



Labour Update

労組周辺動向 No. 208



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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) Labor Standards Law Review Report Broadly Finalized; Concerns Over Promotion of Long Working Hours

The Ministry of Health, Labour and Welfare's expert research committee broadly finalized its report on December 24, including proposals to prohibit consecutive working days exceeding 14 days. Specific discussions at the Labor Policy Council will begin next fiscal year, aiming to submit legislation to the regular Diet session as early as 2026. Meanwhile, some labor unions have expressed concerns that "the dismantling of the Labor Standards Law could promote longer working hours for some workers."

Zenroren, a national labor union organization, argues that this report could lead to "dismantling the Labor Standards Law." They particularly take issue with the statement that "it is important in future labor standards legislation to allow adjustment and substitution of legal standards under certain procedures including labor-management agreement, according to the circumstances of individual companies, workplaces, and workers." This

was included to accommodate opinions seeking flexible work arrangements.

There are concerns that the Labor Standards Law, which sets minimum standards for working conditions, could be undermined through labor-management agreements.

"Labor Standards Related Laws Research Group Report (Draft)" December 24, 2024, Ministry of Health, Labour and Welfare Labor Standards Related Laws Research Group 16th Meeting Materials

<https://www.mhlw.go.jp/content/11201250/001362103.pdf>

(2) "2024 General Survey on Working Conditions Overview" December 25, 2024, Ministry of Health, Labour and Welfare

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

(3) Companies Required to Address "Customer Harassment"; First Clear Definition Established - MHLW Council Finalizes Report

Companies will be required to implement measures to protect employees from customer harassment, which refers to inappropriate behavior by customers and others.

The Ministry of Health, Labour and Welfare's council report finalized today clearly defined customer harassment for the first time.

Customer harassment is defined as meeting all three elements: "actions by customers, business partners, or other stakeholders," "behavior that exceeds socially acceptable bounds," and "harm to the work environment."

Companies will be required to implement measures such as establishing consultation systems to protect employees from customer harassment.

"Proposal on Further Promotion of Women's Advancement and Strengthening Workplace Harassment Prevention Measures" December 26, 2024, Ministry of Health, Labour and Welfare Labor Policy Council

<https://www.mhlw.go.jp/content/001365967.pdf>

(4) 2025 Budget Draft Approved by Cabinet - Record High 115.5415 Trillion Yen

The government approved the fiscal 2025 budget draft on December 27. The general account total expenditure is 115.5415 trillion yen, exceeding the initial fiscal 2023 budget (114.3812 trillion yen) to reach a record high. Expenditures continue to expand due to social security costs, defense spending, and debt servicing costs. Considering inflation and private sector wage increases, the budget includes measures to improve compensation for

childcare workers, teachers, and Self-Defense Force personnel.

Revenue is projected to increase by 12.7% to 78.44 trillion yen, marking the sixth consecutive record high. All three major tax categories - corporate, income, and consumption - showed growth due to wage increases.

With increased tax revenue, new government bond issuance will decrease by 19.2% to 28.649 trillion yen. While this marks the first time in 17 years that initial budget bond issuance will fall below 30 trillion yen, the fiscal structure still relies on debt for a quarter of revenue.

2. Legal Violations/Disputes

(1) Amazon Workers Strike at 7 Facilities During Peak Season Over Negotiation Demands

Workers at seven U.S. Amazon.com (AMZN.O) facilities began striking on December 19, aiming to pressure management to enter negotiations during the peak Christmas shopping season.

The International Brotherhood of Teamsters, representing about 10,000 workers at 10 Amazon facilities, stated that workers at warehouses in New York, Atlanta, San Francisco, and other locations are participating in the "largest" strike against Amazon.

(2) Suspected Unpaid Wages to Vietnamese Workers in Aichi - Embassy Requests Investigation into Multi-Million Yen Case

It was revealed on December 22 that approximately 150 Vietnamese workers employed by staffing company "Nexcel" in Toyota City, Aichi Prefecture, may not have received at least one month's wages. The "Rengo Union Tokyo/Tomoiki Union" disclosed this, which represents half of the affected workers. The total unpaid amount is estimated to be several million yen or more. The Vietnamese Embassy in Japan is aware of the situation and has requested an investigation by the Toyota Labor Standards Inspection Office.

In an interview on December 12, Nexcel's male president explained that payment was difficult due to cash flow problems. He indicated that operations have been temporarily suspended and expressed hope for the application of the government's system for advancing unpaid wages. The Vietnamese workers had entered Japan with "Technical/Humanities Knowledge/International Services" visas for specialized professionals.

3. Situation/Statistics

(1) Record 670,000 Disabled Workers in Companies, Still Below Legal Requirement

The Ministry of Health, Labour and Welfare announced on December 20 that as of June 1, the number of disabled persons working in private companies increased by 5.5% year-on-year to 677,461.5. The employment rate of disabled persons among all employees in sur-

veyed companies also increased by 0.08 percentage points to 2.41%, both reaching record highs. However, this falls short of the legally required employment rate of 2.5%, which was raised in April. 46.0% of companies met the legal employment rate.

In the survey, severely disabled persons were counted as two persons, and part-time workers were counted as 0.5-1 person. By disability type, physically disabled persons were the most numerous at 368,949, followed by intellectually disabled persons at 157,795.5, and mentally disabled persons at 150,717.

"FY2024 Disabled Persons Employment Status Survey Results" December 20, 2024, Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/content/11704000/001357856.pdf>

(2) November Consumer Price Index Up 2.7% Year-on-Year

The November Consumer Price Index, which measures price changes in household goods and services, showed a 2.7% year-on-year increase excluding fresh food prices, which are subject to weather-related fluctuations. The rate of increase expanded by 0.4 percentage points from October's 2.3%.

"2020-Base Consumer Price Index National November 2024" December 20, 2024, Ministry of Internal Affairs and Communications

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

(3) Over 30% of Companies Secure Employment Opportunities Until Age 70 - Working Environment for Elderly Improves Amid Labor Shortage - MHLW

A Ministry of Health, Labour and Welfare survey found that the percentage of companies providing work opportunities until age 70 through measures such as raising retirement age increased by 2.2 percentage points from the previous year to 31.9%.

The survey of approximately 237,000 domestic companies with 21 or more employees showed that as of June this year, 31.9% had arrangements for working until age 70, up 2.2 percentage points from last year.

- ▼25.6% of companies, the largest proportion, implemented "continued employment systems" such as rehiring
- ▼3.9% abolished mandatory retirement
- ▼2.4% raised their retirement age

Starting next April, companies will be required to provide work opportunities until age 65 for all employees who desire them.

Among companies with "continued employment systems," 86.2% offer opportunities to all

employees who wish to work until age 65.

(4) Japan's Per Capita GDP Ranks 22nd in OECD for Second Consecutive Year, Below South Korea - Cabinet Office

The Cabinet Office announced on December 23 that Japan's dollar-denominated nominal GDP per capita for 2023 was estimated at \$33,849. This ranked 22nd among 38 OECD member countries for the second consecutive year, the lowest ranking since comparable data became available in 1980.

Due to South Korea's GDP being revised upward in June this year, Japan fell below South Korea, which ranked 21st, for the second consecutive year.

(5) Real Wages Decline for Third Consecutive Month, Down 0.4% in October

The Ministry of Health, Labour and Welfare's Monthly Labor Survey (for businesses with 5 or more employees) confirmed report released December 24 showed that real wages per person, adjusted for price changes, decreased by 0.4% year-on-year in October. This was revised downward from the preliminary report released on the 6th, which showed 0.0% year-on-year, marking the third consecutive month of decline. Despite government subsidies helping to control electricity and gas prices, the figure remained negative.

Including data received after the preliminary calculation, nominal wages or total cash earnings showed a smaller increase, resulting in a negative figure when compared against the 2.6% rise in the consumer price index.

"Monthly Labor Survey October 2024 Final Report" December 24, 2024, Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r06/2410r/dl/pdf2410r.pdf>

(6) Welfare Applications Increase Due to Prolonged Inflation, Exceeding COVID Support Reduction Period

On December 28, it was revealed that welfare applications in the first half of fiscal 2024 (April-September) increased by 2.8% year-on-year to 133,274 cases. This analysis by Kyodo News of Ministry of Health, Labour and Welfare published data showed that applications exceeded the number during both the economic downturn caused by the COVID-19 pandemic and the period when reduction in COVID-related living support impacted low-income groups. Despite wage increases, many people continue to struggle with household finances due to prolonged inflation.