



# Labour Update

## 労組周辺動向 No. 155



2022 - 12 - 23

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

#### Workers' compensation insurance: new structure to be introduced to allow companies to complain

When a workplace accident occurs, the company's insurance premiums increase. Now, a new structure is about to be introduced that will allow companies to file a complaint about this. If the company's complaint is upheld, their workers' compensation insurance premiums will not go up. However, this will not affect the granting of compensation to the worker.

Voices have been raised in concern about the new measure from groups that offer consultation and support related to workplace accidents and injuries. They worry that this may lead to work environments failing to be improved at places where overwork occurs.

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

### (1) U.K. nurses' union to strike nationwide for first time since founding

In the United Kingdom, as record inflation continues and a wide range of industries are seeing strikes, a union of nurses and others in healthcare has carried out a nationwide strike, the first since its founding approximately 100 years ago.

The union, including more than 460,000 nurses, midwives, and others, went on strike on the 15<sup>th</sup>. In front of a hospital in central London, nurses with placards bearing messages such as "it's time to pay nursing staff fairly" gathered to call for pay raises and improved work conditions.

This is the first time since its founding nearly 100 years ago that the nurses' union has gone on strike nationwide. The union says that up to 100,000 members participated.

Meanwhile, railway staff have also begun a strike, which it is feared will impact people's travel over the holiday season; a union of postal workers also says it will go on strike in the busy Christmas season.

Referring to public-sector strikes, the U.K. government has expressed the position that "we will continue to cooperate with the unions, but pay increases in line with inflation are not within our power". Negotiations seem likely to be difficult.

### (2) Firings of two union-member teachers invalid: Kanagawa Labor Commission gives order for relief

At a junior-senior high school operated by school corporation Tachibana Gakuen, when the school fired two teachers who had joined a union and protested against mass dismissals of non-regular (part-time etc.) teaching staff, this was an unfair labor practice, according to the Kanagawa Prefectural Labor Commission, which has issued an order to void the firings by the 20<sup>th</sup>. The order is dated the 13<sup>th</sup>.

At the school, a total of 69 people had lost their jobs over the six years leading up to 2018. The two teachers, full-time employees, feeling mistrust of the corporation's management policy, joined Shigaku Kyoin Union (the Private School Teachers' Union) and took actions such as handing out leaflets.

According to the Commission's order, the school corporation fired the two in 2021 on grounds of their having distributed the leaflets. The Commission points out that the leaflets contained no personal attacks or extreme or violent expressions, and that the firing was "because of hatred toward the union".

## **3. Situation/Statistics**

### (1) UA Zensen proposes Shunto demand for 6% pay raise

Distribution and service industrial union UA Zensen on the 12<sup>th</sup> announced a proposed plan for next year's Shunto (spring labor campaign) including demands for 6% increases in pay, including base-pay increases and regular raises. This would be the highest amount this union has demanded since its foundation in 2012.

### (2) Suntory HD aims to raise wages by 6%--company president Niinami says "the engine of growth is personnel"

Suntory Holdings (HD) made clear on the 13<sup>th</sup> that, at next year's Shunto, the company would aim for a 6% raise in wages, including bottom-up increases in base pay. This is said to be in response to rises in the cost of living. The actual amount of pay increases will be decided after conferring with unions.

### (3) U.S. passes law to protect same-sex marriage rights; Pres. Biden signs

S. President Joe Biden signed a bill into law on December 13 that will give protection to the right to same-sex marriage on a federal level.

The United States Supreme Court handed down a ruling in 2015 that recognized the right to same-sex marriage, making such marriage legal across the U.S. However, as the Court has shifted in a conservative direction since then, legislation was made in order to make sure marriage rights will be protected even if the Court reverses its decision.

President Biden emphasized that this new law will recognize everyone's right to answer for themselves the questions of "who do you love?" and "will you be loyal to the person you love?"

### (4) BoJ Tankan: sense of labor shortage grows stronger--pay raises a focus in next year's Shunto

The Bank of Japan's quarterly Short-Term Economic Survey of Principal Enterprises, or Tankan survey, has shown that companies' sense of a labor shortage is growing even stronger. With the world economy slowing down, and prospects unclear, a focus point for next year's Shunto will be how far companies can raise wages to deal with inflation in prices and a labor shortage.

In the Tankan survey, companies are asked whether they have "too many" or "too few" employees, and an index is calculated from the results. The bigger the negative number, the more companies are feeling a shortage of labor. This time, the index for the manufacturing industry was -20, one negative percentage point bigger than in the previous survey; for industries except manufacturing, it was -38, four more negative points than before.

The negative numbers are predicted to grow even further in the near future, both for

manufacturing and non-manufacturing categories, showing that companies' sense of there being a labor shortage will grow even stronger.

Against the background of inflation in consumer prices and shortages of labor, some companies are changing gears and planning to raise wages in next year's Shunto.

However, in addition to rises in supply costs due to rising prices of materials, worries are also growing about economic slowdowns abroad, including in the U.S. and in China. As uncertainty grows about economic prospects, a focus point in next year's Shunto will be how far companies are able to go with pay raises.

#### (5) Slight increase in number of companies guaranteeing opportunity to work until 70

According to the 2022 Elderly Employment Situation Survey released on the 16<sup>th</sup> by the MHWL, the proportion of companies guaranteeing opportunities (for those who wish it) to work until age 70--whether by extending the retirement age, continuing employment, or in other ways--was 27.9%. This is an increase of 2.3 percentage points over the previous year. Expressing the belief that more companies are considering doing this, a Ministry spokesperson stated that "we expect this to become even more established".

Data was collected on the situation as of June 1, 2022, based on reports from 235,875 companies of 21 employees or more.

Looking at ways of guaranteeing work, the most common was continuing-employment systems, used at 21.8% of these companies. Next was abolition of the retirement age, at 3.9%, followed by extension of the retirement age, at 2.1%. Only 0.1% used outsourcing or introduced systems where employees could participate in work contributing to society.

By number of employees, 28.5% of those with 300 or fewer people guaranteed the chance to work; 20.4% of those with 301 or more did so. This shows that small and mid-sized businesses, which are feeling the labor shortage more severely, are more positive about continuing employment for the elderly.

The total number of people working at companies of 21 employees or more aged 60 to 64 was about 2.54 million; that of people aged 65 and up was approximately 2.17 million.

"Collected Results of Reiwa 4 [2022] 'Elderly Employment Situation Reports' Released"  
Dec. 16, 2022, MHWL

[https://www.mhlw.go.jp/stf/newpage\\_29133.html](https://www.mhlw.go.jp/stf/newpage_29133.html)

#### (6) Unionization rate lower than ever at 16.5%, down by 0.4 points: MHWL statistics

The MHWL released figures on the 16<sup>th</sup> showing that the "organization rate", expressing the proportion of all employed persons who are members of labor unions, was 16.5% as of the end of June this year. This is a drop of 0.4 percentage points compared to last year,

and the lowest number recorded since current statistical methods were adopted in 1953. The number of union members was 9,992,000, which is 86,000 fewer than last year.

The number of union members working part-time was 1,404,000, or 41,000 more than last year; this is the highest number since 1990, when statistics on part-time workers began to be collected. The number of women in unions was 3,471,000, an increase of 2,000. By industry, “real estate/commodity rental” and “wholesale/retail” had noticeable increases, while “manufacturing” and “finance/insurance” showed decreases.

The highest organization rate recorded was 36.3% in 1953. Since then, it has continuously tended to decline.

“Summary of Reiwa 4 [2022] Basic Survey on Labor Unions” Dec. 16, 2022, MHWL

<https://www.mhlw.go.jp/toukei/itiran/roudou/roushi/kiso/22/dl/gaikyou.pdf>

#### (7) Nippon Life to give 50,000 sales workers a 7% pay increase in 2023

In regard to increases in pay for fiscal year 2023, Nippon Life Insurance has a plan to raise the salary level of about 50,000 members of sales staff across the country by approximately 7%. The company will spend more than ¥10 billion in resources to do this. The company’s public relations department announced this on the 19th.

A public-relations spokesperson explains that “we took this under consideration independently, from the point of view of rewarding our staff for their sales reforms aimed at customer-first business, and for their dealing with the rapid changes in sales activities under the pandemic. We were not influenced by Rengo’s 5% pay-raise goal, but as a result our raise will be larger than that goal.”

As for the company’s approximately 20,000 office staff, the company says they are intending to give these workers a raise as well, based also on union demands.

#### (8) BoJ reduces monetary easing, raises interest rates--long-term interest rate cap to be raised to 0.5%

The Bank of Japan (BoJ) held its Monetary Policy Meeting on the 20<sup>th</sup>, and decided on a major revision to its large-scale monetary easing policy. The cap on the long-term interest rate (bond yields), heretofore kept low as part of the easing policy, has been raised from 0.25% to 0.5%. This means de facto raising interest rates. The BoJ states that this is “to improve the functioning of the market, and encourage the smooth formation of a yield curve”.

The historic depreciation of the yen is coming under control, but the rate of increase in the consumer price index, or CPI (exclusive of fresh foods), reached a 40-year high of 3.6% in October, well over the BoJ’s inflation target of 2%. Movement to raise prices is likely to keep on widening, and there is growing worry of increased burdens on household expens-

es and companies' costs.

However, the BoJ's analysis is that the current inflation in prices is caused by high supply costs, and has not resulted in a virtuous cycle of increasing wages and energized consumption. The Bank has so far repeatedly emphasized that it will continue with easing to support the economy, rather than raising interest rates to suppress it. The compatibility of the new policy change with this explanation may well be called into question in the near future.