



Labor Update No.6 April, 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. “Work-Style Reform Implementation Plan (Draft) Adopted

At the 10th meeting of the “Work-Style Reform Implementation Committee”, held on March 28, 2017, a “Work-Style Reform Implementation Plan (Draft)” was adopted.

The main points included are:

- (1) Equal pay for equal work
- (2) A maximum limit on overtime hours, with penalties
- (3) Improving the environment for flexible working styles
- (4) Improving the environment for, and promoting, acceptance of women, elderly, and foreign workers
- (5) A road map for realization of the plan

Etc.

The plan is to present the relevant bills and pass them at the Special Session of the Diet in the Autumn of 2017, then have them take effect one item at a time, mainly in 2019.

Complete text of the plan (draft), in Japanese:

<http://www.kantei.go.jp/jp/singi/hatarakikata/dai10/siryou1.pdf>

2. From the major economic statistics of February, 2017

(1) The unemployment rate for February (after seasonal adjustment), as announced by the Interior Ministry, was 2.8%, a decrease of 0.2% from the previous month, and the second month in a row of improvement. The active opening rate, which shows the ratio of job openings to job applicants, was 1.43, the same as the previous month, which was its highest point since July of 1991 at the end of the “bubble” period.

(2) The number of irregular workers was 20,050,000, accounting for 37.1% of all workers. Compared to 22 years ago, when the unemployment rate was in the 2% range, the number of regular employees has decreased by 4 million while that of irregular workers has increased by 10 million. Improvements in irregular employment, such as regularization and pay rises, have yet to be seen.

(3) The national consumer price index (perishable foodstuffs excepted) was 99.6%, a rise of 0.2% over the same month of the previous year, and positive for the second month in a row. However, the steep rise in

energy prices was conspicuous: by item, the price of kerosene went up by 29.8%, that of gasoline by 15.8%, etc.

(4) There was also a noticeable decline in consumption due to rising prices. According to the Interior Ministry, consumer expenditure per household in February decreased by 3.8% in real terms (not including changes in prices) compared to the same month of the previous year. Gasoline expenditures and automobile purchases decreased, so that “transportation and communications” went down by 7.4%. Although the Ministry concluded that the previous year’s being a leap year, with one more day in February, did have some influence, its basic assessment of consumption posited that “weak movements were seen”.

3. “Bill to Amend Parts of the Local Government Act, Etc.”: the current state of deliberations and the Government’s prospects for implementation

The “Bill to Amend Parts of the Local Government Act, Etc.”, mentioned in Labor Update no. 4, was submitted to the Diet by the Government on March 10, 2017, but as of April 7, 2017, it has still not entered deliberation, and an outlook for implementation has not been announced. The Government is seeking to have the bill pass the Diet within this session (which lasts until June 18), and come into effect on April 1, 2022.

About the bill (in Japanese):

http://www.soumu.go.jp/menu_hourei/k_houan.html

Once deliberations start, the current state of deliberations can be seen on the House of Representatives General Affairs Committee website below (in Japanese):

http://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/News/soumu193.htm

4. Outsource some of the duties of Labor Standards Inspectors, including confirmation of 3-6 Agreements*, to licensed social insurance consultants: Promotion Council for Regulatory Reform

A further report on the private outsourcing of some duties of Labor Standards Inspectors that was mentioned in Labor Update no. 4.

At a meeting of this Council’s task force, held on April 6, the opinions of this Council came into conflict with those of the Health, Welfare and Labor Ministry over the role of the Inspectors.

The Council made the argument that, in order to compensate for the shortage of Labor Standards Inspectors, some part of the duties of Inspectors who regularly supervise workplaces should be entrusted to licensed social insurance consultants. They claimed that “Such tasks as confirming whether an agreement on overtime work (3-6 Agreement) has been concluded or not are possible for a social insurance consultant”.

The Ministry responded by arguing that “Even if this task appears to be simply checking documents, there is a

possibility of it becoming connected in the future to judicial punishment” and emphasized that “its effectiveness is different from that of a private, voluntary survey”. The two sides failed to agree.

As of 2015, the number of Inspectors with the authority to make compulsory inspections was 3,241 in the whole country. This is only a little above a 60% sufficiency rate by International Labor Organization (ILO) standards. In 2015 they were only able to conduct regular supervision at 3% of the roughly 4.28 million workplaces nationwide. Both sides share an awareness that the supervisory system is not adequate.

*(*3-6 Agreement: common term for an overtime agreement between an employer and a labor representative, which is required before an employer can make workers work overtime. Nickname comes from Article 36 of the Labor Standards Law, where the requirement for such agreements is found. --translator)*

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