidelines the Government is aiming to put into effect in 2019, it is clearly indicated that regular and irregular employees should be given the same meal allowances.

### **3. Panasonic to hire “area-limited employees” at 12 factories: the goal is 600 to secure enough labor, with a path to full regular employment**

Panasonic is about to begin hiring “area-limited employees” to work at for the household appliance division at factories within Japan. They will be hired at first on two-and-a-half-year limited-term contracts, and after that will switch to unlimited-term and be able to work until retirement age (60). Up until now, there have not been enough regular employees to do factory labor, so the difference was made up with dispatch workers. With personnel shortages getting worse, they are planning to ensure a supply of labor.

These area-limited employees will be hired in stages at twelve factories. They will not be transferred to other locations. The limited employees will be on a monthly salary, and the idea is to make most of their benefits and allowances, etc., the same as those of the company’s regular employees. Details regarding whether or not they will receive bonuses, regular pay raises, etc., are yet to be finalized. Last Autumn, two factories in Hyogo Prefecture were the first to begin the hiring. The company aims to hire 600 of these employees by the end of March, 2019. Those currently working as dispatch workers in these factories will be able, if they wish and if the dispatch company agrees, to become area-limited employees of the same factory where they already work. For area-limited employees who do good work, the company will create a path for promotion to regular employment.

Yamagata Factory (Tendo City, Yamagata Prefecture)  
Utsunomiya Factory (Utsunomiya City)  
Ooizumi Factory (Ooizumi City, Gunma Prefecture)  
Fukuroi Factory (Fukuroi City, Shizuoka Prefecture)  
Hikone Factory (Hikone City, Shiga Prefecture)  
Kusatsu Factory (Kusatsu City, Shiga Prefecture)

Youkaichi Factory (Higashi Omi City, Shiga Prefecture)  
Kobe Factory (Nishi Ward, Kobe City)  
Kato Factory (Kato City, Hyogo Prefecture)  
Nara Factory (Yamato Koriyama City, Nara Prefecture)  
Fukuoka Factory (Hakata Ward, Fukuoka City)  
Saga Factory (Tosu City, Saga Prefecture)

#### **4. One out of three lay-judge candidates absent: influence from increase in trial length, employment situations--Supreme Court, 8 years after introduction of system**

In the lay-judge system, which on the 21<sup>st</sup> will mark eight years since its adoption, the Supreme Court has found that the attendance rate of candidates summoned for the selection procedure fell to 64.8% last year. In other words, one in every three candidates is absent. The Supreme Court has heard the analysis from a private organization that “the length of trials and the increase in irregular employment are likely to be having an influence”, and will consider measures to solve the problem.

Lay-judge candidates are picked randomly from the electoral register. Then those who are further chosen by lot for each individual court case are summoned to the selection procedure. They may decline if they have a justifiable reason, such as being over 70 years old or having an important job. In 2009 when the system started, 53.1% of candidates claimed a justifiable reason and declined by the day of the procedure, but by 2016 this figure had risen to 64.7%. The attendance rate at the selection procedure had fallen from 83.9% to 64.8%.

Seeing this state of affairs, the Supreme Court for the first time commissioned an analysis of the causes of the drop in attendance rate, etc., from a private consulting company. They made an examination based on a questionnaire survey of 5000 people, carried out in January and February of this year, and various statistical data. It was found that the average planned length of trial, which was 3.4 days in 2009, had grown to 6.1 days by 2016, and that the number of people declining tended to go up when trials got longer. The increasing number of irregularly-employed workers, who according to the questionnaire showed lower desire to participate than regular employees did, was also found to have an “undeniable” influence.

#### **5. Switching to unlimited contracts after 5 years on the job: over 80 percent of “irregulars” unaware of system**

Regarding the “unlimited conversion rule”, by which irregular workers can become able to work until retirement, just like regular employees, once they have worked for over five years, a survey by a private company found on the 5<sup>th</sup> that 85.7% of irregular workers were unaware of the existence or the content of this system. The rule will begin having an effect in April of next year, with the goal of giving these workers employment security, but it has become clear that the information has not adequately percolated through to those who will be affected.

The rule was written into the amended Labor Contract Act that took effect in April, 2013. When an irregularly-employed worker has repeatedly renewed contracts at the

same company for a total of over five years, then, based on a request from the worker, they become able to have “unlimited-term employment”, with no need for contract renewals, in the same way as a regular employee. Generally, rather than make them into the type of “regular employees” who form the core of a company, most companies that have introduced the system ahead of time have opted to make these workers into “limited regular employees”, with a fixed type of job or work location.

The survey, conducted over the Internet in March, included 679 male and female part-time and contract workers, aged from their 20s to their 40s, who had worked for the same employer for six months or more. It also included 554 managers and people in charge of personnel at companies of 30 employees or more.

58.6% of the irregular workers answered that they “don’t know” of the rule, and 27.1% said they “do not fully understand” it. Only 14.3% said they “understand the content” of the rule.

On the other hand, of those on the company side, 71.7% answered that they “understand the content”. 21.5% said they “do not fully understand”, and the remainder said they “do not know”, a noticeable lack of understanding. Only 48.2% said they “already have” informed their irregular employees or explained the rule to them. 38.6% said they were “planning to”, and a whole 13.2% said they “have no plans” to do so.

## **6. Increasing hours of English in elementary school from 2018, 3<sup>rd</sup> and 4<sup>th</sup> grades to implement change in advance**

On May 26, the Ministry of Education announced that, in preparation for the expansion of elementary-school English in the next set of Curriculum Guidelines (to take effect from 2020), “we will set the two years starting in 2018 as a transition period, and begin increasing the hours of English lessons ahead of schedule”. English class will be increased by 15 koma per year for each of the third through sixth grades. To obtain the hours, schools will be allowed to take hours in exchange from “integrated learning” time.

The new Curriculum Guidelines from 2020 change the start of “foreign language activities”, meant to make children familiar with English, to 3<sup>rd</sup> grade from the current 5<sup>th</sup> grade, allotting it 35 koma per year. Also, in 5<sup>th</sup> and 6<sup>th</sup> grades it will become an official “Foreign Language” subject, complete with a textbook, and class hours will be doubled to 70 koma from the current 35.

In order to make these changes smoother, as well as to fit with the new Curriculum Guidelines for junior high schools, class hours will be increased starting next spring. In the middle grades, children will be familiarized with the alphabet and rhythm of the foreign language, while in the upper grades the plan is to teach lessons on the basics of reading, writing, and conversation in the foreign language. The Ministry is said to be currently developing teaching materials for this.

On the other hand, in order to prevent the total hours of school from increasing, the current 70 koma per year of “integrated learning” will be cut to 55, and those hours will be allowed to be used for English. According to the Education Ministry, since they cannot reduce the hours of subjects such as Japanese and arithmetic, which use textbooks and have a fixed amount of material to cover, they have judged that “the only way is for Integrated Learning, whose goals are set by each school, to become flexible”.

When the new Curriculum Guidelines take full effect starting in 2020, English class hours will increase even further, but the Ministry has not suggested any measures to cope with the increased burden in the school workplace. So it seems there will be a need to either shorten the long holidays or lengthen the hours of school per day. Teachers’ long working hours are already becoming a problem, so debate seems unavoidable.

## **7. Monetary settlement for dismissal: report says “further consideration by Labor Policy Council”**

On May 29<sup>th</sup>, the Health, Welfare and Labor Ministry’s “Review Meeting on Transparent and Fair Systems for the Solution of Labor Disputes” finalized a report regarding a “system of monetary settlement for dismissal”, in which, when a court found a worker’s dismissal to be invalid, the company could pay a certain amount of money to the worker to dismiss them. The conclusion was that “it is appropriate to continue deeper discussion at the Labor Policy Council”. The Ministry will allow for discussion including experts on the Civil Code and the Civil Proceedings Act, and intends to begin debating amendments to the Labor Contract Act and the Labor Standards Act at the Labor Policy Council within this year.

On the same date of May 29<sup>th</sup>, the Japanese Trade Union Federation (RENGO), saying that “the current labor tribunal system is working effectively, so there is no need to discuss this at the Labor Policy Council”, submitted a petition to Chief Cabinet Secretary Yoshihide Suga requesting that the system not be introduced, on grounds that “it could lead to more unfair dismissals”.

Pros and cons of the system, based on opinions from both labor and management, were attached to the report. But in regard to a need for the system, it said “from the point of view of ensuring multiple options for relief to the worker, it can be recognized to a certain extent”. Requests from the employer were said to be “not an easy problem at the current stage, but a problem for future consideration”.

Review Meeting on Transparent and Fair Systems for the Solution of Labor Disputes report (proposed) linked below (in Japanese).

<http://www.mhlw.go.jp/file/05-Shingikai-11201000-Roudoukijunkyoku-Soumuka/0000166105.pdf>

## **8. Survey of “average yearly salaries at 3,079 listed companies” as seen in the 2016 accounts: Tokyo Shoko Research Co., Ltd.**

Average yearly salaries in 2016 (January to December) at 3,079 listed companies were 6,057,000 yen, an increase of 63,000 yen compared to the previous year. The figure has increased for five years in a row. This is the first time since the survey was started in 2011 that it has reached over 6 million yen.

By industry, the highest was “finance and insurance” with 7,029,000 yen, the only industry to reach over 7 million yen. The second was “construction” with 6,719,000 yen; then “real estate” at 6,637,000 yen, followed by “electricity and gas” with 6,586,000 yen. The lowest, for the sixth year in a row, was “retail” with 5 million yen, 1.4 times lower than “finance and insurance”. “Construction” and “real estate”, performing well, have been steadily climbing up the ranks, while “electricity and gas”, which had been declining since the Great East Japan Earthquake, showed an increase for the first time.

As for average salaries at individual companies, M&A advisors GCA (21,396,000 yen) was the only one to be over 20 million yen for two years in a row. On the other hand, there were 723 companies with under 5 million yen (composition ratio 23.42%). The bipolarization of salaries at listed companies is growing.

According to the “Results of Heisei 27 [2015] Statistical Survey of the Situation of Private-Sector Salaries” published by the National Tax Agency, the national average yearly salary in 2015 was 4,204,000 yen (4,849,000 for regular employees, 1,705,000 for irregular). Between this and the figure for listed companies there is a difference of 1.4 times (1,853,000 yen). Even based only on regular workers, the difference is 1.2 times (1,208,000 yen). The government and Keidanren have requested that companies raise wages, and the salaries at listed companies have indeed steadily gone up. But the disparity between industries has expanded, while the wage inequality with small and mid-size businesses shows no sign of decreasing.

National Tax Agency “Results of Heisei 27 Statistical Survey of the Situation of Private-Sector Salaries” is linked below (in Japanese).

<http://www.nta.go.jp/kohyo/press/press/2016/minkan/>

An outline of the survey is linked below (in Japanese).

<http://www.nta.go.jp/kohyo/tokei/kokuzeicho/minkan/gaiyou/2015.htm>

## **9. Ministry of Health, Welfare and Labor to submit an overtime-limit bill to the Diet in Autumn**

The Labor Ministry’s Labor Policy Council, Labor Conditions Section, currently debating the government’s planned introduction of legal “maximum limits on overtime work, with penalties”, held a meeting on May 30. A proposed report was indicated, asking the Ministry to submit proposed amendments to the relevant laws, such as the Labor Standards Act, to the Diet soon. The section will finalize their report in early June. The Ministry of Health, Welfare and Labor will set to work on a bill, intending to submit it to the special session of the Diet this Autumn.

Labor Policy Council (Labor Conditions Section) linked below (in Japanese).

<http://www.mhlw.go.jp/stf/shingi/shingi-rousei.html?tid=126969>

## **10. Job offers-seekers ratio breaks Bubble-era record, but does not contribute to consumption**

The job offers-seekers ratio (seasonally-adjusted figure) for April, as announced by the Welfare and Labor Ministry on May 30, was 1.48. This is higher than the highest record of the “bubble” era, that of 1.46 for July of 1991.

On the other hand, the real consumption expenditure per household (of 2 or more people) in April, as announced by the Interior Ministry on the same day, was down by 1.4% compared to the same month of the previous year. This was the 14<sup>th</sup> month in a row of negative figures. Improvement in the employment situation continues failing to lead to increased consumption.

Slow growth in incomes can be pointed to as a reason. According to the Labor Ministry’s monthly labor statistics survey, real wages (growth in wages minus the effect of changes in prices) have continued to stagnate since October 2016, and in March this year they had slumped, decreasing by 0.3% compared to the same month of the previous year. In addition to the rise in consumer prices due to the high price of crude oil, the increase in low-wage part-time work is also a cause of real wages not growing.

According to the Interior Ministry’s Labor Force Survey, as of April the number of regularly-employed was 34,000,000, or 140,000 more than the same month of the previous year, while that of the irregularly-employed was 20,040,000, or 330,000 more than the same month of the previous year. Irregular employment saw a much bigger increase than regular. Amid the growing sense of labor shortage, for a while there was a move to convert irregular workers into regular, but this trend has become weaker since the start of 2017.

It seems there is a worry that this situation, where we cannot feel any economic recovery to match the improvement in employment figures, may continue for the time being.

Interior Ministry Statistics Office: Household Budget Survey (households of 2 or more) April 2017 Preliminary Report is linked below (in Japanese).

<http://www.stat.go.jp/data/kakei/sokuhou/tsuki/>

Interior Ministry Statistics Office: Labor Force Survey (basic calculation), April 2017 linked below (in Japanese).

<http://www.stat.go.jp/data/roudou/sokuhou/tsuki/index.htm>

Interior Ministry Statistics Office: Labor Force Survey (basic calculation), April 2017, outline of results linked below (in Japanese).

<http://www.stat.go.jp/data/roudou/sokuhou/tsuki/pdf/201704.pdf>

## **11. For the rectification of overlong work hours, mandatory recording of truck standby time: Ministry of Land, Infrastructure, Transport and Tourism (MLIT)**

The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) announced on May 31 that in order to improve the long working hours of truck drivers, they would make it mandatory for shipping companies to keep a record of standby time used for loading and unloading goods at the owner's warehouses, etc. These tasks, which depend on the owner's convenience, are one of the causes of truck drivers' long hours. The plan is to have an accurate picture of these hours and thereby encourage dealing with the problem, leading to improvement of the situation.

Regulations in the Motor Truck Transportation Business Act will be amended to impose this obligation starting on July 1. Owners who take excessively long will receive a warning from the Ministry based on this law.

## **12. LGBT: couple certification to begin June 1 in Sapporo. First in a designated city**

Sapporo City will inaugurate a "partnership vow system" on June 1 to officially certify sexual-minority couples (LGBT etc.) as partners. Couples that wish to do so will sign and submit a written vow, and in return the City will issue an acknowledgment and a copy of the written vow. It is the sixth example nationwide of such a system, and the first in any of the ordinance-designated cities.

According to the City, by making use of the certified vow and acknowledgment, partners will be more easily able to collect life insurance, on the procedures for moving into a home, get discounts on their mobile phone service, visit their partners in the hospital and other things which were difficult for them before.

Application is open to couples that meet certain conditions--both must be at least 20 years old, they must be Sapporo residents or have plans to move there, neither partner may have a spouse, etc. A city official will be present for the signing of the vow and other procedures, but those who wish can have this carried out in a private room away from the public eye. Applications accepted at the city's Gender Equality Division (011-211-2962).

Also starting on June 1, Sapporo City will open an "LGBT Hotline"(011-728-2216) offering telephone consultation for sexual-minority city residents every Thursday from 4-8 P.M.

Information about Sapporo City gender equality is linked below (in Japanese).

<http://www.city.sapporo.jp/shimin/danjo/>

## **13. Harmful effects of irregular employment: multiple junior high schools in Fukuoka Prefecture have no teachers for Art or Technology, so no lessons for two months**

It has come to our notice that several junior high schools in Fukuoka Prefecture have begun the new term with no teachers for Technology or Art. Even two months after the start of term some schools are still unable to find teachers, and so unable to teach

those lessons. It seems that since the number of lessons in those subjects is small, and the positions are mainly irregular employment, suitable candidates may tend to stay away. The Prefectural Board of Education claims that “as long as we can find teachers within the year, and carry out the number of lessons set in the Curriculum Guidelines, there will be no problem with students being able to move up to the next grade”. But the vacancies have become chronic these past several years, and unease is growing in the schools.

Last school year, these subjects were taught by teachers who had not passed the Teacher Employment Examination. It became clear this year too, from the March personnel change notices, that Technology teachers could not be found. Answering principals’ call, individual teachers helped in the search but ended up not finding anyone. They have been forced to fill up the class hours with Home Economics. “When will they start lessons?” Such voices can be heard from students. “Getting the necessary teachers is supposed to be the Prefectural BoE’s job” says one teacher, openly discontent. “The burden is being shifted onto us in the schools.”

Another junior high school at first had no Art teacher. Depending on the help of retirees and others, they finally found one in mid-April, but this person’s teaching license had expired. “I didn’t know it had lapsed”, the teacher said. The school had to wait over a month for the teacher’s license to be renewed.

According to the prefectural teachers’ union, similar vacancy situations have been a tendency these past few years. At one junior high, Art lessons did not start until June. Although the final exams were postponed, they were not able to be graded in time, and students’ first-term report cards had a blank space for the Art grade.

The number of lessons set by the Curriculum Guidelines is only about 1 koma per week for Art and for Technology, as compared to, for example, 4 koma weekly for English (1 koma = 50 minutes). Specialist teachers in these subjects teach fewer lessons the smaller the school, so positions tend to be irregular employment. In the end, there are more than a few cases where teachers end up having to teach at multiple schools.

School workplaces are facing an era of mass retirement, and teacher shortages continue to happen in other subjects too. Last year, in accordance with the Teaching Staff Licensing Act, the Prefectural Board of Education granted a temporary license to a non-specialist teacher at one junior high to get through the Technology lessons. One of the teachers criticizes this, saying “it’s difficult to have a proper lesson with a non-specialist in the subject”.

The Prefectural BoE Educational Personnel Division says “it seems many people avoid unstable irregular employment. From now on, we will increase regular employment, even for these types of subjects”.