



Labour Update

労組周辺動向 No. 157



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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) Limited to unlimited-term “switch rule”: companies to be required to clearly indicate conditions

Regarding the “unlimited-term switch rule”--the legal rule whereby, when an employee has worked for the same company for more than five years on repeatedly renewed contracts, they become able to switch to unlimited-term employment--the Ministry of Health, Welfare and Labor (MHWL) will be asking companies to clearly indicate beforehand in writing what the work conditions will be after the switch, so that the worker can judge appropriately.

At the time of contract renewal, when the worker gains the right to switch to unlimited-term (when their period of employment is set to go over the five-year mark), the Ministry says they will require companies to make it clear to the worker, in writing, that they have the right to switch, and what their working conditions will be after switching to unlimited employment.

Conditions to be indicated will presumably include working hours, pay, and locations one may be assigned to work in the future. Also--since there have been cases of trouble where companies have laid workers off right before they gain the right to switch--the MHWL is requiring companies, when signing the first contract, to indicate whether or not there is an upper limit on the number of renewals; and, if reducing the limit on renewals, to clearly state a reason beforehand.

The MHWL will soon begin working on amending ordinances, etc., in line with this policy. According to the Ministry, the number of people in Japan working under contracts with an upper limit on the term of employment was 14.02 million as of the year before last. This is twenty-five percent of all workers in the country.

“Labor Contract Laws and Labor Hours Laws in the Future (Report)” Dec. 27, 2022, MHWL Labor Policy Council, Labor Conditions Subcommittee

<https://www.mhlw.go.jp/content/11402000/001031112.pdf>

(2) Childcare benefit to be established for non-regular workers, a government plan to deal with declining birthrate--funding from Social Insurance

The government and the ruling Liberal Democratic Party have begun preparations on a plan to set aside money from the various social insurances (pension, health, elder-care, and employment insurance) and use this to establish a new system of child-care support benefits aimed at people in non-regular employment (part-timers etc). Monthly insurance premiums per person will be raised by a total of a few hundred yen in order to build a system where all generations will support the raising of children.

Multiple individuals connected to the government and the LDP have made announcements of this policy. The government is considering submitting a new bill to next year’s regular Diet session, with an aim to introduce the system in 2024 or after.

MHWL creates “Wage Increase Special Page” on website

<https://pc.saiteichingin.info/chingin/>

2. Legal Violations/Disputes

(1) In New York, 7,000 nurses go on strike seeking improved work conditions

More than 7,000 nurses who work in New York, New York (U.S.A.) went on strike starting early in the morning of the 9th. The New York State Nurses’ Association (NYSNA) had been negotiating with eight major hospitals seeking improvement in working conditions, but an agreement was not reached by the deadline (late the night of the 8th) at two of these hospitals. The strike was planned to last until evening on the 9th in Manhattan, in central New

York City.

(2) Tokai U. Sapporo part-time lecturer to strike on the 17th: seeks withdrawal of firing

The Tokai University faculty union announced on the 11th that a part-time lecturer at the university's Sapporo campus, who had been given notice that his employment would be terminated at the end of this academic year, will strike some of his classes on the 17th, seeking withdrawal of the termination and a switch to unlimited-term employment.

The union member who will be striking has been employed on repeatedly renewed one-year contracts since 1998, but last November was given notice that his employment would end.

(3) 32.6% of student arubaito workers experience trouble such as long hours, bullying and harassment

The Japan Trade Union Council (JTUC, RENGO) recently carried out a "Survey for Students Regarding Work", in order to get a grasp of students' attitudes toward work and their real situations at work. The survey results showed that 32.6% of students with experience of doing arubaito (student part-time work) have faced troubles at work related to labor conditions and human interactions.

The survey was carried out with the cooperation of Net Asia; an online questionnaire was given to one thousand students (of high schools, technical and vocational schools and colleges, universities, junior colleges, and graduate schools), 500 male and 500 female.

When students with work experience were asked whether they had ever encountered trouble at work over work conditions or personal interactions, 32.6% answered "yes" and 67.4% answered "no". The great majority of the troubles they encountered were either with working hours (long hours, shifts etc.) or with human interaction (bullying, harassment, etc). Some also mentioned days off and breaks, or issues with pay (unpaid wages, low pay, etc). (RENGO investigation)

"Survey of Students Regarding Work", Jan. 13, 2023, Japan Trade Union Council

<https://www.jtuc-rengo.or.jp/info/chousa/data/20230113.pdf?2274>

(4) Switching to unlimited-term employment: who is covered by the 10-year special rule? Osaka Superior Court makes a ruling

A rule in the Labor Contract Act grants the right to switch to unlimited-term employment after working under limited contracts for five years or more, with a special exception that makes it ten years for "researchers". What kind of work makes a person a "researcher"? In a law case that was fought over that point, Osaka Superior Court handed down an appeal verdict on January 18 saying that "it must be a job for which the securing of diverse personnel is required".

The lawsuit was filed by a woman who taught as a full-time lecturer at Haboromo University of International Studies (Sakai, Osaka). She began teaching there in 2013 and applied to switch to an unlimited-term contract in 2018, but her request was turned down. Then in 2019 her employment was terminated, and she then sued the university.

Osaka District Court judged that the woman was engaged in “advanced or interdisciplinary” research, and that therefore the 10-year special exception (under the University Faculty Term of Office Act) applied to her. On this basis, the District Court rejected her claim.

On appeal, however, the Superior Court pointed out, with reference to various universities’ research fields, that the basis for the exception was whether the work needs especially diverse personnel. The classes this woman taught were (among others) preparatory courses for the national care-workers’ qualification exam; the Superior Court ruled that this did not make her a researcher covered by the 10-year exception, since “it cannot be said that there is a constant need to secure personnel from outside the university”. The court therefore ordered the university to back-pay the woman’s salary from the point at which they terminated her employment.

3. Situation/Statistics

(1) Real wages for last November down by 3.8% year-on-year; biggest drop since 2014

Amid continuing inflation in prices, real wages per working person for November of last year were 3.8% lower than for the corresponding month of the previous year. This is the largest year-on-year drop seen since 2014, when the increase in consumption tax led to a large decrease in real wages.

Against a backdrop of inflation in prices, this is the eighth month in a row to show a decrease year-on-year.

The amount of decrease in November was the biggest in 8 years and 6 months, since May of 2014, when real wages dropped by 4.1% due to the raising of the consumption tax rate from 5% to 8%.

Excluding the year of the consumption tax hike, the 3.8% decrease for last November would be the largest seen since December of 2009, when lingering effects from the so-called “Lehman shock” caused real wages to drop by 4.2%.

“Monthly Labor Statistics Survey, November, Reiwa 4 [2022] Results, Preliminary” Jan. 6, 2023, MHWL

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r04/2211p/dl/pdf2211p.pdf>

(2) Prices in Tokyo up by 4.0%: in December, gas 36.9%, food 7.5%--largest rise in 40

years

The preliminary report of the consumer price index (CPI) for last December in the special wards of Tokyo--excluding fresh foods, which see large fluctuations in price--was 103.9 (as a general index, with 2020 values set as 100). This is a rise of 4.0% over the corresponding month of the previous year. This is the first time in 40 years and eight months--since April of 1982, at the end of the second oil crisis--for the year-on-year increase in the CPI to be 4% or over. The price index for the special wards of Tokyo is said to be a leading indicator for the rest of the country; there is a possibility that the nationwide figure, to be released on the 20th, will also have increased by 4% or more.

The Ministry of Internal Affairs and Communications (MIC) announced this on the 10th. It is the 16th month in a row to show increases; prices rose on over 7 in 10 of the items indexed. Energy overall rose in cost by 26.0%: city gas went up 36.9%, while electricity rose by 26.0%. Taxi fares, raised in mid-November, went up by 14.4%.

With resource costs high and the yen weak, inflation in food prices is also speeding up. Prices of foods, excepting fresh foods, rose by 7.5%, the largest increase seen in 46 years and four months (since August of 1976). According to a study by Teikoku Databank, last October the prices of 6,700 items went up; prices also increased in November for things such as dairy products. In December, rises in factory prices seem to have been further reflected in store prices.

Commodity prices have been conspicuously high throughout the year. The average 2022 index for the special wards of Tokyo, released on the same day by the MIC, was 101.9%, an increase of 2.2 percentage points over the previous year. It is the first rise in three years, and the largest since 2014 when the consumption tax went up. Excluding the effects of the consumption tax hike, it was the biggest increase in prices since 1992 (30 years before). Even as an average for the whole year, the figure was in excess of the 2% goal for price stability set by the Bank of Japan.

“December 2022 (Reiwa 4) Tokyo Wards Consumer Price Index, 2020 Standard, Midterm Preliminary Report” Jan. 10, 2023, MIC

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

(3) Unemployment insurance for torchbearers of culture: Spain to give support to actors and musicians

The government of Spain decided on January 10 to establish a special form of unemployment insurance for workers in cultural fields--such as actors and musicians--to prevent them from falling into hardship between performances. Technical workers, such as those in charge of lighting, etc., will also be covered; workplace voices had been calling for solutions to the problem for some time. The government estimates that there are about 70,000 people in the whole country who will be covered.

(4) Corporate goods prices up 10.2% last December from effects of high cost of materials; record 9.7% annual; burden on household finances may increase even more

The corporate goods price index for December of Reiwa 4 [2022](2-year average=100, preliminary report), released by the Bank of Japan (BoJ) on January 16, was 119.5, an increase of 10.2% over the same month of the previous year. High import prices of energy and materials had an effect, making this the 22nd month in a row to show an increase year-on-year. The annual figure for Reiwa 4, released on the same day, was 114.7, an increase of 9.7%. This is the highest rate of increase seen since Showa 56 [1981], when comparable data becomes available. If corporations pass more and more of these costs on to consumers by raising product prices, the burden on households could grow even heavier.

The corporate goods price index expresses the price levels of goods traded between companies. The increase of 10.2% seen in December of Reiwa 4 is the second-largest ever, after the 10.3% recorded in September of that same year. As for the index itself, the figure of 119.5% for December and that of 114.7% for the whole year were both all-time high records since statistics began to be kept in Showa 35 [1960].

“Corporate Goods Price Index (December 2022 Preliminary Report)” Jan. 16, 2023, Bank of Japan Surveys and Statistics Bureau

https://www.boj.or.jp/statistics/pi/cgpi_release/cgpi2212.pdf