



Labour Update

労組周辺動向 No. 137



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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. Law/Policy

(1) Public pension amounts to decrease by 0.4% beginning in April; starting age range to be widened

The amount of public pension benefits will be revised starting on April 1, so that the amounts for both April and May--to be paid in June--will be decreased by 0.4%. The range of ages at which one can choose to start receiving one's pension will also change; currently set at 60-70 years old, it will become 60-75.

The amount of pension benefits is adjusted every year in accordance with wages and prices. Since the average wages of those currently working went down on account of the COVID-19 pandemic, the pension amounts for fiscal 2022 will also be reduced, for the second year in a row.

The national pension (*Kokumin Nenkin*) for the self-employed (full amount) will be ¥64,816 per month, ¥259 less than the previous year; while *Kosei Nenkin*, in which com-

pany employees and public servants enroll, will be--for a standard household of two married people--¥219,593 (¥903 less than the year before).

The age to start receiving one's pension is set in principle at 65, but starting in 2022 it will become possible to postpone this until up to age 75. The later one puts this off, the more one can receive per month. If one opts to begin receiving the pension earlier (younger) than 65, the amount per month will go down. However, the rate of reduction will be cut from 0.5% to 0.4%.

The "pension system for the working elderly", under which the amount of *Kosei Nenkin* is reduced for those with a certain amount of income, will also be revised. Up until now, from 60 to 64 years old, if the sum of pension and wage income went over a limit of ¥280,000 per month, the pension amount was cut. This limit will now be raised to ¥470,000 a month, in hopes of encouraging those elderly people who wish to continue working.

(2) "Monetary settlement system for invalid firings": MHWL committee makes report

A committee of the MHWL (Ministry of Health, Welfare and Labor) has put together a report in regard to a system whereby, when a working person is fired and this is judged to be invalid, the problem could be solved by having the company pay the person a financial settlement. The report says, among other things, that "only the worker would be allowed to request this". Discussion will be carried out in the near future at a council of representatives from business and labor, including on whether or not such a system should be introduced.

According to the report, the system would be intended for cases in which either a court or a labor tribunal had judged a firing to be invalid. The worker, and only the worker, would be allowed to request a monetary settlement as a solution.

Furthermore, the calculation of the amount of "labor contract dissolution money" to be paid to the worker would be based on the person's wages up until the firing, while also taking into account such factors as their age, the number of years they had worked at the job, and the length of time until finding new employment.

The Labor Lawyers Association of Japan, a group of lawyers with expertise in labor issues, has expressed opposition to setting up such a system, saying that "It would make it easier to fire a worker, thus making employment less stable, and could also lead to relaxing the regulations on firing".

"Committee on Technical Legal Points Relating to a Financial Relief System for Invalid Firings: Report" Apr. 11, 2022 MHWL

<https://www.mhlw.go.jp/content/11201250/000925384.pdf>

2. Legal Violations/Disputes

(1) "Unfair dismissal void": clinical psychologist on *itaku* contract sues Shobi U.

A clinical psychologist who performed counseling for students at Shobi University (Bunkyo-ku, Tokyo) on a *gyomu itaku* (outsourcing) contract filed suit against the university at Tokyo District Court on April 1, claiming "my dismissal was unfair and is void". The psychologist is seeking confirmation of status, and a total of ¥6.75 million in back wages and compensation.

The plaintiff had a *gyomu itaku* contract with the university as an independent contractor, but claims that the real work conditions were those of an employee. According to a union and others, it is rare for independent contractors to claim worker status on the basis of their work style.

(2) Union vote win a "workers' uprising": discontent smolders at Amazon amid pandemic

Workers at an Amazon distribution center in New York have voted to form a union. If a union is formed there, it will be the first one at Amazon. The company has the second largest employees of any in America; close attention will be paid to how far movements there may spread in the future.

Amazon has always opposed the formation of a union. Votes have been taken at multiple centers in the past, but all have failed. For the 28 years since the company was founded, there has never been a union.

This time, votes in favor won a majority: in the background was a personnel shortage caused by the COVID-19 pandemic. With rapid increases in the number of people changing jobs in search of better pay and conditions, the number of resignations is at its highest level ever.

Furthermore, on account of increased delivery demand due to people staying home, Amazon's one-year net profit for last year was over ¥4 trillion. Last month the limit for stock buybacks was raised to ¥1 trillion. Based on documents released on the 1st, CEO Andy Jassy earned more than \$200 million (about ¥25 billion) last year. Meanwhile the workers, whose workload has grown heavier, are growing discontented at being unable to share the benefits of these huge profits.

(3) Vietnamese interns, forced to quit, protest at organization telling them to leave union

Three Vietnamese technical interns who worked at a seafood processing company in Ishinomaki, Miyagi, say that the Sendai office of the Organization for Technical Intern Training --which directs the foreign technical intern system--urged them to resign from a labor union. The union, saying this was a violation of basic labor rights, has demanded an explanation from the Organization's office. The three interns were forced by the company to quit, and joined the union to seek help. The same day, at a press conference, one of them stated that "at first, we expected the Organization to help us. But we were disappointed. We

wish to follow the laws of Japan, and keep working here in Japan for a long time”.

(4) “Same work as regular staff, with pay cut in half”: fifteen re-employed staff sue JR Kyushu

Fifteen workers re-hired by JR Kyushu after retirement have filed a lawsuit at the Fukuoka District Court, claiming that--although they do the same work as the *seishain* (full-time regular staff), their salaries and allowances have been cut, and that this amounts to an unreasonable disparity. They are demanding a total of about ¥72 million in compensation. In opening arguments held on the 12th, the company demanded the claim be dismissed, showing their intention to fight the suit.

The fifteen employees originally were *seishain* themselves, and worked for the company as conductors and train drivers. Between 2017 and 2021, they all reached the retirement age of 60, and all retired. They were re-hired by the company on limited-term contracts, but their pay was reduced to about half of what it had been before, and they lost their family allowances and home support benefits.

The plaintiffs say the contents of their work duties did not change after re-employment, and insist that the worsening of their conditions was a violation of the Part-Time and Limited-Term Labor Act, which requires “equal pay for equal work”. They are demanding payment of the difference in salary between them and the *seishain*.

(5) Citation for Toei: Overtime unpaid to *Kamen Rider* production staff-- “such a work-style cannot be thought justified”

Toei, the studio that produces the *Kamen Rider* series, has received a citation from the Central Labor Standards Inspection Office for not only making staff work longer hours than permitted by law, but not even paying them overtime rates.

Toei admits to receiving the citation, and says that the problem is “already solved”.

(6) “Shift system” workers in poverty; lawyers form group to push for legislation

With case after case where people working on a “shift system” have fallen into hardship due to not being paid leave allowances from their employers, lawyers knowledgeable about labor issues have formed a group in order to demand legislation from the government to tackle this problem.

A “shift system” is a work-style in which one can choose the times or days one works; recently many part-timers, etc., work long hours in non-regular employment.

However, according to the lawyers’ group, it is common for shifts not to be decided beforehand. Therefore, when these people lose working hours due to such things as the effects of the coronavirus pandemic, there are frequent cases where they fall into poverty due to not receiving leave payments from their employers.

Meanwhile, the Labor Standards Act has no specific indication of how to interpret leave of absence for shift workers.

For this reason, the lawyers' group will be making demands to MHWL to push legislation.

3. Situation/Statistics

(1) Ukraine's GDP shrinks by 45%; Russia in a "deep recession": World Bank predictions

The World Bank on April 10 indicated a prediction that the GDP (gross domestic product) of Ukraine will shrink by a huge 45.1% this year compared to last year, due to the military invasion by Russia. Russia, too, on account of sanctions introduced by European countries, America, and Japan among others, is predicted to fall into a "deep recession", falling by 11.2%.

In regard to Ukraine, the World Bank emphasizes that infrastructure has taken great damage from the Russian attack, and that many citizens have fled the country. The amount of economic decline "will depend on the duration and intensity of the war", it says, pointing out a strong sense of uncertainty. As for Russia, the Bank analyzes that sanctions have given a shock to trade and finance, and to business confidence. On the one hand decline in investment will continue as over 400 American companies, among others, pull out of Russia; meanwhile individual consumption will also decline due to decreased income, increasing poverty, and inflation pushing domestic demand down.

"Russian Invasion to Shrink Ukraine Economy by 45 Percent this Year" World Bank

<https://www.worldbank.org/en/news/press-release/2022/04/10/russian-invasion-to-shrink-ukraine-economy-by-45-percent-this-year>

(2) Hitachi removes minimum work hours, also makes "3 days off a week" possible

On April 11, Hitachi Ltd. announced that it would introduce a system that would remove the requirement to work a minimum number of hours on work days, as well as making it possible to have three days off per week. The idea is that by allowing for more flexible work-styles, the company can secure more diverse personnel as well as increasing productivity. Wages will not change. An agreement was made on this with the union at *Shunto* this year; details of the system and when it will begin are yet to be finalized.

About 15,000 Hitachi employees will be eligible. Up until now, they were required to work at least 30 minutes on each of 5 or 6 working days a week. Under the new system, as long as they work their full number of hours per month, they will be able, using their own judgement, to work an increased number of hours on one day in order to secure themselves an additional day off, separately from their annual paid leave.

(3) Total worldwide COVID-19 infections top 500 million; up by 100 million over 2 months, no end in sight yet

The total number of people around the world who have been infected with COVID-19, according to statistics from Johns Hopkins University in the U.S., hit the 500 million mark on the 12th. After reaching 400 million in early February, the number has now grown by another 100 million in two months. While the pace of increase does seem to have slowed somewhat, a worldwide end to the crisis is not yet in sight.

According to the statistics by country, the nation with the largest total number of infections is the U.S., with 80.5 million. Next is India with about 43 million, then Brazil(30.2 million), France(27.4 million), and Germany(22.8 million). Japan has had approximately 7.1 million cases. The global total number of deaths is about 6.2 million.

In January of last year, approximately one year after the disease started to spread, the total infection number topped 100 million. Then in August it reached 200 million. Starting last November, when the more transmissible Omicron variant was identified, the spread of the virus accelerated, breaking 300 million in January of this year.