



# Labour Update

## 労組周辺動向 No. 152



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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) Expanded assistance for pay raises and re-skilling: MHWL supplementary budget proposal

The government's proposed second supplementary budget for 2022 will include many policy measures suggested by Ministry of Health, Welfare and Labor (MHWL) in aiming for the "structural wage increases" sought by Prime Minister Kishida Fumio. This will include expanding subsidies to companies that raise wages or that encourage employees' "re-skilling" (retraining) to move into new positions in growing fields.

In the category of "Career-Up Subsidies", for companies that amend their rules to raise wages by 5% or more for part-timers and other non-regular workers, the maximum subsidy amounts will be increased from ¥55,750 per person to ¥65,000 (for small companies), or from ¥21,000 per person to ¥43,000 (for large companies).

In "Labor Mobility Support Subsidies", given to companies that hire workers who left a

previous job due to the business having financial difficulties, the base amount of ¥300,000 (for companies that pay these workers at least 5% more than their previous job) will be increased by an additional ¥200,000.

In the category of “Industrial Employment Stability Subsidies”, there will be a new subsidy provided to companies that send employees to work for another company for the purpose of improving their skills, then bring these employees back to work at their own company and pay them at least 5% more than before. The employee’s wages during the time they work for the other company will be subsidized up to a maximum of ¥8,355 per person per day. The subsidy rate will be 2/3 for small companies, and one-half at large companies.

The “5% pay raise” condition for all these systems is based on an idea of seeking an additional 3% wage increase on top of the 2-3% needed to compensate for inflation. In relation to wage increase rates, labor union national center RENGO is also stating a 5% goal for next year’s *Shunto* (spring labor offensive).

For “Personnel Development Support Subsidies”, for companies that carry out job training, new re-skilling courses will be set up. If a company gives employees training for a different field from their current jobs, the subsidy (for small to medium-sized companies) will cover 75% of expenses and ¥960 of wages per person per hour. The government has encouraged re-skilling and labor mobility into growing fields; but the plan is to administer the system flexibly, without regard to which fields are concerned.

Most of the MHWL’s policy proposals have been included in the proposed supplementary budget as “system demands”, with no budget attached to them. Actual use of the systems is set to start mostly from next fiscal year.

Last month, Prime Minister Kishida announced that the government would put ¥1 trillion into “investment in people”, such as re-skilling, over the next five years. He says he will make a policy plan by next June to encourage labor mobility into growth fields, and thereby lead to structural increases in wages.

## **2. Legal Violations/Disputes**

### (1) Overtime work hours “falsified” from 130 to 78 hours: teacher complains

A man in his 50s who teaches at a public elementary school in Aichi has sent a complaint to the prefectural personnel committee, it has become known. The complaint says that his work records were re-written to show fewer overtime hours than he actually worked, and demands that the Board of Education (BoE) in the municipality in which the school is located revise the records to show the correct amount of overtime work.

According to the written complaint, the teacher worked a total of 130 hours overtime in April. When he was submitting his work-hours record to the BoE, he received a message on his smartphone from the school’s vice-principal, asking him to under-report his over-

time hours. He refused. However, the only 78 hours' overtime--with the 52 hours of weekend/holiday work subtracted--were reported to the BoE.

According to the municipal BoE, teachers record their starting and ending times at work by tapping a personal card on a card-reader, but anyone can then edit the records.

The BoE leadership explains that "the work hours reported were certainly different from the actual hours, but our understanding is that this was done after consultation between the vice-principal and the teacher".

The teacher is demanding the BoE stop administrators from forcing under-reporting of hours, and that improvements be made to the work-management system.

### (2) Musk fires 3,700 employees, half of Twitter staff; large corporations reported to be stopping advertisements

S. newspaper the *New York Times* reported on the 4<sup>th</sup> that, of Twitter's approximately 5,700 employees, about half--or 3,700--have been fired by their new boss Elon Musk, CEO of Tesla.

Twitter has strengthened content moderation in recent years; the number of employees, about 3,300 at the end of 2017, was approximately doubled. According to news reports, employees in charge of content moderation are among those slated to lose their jobs.

Due to fears that Musk may abandon moderation of content, it has been reported that large American companies such as pharmaceutical giant Pfizer have, one after another, ceased advertising on Twitter.

Musk tweeted his displeasure on the 4<sup>th</sup>, saying that "Twitter has had a massive drop in revenue, due to activist groups pressuring advertisers, even though nothing has changed with content moderation".

Meanwhile, fired former employees filed a class-action suit against Twitter in a California court, seeking compensation for unpaid salary.

### (3) Club activities are "work time", private school admits, paying sports coach ¥1.85 million settlement

A case has been heard in the Nagasaki District court in which a woman in her 50s, employed by a private school in that prefecture, sought ¥16 million from the school corporation as unpaid overtime wages for the hours she had spent coaching school sports. The school has admitted that leading club activities was working time; a settlement has been reached, the woman's lawyers explained on the 9<sup>th</sup>.

Under the terms of the settlement, the school recognizes that time spent on activities as an advisor, including leading team practice and being in charge at team matches, counts

as working hours. The school will pay ¥1.85 million to the plaintiff, corresponding to the amount of calculated overtime wages for 2018 and 2019. Also, from now on, when working hours exceed the amount set by law, the school promises to pay overtime wages.

According to the written complaint, the woman was employed from 1995 to 2000 as an advisor to the school's sports clubs, then retired, but in 2015 she again signed a labor contract to work as sports club advisor. Her contracted working hours were from 8:25 A.M. to 5:05 P.M., but on weekdays she participated in morning practice starting at about 7:30. After school, she also led practice until 6:00 or 7:00 in the evening.

She coached on weekends as well; although she was so busy that she hardly had any time for her personal life at all, she received only ¥14,000 per month as an overtime allowance. She sued in September of 2020, seeking ¥9.05 million in unpaid wages and a further ¥6.74 million in punitive damages.

In the lawsuit, the woman and her lawyers insisted that "the school distinguished itself by its focus on sports". It recruited athletes from far away, including from distant islands, as scholarship students. Since the school did not have dormitories, the woman let these students stay at her own home. The school agreed to this, yet gave her no financial support for it, she claimed.

The school, on the other hand, had argued that, even though the woman did indeed spend long hours coaching, this activity was voluntary and done of her own accord, and that they paid an allowance equivalent to what a public school would pay.

### **3. Situation/Statistics**

#### (1) Rate of taking paid leave 58.3% in 2021--slight increase, but still far from government goal: MHWL

According to the General Survey on Working Conditions released by the MHWL on the 28<sup>th</sup>, the average number of paid annual leave days (*nenkyu*) taken by persons working for companies in 2021 was 10.3, an increase of 0.2 days over the previous year's figure. The percentage of people taking *nenkyu* was 58.3%, an increase of 1.7 percentage points over the previous year. However, this is still far from the goal of "70% by 2025" that the government has set as part of their *Karoshi* Prevention Guideline.

Looking at the percentages by company size, the rate of people taking leave at companies with a thousand or more employees was 63.3%. But at companies with between 100 and 300, it was 55.3%, and at those between 30 and 100 people it was only 53.5%--both numbers below the overall average. The MHWL takes the position that "it seems that not only the labor shortage, but also corporate culture making it easier to take leave has something to do with it".

#### (2) Global employment to "deteriorate significantly" in growth in 4<sup>th</sup> quarter; monetary

## tightening has effect: ILO

The International Labor Organization (ILO) on the 31<sup>st</sup> published a prediction saying that, based on not only the economic disruption created by Russia's invasion of Ukraine, but also the effects on consumption from national banks' monetary tightening policies, worldwide growth in employment is likely to "deteriorate significantly" in the fourth quarter (October-December).

The ILO points out that the worldwide recovery in work hours seen at the start of this year already showed signs of reversing in the second and third quarters, and that the number of full-time jobs in the third quarter was 40 million fewer than it was in the fourth quarter of 2019, just before the spread of the coronavirus pandemic. "on current trends job vacancies will decline and global employment growth will deteriorate significantly in the final quarter of 2022", the report says.

In connection with the mid-year decrease in hours worked, the ILO states that, as well as China's return to restrictive COVID-19 lockdowns, inflation pressure resulting from Russia's war on Ukraine is also a contributing factor. Their report warns that over-tight money policies by central banks may hurt employment and income in both "developed" and "developing" countries.

"Global labour market to deteriorate further as Ukraine conflict and other crises continue"  
October 31, 2022, ILO

[https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_859191/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_859191/lang--en/index.htm)

## (3) LGBT, etc., couples to gain public recognition: Tokyo begins "partnership" system

Tokyo Prefecture's "Partnership Oath System", giving LGBT and other sexual-minority couples public recognition as equivalent to marriage, came into operation on the first day of this month, with the first "acceptance certificates" issued. It is hoped that the certificate will grant these couples access to the benefits of a widening range of services, both from public and private organizations. Couples receiving the first certificates expressed their joy, saying it is "a step forward".

According to the Prefecture, 115 certificates were issued on the first day. On the same day, the Tokyo prefectural government concluded an agreement with 16 wards and cities within the prefecture that already have similar systems of their own. This will make both the local certificates and the prefectural one equally usable for specific public services, such as public housing.

## (4) Increasing number of companies paying "inflation allowances" to deal with rising prices and hold on to personnel

In order to cope with repeated rises in prices of food and everyday necessities, more and

more companies are moving to create special allowances to support employees' lives. Some are paying a lump-sum amount under names such as "inflation allowance", while others are adding an amount to workers' salaries every month. The intention, from companies' point of view is apparently not only to relieve workers' worries about their livelihood, which could otherwise impact their work, but also to retain personnel.

#### (5) Keidanren chair Tokura says "focus on base pay raises" for wage increases: proposed policy based on high prices--2023 *Shunto*

On the 7<sup>th</sup>, the Japan Business Federation (Keidanren) held a chair/vice-chair conference at which a proposed management-side policy plan for 2023 spring labor-management negotiations (*Shunto*) was adopted. The outlined plan would especially focus on high commodity prices, and therefore ask member companies to take a positive attitude to raising wages. Keidanren chair Tokura Masakazu stated in a press conference after the meeting that "trends in commodity prices should be a priority. We plan to call on member companies to implement wage increases, focusing on pay scale increases".

Keidanren will put together its management-side plan for *Shunto*, known as the "Management Labor Policy Special Committee Report", and release it at the beginning of next year. With wage increases against a background of inflation as a main theme, labor-management negotiations will then begin in earnest.

#### (6) Real wages shrink by 1.3%--down in September for the sixth month in a row

According to the Monthly Labor Statistics Survey for September (preliminary figures, companies of 5 employees or more), released by the MHWL on the 8<sup>th</sup>, wages *per capita* in real terms (accounting for changes in prices) declined by 1.3% compared to the same month of last year. This is the sixth month in a row to show a decrease. Growth in wages has failed to keep pace with consumer price inflation, which has sped up on account of high resource costs and the weak yen. If this situation continues too long, household purchasing power may slump, hindering economic recovery.

"Monthly Labor Statistics Survey, September, Reiwa 4 [2022], Preliminary Report, Etc."  
Nov. 8, 2022, MHWL

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r04/2209p/dl/pdf2209p.pdf>

#### (7) In Finland, men's and women's work hours equal for the first time

Finland's Statistics Bureau has announced that last year, for the first time, the total amount of time spent on both household work and paid work was equal for men and women in that country.

The average overall working hours per day, adding together hours spent on housework and on paid employment, for the population age 10 and up, had been longer for women than for men up until now. The Statistics Bureau explains that time spent by men on paid

work decreased, but that the time they spent on housework increased. In particular, the time men spent on child care grew substantially; as for causes, the report mentions not only changes in culture, but also the expansion of the system of paternity leave.

However, the time spent on paid labor was still 30 minutes longer for men than women.