



Labor Update No.22 November 29, 2017

***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) Government to lift bans on side jobs within the year: worries of long hours, what about Social Insurance?

The idea of lifetime employment, working at one company from graduation until retirement age, is about to change drastically. Perhaps within this fiscal year, the government will take steps to end the *de facto* ban on second jobs and sideline work. In the national government's model working rules, the provision banning side work will be amended. They are also already working on making guidelines for managing working hours and health so as to avoid overlong working hours. The new guidelines are likely to be released next spring.

With the *de facto* lifting of a ban on side work, one major cause for concern is whether it will encourage long working hours. Since most companies expect regular employees, or *seishain*, to devote themselves to working at the one company, there is also predicted to be some confusion over unemployment insurance and social insurance (*Shakai Hoken*).

Who will be in charge of labor management for employees who have a second job? If they work long hours, will they have enough energy left to put into their main job? With there already being complaints of a labor shortage, there are many things to worry about before allowing second jobs.

Information on MHLW's "Council on Flexible Work Styles" linked below (in Japanese):  
<http://www.mhlw.go.jp/stf/shingi/other-roudou.html?tid=482129>

(2) Q&A on the Amended Child-Care Leave Act

The Ministry of Health, Welfare and Labor has published the "Q&A" that they held on October 1 relating to the amendments to the Child-Care and Family Care Leave Act.

Linked below (in Japanese):

<http://www.mhlw.go.jp/file/06-Seisakujouhou-11900000-Koyoukintoujidoukateikyoku/0000184275.pdf>

(3) Unemployment benefit info: when a family member who was receiving benefits dies

Regarding benefits from unemployment insurance, if the recipient of benefits dies, surviving family members who depended on the recipient for a living can receive benefits for the period up to the day before the death.

Details linked below (in Japanese):

<http://www.mhlw.go.jp/file/06-Seisakujouhou-11600000-Shokugyouanteikyoku/0000183892.pdf>

## **2. Legal Violations/Struggles**

(1) Major automakers avoid unlimited-term conversion for limited-term employees: amendment's teeth removed

It has come to light that Toyota Motor Corporation, Honda, and other major car makers have changed their employment rules to avoid switching limited-term employees onto unlimited contracts. With unlimited-term conversion, as per the amended Labor Contract Act, to begin in earnest next April, it turns out that all the major automakers will be getting out of switching their limited-term employees to unlimited contracts. The situation may end up rendering the amendment, meant to encourage improvements in employment, toothless.

In 2015, Toyota changed the "blank period" for limited-term employees from one month to six months. Honda, Nissan Motor Co., and Daihatsu Motors all changed their blank periods from three months to six in 2013.

Regarding their reasons for changing the blank period to six months, the PR departments of Nissan, Daihatsu and Honda all mentioned the amendment to the Labor Contract Act. Toyota's PR department also replied that "of course we will comply with the law, and also make systems to match the current situation".

Mitsubishi Motors, Mazda, and Subaru already had six-month blank periods before. Suzuki didn't use to re-employ at all, but when they began doing so in 2013, they introduced a six-month blank period. With the other four companies, including Toyota, changing their blank periods, workers at all eight main automakers will now be unable to claim the right to unlimited contracts.

According to the Ministry of Health, Welfare and Labor, there are 15 million people working under contracts with a limited term of employment; and three-tenths of these work longer than five years at the same company. By this calculation, over 4 million people should gain the right to request conversion to unlimited-term employment. While there are some companies that are at work on building systems for unlimited-term conversion, mainly in the non-manufacturing sector, there are also others which have begun dismissing workers before they gain the right to an unlimited term.

## (2) Settlement reached in “black arbeit” lawsuit: a nationwide first

A settlement was reached on the 9<sup>th</sup> in Chiba District Court in the case of a male university student who did “arbeit” (part-time work) at major restaurant chain Shabu-Shabu Onyasai. He had sued the company that operates the chain for a total of 8 million yen in unpaid wages, reparations, etc., claiming, among other things, that he had been made to work a long period with no time off. According to the student’s lawyer, the company will pay a lump-sum settlement and issue an apology. The amount of the financial settlement has not been disclosed, but is said to be more than that of the unpaid wages.

The operating company is DWE Japan, based in Narita City, Chiba Prefecture. According to the brief, the male student claimed he was made to work long hours for more than 120 days in a row starting in April of 2015 at a franchise restaurant in Funabashi City, also in Chiba, and was on the receiving end of physical and verbal abuse from a former manager and former employees.

According to Black-Arbeit Union, the labor union that supported the student, this is the first time anywhere in the country that a lawsuit has been concluded that revolved around so-called “black arbeit”, such as this student complained of. The union says “a good settlement was reached”.

Having been accused by the student, the former manager and employees have been sentenced to fines for assault, etc.

## (3) Former idols sue production company for illegal contract: four women who left the group

Claiming that they were made to sign an unfair exclusive contract with a showbiz production company, four women who quit the group Nijiuro Fanfare filed suit on the 14<sup>th</sup> in Tokyo District Court. They are suing for verification that the contract was illegal, and for payment of a total of about 4 million yen in wages.

According to the suit, the four women are in their teens and twenties. They signed a contract with the production company in July of 2015, and made their debut in October of the same year as members of a seven-member group. They performed eight concerts per month, on average, until quitting the group in September this year.

The four claim that they were made to sign an invalid contract where their “monthly pay of 38,000 yen [was] offset with lesson fees” and they “[could] not resign for five years from the signing of this contract; and after resigning, [were] forbidden from any show-business activities for two years”. Saying they were never paid any wages at all, they are seeking payment of over two years of wages that were “offset”.

### **3. Situation/statistics**

(1) Health, Welfare and Labor Minister: “We are investigating the reasons for changing

the blank period”—major automakers’ evasion of unlimited employment

On the issue of Toyota Motors, Honda and other major car makers evading the conversion of limited-term employees to unlimited-term, the Ministry of Health, Welfare and Labor has begun a fact-finding investigation. Health, Welfare and Labor Minister Katsunobu Kato made this clear on the 7<sup>th</sup> at a press conference following a Cabinet meeting. He gave instructions dated the 6<sup>th</sup> to Labor Bureaus in the six prefectures where the eight major car companies have their headquarters.

Minister Katsunobu Kato stated that “we will take appropriate measures in reference to the spirit of the rule. If necessary, we may revise the law.”

(2) Major car makers’ evasion of unlimited-term conversion “regrettable”, says Rengo

On the issue of major automakers, including Toyota Motors, evading conversion of limited-term employees to unlimited employment, Rengo on November 16 released a comment that “we must say it is regrettable”. They ask their member unions to verify whether each company’s management is violating the spirit of the law. Secretary-General Yasunobu Aihara stated that “if the major companies’ example becomes disadvantageous to the movement to promote switching to unlimited employment, there will be a need to give some warning”. Asked whether they will seek rectification, chair Rikio Kouzu only stated that “we will keep up a strong solidarity and dialogue with the unions involved”.