



Labour Update

労組周辺動向 No. 162



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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) Unemployment Insurance enrollment conditions to be loosened; workers previously ineligible will be included--government

As part of strengthening measures to deal with the declining birthrate, it has become clear that the government is proceeding with preparations to revise the Unemployment Insurance (UI) system, loosening the conditions for enrollment so that if part-time or short-hours workers lose a job or take childcare leave, they will be able to receive unemployment benefits.

Conditions for enrollment in UI, in principle, include working 20 hours or more per week as well as having the prospect of being employed for 31 days or more. When an enrolled worker loses their job or takes childcare leave, they can receive unemployment benefits.

The government is moving forward with preparations to revise this system to loosen the conditions for enrollment. This would enable non-regular workers (part-timers etc.) who

work shorter hours to still be able to receive benefits.

As well as being a response to diversifying styles of work, this is also seen as having the aim of creating an environment where it will be easier to raise children.

(2) Retirement age for public employees to be raised in April: national and local governments dealing with labor shortage

The retirement age for national and local government employees, currently 60, will be raised to 61 on April 1. After this, it will be raised by one more year once every two years (to 62 in 2025, 63 in 2027, and so on) until 2031, when it will be 65. In addition to taking advantage of the knowledge and experience possessed by older staff, the aim also is to deal with the labor shortages that are worsening due to the declining birthrate and aging population. It is expected that similar moves may become common in the private sector as well.

2. Legal Violations/Disputes

(1) Tottori U. pays ¥60 million in additional allowances to teachers at affiliated schools after citation from LSIO

Tottori University announced on March 17 that, having received a citation from the Tottori Labor Standards Inspection Office (LSIO), it had back-paid a total of about ¥60 million in overtime to 68 teachers working at the affiliated kindergarten, elementary school, junior-high school, special-needs school, and in the office. They said that they had not been paying the teachers enough for overtime; the corrected amount was added to the teachers' March salary.

When teachers used out-of-work hours for self-improvement, lesson planning, etc., the university had been paying them 4% on top of their base pay using their own "affiliated schools teacher allowance" system. However, the LSIO pointed out that they should have been paying overtime based on a labor agreement (a "3-6 agreement") in accordance with the Labor Standards Act.

(2) "They pressured technical interns to quit the union": union sues Foreign Technical Internship Organization for "¥1.1 million in compensation" at Sendai District Court

Claiming that a national government agency pressured foreign technical interns to resign from membership in a labor union, that union has filed a suit against the agency at Sendai District Court, seeking approximately ¥1.1 million in compensation for damages.

In March of last year, a staff member at the Sendai office of the Foreign Technical Internship Organization--under national government authority--sent an email to three Vietnamese interns who had been fired from a fish processing company in Ishimaki, Miyagi. The message encouraged them to withdraw from membership in their union as a condition of

returning to work.

Lawyers for the plaintiffs say that “this sort of act constitutes an unfair labor practice, and infringes on the right to organize”. They are seeking about ¥1.1 million in damages.

(3) Napping time recognized as “work”: Tsu District Court overturns LSIO decision--Mie

A man in his 60s who previously worked at Toba Kokusai Hotel (Toba, Mie), and who suffered cardiac arrest due to long hours on the job, claimed that there was an error in calculating the amount of leave benefits he was paid. Claiming it was a mistake to not include napping time during overnight shifts in working hours, he sued the government to overturn this decision. Tsu District Court on March 23 gave a verdict in the case, supporting the plaintiff’s claim and ordering the decision overturned.

The man suffered hypoxic encephalopathy as an aftereffect, and in 2019 applied for leave benefits from the Ise LSIO based on the Workers’ Accident Compensation Insurance Act. The LSIO decided to award him ¥14 million. But the man claimed that he was under the restrictions of work during his nap time--such as being required to respond in case of emergency--and that therefore it was a mistake to exclude this time from his work hours. He sued to void the LSIO decision.

The court in its ruling recognized that some tasks of the overnight shift, such as cleaning the large communal bath and managing the marine pier, extended into the man’s nap time. Therefore it decided that, of the three-and-a-half-hour nap time (1:30 A.M. to 5:00 A.M.), one hour and 20 minutes should be “acknowledged as work hours under the Labor Standards Act”.

(4) JR Tokai ordered to pay compensation over annual leave: “negligent of the obligations of a labor contract”

In a lawsuit filed by six Tokaido Shinkansen drivers who claimed that JR Tokai had infringed on their right to take annual leave with pay, and who had sued the company for a total of ¥2.95 million in damages, the Tokyo District Court gave a verdict on March 27th saying that the company had been negligent of the obligations of a labor contract, and ordering payment of ¥540,000.

According to the ruling, JR Tokai has a labor agreement stipulating that the company can change the timing of an employee’s annual leave when they judge it would otherwise be an impediment to work. In the lawsuit, the main point of contention was whether this right to change the timing had been exercised appropriately.

According to presiding judge Katano Masaki, the system is run so that, in some cases, a worker doesn’t know if it will be possible to take a certain day off until five days before; this “runs counter to consideration for the worker’s interests”, he points out.

(5) “Illegal” to refuse the five-year rule for teachers: Senshu U. loses case, Supreme Court

rejects appeal

In a case over the “five-year rule”--whereby, when an employee has worked for over five years on limited-term contracts, they can ask the employer for unlimited-term employment--the Supreme Court, Second Petty Bench, has rejected an appeal by Senshu University. The suit was filed by a part-time language instructor (*hijokin koshi*) who claimed it was illegal for the university to have denied a five-year-rule request, and sued for confirmation of status. The university, having lost, appealed to the Supreme Court; the Supreme Court (Second Petty Bench) rejected the appeal in its decision on March 24, meaning that the university’s loss is now final.

(6) In Germany, most public transit stopped by strikes over pay

On March 27 in Germany, employees working for airports, railways, etc., went on strike seeking increased wages to cope with rising prices of goods. It is an unprecedented situation, with most public transit stopped.

Energy prices have gone steeply up in Germany as a result of Russia’s invasion of Ukraine. The rate of inflation in consumer prices has been over 8% for six months in a row as of last month.

Amid this, a union with about 2.5 million members, including airport and highway workers, carried out a 24-hour strike seeking higher wages, along with another union that organizes railway company staff nationwide.

It is unusual for public transit unions to strike jointly this way in Germany; most transportation throughout the country is stopped.

(7) Professor’s switch to limited-term contract invalid: university loses Sapporo court case

In a lawsuit by a man in his 50s who taught as a professor at Sapporo Kokusai University, and who, on top of being switched to a limited-term contract against his will, was then fired because he went along with the activity of the previous president (who had criticized the university’s policy), there has been a verdict. Sapporo District Court ruled on the 28th that both the switch of contract and the firing were invalid..

(8) Unpaid overtime for 54 teachers at Hyogo U. of Ed. Affiliated school: LSIO issues citation

At Hyogo University of Education’s affiliated kindergarten, elementary, and junior-high schools in Kato, Hyogo, it came to light on the 28th that teachers’ overtime had gone unpaid, according to a citation issued by Nishiwaki LSIO to the university. The university says it has now paid a total of ¥13.2 million to 54 teachers for the period of July-September of last year.

In 2004, the national universities became corporations, and their affiliated schools became

required to pay overtime. However, Hyogo University of Education continued, as before, to pay a flat 4% on top of teachers' monthly salary, the same as at public schools. They received the LSIO citation in October saying that the extra amount counted as overtime.

3. Situation/Stastics

(1) *Shunto* wage increase rate 3.80%, highest in 30 years: first tally, RENGO

On March 17, the Japan Trade Union Confederation (RENGO) released the first tally results of responses their member unions received from management in the 2023 *Shunto* (spring labor campaign). The wage increase rate, combining both raises in base pay and regular pay raises, was an average of 3.80%, much more than last year's figure of 2.14%. The average amount of increase was ¥11,844. This is almost twice as much as last year. This data is from the 805 unions that had received responses by that day. According to RENGO, although direct comparison is not possible, this level of pay increases is the highest seen since the 1994 *Shunto*, nearly 30 years ago. Against a background of inflated consumer prices and a labor shortage, major companies led the way by one after another giving unions the full amount demanded, which pushed up the average raise in pay.

(2) Monthly salary ¥311,000, highest ever: full-time workers, 2022 statistics

According to the 2022 Basic Survey on Wage Structure, released by the MHWL on March 17, the average scheduled cash earnings (monthly) for workers employed full-time was ¥311,800, the highest ever and an increase of 1.4% over the previous year. Both the amount of increase and the rate were higher for women than for men; the gender disparity in pay is now smaller than ever before, though there remains a large gap.

Full-time workers' scheduled cash earnings, for men, increased by 1.4%, to ¥342,000, while for women they increased by 2.1%, to ¥258,900. Both of these figures are new high records; the figure for men increased for the first time in two years, while that for women increased for the ninth year in a row.

The gender wage gap, expressed in terms of what a woman's average pay would be if a man's was set at 100, was 75.7, an increase of 0.5 percentage points over the previous year (meaning the gap closed by that much). By type of employment, regular employees (*seishain*) saw their pay increase by 1.4%, to ¥328,000, while non-regular employees (limited-term etc.) saw their increase by 2.1%, to ¥221,300. This means the disparity between regular and non-regular workers also shrank, for the fourth year in a row.

"Basic Survey on wage Structure, Reiwa 4 [2022], Summary" mar. 17, 2023, MHWL

<https://www.mhlw.go.jp/toukei/itiran/roudou/chingin/kouzou/z2022/dl/13.pdf>

(3) World economy to have a "lost decade", potential growth rate slumps, warns World Bank report

The potential growth rate of the world economy until 2030 has decreased to a lower level than has been seen in 30 years, according to the World Bank. The COVID-19 pandemic and the war in Ukraine are given as reasons.

The world economy started off this century on track to rapid growth, but a World Bank report released on the 27th predicts that the “limiting speed”, or maximum long-term growth rate achievable without sparking inflation, will slump to 2.2% per year for the period of 2022-2030.

“A lost decade could be in the making for the global economy”, points out Indermit Gill, the World Bank’s chief economist, in documents attached to the report. “The ongoing decline in potential growth has serious implications for the world’s ability to tackle the expanding array of challenges unique to our times--stubborn poverty, diverging incomes and climate change.”

(4) Labor shortage to reach over 11 million by 2040, disparity between Tokyo and elsewhere to grow

In 2040, when the “boomer junior” generation (children of baby boomers) reach old age, the supply of workers in Japan will be 11 million short, says a prediction released by Recruit Works Institute. Due to structural decline in birthrate and aging of the population, the Institute’s analysis is that there will be a shortage of workers in every prefecture except Tokyo, meaning the disparity between Tokyo and other parts of the country is predicted to keep expanding.

This prediction is calculated by estimating the country’s population and the future number of workers in each industry. Since the supply of labor will shrink on account of the declining birthrate and aging population, the rate of shortage compared to the necessary number of workers will exceed 20% in eighteen prefectures, according to the analysis.

The worst shortage will be in Kyoto, at 39.4%, followed by Niigata with 34.4% and Nagano with 33.5%.

“Future Predictions 2040” March 28, 2023, Recruit Works Institute

<https://www.works-i.com/research/works-report/item/forecast2040.pdf>