



Labor Update No.3 February, 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. **“Termination prior to reaching the five-year mark” is happening frequently**

When an irregular employee has renewed limited-term employment contracts to continue working at the same company for a total of over five years, the amended Labor Contract Law now requires companies to switch them to unlimited employment (with no contract expiration date). In response, in an increasing number of cases, workers are seeing their employment terminated before reaching the five-year mark. Rengo (the Japanese Trade Union Confederation) also carried out nationwide telephone consultations over this from Feb. 9 to 11.

2. **Government proposes an upper limit on overtime work: max. 720 hours/year**

The government has presented a draft bill, including penalties, that would set the maximum limit on overtime work at 720 hours per year or a monthly average of 60 hours. Companies have insisted on a 100-hour monthly limit for the busy season in January, but labor has opposed this. As of the present time, the plan is not finalized, and is still being fought over. Management pressure to accept long hours of overtime work is strong. The government says it will arrange an implementation plan by the end of March.

3. **Will there be a change in job transfers(relocation)?**

The welfare and Labor Ministry began holding experts' study groups this January to draw up a plan for “Employment Management Points Relating to Transfers”(working title), said to be a set of guiding principles on considerations when transferring or relocating employees.

The Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (commonly known as the “Child Care and Family Care Leave Act”) states the following in Article 26:

“When an employer seeks to make a change to the assignment of a worker in its employ which involves a change in the said worker's place of work, if such change in the place of work would make it difficult for the said worker to take care of his or her child or family member while working, the employer must give consideration to the said worker's situation with regard to taking care of his or her child or family member.”

Let us observe closely.

4. Overview of Results of Nationwide Basic Survey of Labor Unions, Heisei 28[2016]

Survey conducted June 30, 2016 / results published Dec. 15, 2016

(1) Situation of labor unions and union members

As of June 30, Heisei 28, the number of unions was 24,682 and the total number of union members was 9.94 million. Compared to the previous year, the number of unions is down by 301 (1.25), while the number of union members has increased by 58,000 (0.6%).

Also, the estimated unionization ratio (ratio of total union members to total number of employed people) was 17.3%, a decrease of 0.1 points from the previous year.

The number of female union members was 3.192 million, an increase of 72,000 (2.3%) from the previous year, and the estimated unionization ratio (ratio of female union members to total number of employed women) was 12.5%, the same as the previous year.

(2) Situation of part-time workers

The number of union members who are part-time workers was found to be 1.131 million, an increase of 106,000 (10.3%) over the previous year, accounting for 11.4% of all union members, an increase of 1 percentage point from the previous year.

Also, the estimated unionization ratio (ratio of part-time workers who are union members to the total number of employed people) was 7.5%, an increase of 0.5% from the previous year.

(3) Situation by industry

Looking at the number of union members by industry, manufacturing had the most, with 2.622 million (26.5% of the total). Second was retail and wholesale trade with 1.386 million (14.0%). Transport and postal industries had 859,000 (8.7%), and so on.

Looking at the differences from the previous year, industries with the largest increases were retail and wholesale trade with an increase of 49,000 (3.7%) and accommodation and eating and drinking services with an increase of 26,000 (12.4%). Industries with the largest decreases were education and learning support with a decrease of 13,000 (2.6%) and public service with a decrease of 13,000 (1.4%).

Looking at the estimated unionization ratio by industry, for electricity, gas, heat supply, and water it was 69.0%, while it was much lower for farming, forestry and fishing at 1.7% and real estate and goods rental and leasing at 3.0%.

(4) Situation by size of enterprise (private enterprises)

The number of union members at private enterprises was 8.491 million, an increase of 87,000 (1.0%) over the previous year.

Breaking this down by enterprise size, 5.517 million (65.0% of the total) were at enterprises with over 1,000 employees, 1.16 million (13.7%) were at enterprises with 300-999 employees and 610,000 (7.2%) were at enterprises with 100-299 employees.

(5) Situation of affiliation to major organizations

Looking at the number of union members affiliated through industrial organizations to each major group, Rengo (Japanese Trade Union Confederation) had 6.753 million (4,000 more than the previous year); Zenroren (National Confederation of Trade Unions) had 550,000 (a decrease of 18,000); Zenrokyo (National Trade Union Council) had 101,000 (a decrease of 4,000); Kinzoku Rokyo (Japan Council of

Metalworkers' Unions) had 2.011 million; IndustriALL JAF (IndustriALL Japanese Federation of Energy and Chemistry Workers' Unions) had 433,000; Koun Rokyo (Japanese Council of Transport Worker's Unions) had 617,000; and Komu Rokyo (Alliance of Public Services Workers Unions) had 1.165 million. Also, including those union members affiliated only to the regional organizations in each prefecture (so-called regional direct affiliation), Rengo had a total of 6.88 million members (10,000 fewer than the previous year); Zenroren had 776,000 (a decrease of 29,000); and Zenrokyo had 112,000 (a decrease of 5,000).

Details are linked below (in Japanese).

<http://www.mhlw.go.jp/toukei/itiran/roudou/roushi/kiso/16/>

5. Engel's coefficient hits 29-year high of 25.8% in 2016

According to the "2016 Household Budget Survey Report" released by the Internal Affairs Ministry on February 17, consumer spending by households of at least two people decreased in real terms by 1.7%. Engel's coefficient (the proportion of income spent on food) rose to 25.8%, its highest record since 1987 (when it reached 26.1%).

Details are linked below (in Japanese).

<http://www.stat.go.jp/data/kakei/sokuhou/nen/index.htm>

6. Wage disparities between men and women, and between regular and irregular workers, still "shrinking" in 2016. "Equality" still far away

On February 22, the Ministry of Health, Welfare and Labor compiled the amounts of fixed wages (mainly corresponding to base salary) paid in June of last year at approximately 50,000 workplaces nationwide, each with 10 or more workers. This data was published as the "Results of Basic Statistical Survey of Wage Structures".

The average fixed wage paid to women who worked full-time was 244,600 yen, a 1.1% increase over the previous year and an all-time high. The wage disparity between men and women was at an all-time low for the first time in two years; that between regular and irregular employees, for the second year in a row.

The average fixed wage (monthly) paid to full-time workers (including irregular employees) was 304,000 yen, the same as the previous year. While that of men was at the same level as last year at 335,200 yen, that of women set a new high record for the third year in a row. Women's wages were 73.0% of men's, the smallest gap since the comparable year of 1976. The proportion of women among executives at "section head" and "manager" levels was 9.3%, the highest ever recorded, which also pushed up the average of women's wages.

By type of employment, regular employees were paid on average 321,700 yen, an increase of 0.2% from the previous year, while irregular employees were paid 211,800 yen, an increase of 3.3% from the previous year. Irregular employees' average wage was 65.8% of that of regular employee, making this

wage gap the smallest since the comparable year of 2005. While regular employees' salaries have remained sluggish, those of women and irregular workers, at lower wage levels, have grown due to the influence of the labor shortage and other factors, resulting in a shrinking of wage disparities.

Looking at irregular employees by gender, men's average pay was 235,400 yen, an increase of 2.7% over the previous year, while that of women was 188,600 yen, an increase of 4.2% from the previous year. Women between the ages of 35 and 44 saw an increase of over 5%.

Details are linked below (in Japanese).

<http://www.mhlw.go.jp/toukei/itiran/roudou/chingin/kouzou/z2016/index.html>