



Labor Update No.42 August 24, 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) Labor Ministry's guidance for "black companies" results in payment of 44.6 billion yen in unpaid wages

The Ministry of Health, Welfare and Labor on August 10 announced the results of direction and guidance given by Labor Standards Inspection Offices nationwide in fiscal year 2017 to companies with 1 million yen or more of outstanding unpaid overtime wages.

According to the report, as a result of 1,870 companies being investigated and having measures proposed and taken, a total of 44,641,950,000 yen (equivalent to 205,235 people's pay) of previously unpaid overtime was paid.

The amount of formerly unpaid overtime paid in fiscal 2017 was 3.5 times that in the previous year; the number of companies that agreed to pay was 1.41 times that in the previous year.

https://www.mhlw.go.jp/bunya/roudoukijun/chingin-c_h29.html

(2) Worries of obstacles to "exit" strategy: BoJ's assets higher than GDP for the first time since the War

With the swelling of the total assets of the Bank of Japan (*Nippon Ginko*), there are increasing worries that, when an "exit" strategy is undertaken in the future to settle accounts from large-scale monetary easing, its financial condition may worsen.

The arrangement is that the money the BoJ released by buying government bonds comes back in as deposits made at the BoJ by financial institutions.

So if the BoJ raises interest rate levels, the expense of paying interest will increase. In a worst-case scenario, up to eight trillion yen of the BoJ's owned capital could be lost, causing a fall into insolvency.

This could be an obstacle in searching for an exit.

Some point out that “if they take the step of raising interest rates while keeping the same amount of total assets, even insolvency is possible”.

(3) The teacher is an AI robot: MEXT to experiment with AI in English lessons

In order to improve Japanese children’s English speaking skill, which is difficult for many, the Ministry of Education, Culture, Sports, Science and Technology (MEXT) will experimentally carry out lessons in schools nationwide using English-speaking robots, etc., equipped with AI (artificial intelligence).

Regarding the teaching of English, in the new national curriculum that starts in earnest in two years, MEXT intends to put effort into speaking and writing ability, which children have had difficulty with.

However, in elementary schools, not only are there issues with teachers’ English ability, but there is also difficulty in procuring foreign teachers due to financial problems.

For these reasons, MEXT has decided to begin lessons using English-speaking robots, equipped with AI, starting next year.

There are already some schools introducing such robots into lessons for children to enjoy learning correct pronunciation and conversational English.

There are also plans to introduce English-learning applications on tablet devices and have conversation lessons with foreign teachers over the Internet.

MEXT says they will be adding about 250 million yen to their budget request for next fiscal year in order to begin these new lessons experimentally at about 500 schools.

(4) 12,000 club-activity instructors to be assigned to public junior high schools in order to lighten teachers’ workload

With teachers’ long working hours becoming a problem, MEXT has decided to newly assign 12,000 club-activity instructors to public junior high schools across the country in order to lighten the club-activity workload for teachers. They have finalized a plan to add 1.3 billion yen to their budget request for next fiscal year to cover the cost.

2. Legal Violations/Struggles

(1) Increasing dismissals of dispatch workers on the horizon: 3-year limit to arrive at the end of September

With September 30 marking a full three years since the amended Worker Dispatch Act came into effect, “dismissals” where dispatched workers are denied a contract renewal seem likely to increase.

This is because it will become impossible to have the same person work in the same department for over three years.

Despite the economic recovery, industry’s needs to use dispatching as a regulator valve for employment are still strong.

Though the law aimed for switching workers to *seishain* (regular direct employee) positions, there are still barriers to that.

The law was put into effect at the end of September, 2015, with an aim to “prevent the use [of dispatching] as a substitute for regular employment, and provide for workers to build a career”.

In order to employ a worker who has been dispatched for over three years in the same job, it is necessary either for the dispatch client company to hire the worker directly as a *seishain*, etc., or for the dispatch company to give the worker an unlimited-term employment contract.

Since this means becoming unable to easily terminate employment, more than a few companies are hesitant.

(2) Ministries inflated numbers of disabled people employed: 42 years since becoming required

It has come to light that the government has begun investigation into central government ministries and agencies, such as the Ministry of Land, Infrastructure and Transport and the Interior Ministry, that are said to have padded their numbers for the required proportion of handicapped people they employed.

The real numbers are said to have fallen well short of the required goals. Multiple government sources confirm this.

Methods of adding in employees who had no physical disability certificate, and were thus not eligible, were used.

The actual numbers in government employment may have been under half of the published numbers.

This practice has been going on regularly ever since the employment of handicapped people first became required, in 1976. The results of the investigation are to be made public when they are ready.

(3) Extraordinary request to stop introducing job-seekers to major vending-machine company with repeated troubles

Concerning major vending-machine operator Japan Beverage, which has had repeated labor troubles with its employees, the Labor Commission in Tokyo has issued an extraordinary request to Hello Work asking them not to introduce job-seekers to the company.

Employees are on strike at Japan Beverage, demanding, among other things, payment of overtime.

This request, made to multiple Hello Work offices not to introduce job seekers, seems to be aimed at preventing the company from hiring new employees to defeat the strike.

Japan Beverage has received four warnings from the Labor Standards Inspection Office. Also, multiple employees say they were presented with a quiz titled "Paid-Leave Chance" by their supervisor, a branch manager, in which those who gave a wrong answer would be denied paid leave.

They are demanding an explanation from the company.

(4) Man who worked for 12 years as contract employee at Bandai files suit seeking to void his dismissal

The first round of oral proceedings were carried out on August 20 at Tokyo District Court in the case of a man in his 40s who had sued major toy maker Bandai seeking confirmation of employee status.

His claim was that their termination of his employment just before he could switch from limited-term to unlimited-term was invalid.

The plaintiff filed suit in June of this year, saying that he had worked as a limited-term contract employee for 12 years, but was then dismissed right before the Labor Contract Law would have given him permanent employment.

(5) Workplace abuse of people with disabilities at its highest ever: low wages, discriminatory remarks, violence, etc, up 30% from previous year

The number of people with disabilities saying they received abuse in the workplace from employers, supervisors, etc., during fiscal year 2017 was 1,308.

This is an increase of 34.6% compared to the previous year.

It is the highest figure ever since surveys began in 2013.

This is seen to be the result of an increase in people's interest in the issues of workplace bullying and harassment, with a corresponding rise in the number of cases being reported to Labor Bureaus, etc.

“Situation of Abuse of People with Disabilities by Employers in Heisei 29 [2017]” linked below (in Japanese):

https://www.mhlw.go.jp/stf/houdou/0000172598_00003.html

<https://www.mhlw.go.jp/content/11201250/000345955.pdf>

(6) Improprieties in “technical internships” even at Hitachi: suspicion of assignment to workplaces other than purpose

It has come to light that some Filipino technical interns at Hitachi's Kasado Works (Kudamatsu City, Yamaguchi Prefecture) are suspected to have been made to work in workplaces where they could not learn the skills they were supposed to be training in.

According to interns' testimony, multiple interns who have worked at Hitachi since last spring in order to learn “electrical assembly”, such as making switchboards and control panels, have been doing nothing but installing windows, water pipes, carpets and toilets in train carriages bound for Britain's high-speed rail or Japan's *Shinkansen*.

Many interns are said to have complained of the same thing in Justice Ministry hearings as well.

3. Situation/Statistics

(1) Reuters industry survey: Employment of foreigners failing to spread, over 60% negative on unskilled labor

According to an August survey of companies by Reuters, despite the worsening labor shortage, the proportion of companies accepting foreign workers has not increased much since March of last year.

As well the number of unskilled jobs decreasing as automation progresses, companies are tending to look for higher-skilled personnel.

On accepting foreign nationals as unskilled labor, over 60% of companies were negative, saying that the costs in money and time for education and living support would be high, and they would only ever be a temporary addition to companies' strength.

(2) Number of masters' and doctors' degrees decreases only in Japan: 7-country survey exposes decline of country's research power

A survey by the MEXT National Institute of Science and Technology Policy has made it clear that the number of people gaining master's and doctors' degrees *per capita* had declined in recent years in Japan alone among major countries.

The decline in the quality and the quantity of research papers published in Japan is becoming a problem, but the country was also the "only loser" in number of young people continuing on to graduate school.

This result can be said to show a decline in research power.

The number of people gaining doctorates in Japan peaked in 2006, and has been declining since then.

Even after gaining their degree, many scholars have no choice but to become limited-term (*ninki-tsuki*) researchers without job security which may be leading people to steer clear of this path.

(3) "Partner system" to be introduced in Chiba City--same-sex and common-law couples eligible

Chiba City has finalized plans to introduce a system to publicly recognize couples that make their life together as "partners", a relationship similar to marriage.

According to the City, the system will not be limited only to LGBT and other sexual minorities, but will be available to people in a wide range of relationships, including common-law marriages, regardless of their sex. It is said to be the first such system in the country.

After inviting opinions from residents, the aim is to put the system into effect in April next year.

According to the City, if two people living together take an "oath" to share the costs, etc., necessary for life together, the City will issue them a "Partnership Oath Certificate".

Aliases may be used, and those who wish it will be able to get a card-type certificate.