



## Labor Update No.26 January 12, 2018

***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) PM Abe in new-year press conference: enthusiastic for “work-style reform”

Prime Minister Abe has spoken of his enthusiasm, calling the regular session of the Diet that is to begin on January 22 the “Work-Style Reform Diet” and saying “This year, we will put an end to the practice of long working hours”.

“The regular session of the Diet to be convened this month will be the ‘Work-Style Reform Diet’. We will attempt a truly historic reform, one of the greatest in the entire 70-year history of the Labor Standards Law”.

#### (2) MHLW: over 20,000 irregular workers per year to receive free training for national qualifications beginning in 2018

Starting in fiscal year 2018, the Ministry of Health, Welfare and Labor will begin working on letting over 20,000 irregularly-employed workers per year obtain government qualifications. They will set up long-term training courses of up to two years at educational institutions nationwide. With irregular employees’ wages at approximately 60% of those of regular workers, the disparity is large. The aim is to increase people’s income by encouraging them to heighten their skills.

Each prefecture will deliberate on what specific types of training courses should actually be set up, and entrust vocational schools, etc., with carrying them out. Courses will be planned with reference to whether there will be enough local employment for those finishing their training, as well as to how many applicants there will be, among other factors. Part-time and other irregular workers who are signed up as job-seekers at Hello Work will be eligible, and will be able to acquire skills free of charge.

#### (3) To relieve the shortage of Labor Standards Inspectors, retired Inspectors to be employed part-time

In order to strengthen enforcement in regard to illegally long working hours, etc., starting in fiscal year 2018, the Ministry of Health, Welfare and Labor will be employing retired Labor Standards Inspectors as part-time staff.

Inspectors are specialist staff of MHLW, and there are approximately 3,000 of them working at Labor Standards Inspection Offices across the country. The plan is to hire about 50 part-time staff in fiscal 2018.

Based on the Labor Standards Law, Inspectors give guidance and supervision over illegal overtime, etc. They have police-like authority to arrest suspects and file charges, but it remains to be seen whether the part-time staff will be in charge of these sorts of extreme cases.

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

(1) Union files for redress of grievance over Sapporo Meedical University's 5-year contract limit

Hokkaido Jichitai Union (Sapporo City) announced on January 5 that they had petitioned the Prefectural Labor Commission for redress of grievance, claiming that Sapporo Medical University's refusal of collective bargaining over the dismissal of part-time faculty was an unfair labor practice. The union is demanding that the university abolish their rule setting the upper limit on employment at five years, and not carry out dismissals.

Seven part-timers will be reaching the five-year mark this March, and it is said that a further 258 will possibly be facing dismissal in the future.

(2) "Flaw in the changes to working rules": member of faculty union brings accusation against Tohoku U. at Sendai Labor Standards Inspection Office

Three members of university faculty unions in Tokyo, including the chair of the Tokyo University faculty union, submitted accusations of Labor Standards Law violations against Tohoku University and eight administrators (including president Susumu Satomi) to the Sendai Labor Standards Inspection Office on January 11. They claim that Tohoku University's procedure for changing their working rules was flawed.

According to the accusations, when Tohoku University changed their working rules four times during the period of 2015-2017, they heard opinions from "a representative of the majority of workers". The elections to choose this representative were flawed by not including part-time instructors or assistants, they say.

In 2014, Tohoku University changed their working rules so that limited-term contracts could not be renewed beyond five years. The University's faculty union objected, saying this was an evasion of the law, aimed at preventing limited-term employees from being able to switch to unlimited-term contracts as recognized by the "five-year rule" in the amended Labor Contract Act. Another union spokesperson says that "the rule change in 2014 also had the same flaw".

(3) Former *Dragon Zakura* assistant makes waves in the *manga* world by claiming

overtime pay

A former assistant to a well-known *manga* artist has caused a major stir in that industry by requesting payment for past overtime work.

The artist involved said in an interview that “Assistants work from 9:30 A.M. to 6:30 P.M. they can take breaks whenever they want, but working overtime is prohibited.” Reacting to this, a former assistant who claimed to have worked for 11 years and 7 months raised an objection, saying “On top of having to do loads of overtime, there was never anything like a break”, and demanded back-payment for the overtime.

*Manga* is valuable as a field where Japan can compete worldwide. If the people who make it get no reward for their work, the culture itself could potentially go into decline.

### **3. Situation/Statistics**

(1) With accelerating decline in birthrate, universities face a “cold period”—40% under quota, merger relief schemes also being considered

With the declining birthrate continuing to bring decreases in the 18-year-old population, this year people involved with universities have their eyes on the “2018 problem”. This is the year when the number of students entering university is predicted to start declining. The entrance rate hitting its peak, student shortages at 40% of universities, an accelerating rate of elimination and consolidation—universities are about to enter a cold winter where they must fight for survival, while also being expected more than ever before to secure good students. Higher education is facing a major turning point.

After its second postwar peak of 2.05 million in 1992, the 18-year-old population went into decline, falling to 1.18 million by 2014. After that it recovered to 1.19 million and 1.2 million, but was back down to 1.18 million in 2018. By 2031, it is predicted to fall below one million.

Among private universities, the percentage of schools with student-quota replenishment rates of 100% or more was 92.6% in fiscal year 2008, but by 2017 had fallen to 60.6%. Shortages of students have become chronic at about 40% of schools, and there are about 10 universities where the number of entrants is less than half the quota.

(2) Forward-looking deliberations, with social expectations of 3% pay raises in mind:  
President of Keidanren

President Sadayuki Sakakibara of Nippon Keidanren (the Japan Business Foundation) stated on January 5 that, in order to pull out of deflation, “I would like to see the momentum for wage increases strengthened”, and that “I hope we will keep society’s expectations of a 3% raise in wages in mind as we make forward-looking considerations in line with our own companies’ earnings”. He called on member companies to make an active response.

Before this, in his greeting at the party, Prime Minister Shinzo Abe requested “that, in order to turn the virtuous cycle of the economy, you raise wages by 3%”.

(3) A “yellow light” to 24-hour opening: labor shortages worsen at major convenience-store chains

A yellow light of caution is shining for major convenience stores’ 24-hour operations. This is because, while the number of their stores continues to grow, the labor shortage, of part-time staff and others, is getting worse and worse. Each company is proceeding with manpower-saving plans such as partial automation, but some have also begun closing stores in the late-night hours, where customer traffic is failing to grow.

As the battle for customers gets tougher, the different situations and business plans of each company will likely become apparent in how they deal with late-night operations.

(4) Of new adults in Tokyo’s 23 wards, 1 in 8 is a foreign national

It has become clear that, of the approximately 83,000 people reaching legal adulthood this year in the 23 wards of Tokyo, over 10,000 (or about 1 in 8) are of foreign nationality. In certain wards, nearly half the new adults were foreign nationals. Experts’ analysis is that “this seems to be a result of the rapid increase in the numbers of overseas students and technical trainees, and shows how people from other countries are becoming a powerful support to regions and to society”.

The rapid growth in numbers of foreign-national new adults seems to stem from the increasing numbers of overseas students and technical trainees. The number of foreign students, of all ages, within Tokyo Prefecture has risen to approximately 103,800, or 1.7 times the figure five years ago; while that of technical trainees has gone up to 6,600, which is 3.4 times the number five years ago.

In regard to the rising numbers of foreign new adults, experts say that “As the number of young Japanese plummets, young people from overseas are coming in as students and trainees to make up the numbers. The rapid rise in the number of foreign nationals has become conspicuous in the 23 wards of Tokyo first, since there are a lot of people from other countries there in the first place, but the same phenomenon will go on to be seen in regions hit hard by population decline. Foreign residents are becoming a strong force of support for the regions and for society; the reality is that our society will not function without people from other countries, so it will be necessary to build a proper foundation for Japanese and foreign nationals to join hands in supporting society together.”

(5) 120 hours of overtime work—female prefectural employee in her 40s dies

Niigata Prefectural Board of Education announced on January 9 that a female employee in the Upper Secondary Education Department, aged in her 40s, had collapsed on the job and died on the 8<sup>th</sup>.

The woman's hours of overtime totalled approximately 120 hours in December of last year, and 100 hours in November, over the limit of 80 hours per month considered by MHWL to be the "karoshi line". The Prefectural Board of Education believes this may be a case of *karoshi* (death from overwork), and is investigating the woman's working situation in October and before.

(6) FANCL establishes new category of "area-limited full-time staff", switches contract staff in directly-managed stores to unlimited-term

Starting in April 2018, FANCL will abolish the employment category of contract staff in their stores, and establish a new category of "geographically-limited full-time staff".

Based on this, all contract staff working at their directly-managed stores nationwide (971 people) will be switched to the new employment category.

"Geographically limited full-time staff" will, in principle, not face transfers that would require relocating, and so they will be able to have stable work in their assigned area.

When those currently working as contract staff at the company's stores are switched to the new employment category, they will not only change from a limited to an unlimited term of employment, but will also see their conditions improve in other ways, such as revisions to the rules on bonus payments and an increase in the number of holidays.

Having established this new employment category in order to strengthen their competitiveness in employing people, the company will be shifting 2store contract staff", who account for 65% of employees in their stores, to "geographically-limited full-time staff".

(7) 20% "do not understand" unlimited-term conversion for irregular workers: companies in Saga Prefecture

A Saga Shimbun survey has made it clear that there has not been enough progress among companies within the prefecture in understanding the "unlimited conversion rule" in the Labor Contract Law, whereby limited-term irregular employees can switch to an unlimited term after working for over 5 years. Nearly 20% of companies surveyed answered that they "do not understand" the rule. For the sake of employment stability, the rule will start taking effect in April. But it may take some time for understanding to spread.