



Labour Update

労組周辺動向 No. 207



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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) Proposal to Eliminate "¥1.06 Million Wall" - Company Size Requirement to be Removed by October 2027

On December 10, the Ministry of Health, Labour and Welfare presented a proposal to its Social Security Council to eliminate the wage condition for enrolling in employees' pension insurance, which creates what is known as the "¥1.06 million wall" - the income threshold at which part-time workers become conscious of decreased take-home pay due to social insurance premiums. Negotiations are underway to remove the company size requirement by October 2027. Part-time workers working 20 or more hours per week will be eligible for employees' pension. Related bills are expected to be submitted to the regular Diet session next year.

At the council meeting, the removal of the "¥88,000 monthly wage" requirement was proposed. After eliminating the wage requirement, the plan is to remove the company size condition and gradually expand coverage to include individual businesses such as beauty

salons that are currently exempt. The timeline spans five years from next year's revision until fiscal 2030.

"Response to the 'Income Wall' in Consideration of the Expansion of Employee Insurance Coverage and Category-3 Insured System ②" December 10, 2024, Ministry of Health, Labour and Welfare - 23rd Social Security Council Pension Subcommittee

<https://www.mhlw.go.jp/content/12401000/001348971.pdf>

(2) Report Recommends Adding Employee Numbers Criterion to Expand Subcontractor Law Coverage - Fair Trade Commission & SME Agency

On December 17, the Fair Trade Commission and Small and Medium Enterprise Agency compiled a report at their expert panel meeting regarding amendments to the Subcontractor Act.

To prevent circumvention of the law, they will add employee numbers as a criterion alongside capital requirements to expand coverage. This aims to help subcontracting SMEs properly pass on cost increases. The amendment bill is targeted for submission to next year's regular Diet session.

The report recommends establishing employee number criteria. It deemed appropriate to cover orders from companies with over 300 employees to those with 300 or fewer in manufacturing, and from over 100 to 100 or fewer in services.

For "buying pressure" regulations, unilateral determination of transaction fees without sufficient consultation will be prohibited. The term "subcontractor" which implies hierarchical relationships will be revised, including changes to the law's name.

(3) "Basic Survey of Labor Unions 2024 Overview" December 18, 2024, Ministry of Health, Labour and Welfare

Status of Labor Unions and Union Members

As of June 30, 2024, there were 22,513 single labor unions with 9,912,000 members, showing decreases of 276 unions (1.2%) and 25,000 members (0.3%) compared to the previous year.

The estimated organization rate (proportion of union members among employed workers) was 16.1%, down 0.2 percentage points from the previous year.

<https://www.mhlw.go.jp/toukei/itiran/roudou/roushi/kiso/24/dl/gaikyou.pdf>

2. Legal Violations/Disputes

(1) Iga City Water & Sewerage Department Ordered to Apologize for Unfair Labor Practice

in Union Election

The prefectural Labor Relations Commission issued an order in November requiring an apology from the department, which was found to have committed unfair labor practices by interfering in a union officer election held two years ago.

The water and sewerage business manager made statements encouraging certain employees aligned with management to run for office, and showed behavior aimed at preventing other employees from considering candidacy.

(2) Hokkaido Social Welfare Corporation Receives Correction Order for Unpaid Wages

A social welfare corporation operating over 30 disability support facilities in Hokkaido received a correction order from the Labor Standards Inspection Office for failing to pay staff wages for extended periods. At some facilities, staff members resigned en masse due to improper labor management, prompting the Labor Bureau to investigate harassment issues as well.

The correction order was issued to Social Welfare Corporation "Yuai-kai," headquartered in Hokuto City, Hokkaido, which operates over 30 disability support facilities in the prefecture.

Following an internal tip-off, the Labor Standards Inspection Office conducted an on-site investigation and confirmed that multiple staff members at disability support facilities had not been paid overtime and holiday work wages for at least several months.

(3) First Workers' Compensation Recognition of "Overwork Suicide from Multiple Jobs" After Law Amendment - Psychological Burden "Combined"

It was revealed that the suicide of a 60-year-old man from Aichi Prefecture, who worked both as a technical surveyor and university researcher, was recognized as work-related injury, considering the combined psychological burden from both workplaces.

According to the Ministry of Health, Labour and Welfare, this is reportedly the first case of overwork suicide recognized through comprehensive evaluation under the 2020 law amendment allowing "combined" assessment of psychological burden and working hours from multiple workplaces. As the government promotes side jobs, this highlights the risks workers face.

(4) Technical Intern Women File Lawsuit over Sexual Abuse: "Forced into Sexual Acts and Abortion Under Threats"

Three Cambodian women filed a lawsuit with the Tokyo District Court on December 16, seeking approximately ¥90 million in damages from a male strawberry farm owner in Tochigi Prefecture, claiming they were forced into sexual acts at their technical internship workplace.

According to the complaint, the three women were engaged in training work at the man's farm from 2022 to 2023. One woman in her 20s was repeatedly forced into sexual acts after being threatened with deportation if she refused. When she became pregnant in January 2023, the woman, who had limited Japanese language ability, was made to sign abortion consent forms under the man's direction and underwent surgery. The other two women also reported being touched inappropriately on their chest and buttocks. In April of the same year, the three women fled to a labor union in Gifu Prefecture to report the abuse.

(5) British Former Associate Professor's Lawsuit Against Shinshu University for "Unfair Termination" Reaches Settlement, Leading to Reinstatement: "Reinstated Thanks to Japan's Robust Worker Protection Laws"

A lawsuit seeking confirmation of employment status filed by Mark Brierley (57), a British former associate professor, against Shinshu University for refusing to convert his contract to permanent employment reached a settlement at the Matsumoto Branch of the Nagano District Court on December 18. He will return to work in April next year

3. Situation/Statistics

(1) Rising Food Prices Impact Continues, Household Spending Declines - "Engel's Coefficient" Reaches 39-Year High

According to the October Household Survey released by the Ministry of Internal Affairs and Communications on December 6, households with two or more people spent an average of ¥305,819, showing a 1.3% decrease in real terms compared to the same month last year after excluding price fluctuations. The "Engel's coefficient," which shows the proportion of food expenses in total spending, reached its highest level in 39 years. The rising costs of everyday food items are weighing on household budgets, leading to shrinking consumption.

This marks the third consecutive month of year-on-year decline in real spending.

"Family Income and Expenditure Survey - October 2024 Report" December 6, 2024, Ministry of Internal Affairs and Communications

https://www.stat.go.jp/data/kakei/sokuhou/tsuki/pdf/fies_mr.pdf

(2) October Real Wages Flat, Breaking Free from Negative Territory After 3 Months - Monthly Labor Survey

According to the October Monthly Labor Survey (preliminary figures) released by the Ministry of Health, Labour and Welfare on December 6, real wages remained flat year-on-year. This marked the first time in three months to escape negative territory, as scheduled

wages increased due to spring wage negotiations while inflation rates slowed due to reinstated electricity and gas subsidies. However, declining bonuses weighed on overall figures.

The October consumer price index showed a 3.5% year-on-year increase in food prices, including fresh food, with the rate of increase expanding from the previous month. In addition to rice seeing its largest price increase ever at nearly 60%, the surge in prices of ingredients used in hot pot dishes such as Chinese cabbage and chocolate, which sees increased demand in winter, is thought to have added to the burden on household budgets.

"Monthly Labour Survey October 2024 Preliminary Report" December 6, 2024, Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r06/2410p/dl/pdf2410p.pdf>

(3) Keidanren Proposes Labor Hours System Reform - Discretionary Work System "From Exception to Standard"

On December 9, Keidanren proposed creating new labor legislation that would determine evaluation and compensation based on performance rather than working hours for white-collar workers engaged in non-routine work. While systems like the "discretionary work system" currently exist, they are considered exceptions to working hour regulations and have not been widely adopted. The proposal suggests that the new labor legislation should not be an "exception" but should become a parallel "standard" alongside traditional working-hour-based systems to promote wider adoption.

This was included in their policy recommendations for the economic and social vision aimed at 2040, published the same day.

"FUTURE DESIGN 2040 'Virtuous Cycle of Growth and Distribution' - Aiming for a Fair, Equitable and Sustainable Society" December 9, 2024, Japan Business Federation

https://www.keidanren.or.jp/policy/2024/082_honbun.pdf

(4) Same-Sex Marriage Ban Ruled Unconstitutional - First Ruling Based on "Right to Pursue Happiness" - Fukuoka High Court

The Fukuoka High Court ruled on December 13 in an appeal trial filed by three same-sex couples in Kyushu challenging the constitutionality of Civil Code and Family Register Act provisions that don't recognize same-sex marriage. The ruling found violations of Articles 13, 14-1, and 24-2 of the Constitution.

(5) Migrant Workers Reach 160 Million, ILO Reports - 2022 Figures Reflect Increased Demand in Healthcare and Domestic Work

The International Labour Organization (ILO) announced on December 16 that the migrant

labor force population reached 167.7 million in 2022. This represents 4.7% of the global labor force, with many working in the service sector. The increase reflects growing demand for healthcare and domestic work personnel in receiving countries experiencing aging populations.

The migrant labor force population had shown average annual growth of 2-3% since 2013. However, due to the COVID-19 pandemic, the growth rate weakened to less than 1% between 2019 and 2022.

While 31.7% of male migrants work in construction and manufacturing industries, only 12.2% of women do. In the service sector, 60.8% of men are employed compared to 80.7% of women.

"International migrants are vital force in the global labour market" 16 December 2024 International Labour Organization

<https://www.ilo.org/resource/news/international-migrants-are-vital-force-global-labour-market>