
Introduction

Minimum Wage in Japan

In recent years, issues involving the disparity between regular and non-regular workers and those concerning the working poor—workers who do not receive enough income to get by—have drawn attention as societal problems, and reforming the minimum wage system has become a significant policy concern.

The 2007 revision to the Minimum Wages Act positions the minimum wages determined by each of Japan's 47 prefectures as being essential safety nets, and sets forth stricter penalties for employers who violate established minimum wages. The revised Act prescribes that the amounts of these wages must be decided upon in consideration of their consistency with social security benefits. Additionally, the Democratic Party of Japan, which took the reins of government in the 2009 general election, stated in its electoral manifesto that it would "institute a national minimum wage (projected at 800 yen) [that would be] applicable to all workers," and that "in consideration of economic conditions, [it would] aim to raise the national average minimum wage to 1,000 yen." Based on these statements, the government is currently working to raise regional minimum wages.

This compilation aims to clarify the issues related to the Japanese minimum wage system, and to shed light on its current status from multiple perspectives.

First, Ohashi's paper examines the issues surrounding Japan's minimum wage system through a consideration of its history and comparisons with its counterparts in Western nations, as well as through his own experience as a member of a minimum wage council, and thereby clarifies the actual conditions at play. In this, he points out such issues as (i) that the relatively low level of Japan's minimum wages may be caused by the fact that the guideline increases (*meyasugaku*) indicated by independent members of minimum wage councils tend to be lower in a conflict of opinions between the labor and management side, and (ii) that when instituting any large increase in minimum wages, there is a need to even more thoroughly examine its impact on employment.

Tamada's paper examines the determinants of (regional) minimum wages in Japan based on empirical analysis. In this, she indicates (i) that the wage growth rate has a positive impact on the determination of guideline increases by the Central Minimum Wage Council, (ii) that the increases determined by regional minimum wage councils are almost the same as the guideline increases indicated by the Central Minimum Wage Council, (iii) that the active job openings-to-applicants ratio has a positive correlation to increases in minimum wages, and (iv) that the unionization rate does not affect increases in minimum wages.

Abe's paper reviews recent discussions surrounding minimum wages in Japan from an economic perspective. In this, she brings to light (i) that in the midst of increasing globalization, concerns have increased over the impact that the minimum wage has on employment, (ii) that with the minimum wage hike enacted in the 2007 revision to the Minimum Wages Act and the

stagnation in the average wage caused by deflation, the number of workers employed at minimum wage has increased, and the minimum wage is more likely to have a stronger impact on employment (as the result of offshoring), and (iii) that increasing minimum wages is not necessarily an effective means of resolving the problems of “mismatched” employment and poverty.

Finally, Kanki’s paper clarifies the special characteristics and issues surrounding Japan’s minimum wage system through a comparison with the minimum wage systems in the UK and France. In this, she points out (i) that Japan’s minimum wages council system, which is based on the logic of collective bargaining, has limitations in making a reality of the right to live—a policy objective that is separate from the interests of both labor and management, and (ii) that the role of minimum wages as a safety net is being overestimated in Japan, where no concrete system has been developed to ensure a minimum standard of living to people facing long-term unemployment and the working poor, and she also proposes that (iii) as well as taking another look at the minimum wage system, it is necessary to revise the social security benefits system for people of working age.

It is my hope that this compilation will clarify the issues surrounding Japan’s minimum wage system, which is undergoing reforms, that it will shed light on the current status of this system, and that it will open the way for policy discussions that are based on a solid academic foundation.

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