



Labour Update

労組周辺動向 No. 163



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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) MHWL: “Starting April 1, 2023, The Augmented Wage for Overtime Work Over 60 Hours a Month Will be Increased.”

The augmented wage for overtime work of more than 60 hours a month at small and medium-sized companies be raised to 50%.

-Ministry of Health, Welfare and Labor (MHWL)

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

(2) “Abolish Technical Internship, replace it with new system”: gov’t. expert panel

The Technical Internship System, meant for people from other countries to learn skills while working in Japan, is ostensibly for the purpose of contributing internationally by training personnel for developing countries. But it has actually become a way of securing

workers, particularly for industries where the working environment is harsh, and trouble has been frequent. More than a few have pointed out that its reality has drifted away from its stated purpose.

On April 10, a government expert panel showed a draft interim report that calls for this system to be abolished and replaced with a new system.

The report says such a system should have as its purpose not only personnel training, but also the securing of personnel to work. The restriction on changes of employer, known as “transfers”--in principle not allowed under the current system--would be relaxed, so that they would be officially allowed within certain limits.

It also recommends that, by having those who finish a three-year internship be exempt from taking a test for the “Specified Skills” visa, it could be made easier for these people to shift more smoothly into a longer stay, thus securing working personnel for the medium to long term.

In addition, in regards to the “managing organizations” that arrange the intake of interns, since there has been case after case where these groups failed to properly vet the companies the interns were placed with, and received administrative punishment, under the new system the criteria would be tightened, including guaranteeing the groups’ independence from the companies they oversee. The panel plans to release its final report in the Autumn of this year.

“Interim Report (Draft)”, Apr. 10, 2023, Expert Panel on the State of the Technical Intern System and the Specified Skills System

<https://www.moj.go.jp/isa/content/001394236.pdf>

“Interim Report (Draft) Summary”, Apr. 10, 2023, Expert Panel on the State of the Technical Intern System and the Specified Skills System

<https://www.moj.go.jp/isa/content/001394237.pdf>

(3) To encourage changing jobs, “unemployment benefits” to be revised: speedy payment even after quitting voluntarily

The government has held its “Conference on Realizing a New Capitalism”, and has indicated its proposed policy on labor market reform.

In order to move forward on creating an environment where workers can change jobs by their own choice in order to further their careers and seek higher wages, the proposal includes reforms to unemployment benefits, among other measures.

The current system--in which workers who quit a job for their own reasons cannot receive benefits until two months have passed--would be changed so that the standard would be

the same as for those whom their employer decided to let go.

The policy would also involve building a new system where information from private staffing companies and from "Hello Work" would be collected and provided to career consultants who give advice on changing jobs.

The government will be putting together a more concrete proposal by June.

"Proposed Points for Three-in-One Labor Market Reform" Apr. 12, 2023, Conference for Realizing a New Capitalism (16th Mtg.), Cabinet Secretariat

https://www.cas.go.jp/jp/seisaku/atarashii_sihonsyugi/kaigi/dai16/shiryoku1.pdf

2. Legal Violations/Disputes

(1) Unfair labor practice at Canadian embassy? Staffer not enrolled in Japan's employment insurance

It became known on the 1st that a woman in her 30s who worked at the Canadian embassy, who was not enrolled in unemployment insurance (as required by Japanese law) despite being hired here in Japan, was therefore not able to receive the childcare leave benefits this insurance would have provided when she gave birth. She was not covered by Canada's social security system either.

The General Union, a union based in Osaka to which the woman belongs, has pointed out that this "constitutes an unfair labor practice". They are demanding the embassy enroll the woman and hold collective bargaining. They will soon be filing a complaint at the Osaka Prefectural Labor Commission.

According to the union, similar problems have occurred at other countries' embassies and consulates. It appears there is a widespread misunderstanding that Japan's laws do not apply to them; this raises questions about each country's legal compliance standards.

The woman says pessimistically that "it's the embassy of a country that values diversity and is a leader in women's empowerment, and yet they've neglected me".

A spokesperson for the Canadian embassy says that "employment conditions for staff members hired locally [in Japan] give consideration to Japan's standards and customs, and provide benefits in line with the systems in Japan".

(2) Part-timers get highest raise ever, 5.68%--UA Zensen's *Shunto* agreement situation

UA Zensen, the largest industrial organization under the umbrella of RENGO, has announced the situation of member unions' 2023 *Shunto* agreements as of the end of March. Negotiations for part-time union members got into full swing, with them getting their

highest ever average raise of 5.68%. On an hourly base, the average pay raise was ¥59.2. The union made high demands amid rising costs of living, and many companies, responding also to a labor shortage, granted high amounts.

(3) Non-regular staff paid “compensation lower than minimum wage” for one year; city was aware of problem, but ignored it because “it took time to investigate”: Hakodate, Hokkaido

It has come out that, for one year starting in 2021, the city of Hakodate, Hokkaido, was paying certain non-regular city employees an amount of compensation that was less than the minimum wage.

According to the city of Hakodate, there were 61 members of non-regular staff hired by the city Board of Education who were paid less than the minimum wage from October 2021 through September 2022.

The 61 employees were part-time fiscal-yearly appointees doing skilled-assistant jobs, such as janitors.

The city back-paid the amount owed to the 61 staff members, a total of approximately ¥217,242, from January to March of 2023.

3. Situation/Statistics

(1) At large manufacturing companies, business confidence worsens for fifth quarter in a row: BoJ March *Tankan*

According to the March *Tankan* survey (Short-Term Economic Survey of Enterprises in Japan) released by the Bank of Japan (BoJ) on the 3rd, the business sentiment diffusion index (DI)--expressing companies' business confidence--for large companies in the manufacturing industry was positive 1, six points lower than the previous survey in December. This is the fifth quarter in a row that this number has decreased. Rising costs of energy and materials have put pressure on corporate profits.

On the other hand, for large companies in other industries, the number was positive 20, an increase of one point, improving for the fourth quarter in a row. The loosening of COVID-19 restrictions and the increase in numbers of visiting foreign tourists have had a favorable effect; business confidence has returned to the levels of December 2019, before the pandemic crisis.

The number for large companies in manufacturing went down for twelve out of sixteen categories. By type of industry, “electrical machinery” (such as appliances) saw a decrease of 15 points; due to the decline in demand for housing and capital investment, “general-purpose machinery” and “lumber and wood products” also each declined by over 10 points. As for large companies in non-manufacturing industries, six out of twelve catego-

ries saw improved confidence. By type of industry, “retail” and “goods rental” saw especially large increases.

The business sentiment DI is calculated by subtracting the proportion of companies answering that the business situation was bad from that of companies that said it was good.

“March 2023 Short-Term Economic Survey of Enterprises in Japan” April 3, 2023, BoJ

<https://www.boj.or.jp/statistics/tk/gaiyo/2021/tka2303.pdf>

(2) Ibaraki partner oath: prefecture starts taking applications by mail and online

For its “Ibaraki Partnership Oath System”, which grants official recognition to LGBT and other sexual-minority couples, Ibaraki Prefecture in April started accepting applications for certificates by mail and via Internet, widening the procedures for the system. As well as increased convenience, this is meant to protect against “outing”, the revealing of someone’s orientation, etc., against their will.

One can apply for a partnership certificate by registering one’s name, address and other information on an input form newly added to the prefectural government’s webpage. One then sends a special application form, along with a *juminhyo* (resident certificate), identification documents, and a face photo to complete the oath. The prefecture will send an oath certificate card by mail after receiving the application.

(3) Real wages down by 2.6% in February, the 11th month in a row of decreases: wage increases not keeping up with inflation

The MHWL released its Monthly Labor Statistics Survey for February on April 7th. Real wages--total cash earnings (nominal wages), representing the average wage per worker, adjusted for changes in consumer prices--were 2.6% lower than the same month of last year. This is the eleventh month in a row to show a decrease year-on-year.

Although nominal wages went up due to the restarting of economic activity after the pandemic crisis, this increase continues failing to keep up with inflation in prices.

The nominal wage in February was ¥271,851, a year-on-year increase of 1.1%. For full-time general workers it was ¥353,050, up 1.3% year-on-year. For part-time workers, it was 99,030, growing by 3.9%.

The consumer price index (CPI) for February, used in calculating real wages, went up by 3.9%. According to the government, measures to lighten the burden of gas and electricity prices had some effect, meaning that increase in the CPI slowed down compared to January.

“Monthly Labor Statistics Survey Results, February, Reiwa 5 [2023], Preliminary Report” Apr. 7, 2023, MHWL

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r05/2302p/dl/pdf2302p.pdf>

(4) IMF makes downward revisions to prediction for world economy; financial uncertainty raises alert level

The International Monetary Fund (IMF) released its latest World Economic Outlook on the 11th. Their predicted worldwide economic growth rate for 2023 is 2.8%, 0.1 points lower than the previous prediction (in January). The outlook for 2024 was also revised downward 0.1 percentage points, to 3.0%. After the bank failures that occurred in the U.S. in March, the outlook is "heavily skewed to the downside", the report warns. In contrast with the previous report, which expressed the prediction that risk to the world economy would be reduced by the slowing of inflation, the new report once again raises the alert level.

As for the outlook by country/region, the prediction for the U.S. economy is that it will grow by 1.6%, a revision upward by 0.2 points from the last report. Meanwhile, for China the prediction is 5.2%, unchanged since the last time.

On the other hand, the outlook for Japan was revised downward by 0.5 points, to 1.3%, in light of its economy being worse than expected in the October-December quarter of 2022. In Germany, where it remains difficult to bring inflation under control, the outlook was revised downward 0.2 points, to negative 0.1%, meaning it is predicted to fall into negative growth. Britain, also struggling with inflation, was predicted to have negative 0.3%. This is actually a revision upward, by 0.3 points, yet still negative growth.

The worldwide rate of inflation for 2023 is predicted to be 7.0%, slowing down from the 8.7% seen in 2022; in 2024, it is said likely to slow further, to 4.9%. However, inflation pressure--such as from wage increases due to labor shortages--is stronger than was expected; the report expresses the view that "returning inflation to target is expected to take until 2025 in most cases".

"World Economic Outlook", Apr. 11, 2023, International Monetary Fund

<https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

(5) Japan's population down 12 years in a row; Okinawa sees decline for first time--last October's statistics

On the 12th, The Ministry of Internal Affairs and Communications (MIC) released population statistics as of last October 1. The total population of Japan, including persons with foreign nationality, was 124,947,000, which is 556,000 fewer than one year before in 2021. This is the twelfth year in a row to see a decrease in population. Apart from Tokyo, whose population increased for the first time in two years, all 46 other prefectures saw decreases. In Okinawa, it was the first population decrease since 1950, when comparable data first becomes available.

The overall decline, as a percentage, was 0.44%. Both the number and the rate of decrease were the second largest ever, with 2021 being the largest. Looking at natural increase/decrease figures (excepting numbers of people entering or leaving the country), there was a total decrease of 731,000, the largest drop ever. The social increase/decrease figure--the number of people entering Japan from abroad, minus the number of people leaving--increased by 191,000. This is the second largest rise, with the biggest being the 208,000 seen in 2019.

“Population Statistics (as of October 1, 2022 (Reiwa 4))” Apr. 12, 2023, MIC Statistics Bureau

<https://www.stat.go.jp/data/jinsui/2022np/index.html>

(6) 50,000 agree to legislation to protect LGBT rights; volunteers submit petition to non-partisan Dietmembers’ group

After a former secretary to the Prime Minister made a discriminatory remark regarding sexual minorities, saying such things as “I hate to even see them”, a volunteer organization on April 12 submitted a petition to a non-partisan Dietmembers’ group, the “Parliamentary Caucus Thinking About LGBT-Related Issues”, calling on the government for legislation to protect the human rights of LGBTQ people.

Signatures on the petition, addressed to Prime Minister Kishida Fumio, were collected online. In two months, it gathered signatures from more than 50,000 people.

The petition calls for legislation on three things: an “LGBT anti-discrimination act”, “marriage equality (marriage between persons of the same legal sex)”, and an elimination of the cruel preconditions for transgender people wanting to change their legal sex, namely the requirement for them to undergo surgery that makes them unable to have offspring.

Japan is the only G7 country without such laws. The petition points out that a country that does not protect the rights of sexual minorities, and that has a high-ranking member of the government utter discriminatory remarks, “is not qualified to hold the presidency of the G7 at the Hiroshima summit”. It calls for “realizing legislation as fast as possible” before the summit in May.