



Labour Update

労組周辺動向 No. 151



2022 - 10 - 28

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) Working situation of housekeepers and other “domestic helpers” to be surveyed: with no upper limit on hours, worries of overwork

At a press conference on the 14th, Health, Welfare and Labor Minister Kato announced a plan to conduct a survey of real working conditions for “domestic helpers” such as housekeepers.

Housekeepers and housemaids employed directly by a private household are not covered by the Labor Standards Act, and have no legal protections such as upper limits on their work hours. This has raised worries of overwork. Mr. Kato stated at the press conference that “it has been a long time since the Ministry investigated the working conditions of domestic helpers, so it will first be necessary to find out the real situation.”

The survey is planned to start before the end of October; the Ministry of Health, Welfare and Labor (MHWL) will refer to the results in beginning deliberation on steps to possibly

include amending the labor laws.

(2) National Pension (*Kokumin Nenkin*): extension of pay-in period to 45 years under consideration in order to curb decline in amounts received

In regard to the National Pension (basic pension), or *Kokumin Nenkin*, the government has begun deliberation on the idea of extending the period one pays premiums into the system--currently set at 40 years, from age 20 to 60--to 45 years, or until age 65. This means payment burdens will increase for the self-employed, and for former company employees over 60 who no longer are working. Those who continue working until 65--such as in extended employment at a company--currently already have to keep paying premiums, so the burden on these individuals will not change. In response to foreseen increase in the elderly population, and decline in the numbers of the working-age generations who support the social security system, the aim is to secure funds to help in stopping pension amounts from falling.

The Social Security Council (an advisory body to the MHWL) will begin discussion within this month. The government aims to have a conclusion in 2024, and submit amendment bills to the Diet in 2025.

(3) Hello Work to do unemployment interviews online

In regard to interviews at Hello Work, which those who lose their jobs must do in order to begin receiving unemployment insurance, the national government has decided to move forward with shifting these to an online format.

As a first step, next April, interviews will start to be conducted online for unemployed people on isolated islands. This will help to test whether there are any problems with verifying individuals' identity, or with confirming their wish to work.

(4) "The Direction of Legislation for Fair Transactions with Freelancers" 40tober 16, 2022 52nd Labor Policy Council, Employment Environment and Equal Opportunity Subcommittee

<https://www.mhlw.go.jp/content/11901000/000990642.pdf>

(5) "To all Small and Mid-size Business Owners: Starting on April 1, 2023, the Rate of Augmented Wage for Overtime Over 60 Hours Per Month will be Increased" MHWL

<https://www.mhlw.go.jp/content/000930914.pdf>

(6) Digital wages to be permitted starting next April: amendments accepted

In preparation for allowing workers' wages to be paid in "digital money" using smartphone payment apps such as PayPay or Rakuten Pay, the MHWL accepted amendments to related ministerial ordinances at a council meeting on the 26th. The amended ordinances will come into effect in April of 2023. The system is likely to begin operation in earnest once

app companies have been screened. The app accounts into which wages will be paid will have a maximum balance limit of ¥1 million; workers will be able to use these accounts directly for purchases and for sending money to their families.

“In Regard to Wage Payments to Fund-Transfer Company Accounts” Oct. 26, 2022 MHWL Labor Policy Council, Labor Conditions Subcommittee

<https://www.mhlw.go.jp/content/11201250/001005118.pdf>

(7) Premium payment period for national pensions to be extended five years, “through age 64”: national government begins deliberations in earnest

In connection with the period for paying premiums into *Kokumin Nenkin*, the national pension (basic pension) system, the MHWL has begun concrete deliberations on extending it five years from the current 40-year period (from age 20 to age 60) to a 45-year period (through age 64, until 65). The birthrate has been declining even faster than was predicted, so the goal is to avert a decline in the amount of pensions that can be received in the future. Debate will begin this month on revision to the system, with an aim to amend laws in 2025.

Public pensions are a “two-tier” system, with *Kokumin Nenkin* constituting the lower tier. Everyone living in Japan between the ages of 20 and 59 (inclusive) is meant to be enrolled, and in principle should pay into the system for 40 years. Company employees and public servants also enroll in the “second tier”, *Kosei Nenkin*, and this adds to the amount they can receive as a pension.

The premium for *Kokumin Nenkin* is currently set at ¥16,590 per month. If one pays this for 40 years, one can receive a basic pension of approximately ¥65,000 per month. If the period is extended for five more years, the payment burden on the self-employed, unemployed, and part-time (short-hours) workers, who enroll only in *Kokumin Nenkin*, will increase. However, in return, the amount they can ultimately receive will also increase. *Kosei Nenkin* premiums already have to be paid until age 70 (for those still enrolled), so for company employees who keep working past age 70, the payment burden will remain as it is.

2. Legal Violations/Disputes

(1) Illegally long hours, unfairly low overtime pay: unpaid wages to Vietnamese interns at garment company in Ehime may total ¥17.6 million

It has come to light that the Yawatahama Labor Standards Inspection Office (LSIO) is investigating possible labor-standards violations at a garment manufacturing company in Seiyo, Ehime, where Vietnamese technical interns are said to have been forced to work illegally long hours and had their overtime pay kept unfairly low. The interns claim that labor illegalities have gone on for three to four years, and that the amount of unpaid overtime totals as much as ¥17.6 million.

(2) Large-scale demonstrations in France, a few turn violent: higher wages demanded

As prices go up worldwide, large-scale demonstrations have been held in France to demand higher wages. In some places, demonstrators even became violent.

Demonstrations were held all over the country on the 18th; unionized transport and energy workers, among others, demanded raises in pay.

In France, as well as the bus and subway strikes that are still ongoing, long-term strikes at oil refineries are also continuing to cause trouble such as shortages of gasoline.

(3) "More than ¥2 million in unpaid overtime": private high school gets citation from LSIO. Current teacher says "working long hours has become widely considered normal"

It has come out that Toyo University Ushiku Junior-Senior High School (Ushiku, Ibaraki) has received a citation from Ryugasaki Labor Standards Inspection Office (Ryugasaki, same prefecture). According to the citation, the school made a teacher in his 30s work illegal amounts of overtime, and did not pay him for most of it. The citation is dated September 22.

According to Shigaku Kyoin Union (the private-school teachers' union), of which this teacher is a member, he has worked at the school as a regular (full-time) high school teacher since 2016. They say that, with leading sports clubs, preparing lessons, and other school duties, there were some months when he worked up to 94 hours of overtime. The school has a labor agreement (a "3-6 agreement") setting a maximum limit of 19 hours per month of overtime.

The school paid approximately ¥30,000 a month as an allowance to cover overtime work. However, the unpaid amount, calculated by the union on the basis of the man's work attendance records, adds up to more than ¥2 million over the two years from April 2020 until now.

(4) Japan Post gets LSIO citation in Osaka: overtime unpaid to manager

A man in his 30s who worked as a manager (*bucho*) at a post office in Osaka was actually "management in name only", with a manager's title but no authority, according to the Temma LSIO (Osaka), which has issued a citation to Japan Post ordering them to back-pay the man for overtime. The total amount is said to come to approximately ¥2.2 million.

(5) Man commits suicide after not being given application for workers' compensation: repeatedly told that "the hurdle is high"--lawsuit seeks damages from government

It has become known that the Kanuma LSIO (Kanuma, Tochigi) refused to give an application form to a man who, having been fired from his job after being accused of embezzlement, contracted symptoms of depression and wished to apply for work-accident compensation. The man committed suicide three months later. The man's surviving family

members say that LSIO staff repeatedly told him that “the hurdle is high (to having a compensation claim accepted)”--in other words, that it was too difficult--and that this violated their duty of care. The family filed suit against the national government on the 11th in the Tokyo District Court, seeking ¥3.3 million in damages.

The family applied for workers’ compensation again after the man’s death. One year later, their claim was accepted.

(6) Modified working hours system “invalid”: Nagoya District Court verdict in McDonald’s lawsuit

The Nagoya District Court handed down a verdict on the 26th in a lawsuit filed against McDonald’s Japan by a former employee. The man had claimed that, as part of an improvement plan for under-performing employees, he was set impossible goals to meet and pressured to quit. He sued the company seeking to void his firing and get compensation. The court’s ruling has now ordered the company to pay the man approximately ¥610,000 in back wages. The court refused to void the firing; however, it did rule that the “modified working hours system” applied to employees at McDonald’s locations across the country was not legally valid.

(7) Part-timers’ unions demand re-revising of minimum wage: “not keeping pace with inflation”

A group of unions organizing non-regular (part-time etc.) workers has submitted written demands to the MHWL for a new revision of the 2022 minimum wage. The revised minimum wage rules were just released in October, but they insist that “wages are not keeping pace with the sharp rises in prices for food and other goods”.

The demands were sent on the 24th by the members of the “Minimum Wage Big Raise Campaign Committee”, a group made up of unions that mainly organize individual non-regular workers, including Shitamachi Union, NUGW, Seikyo Roren, and Yusei Union.

3. Situation/Statistics

(1) Next year’s *Shunto* goal to raise wages by “about 5%”: RENGO raises target due to price rises

National union center RENGO has begun making arrangements to raise their *Shunto* pay-raise goal for next year to “about 5%”. It has been “about 4%” each year for the past seven years, but with consumer prices high and the burden on household budgets growing, the decision was taken to set it higher. However, actual wage increases have hovered low at around 2%; the problem will be how close they can actually get to the goal.

(2) September consumer prices rise by 3.0%, breaking 3% for the first time in 31 years; effects of weak yen felt

The September consumer price index (CPI, with 2020 levels set as 100) was published on the 21st by the Interior Ministry. The general index--excluding fresh foodstuffs, whose prices fluctuate widely--was 102.9, an increase of 3.0% over the same month of last year. Apart from the effects of raising the consumption tax, this is the first time for the increase rate to be so high in 31 years and 1 month. With the yen low and resource costs high, prices of vital goods like food and energy continue to go up.

This was the same as the median value of 3.0% in the market predictions previously made by QUICK. It is the 13th month in a row to see an increase. Of the 522 types of goods surveyed, 385 had their prices go up compared to the same month of the previous year. 46 were unchanged, and 91 had their prices decrease. The number that went up was more than the 372 that went up in August.

The general index including fresh foods also went up by 3.0%, the same level as in August. The index excluding both fresh food and energy rose by 1.8%.

Food prices, excluding fresh foods, rose by 4.6% over the same month of last year. For all foods, the figure was 4.2%. Bread prices went up 14.6%, while chocolate rose by 8.6%. Salmon, imported via different routes since the invasion of Ukraine by Russia, saw a 26.8% price rise. This includes the rising cost of importing it, due to the weak yen.

The effects of the weak yen and the high cost of materials was also felt in the restaurant industry, with the price of hamburgers going up by 11.2%. With fresh fish costs also rising, the price of sushi rose by 9.4%.

Energy-related prices went up by 16.9%, the same level as in August. The cost of electricity rose by 21.5%, while city gas went up by 25.5%. The price of kerosene went up by 18.4, a higher rate even than the 18.0% seen in August. Gasoline also went up by 7.0%, slightly higher than August's figure of 6.9%.

Household durables also rose in price, by 11.3%. Inflation in this area has sped up since August, when the rate of increase was 6.3%; this is the highest rate since March of 1975, 47 years and 6 months ago (when the rate was 12.8%). The prices of appliances such as room air conditioners (14.4%) went up, with makers releasing updated models. Accommodation prices went up by 6.6%, well over the 2.9% seen in August.

Using the general index, including fresh foods, as a basis for comparison, other major countries are continuing to see even bigger price rises than Japan. The U.S. saw its CPI rise by 8.2% in September, compared to the same month of last year. This is less than it was in August (8.3%), but still a high rate of inflation. The Eurozone saw a figure of 9.9%, meaning inflation has sped up since August (when it was 9.1%). The UK saw prices increase by 10.1%, higher than the 9.9% figure for August.

The average of predictions by 36 private-sector economists, compiled on the 11th by the Japan Center for Economic Research (JCER), has the CPI for the October-December quar-

ter of 2022 (on a quarterly basis) rising by 2.84% over the same quarter of last year. In the January-March quarter of 2023, the prediction is 2.47%, meaning price rises of over 2% to continue; for April-June 2023, the increase rate is predicted to return to the 1%-2% range.

“CPI (2020 Standard), All Japan, September 2022 (Reiwa 4)” Oct. 21, 2022, Interior Ministry

<https://www.stat.go.jp/data/cpi/sokuhou/tsuki/pdf/zenkoku.pdf>