



## Labor Update No.69 September 6, 2019

***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) To keep pensions at current standards, people will have to remain at work until age 68: financial verification

The Ministry of Health, Welfare and Labor has released the results of their financial verification of the public pension system. If economic growth stays flat, the level of pensions in 30 years will fall below the government's target of 50% of the spendable income of those still working. To avoid this situation and make sure those who are now 20 years old will be able to receive the same level of pension as those now retiring at 65, the current 20-year-olds will have to keep working until they are 68 years old. The results look harsh for those who will be receiving pensions in the future; the urgency of expanding the support base or of curtailing benefits to those now elderly has been brought into sharp relief.

The financial verification, conducted once every five years, is like a "regular checkup" on the state of the pension system. Based on certain assumptions about the economy and the population, it calculates the effects on pension finances and the standard of benefits. This time, predictions were made for the period until 2115 based on six economic assumptions.

Compared the predictions as of 2004, when the pension system had a dramatic overhaul, the period when benefits will have to be curtailed in order to balance the pension finances has grown longer. With the economic assumptions taken as criteria in the 2004 prediction, curtailment of benefits was planned to end within the 19 years until 2023. By the results of this new verification, even in the economic best-case scenario, curtailment of benefits will have to continue for 27 years.

"2019 (Reiwa 1) Financial Verification Documents" linked below (in Japanese):

<https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/nenkin/nenkin/zaisei-kensyo/index.html>

"Main Points of 2019 (Reiwa 1) Financial Verification Results" linked below (in Japanese):

<https://www.mhlw.go.jp/content/000540198.pdf>

#### (2) On scope of Kosei Nenkin coverage, debate focuses on how far to relax the company size criterion

On the issue of expanding *Kosei Nenkin* (employees' pension) coverage to include people working part-time (among others), meetings at the Ministry of Health, Welfare and Labor (MHWL) have focused on how far to relax the company-size requirement while still giving consideration to the concerns of the companies that will bear the burden of the employer contributions.

Multiple voices were heard at meetings to favor abolishing the size criterion altogether, calling it unfair to draw an arbitrary line based on the size of a company.

On the other hand, the opinions heard from companies--which will pay half the amount of the pension premiums--favored cautious deliberation, saying among other things that "the impact on business will be great".

MHWL is planning to begin debate in the Social Security Council within the month, and to relax the requirements for company size.

(3) *Karo-jisatsu* (suicide from overwork) a severe problem in the construction industry: outline of "Karoshi Measures White Paper" becomes known

The outline of the 2019 "White Paper on Measures to Prevent *Karoshi*, Etc."--including reports on the current situation with regard to *karoshi* (death from overwork) and *karo-jisatsu* (suicide due to overwork), as well as government measures to prevent them--has become clear. Construction and the media industry were analyzed as examples of key industries with conspicuous amounts of excessive work. In the construction field, of foremen who were certified as suffering from mental disorders such as depression during the five-year period up to 2015, 30 (or roughly half) had either committed or attempted suicide. The harshness of their work situation, including the long hours, has been brought once more into sharp relief.

## 2. Legal Violations/Disputes

(1) Bunri Kaisei H.S. receives citation for unpaid overtime

Bunri Kaisei High School, a private school, has received a citation from the Kisarazu Labor Standards Inspection Office for not paying overtime to non-regular staff and for not giving them a written employment contract.

The school did not have timecards, but based on security lock records among other things, two full-time teachers were doing up to 177 hours per month of overtime work. However, overtime was not paid, and their take-home pay per month was only about 180,000 yen. Their overtime hours included club activities.

(2) Forced to cut the grass with a supervisor watching: lawsuit over transfer harassment

A man in his 50s who worked for a Kobe company that runs solar-power plants in Hyogo and Miyazaki is soon to file suit against the company in the Osaka District Courts. He claims that in the summer of 2018, after joining a union, he was forced to take an unwanted transfer to a position where he was not allowed to do anything but mow lawns under the eye of a supervisor, and that this constituted "power harassment" (*pawahara*). He is seeking a total of about 4 million yen in compensation,

etc., from the company.

The man began work at the company in May 2014. Due to dissatisfaction with his pay changing at the boss's whim, among other issues, he joined a union in June 2018, but met with harassment after that.

(3) “Fired to avoid switching to permanent employment”: Belgian former assistant professor to sue Nagasaki U. seeking confirmation of status

A Belgian man who worked at Nagasaki University as an assistant professor on limited-term contracts for eight years before being dismissed at the end of February is claiming that “I was let go for the purpose of evading a switch to an unlimited-term contract”. He will be filing suit next month in the Nagasaki District Courts seeking confirmation of his assistant-professor status. In March 2017 when his contract was renewed, if he had been given a three-year contract (as he had been before), he would have been able to gain the right to request a switch to unlimited-term. However, Nagasaki University gave the man, who could not read Japanese well, a contract written in Japanese that changed the term to two years.

(4) Bhutanese students, made to work long hours after borrowing money to come to Japan, form union

To stop students from Bhutan, the Himalayan kingdom known as “the land of happiness”, from being made to work long hours at their *arubaito* (student employment) jobs, a group of Bhutanese people working in Japan have formed the “International Bhutanese Workers’ Union (*Kokusai Butan-jin Rodo Kumiai*)”.

The union has been formed by former students from Bhutan who now work at companies in Ehime and other places, as well as current students. Their plan is to increase their membership by using social media, etc., and to also work on giving support within Japan for those employed here.

Behind this situation lie the foreign-study brokers in Bhutan, who recruit students by claiming that “if you study in Japan and then work there, you can earn big money”: students who believe this end up having to borrow approximately 1.2 million yen from financial institutions in order to come to study here. In Bhutan, the starting salary for a national government employee is about 30,000 yen per month, so 1.2 million is a huge debt.

(5) 24-year-old police detective commits suicide due to overwork; family applies for compensation as “accident in the line of duty”

The September 2017 suicide of a Kumamoto Prefectural Police Tamana Precinct detective was caused by his long working hours, according to the bereaved family, who will soon be applying to the Local Government Employees’ Compensation Fund, Kumamoto Branch, for approval of compensation as an “accident in the line of duty” (public servants’ equivalent of workers’ compensation). According to persons concerned, in the two months immediately preceding his death, the detective worked a total average of 120 hours of overtime per month, including night-watch duty, and was under a heavy psychological burden.

The family requested an investigation of the working environment from the Kumamoto Prefectural Police. Since they were unable to get a convincing explanation, they filed a preservation-of-evidence procedure at the Kumamoto District Court, Tamana Branch. The court decided to preserve evidence, and had the prefectural police submit documents relating to working hours, such as a work-hours report, and the results of an internal investigation by the precinct.

(6) Vietnamese former technical interns made to do decontamination work outside their contract: three seek compensation

Three former technical interns, who came to Japan from Vietnam to study construction technology, have filed suit seeking a total of 12 million yen in compensation from the company that employed them. They say they were made to do decontamination work that was not related to the technical training.

The three say that “the company gave us no explanation about decontamination. It was truly disappointing to be made to do decontamination work when we’d come to Japan to learn about construction technology. We worry now about our future children, as well as about our own health.”

(7) “Illegal to deduct points from evaluation” for train drivers’ beards: Osaka City loses again on appeal

The Osaka Superior Court has handed down an appeal verdict in the case of two male train drivers who worked for the Osaka City Subway (now the Osaka Metro). The two men claimed that having points deducted from their personnel evaluations due to their having facial hair was a violation of Article 13 of the Constitution, which guarantees individual personal rights. They sued for a total of 4.5 million yen in compensation, etc. The Superior Court has upheld the prior Osaka District Court judgment, which ordered the City to pay 440,000 yen in total, and rejected the City’s appeal.

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

(1) MHWL, despite waving flag for prevention, has 46% rate of harassment

The Ministry of Health, Welfare and Labor (MHWL), while waving the flag for work-style reforms, has its own problems: more than four in ten Ministry employees have encountered sexual harassment or workplace bullying (“power harassment”, *pawahara*), and over six in ten feel there is too much work. This is the situation that has been made clear by a reform proposal handed to the Minister by a team of young Ministry employees. Referring to repeated troubles such as the problem of faulty statistics, they point out that “staff and time should be put into considering policy, not into dealing with scandals”.

The “Junior Team for MHWL Reform”, comprising 38 members of Ministry staff, mainly in their 20s and 30s, was formed in April. They carried out a questionnaire survey of approximately 3,800 staff members, receiving 1,202 valid responses. Of the respondents, 46% answered that they had “been subjected to *pawahara* or *sekuhara*”, and 54% of these said they had “not consulted with anyone for fear of unfavorable treatment” or that it was “difficult to consult with someone in the department”. 37%

said they did “not think transfers or reassignments were done appropriately”, with 38% of these giving as a reason that “staff and supervisors who engaged in *sekuhara* and *pawahara* continue to be promoted”.

A total of 65% of respondents felt that “the workload is heavy”, with 67% of these saying the cause was “a shortage of staff”. Some respondents made comments such as “when I started work at the Ministry, I entered the graveyard of life” and “every day I think about when to quit”. The reform proposal points out that “an overwhelming shortage of personnel” is making it easy for mistakes and scandals to happen. It asks for increased staffing and a reforms to the Ministry’s personnel system.

(2) Congratulation bonuses for those using the Partnership System: Yokosuka City

The “City Employees’ Welfare Society”, a mutual-aid society for full-time city government staff in Yokosuka City (approximately 3,200 members) has begun measures this month to grant congratulations bonuses of 30,000 yen to staff members who use the City’s “Partnership System”, a system to give public recognition to sexual-minority couples (LGBT etc.).

Staff members will become eligible by presenting a City-issued certificate, which recognizes their partnership as equivalent to an opposite-sex marriage. Those who attach a copy of this certificate to an application form will be able to receive the congratulations bonus.

The city government’s Gender Equality Section says that having their relationship treated the same way as a marriage can be a great emotional support to the individuals concerned, and expresses hope that such a move will “spread... in the private sector as well”.

(3) Employed population increases for 79 months in a row: preliminary July figures, Statistics Bureau, Ministry of Internal Affairs and Communications

The Interior Ministry’s Statistics Bureau has released the preliminary results of the July 2019 “Labor Force Survey (Basic Statistics)”. According to these figures, the employed population in Japan as of July was 67.31 million. This is an increase of 710,000 compared to the same month of the previous year, an increase for the 79<sup>th</sup> month in a row. The employment rate was 60.7%, up by 0.7 percentage points from the same month of the previous year.

Of those employed, the number of regular staff/employees was 35.26 million (40,000 more than the same month of the previous year), while that of non-regular (part-time, temporary etc.) staff/employees was 21.74 million (710,000 more than the same month of the previous year).

“Labor Force Survey (Basic Statistics), July 2019 (Reiwa 1) (Preliminary Report)” linked below (in Japanese):

<https://www.stat.go.jp/data/roudou/sokuhou/tsuki/pdf/gaiyou.pdf>

(4) Real wages for July down for the seventh month in a row

The total per-capita wage average for July of this year was just over 377,000 yen. As

well as this being 0.3% lower lower than the same month of last year, real wages, reflecting fluctuations in prices, were 0.9% lower than the same month of last year. This was the seventh month in a row of negative figures.

The Ministry of Health, Welfare and Labor says that “the trend of decreasing wages is continuing”.

“Monthly Labor Statistics Survey: July, Reiwa 1, Preliminary Results” linked below (in Japanese):

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r01/0107p/dl/pdf0107p.pdf>