



Labour Update

労組周辺動向 No. 145



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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) “Disconnect between purpose and real situation”: Technical Intern system to be re-thought after international criticism

Justice Minister Furukawa, in a press conference after the Cabinet meeting of July 29, announced points of discussion for revision of the Technical Internship System. The plan is for a ministerial conference to set up an expert panel within this year, which will begin concrete discussion of revisions based on these points. The system was initiated for the purpose of giving help to developing nations, but there is a real situation of companies using these Foreign Technical Interns as cheap labor. The system has drawn criticism from other countries, and the government is hurrying to make fundamental reforms to it.

The points that were announced were: >Interns’ Japanese language ability is insufficient, making it difficult for them to communicate; >Some interns take on unfairly high debt in order to come to Japan; >The consultation and support structures offered by the managing agency, which protects interns and oversees receiving companies, are insufficient;

>What is to be done about whether interns can change jobs; among other problems.

The Technical Intern System has seen interns disappear, fleeing low-wage jobs; there have also been consultations over hosting companies' bullying and abuse of interns. According to the Justice Ministry, about 7,000 disappeared in 2021. From the start of the system until June of this year, 325 companies that took on Technical Interns have had their approval to do this revoked.

The government is also beginning revisions to the "Special Skills System", which was introduced in 2019 to allow foreign nationals to do manual labor. Unlike the "#1" qualification, which has an upper limit of 5 years' total length of stay, the "#2" type--allowing workers to bring their families and reside in the country longer--is currently only available for workers in the two fields of "construction" and "shipbuilding/ship-related industries". In order to bring in more personnel, the government is moving to consider broadening eligibility for this "#2" visa to workers in other fields as well.

(2) Minimum sees record increase of ¥31: in response to skyrocketing prices, national average now ¥961

A subcommittee of the Central Minimum Wage Council (an advisory body to the Ministry of Health, Welfare and Labor), tasked with deciding this year's guideline for the minimum hourly wage, has decided to recommend an average increase of ¥31 nationwide. Against a background of rapidly rising prices, this guideline outstrips last year's recommendation of a ¥28 raise, setting a new high record. The rate of increase was also set at a new high record, 3.3%. If minimum wages everywhere are revised in accordance with the guideline, the national average minimum wage will be ¥961 (currently ¥930). Osaka will be the third prefecture, after Tokyo and Kanagawa, to go over ¥1000.

Since 2016--with the exception of 2020, when the rate of increase was only 0.1% due to the economic slowdown caused by the pandemic--minimum wages have been raised by approximately 3% each year, in accordance with government recommendations. Up until now, the increase of 3.1% in 2016 was the highest ever. This year has broken that record.

The subcommittee referred to economic situations and prices in each region in dividing Japan's prefectures into four groups, A (six prefectures including Tokyo, Kanagawa and Osaka), B (eleven, including Ibaraki, Shizuoka and Hyogo), C (fourteen prefectures, such as Hokkaido, Tokushima and Fukuoka), and D (sixteen, such as Aomori, Ehime, and Kagoshima). A guideline was set for each group: this year the recommendation was to raise the minimum wage by ¥31 in groups A and B, and by ¥30 in groups C and D.

This fiscal year, with prices of goods rising due to Russia's invasion of Ukraine, and with a sudden fall in the strength of the yen, workers were seen to be in tight straits. Therefore, both labor and industry agreed on the need to raise the minimum wage. However, while labor demanded large raises, employers--citing high costs of materials and other pressures on their revenue--insisted on limiting the amount of the increase. Discussions had

been held by representatives of labor and industry, along with public-interest members (experts), four times by July 25, but had gone without indicating a recommendation, an unprecedented state of affairs.

In regard to recommendation of an average ¥31 increase in the minimum hourly wage, president Mimura Akio of the Japan Chamber of Commerce and Industry (JCCI) evaluated the decision positively, commenting that “there was sincere discussion, based on objective data related to prices, the trend toward raising wages, and companies’ business situations”.

However, with the increase this year being the largest ever, he also pointed out that “while the direct influence of rising prices on consumers’ lives was taken strongly into consideration, it is hard to say that the tough state of companies’ ability to pay was reflected sufficiently”.

“In Regard to the Reiwa 4 [2022] Guidelines for Revision of Minimum Wages by Region”
Aug. 2, 2022, MHWL

https://www.mhlw.go.jp/stf/newpage_27195.html

(3) “Summary of Reiwa 3 [2021] Statistical Survey of Labor Disputes”, Aug. 2, 2022, MHWL

<https://www.mhlw.go.jp/toukei/list/dl/14-r03-08.pdf>

2. Legal Violations/Disputes

(1) Overwork death recognized under new guidelines after 12 days of work in a row: manager at Softbank subsidiary

A man who died of illness, and who was employed in a management position at Softbank Technologies (a subsidiary of telecom giant Softbank now known as SB Technologies), will soon be recognized as having died due to overwork (*karoshi*), based on new industrial-accident compensation guidelines enacted last Autumn. His hours of overtime work prior to falling ill were less than the “*karoshi* line”. However, he worked twelve days in a row of “continuous work with no day off”, which was judged to have contributed to his death.

The man’s wife applied at the Labor Standards Inspection Office (LSIO) for compensation in 2019. But the LSIO did not grant recognition as an industrial accident, saying that he had not worked “long hours” in terms of the “*karoshi* line” standard (80 hours’ overtime in a month) in the time leading up to his illness. In 2020, she filed an appeal for examination.

In September of 2021, the criteria for workers’ compensation for brain and heart conditions were updated. “Continuous work with no day off” was added as a basis for judging

the burden of work duties. The Tokyo Labor Commission found that the man had worked twelve days in a row right before he died, and that the total amount of time he worked over those days was 134 hours. Thus, the Commission overturned the decision of the LSIO. The LSIO will therefore soon be issuing a decision to grant compensation.

(2) Riken layoffs: man in his 60s sues institute, says applying 10-year limit is “unfair”

In the matter of layoffs of researchers in limited-term employment at the Institute of Physical and Chemical Research (Riken, headquartered in Wako, Saitama), a man in his 60s--who works as a life-science research team leader in the Kansai region--held a press conference in Tokyo on July 28. He explained that he has filed suit against Riken at the Saitama District Court seeking confirmation of status and compensation of ¥1 million. His claim is that the layoffs are unfair.

The suit is dated the 27th. According to the complaint document, in 2011 the man became a member of research staff at Riken with an employment term of one year. This contract was then renewed each year. In April of 2022, the institute gave him notice that, because his total period under contract was going to reach the limit of ten years, his contract would not be renewed at the end of that year.

Based on a legal amendment of 2014, researchers who reach a total of ten years under limited-term contracts can apply for unlimited-term employment. However, Riken decided that, when limited-term staff members reached a total of ten years, their contracts would not be renewed. The institute amended its work rules to include this in 2016. The man claims that the ten-year total limit should be counted from 2016, when this rule was introduced, and that it is “unfair” to count back from earlier than that.

According to the Riken union, about 300 members of the research staff may lose their jobs at the end of the 2022 academic/fiscal year. The man in his press conference stated that “it is plain to see that Japan’s research power will decline. This is a national problem”. His lawyer, Mizuguchi Yosuke, explained that “for Riken to lay off everyone at once goes against the spirit of this law”.

The union has submitted a written demand for Riken to withdraw the layoffs. According to the answer received by the union on July 26, Riken intends to “abolish the contract-limit system, in order to have talented personnel contribute to us for a long time”. They will abolish it in 2023, they say, but this will not apply to those who are to be laid off at the end of this year.

3. Situation/Statistics

(1) World economy slows to 3.2% growth: inflation a burden; meanwhile Russia’s outlook revised upwards

The International Monetary Fund (IMF) released the new World Economic Outlook for July

2022 on July 26. In it, they predict that the global rate of growth will slow to 3.2%. This is even lower, by 0.4 percentage points, than the previous prediction in April, which showed a slump due to the outbreak of the crisis in Ukraine; it is the third quarter in a row that estimates have been revised downwards, after the January and April quarters of this year. The IMF, referring to increasing rates of inflation among other factors, warns that “concerns regarding an oncoming recession have increased” recently.

The global economy recorded 6.1% growth in 2021, showing some post-pandemic recovery. But the latest prediction is for this year to show only about half the amount of growth that last year had. And for 2023, the prediction is a further slowdown, to 2.9%.

The background to these predictions is inflation, which is being accelerated by rises in energy and food prices due to the war in Ukraine. In Europe and America, in order to get a handle on inflation, central banks are proceeding with monetary restraint, such as by raising interest rates. But there are worries this may slow down the economy.

All the developed countries’ growth rates are similarly slowing down. In the U.S., where consumption was sluggish in the first half of the year, the growth prediction was lowered to 2.3%, a substantial 1.4 points lower than the previous prediction. In Germany, affected by cuts in natural gas supply from Russia, the outlook was revised down by 0.9 points, down to 1.2%. In Japan too, where recovery has been slow, growth estimates were lowered by 0.7 points to 1.7%.

Meanwhile in Russia, on the other hand, though 6.0% negative growth was expected, this has been revised to reduce the amount of decline by 2.5 points. This is because oil exports are supporting Russia’s national finances. The economic sanctions imposed by Europe, America and Japan, by leading to a rise in the price of oil, have ironically benefited Russia while putting inflation pressure on their own countries.

The IMF also predicts, in regard to China--whose “zero-COVID policy”, including lockdowns, has dealt a blow to its economy--that growth will slow by 1.1 points, to 3.3%.

“World Economic Outlook, July 2022” International Monetary Fund

<https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022>

(2) Teaching careers losing popularity? Fewest ever licenses, under 200,000; junior-high and high-school see big decline

As the shortage of school teachers becomes a problem, the number of teaching licenses being granted has greatly decreased. The number of licenses conferred in the 2020 school year, announced by the Ministry of Education, Culture, Science, Technology and Sports (MEXT) in June, was 196,357 (or 7,440 fewer than the previous year). This is a new low record, and the first time since 2003 (the first year for which data is available) for this number to be under 200,000. The decline is especially pronounced for junior-high and high-school teaching licenses. MEXT believes it may be that teaching careers are becom-

ing less attractive due to widening knowledge of the issue of teachers' long work hours.

According to MEXT, the number of ordinary teaching licenses granted in 2020 was 28,187 for elementary-school teaching (146 fewer than the previous year); 44,297 for junior high school (down 1,712 year-on-year); 52,629 for high school (down 2,355); 12,300 for teaching in special-needs schools (1,094 down from the previous year); and 44,225 for kindergarten teaching (down 1,928). The number that has dropped the most since 2003 is that of high-school teaching licenses, which has decreased almost 40% from its peak of about 83,000 in 2006. Junior-high licenses also dropped by over 20% from a 2006 peak of about 58,000. Meanwhile, the number of elementary-school teaching licenses was at its lowest in 2003, then increased by about 4,000, and in recent years has been a similar number every year.

Teaching licenses are granted by prefectural boards of education to those who have completed the required courses at universities, etc., that have teacher-training programs. While licenses to teach in elementary schools are only granted by education departments, whose students are planning to become teachers, the licenses for teaching in junior-high and high schools can be granted by science, humanities and other departments. This tends to make them more easily affected by changes in the popularity of teaching as a career, as well as by the hiring situation in private industry.

The number of those applying for jobs as teachers in public schools is recently decreasing. A new low record of 26,163 people took the hiring test for high schools for the 2021 school year. For junior high schools, the number was 44,105, decreasing for the eighth year in a row. A MEXT spokesperson says that "It seems that the great decline in the number of licenses is leading to decreases in the number of applicants".