

# Japan Labor Issues

## 6

June 2019

Volume 3 Number 15

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### ● Statistical Indicators



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## KEY TOPIC

# Human Resources Development according to Diversified Working Styles

MHLW's White Paper on the Labor Economy 2018

The Ministry of Health, Labour and Welfare (MHLW) issued its white paper, *Analysis of the Labour Economy 2018*, on September 28, 2018. The topic of this 70th white paper is “Human Resources Development according to Diversified Working Styles.”

The white paper states that promoting investment in human resources, as well as in capital, is important for Japan, a nation grappling with labor supply restrictions brought by a declining birthrate and aging society. It suggests that promoting “work style reform” that allows diverse human resources to select flexible working styles in accordance with their individual circumstances and raising the labor productivity of each individual will be essential for the nation’s sustainable economic growth.

### Japan’s low labor productivity

Japan ranked the lowest among the G7 nations in both nominal and real labor productivity in average of five years from 2012 to 2016. Its real labor productivity was less than 45 dollars per labor input, or 70% of the figures of France, Germany, and the United States, which were at high levels. However, the white paper points out that real labor productivity is sluggish among all of the G7 nations. As for the rates of increase from 1996 to 2000, those for Germany, the US, France, and the United Kingdom were around 2%, while that for Japan was also above 1.5%. Thereafter, real labor productivity showed a lower increase internationally from 2006 to 2010, a period that included the financial crisis sparked by Lehman Brothers’ bankruptcy. From 2011 to 2016, the rates of increase for Germany, the US, France, and the UK stood at under 1%, while that for Japan was also just above 0.5%. The white

paper suggested that investment in people as well as in IT capital should be promoted in order to improve labor productivity.

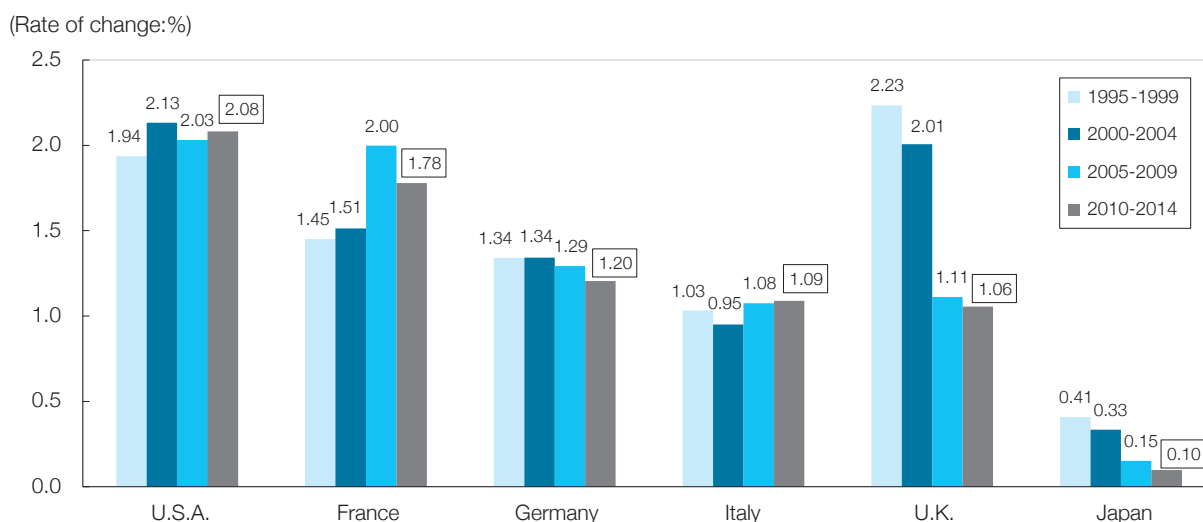
### Declining investment in skills development

The white paper points out that the percentages of skills development expenditure of enterprises that make up GDP (an estimate of the amount spent for off-the-job training [OFF-JT], not including that for on-the-job training [OJT]) are falling in each country; however, Japan’s percentage is at a conspicuously low level (Figure 1). In fact, from 2010 to 2014, the percentages were 2.08% for the US, 1.78% for France, 1.20% for Germany, 1.09% for Italy, 1.06% for the UK, and 0.10% for Japan. In the cases of Germany, the UK, and Japan, the percentages have continued to decrease since the period from 1995 to 1999. Compared to the period from 1995 to 1999, the period from 2010 to 2014 shows decreases of 0.14 percentage points for Germany, 1.17 percentage points for the UK, and 0.31 percentage points for Japan. The white paper states that there are concerns that human capital is not being sufficiently accumulated among Japanese workers and, as a result, this will be a factor that hinders improvements in labor productivity in the long term.

### Skills development raises sales and productivity

Regarding the effects that expenditure for skills development have on enterprises’ performance, the white paper points out that expenditures for Off-JT and support for employees’ self-development (*jiko keihatsu*)<sup>1</sup> have a positive effect on statistical significance vis-à-vis enterprises’ performance

1. “Corporate In-house Education and Training and Career Formation in Japan (Part I): In-house Skills Development,” *Japan Labor Issues* vol. 2, no. 10, contains a detailed explanation of skills development and career formation in Japanese enterprises.



Source: Prepared based on data estimated by Professor Tsutomu Miyakawa (Gakushuin University) using the Cabinet Office's *National Accounts of Japan*, JIP Database, and INTAN-Invest database.

Note: The figure shows changes in the five-year averages of skills development expenditure's share to real GDP. Skills development expenditure in the figure refers to the amount for OFF-JT, which indicates training and other expenditures both inside and outside the company, and does not include expenditures needed for OJT.

Figure 1. International comparison of the skills development expenditure share to GDP (gross domestic product)

in terms of the following year's sales and labor productivity. It further points out that support for self-development is likely to be more effective than Off-JT when the impact of effects are compared.

Additionally, noting the results of a JILPT analysis, *Survey of the current state and challenges of human resources development and skills development* (2017), the white paper indicated that enterprises with relatively more OJT-related initiatives<sup>2</sup> have among them a higher percentage of enterprises that recognize that human resources development leads to better productivity.

### Systematic OJT is effective for improving productivity

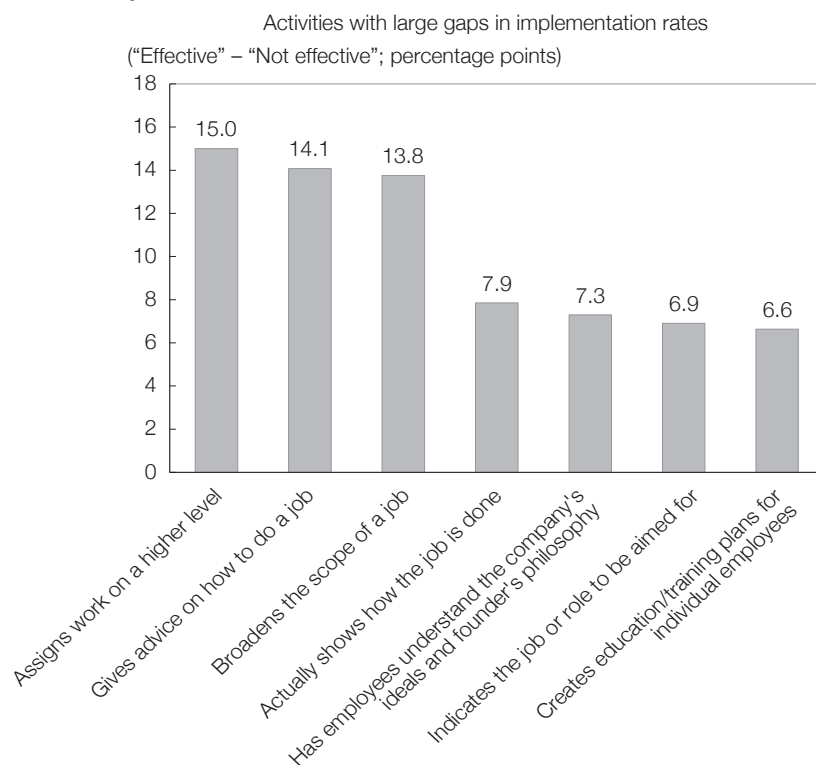
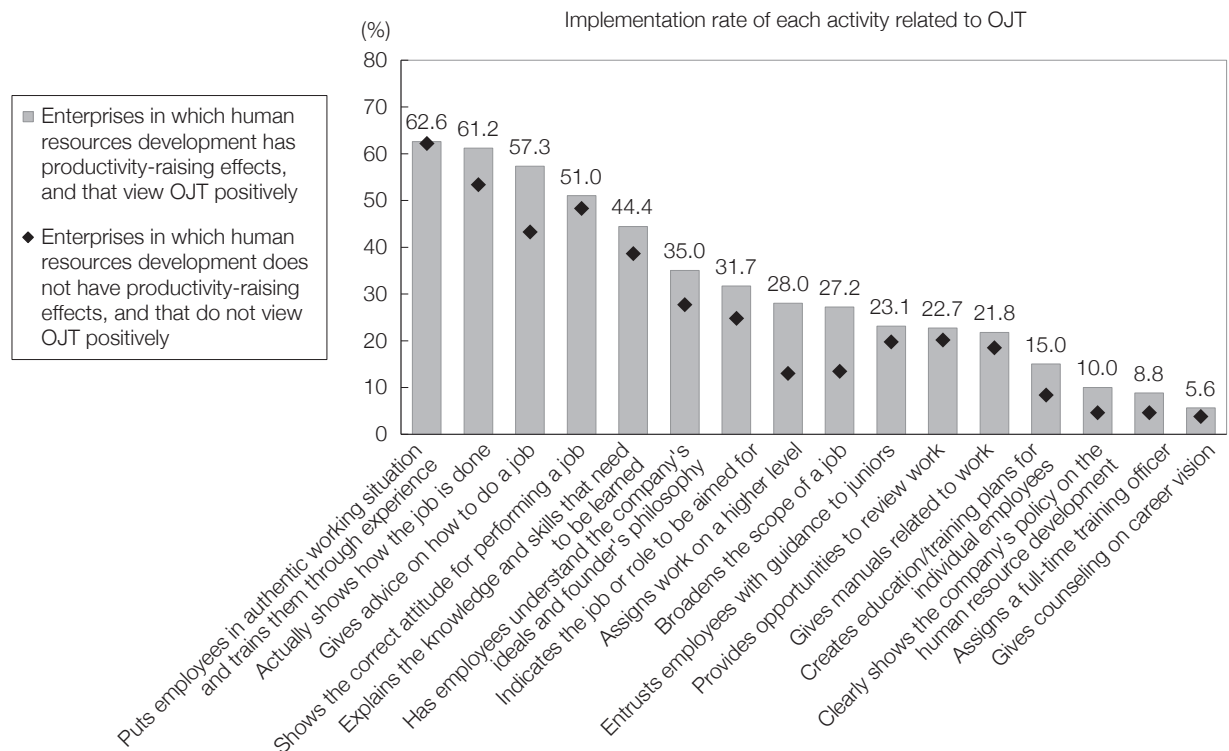
Furthermore, the white paper classified enterprises into two types according to specific OJT activities—"enterprises in which OJT is proceeding well and workplace productivity is improving" (Type A) and "enterprises in which OJT is not proceeding well and workplace productivity is not improving" (Type B)—and compared the implementation rates

for individual OJT activities (the top part of Figure 2).

With regard to specific implementation rates, Type A has higher rates compared to Type B for most of the activities. This is particularly conspicuous in the rate for "assigns work on a higher level" to employees, which is 15.0 percentage points higher for Type A. Following are "gives advice on how to do a job," whose rate is 14.1 percentage points higher, and "broadens the scope of a job" of employees, whose rate is 13.8 percentage points higher. Of the options, the exception was the percentages of enterprises that selected "puts employees in authentic working situation and train them through experience," which were largely the same for both types (the bottom part of Figure 2).

From these results, the white paper states that OJT without clear planning appears to have little relation with improved productivity. On the other hand, OJT may lead to higher productivity when systematically conducted (i.e., assigning work on a higher level in stages), directly linked to specific

2. "Enterprises with relatively more OJT-related initiatives" refer to enterprises that implement at least 6 of 16 activities related to OJT.



Source: Independent tabulation by Office of Counsellor for Labour Policy Planning of MHLW, based on *Survey of the current state and challenges of human resources development and skills development (questionnaire for enterprises)*, JILPT Research Series no.172, 2017.

Notes: 1. The figure on the top indicates the implementation rates of activities concerning OJT for enterprises responding that human resources development has/does not have effects in raising workplace productivity and that OJT is proceeding well/not well.

2. The figure on the bottom shows the seven activities concerning OJT that have the largest gaps in implementation rate between enterprises in which human resources development has effects in raising workplace productivity and OJT is proceeding well, and those in which human resources development does not have effects in raising workplace productivity and OJT is not proceeding well.

3. "OJT" refers to activities that are conducted within routine operations to help employees learn their jobs effectively.

Figure 2. Activities of enterprises in which OJT is proceeding well and productivity in the workplace is improving

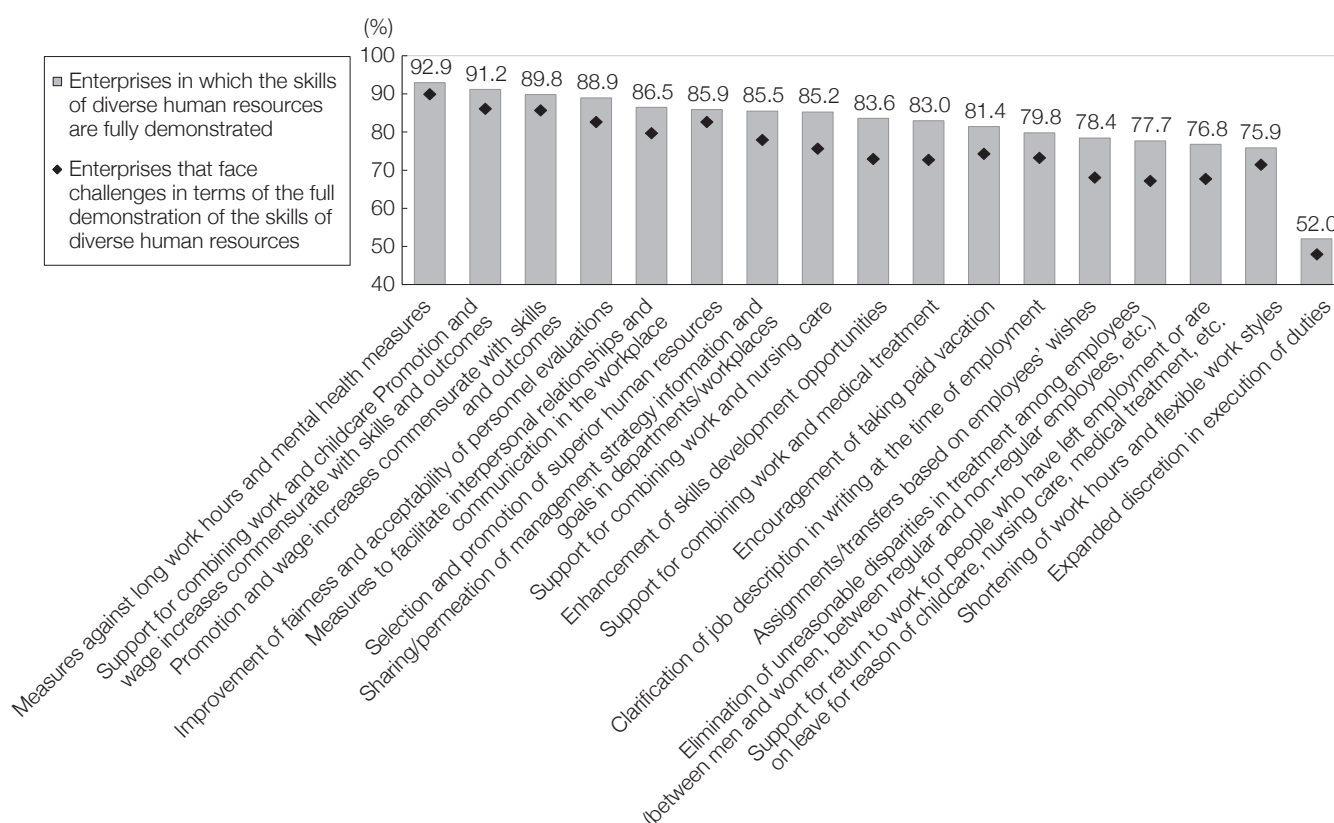
operations in the form of counseling and advice, and encouraging employees to take on a new task challenge by broadening the scope of work.

### “Fine-tuned” human resource management

What differences in human resource management approaches exist between enterprises in which the skills of various human resources are being fully demonstrated and those that face challenges in achieving such demonstration? The white paper examines activities targeting regular employees as revealed in JILPT’s *Survey on advancement of diversified working styles and human resources management* (Figure 3). According to the survey, enterprises are actively taking initiatives that include “measures against long work hours and those for mental health care,” “support for combining

work and childcare,” “promotion and raising wage commensurate with skills and outcomes,” and “improvement of fairness and acceptability of personnel evaluations.” Roughly 90% of enterprises classified as “enterprises in which the skills of various human resources are being fully demonstrated” are addressing these items.

Particularly large differences in the initiatives of both enterprise types are seen in “enhancement of skills development opportunities” (10.7 percentage points, the same applies to the following), “elimination of unreasonable disparities in treatment among employees (between men and women, between regular and non-regular employees, etc.)” (10.5), “assignments and transfers based on employees’ wish” (10.4), “support for combining work and medical treatment” (10.3), “support



Source: Independent tabulation by Office of Counsellor for Labour Policy Planning of MHLW, based on *Survey on advancement of diversified working styles and human resources management (questionnaire for enterprises)*, JILPT Research Series no.184, 2018.

Note: The sample size of responses concerning human resource management in enterprises in which the skills of diverse human resources are fully demonstrated was 1,305 for activities targeting regular employees (including restricted regular employees).

Figure 3. Implementation rates for employment management in enterprises in which the skills of diverse human resources are fully demonstrated (activities targeting regular employees)

for combining work and nursing care” (9.6), and “support for return to work for employees who have left employment or those who have been on leave for reason of childcare, nursing care, medical treatment, etc.” (9.1). The white paper emphasizes the importance of promoting the “fine-tuned” human resource management that covers various workplace situations and problems such as enhancement of human resource development opportunities and elimination of unreasonable disparities in treatment among employees, in order for diverse human resources to fulfill their potential.

### **Lower rates of implementation of self-development with higher regular-employee age groups**

Amid expectations of a coming age in which life expectancy will be one hundred years, it is becoming important to develop an environment in which anyone can engage in autonomic career formation. The white paper examines the circumstances of workers’ self-development in career realization. The analysis reveals that the percentages of non-regular employees, women, and elderly people who practice self-development are low in comparison with younger regular employees. However, the white paper finds that these percentages have been rising recently.

Looking at situation of self-development practiced among regular employees based on MHLW’s “Basic Survey of Human Resources Development” (FY2013 and 2016), the percentage is lower for females than males. By age group, the percentage decreases with higher ages. The percentage is highest for the “under 30 years” group for both males and females, with that for males exceeding one-half (51.9%) in FY2016. A comparison with FY2013 reveals that implementation rates are increasing across the board.

On the other hand, in the case of non-regular

employees, the percentage of self-development practiced is low compared to regular employees. The difference with regular employees is particularly large in the “under 30 years” age group. A comparison with FY2013 reveals that percentages are rising as a whole for females. For males, an increase is seen in the “50 years or above” group, which has a relatively high implementation percentage among age groups.

### **Provision of information and career consulting are also effective in self-development**

According to MHLW’s “Basic Survey of Human Resources Development” (FY2016), the effects given to the implementation of self-development are statistically significant at business establishments that set up “career counseling mechanisms” and those that pay “course fees or other monetary assistance” compared to establishments that do not provide such assistance<sup>3</sup>. In the case of regular employees, the effects given to the implementation of self-development are statistically significant at establishments that “provide information on education/training institutions and correspondence education” or “provide assistance for independent workshops in the company” compared to those that do not.

The white paper points out the possibility that establishments which support the clarification of workers’ career vision and training methods by providing information on training and monetary support for self-development, in addition to career counseling, may promote the implementation of workers’ self-development. It suggests that the provision of not only monetary assistance but also information on education/training institutions as well as implementation of career counseling may be effective to promote workers’ self-development activities.

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3. In Japanese labor administration, “career counseling and guidance” are referred to as “career consulting.”



## Article

# Poverty and Income Polarization of Married Stay-at-home Mothers in Japan

## Part I: Historical Perspectives of Japanese Full-time Housewives

Yanfei Zhou

## Introduction

According to a national survey conducted by JILPT in 2011, 12% of Japanese families with a working father and a stay-at-home mother (hereafter “SAHM families”) are living with an income below the poverty line, which is defined as half of the median household income. Put differently, it is estimated that as many as half a million married stay-at-home mothers were living in poverty. On the other hand, for families where the wife works full-time or part-time, their poverty rates are only 4% and 9%, respectively (data source: JILPT “National Survey of Households with Children [NSHC],” 2011. See the box below).

The above finding provides a fact contradicting the stereotypical image that full-time housewives are predominantly married women with high-income husbands. Why do so many women in low-income households choose to be a full-time housewife when even a minimum-wage job would considerably alleviate the family’s economic hardship? Do they choose to be full-time housewives of their own accord, to meet the needs and expectations of their families, or just because they have failed to find work? Are those full-time housewives in

poor households essentially willing to work or not?

Thus far the issue of poverty among full-time housewives in Japan has been hardly ever surveyed or studied, and little is known about it. Using the original survey data noted above, we will explore the above questions in a series of two articles, of which this is the first.<sup>1</sup> Specifically, we will try to tackle this problem by investigating Japanese society’s underlying cultural norms and social systems that tend to drive women into the role of a full-time housewife. This article as Part I discusses the origin of the “full-time housewife” paradigm in Japan and the living conditions of SAHM families in poverty. Part II will use the survey data to explore reasons for being a full-time housewife and discuss the existing social systems that induce women to stay at home despite poverty.



### I. Origin of the full-time housewife paradigm

The United States began to recover from the Great Depression after the New Deal was introduced in the 1930s, and more married women began to



#### What is JILPT “National Survey of Households with Children (NSHC)”?

NSHC is a periodic survey with a uniform sampling method and questionnaire design, which has been conducted since 2011. In each survey year (2011, 2012, 2014 and 2016), 4,000 households that are rearing children below the age of 18 (2,000 two-parent households and 2,000 one-parent households) were selected from the Basic Resident Register using the stratified two-stage random sampling method. Survey specialists visit a household to deliver and collect questionnaires. Parents of children, with the mother given top priority, are requested to be questionnaire respondents. The valid sample size was around 2,200 in each survey year (valid response rate: 54–56%). For details, see *Japan Labor Review* 12, No. 2, 2015.

stay home to be responsible for housework and child care. In Japan, this model began to become prevalent in the 1960s, when the “income-doubling plan” went into effect. In a survey on married women’s work status conducted in 1969 by the Ministry of Labour (now the Ministry of Health, Labour and Welfare), between 80% and 90% of working women left their jobs when they got married (52%) or had children (32%), which means that most married women in Japan experienced being a full-time housewife at least temporarily. During the postwar period of strong economic growth (1955–1973), the typical Japanese family changed rapidly from one where both the husband and wife worked to a working husband and a full-time housewife. The main reasons for this change include (i) the development of a status identity of “all Japanese belong to the middle class,” (ii) people increasingly living and working in separate places, (iii) replacement of the model of a conventional family with three or more generations with the nuclear family model and decreased cooperation among family members, and (iv) housework and child-rearing increasingly being carried out at home rather than in the community.

Regarding the first of these factors, after World War II, one of the policies of the occupying Allied Powers was to dismantle the powerful conglomerates known as *zaibatsu*. Japan experienced rapid economic growth after these structural changes in the economy, and developed into a “middle-class society.” The Japanese economy continued to grow at an average rate of more than 10% per year during the 18 years from 1955 through 1973. In 1968, Japan’s gross national product (GNP) surpassed that of West Germany, making Japan the world’s second-largest economic superpower. In terms of wages, an entire family could be supported by the salary of the husband, for example, a taxi driver or a security guard. In the 1970s, this resulted in approximately 90% of Japanese people viewing themselves as “middle class” (according to the Cabinet Office Annual Public Opinion Survey on the Life of the People). The population of Japan at that time was approximately 100 million, so the phrase *ichi-oku so churyu shakai* (“society of 100 million middle-class

## Column

### Origin of the “Full-Time Housewife” Model

It is said that the word *shufu* (housewife) first came into widespread use in Japan during the 1910s. At that time, few married women worked and earned wages outside the home. Women who worked were mostly engaged in agriculture, or trade such as a family business. After World War II, there was an increase in the number of housewives exclusively engaged in home-based housekeeping and child-rearing. This was when the term *sengyo shufu* (full-time housewife) came to be used to distinguish them from a housewife who worked to help support the household.

In Japan, the paradigm of the full-time housewife was formed after World War II in a relatively short period of time. However, the cultural and ideological basis for its acceptance was already in place before the Meiji Era (1868–1912). The Meiji government dismantled the feudal system of the Edo Period (1603–1868) and created the modern industrial Japanese state, but a patriarchal view of the family rooted in samurai values remained widely prevalent in society. This saw a woman’s ideal role as being to “marry, support her husband, and bear and raise a male heir.” Rather than trying to change this, the Meiji government reinforced education to turn women into good wives and mothers. This was an aspect of the national policy to increase productivity, promote new industries, enrich the nation, and strengthen the military (Fujii 1995).

The traditional household (*ie*) system under the former Constitution was changed after World War II, and gender equality as well as equal rights and responsibilities in marriage were recognized in the new Constitution. Nonetheless, traditional thinking on gender roles persisted and grew even stronger as a social norm, and also formed the basis of women’s education (Kanamori and Kitamura 1986).

The old-fashioned, patriarchal samurai ideology of men’s and women’s roles as distinct and clearly ordained dates from the Edo Period and earlier. It essentially remained unchanged through the Meiji Restoration, Taisho liberalism, World War II-era totalitarianism, and postwar democratization, and it endures to this day. As a result, the perception among Japanese people that women and men play fundamentally different roles is extremely strong compared to other developed nations.

people”) came to be widely used.

The second point is that the transformation of Japan’s industrial structure led to an increasing separation between the workplace and residence, which also played an important role in establishing the full-time housewife model. The percentage of Japanese workers in agriculture, forestry, or self-employment was 60% in 1953, but this fell to 40% in 1970 and 30% in 1990.<sup>2</sup> In the era when agricultural

work and self-employment predominated, the home was the center of both work and private life. People who were capable of working were mobilized as laborers, so the need to divide work duties into men's and women's roles did not arise. When the site of work activities shifted outside the home (to a "workplace"), workers were away from home most of the day. This made it impossible to take care of children and perform household chores alongside work, as it was in the era of self-employment and agricultural labor. In other words, the separation of the workplace and residence made it necessary to separate the duties of going out to work and staying home to perform housework and child-rearing.

The third factor is that the advance of urbanization and the nuclear family increasingly weakened the model of cooperation among family members. Until the 1970s, a fairly high percentage of families in Japan (about 15%) had three generations living together, but this gradually fell to about 10% in 2005 (according to the National Census). Due to urbanization, young people who moved from rural areas to cities increasingly lived away from their parents, which made it difficult for women to obtain support from older (female) family members with childcare and housework. This promoted the division of roles by gender in which married women perform housework and child care at home.

With the fourth factor, the narrowing of income disparities and changes in women's labor force participation made it difficult to procure housework and childcare services from outside the family. Maids and housekeepers had accounted for a large portion of the female working population before World War II, but these occupations disappeared as the income gap narrowed and women began to work in companies. Moreover, the shortage of daycare centers or kindergartens meant that many women with young children were required to stay at home and become full-time housewives. According to the Ministry of Labour (now the Ministry of Health, Labour and Welfare), during the 1970s, when the full-time housewife model was at its peak, only one out of two applicants for daycare centers or kindergartens were able to secure a placement. Due

to the four factors outlined above, the period of rapid economic growth was the "golden age" of the full-time housewife in Japan.

## II. "Silent" partners

Japan's stunning economic growth during the postwar period was primarily driven by male *moretsu shain* (hardworking company employee) householders in urban areas. However, it seems valid to say that the economic boom was critically, if less obviously, supported by full-time housewives. They were the "silent" partners (behind-the-scenes supporters) of their husbands, working stoically without pay, who took responsibility not only for childcare and housework, but also for caring for their husbands and elderly family members as well as watching over local school and community activities while the men were on the front lines of the economic boom.

Also, in the 1960s, it was often the case that American full-time housewives completely withdrew from the labor market. In contrast, it was common in Japan for full-time housewives to leave the workplace temporarily for childbirth and childcare, and go back to work part-time at relatively unskilled jobs once their children were old enough. A significant percentage of women still did this even at the height of the full-time housewife model, when 80% to 90% of women with work experience became full-time housewives for some length of time after marriage or childbirth. Married women as a percentage of female employees accounted for only 21% in 1955, but this figure grew to 51% in 1975 and 59% in 1985, alongside the growth of households with full-time housewives.<sup>3</sup>

Housewives working part-time acted as an "adjustment valve" protecting the lifetime employment of male regular employees during recessions. For example, before the second oil crisis (1973–1979), the monthly average female employment rate (population) during the recession was 1.1 percentage point (300,000 persons) lower than during the period of economic expansion. When the economy became weaker, some part-time housewife employees were shut out of the labor

market, and many returned to being “full-time housewives.”

### III. The full-time housewife model still exists

Many readers may be surprised to learn that Japan is still a country with a large number of full-time housewives. Many people think that the golden age of full-time housewives has ended, and that Japan has transitioned to being a society of dual-income households. The special survey of the *Labour Force Survey*, conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications, is often cited in support of this. According to this survey, households where both the husband and wife work (dual-income households) had already outnumbered those with a full-time housewife by 1997. As of 2016, the percentage of single-income households with an employed husband and a full-time housewife had fallen to 37%, which was 28 points lower than 1980.

Certainly, there is the impression that the number of dual-income households in Japan has significantly increased. However, with a slight change in the point of view, the same data can be used to show that the full-time housewife model persists. As described above, there have been many working women in Japan who left the labor force either when they married or when had children and then returned to work at part-time jobs. The presumption has been that their main activities are still housework and childcare, and that they work for short working hours or limited periods of time to supplement household income. If we look at the National Census while applying a broader definition of “full-time housewives,” including women who work but for whom work is not their primary activity, the total amounts to 63% of the married female working-age population (aged 15 to 64). This exceeds the number of women in genuine dual-income households, where both spouses are primarily engaged in employment. In other words, only about one in three married women are actually pursuing a career.

As the data indicate, it is a serious misconception to think that the dual-income household model has replaced the full-time housewife model in Japan.

It remains a common pattern for working women to leave full-time employment due to marriage, pregnancy or childbirth and take on responsibility for housework, childcare and supporting a working husband. Even today, most women in this group who rejoin the labor force once their children are old enough still participate as part-time workers and continue to be largely engaged in home-based duties.

### IV. Men’s declining earnings to maintain the full-time “housewife” model

However, in recent years, there has been a significant decrease in the number of male householders who can earn the income necessary to maintain a middle-class lifestyle in a single-earner household. In the 1970s and 1980s, for a wide range of occupations including blue-collar workers, it was possible to enjoy a middle-class standard of living with only the income of a single male earner. Now this is difficult to attain even for men in white-collar professional occupations.

As of 2015, average monthly living expenses for a four-person household consisting of a married couple and two children are about 310,000 yen (about US\$2,800). Given standard living expenses plus fixed expenditures such as taxes and social insurance premiums (with savings assumed to be zero), the husband needs to earn at least 4.76 million yen (about US\$42,500) a year to support the household. In other words, if the husband works for 2,000 hours a year (equivalent to the average working hours of regular employees), his earnings must be equal to at least 2,380 yen (US\$ 21) per hour to maintain an average lifestyle.<sup>4</sup>

However, a recent national survey indicates that only 40% of male householders meet this income standard (Table 1). The situation is even more severe among relatively young age groups. Among male householders, only 1 in 5 men in their 20s and 1 in 3 in their 30s have the earning ability to support the “full-time housewife” model. Highly educated men (who have completed a four-year university degree or graduate school) who are regular employees have a certain advantage in terms of income, but still only about half of this group are able to meet the

**Table 1. Wages of married male householders (2013–2015)**

	N	Sample size (Composition ratio, %)	Average wage per hour (yen)	(wage > 2,380 yen) share (%)
Total	1,572	(100.0)	2,990	43.2
Ages: 20–29	86	(5.5)	2,134	19.8
30–39	353	(22.5)	2,806	33.1
40–49	449	(28.6)	3,026	44.8
50+	684	(43.5)	3,169	50.3
Highest level of education completed: Lower secondary school/Upper secondary school	682	(43.4)	2,733	35.9
Junior college/ <i>Kosen</i> -national colleges of technology/Specialized training college	273	(17.4)	2,710	37.4
University/Graduate school (Humanities)	353	(22.5)	3,356	51.8
University/Graduate school (Science)	242	(15.4)	3,527	57.4
Other/Unknown	22	(1.4)	2,674	45.5
Non-regular employees	414	(26.3)	2,415	28.7
Regular employees	1,158	(73.7)	3,196	48.4
Occupation 1 Professional and Technical	296	(18.8)	3,052	52.4
Occupation 2 Managers	166	(10.6)	4,144	76.5
Occupation 3 Clerical Work	196	(12.5)	3,015	52.0
Occupation 4 Sales and Marketing	200	(12.7)	3,287	37.0
Occupation 5 Craft, Engineering and Manufacturing	377	(24.0)	2,897	35.0
Occupation 6 Transport and Information and Communications	103	(6.6)	2,448	28.2
Occupation 7 Public safety and Security	35	(2.2)	2,562	51.4
Occupation 8 Agriculture, Forestry and Fisheries	40	(2.5)	1,802	15.0
Occupation 9 Services	116	(7.4)	1,875	19.0
Occupation 10 Others	30	(1.9)	2,829	30.0

*Source:* Calculated by the author based on the Yu-cho Foundation “Survey of Households and Savings,” 2013 and 2015.

*Note:* Tabulated results for 20- to 64-year-old male (married and employed) householders.

conditions outlined above.

## V. Transformation of the full-time housewife into a symbol of poverty

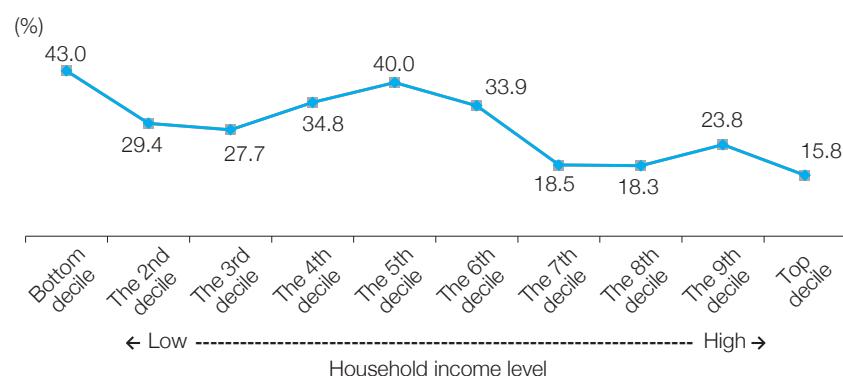
Correlations between income level and the likelihood of being a full-time housewife indicate that the highest percentage is among the lowest rather than the highest income bracket. If we look at households with children by household income level, and include both single- and dual-income households (Figure 1), we find that 43% of wives are staying at home in the bottom decile (the lowest 10% in terms of household income), whereas this rate is only 16% in the top decile. Overall, 28% of households (in which there is a married couple) have a full-time housewife, but this percentage is higher among low-income households and lower among

the high-income group (the top 30% of household income).

In addition, a significantly higher percentage of full-time housewives in poor households are choosing to stay at home. According to the JILPT survey, about 80% of poor full-time housewives responded that they “do not want to work,” “cannot work,” or “want to work someday in the future, but cannot work now” (Figure 2). An increase in the number of job openings will have little impact on these full-time housewives “by choice.” For these women, getting out of poverty with the help of employment is not an option in the first place.

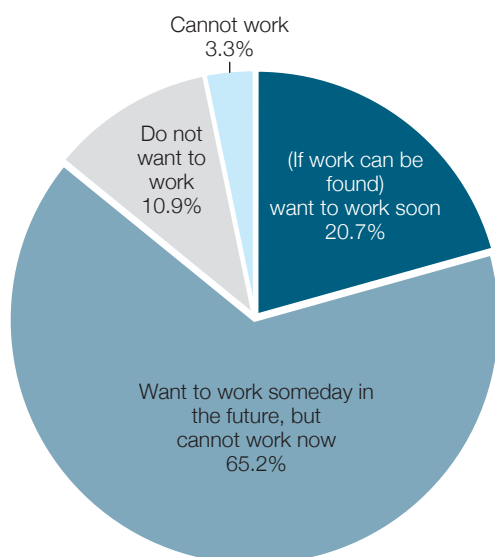
How can we rationally interpret the behavior of women who choose to be full-time housewives even though they are poor? We will discuss this in the next article in this series.





Source: Calculated by the author based on the JILPT “National Survey of Households with Children,” 2016.  
 Note: Households with children were arranged in descending order of income and divided into 10 groups, and the stay-at-home rate of wives was compared in each group.

Figure 1. Stay-at-home rate of married women by household income level (2016)



Source: The author, JILPT “National Survey of Households with Children,” 2011–16.

Figure 2. Work intentions of poor married stay-at-home mothers

#### Notes

1. This article draws on material from Yanfei Zhou (2019), *The Full-Time Housewife Crisis* (Shinchosha), with additions and revisions.
2. Calculated by Tsutsui (2016) based on the Statistics Bureau, Ministry of Internal Affairs and Communications (MIC), Historical Data 4 and 5 of the *Labour Force Survey* Historical Data.”

3. Sources: Figures for 1955 are from the Prime Minister’s Office “National Census,” and other figures are from the Statistics Bureau, MIC the *Labour Force Survey*.

4. For details, see Yanfei Zhou, “Analyzing Living Wage in Japan,” (AGI working paper series 2017-15, Asian Growth Research Institute).

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## Employers' Obligation to Consider the Needs of Employees Returning from Childcare Leave

### The *Japan Business Lab* Case

Tokyo District Court (Sept. 11, 2018) 1925 *Rodo Horitsu Junpo* 47

Ryo Hosokawa

#### Facts

In July 2008, Worker X entered into an open-ended labor contract with Company Y, a business specializing in language training and other consulting services. Worker X was engaged as a regular employee responsible for conducting coaching.

On March 2, 2013, X gave birth to a child, after which she took postnatal maternity leave, and subsequently childcare leave until March 1, 2014. In February 2014, X met with A, the president of Company Y, and B, the manager responsible for her place of work, to address the fact that she was unable to find a childcare facility to look after her child. It was determined that X's childcare leave would be extended to the date when her child would reach one year and six months of age—namely, September 1, 2014—which was the limit for extensions permitted by the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Childcare and Family Care Leave Act, or CFCLA) at that time.<sup>1</sup>

On July 20, 2014, X met with A and other representatives to request a further three months' extension of her childcare leave on the grounds that she was unable to find a childcare facility for her child. Around August 23, A rejected X's request.

At Company Y there were three types of working arrangement: (i) working as a typical regular employee (seven hours a day, five days a week), (ii) working as a part-time regular employee (four to six hours a day, five days a week), and (iii) working as a fixed-term contract employee (three or four days a week, with the proviso that the employment contract was limited to one year, and had to be

renewed each year for continuing the employment relationship). System (iii) was created as an option for workers returning from childcare leave, and it was assumed that a worker in this system would be reinstated as a regular employee should they request it. The treatment of fixed-term contract employees employed under system (iii) differed from that of regular employees in terms of not only the limit on their period of employment, number of working days, and prescribed working hours, but also the composition of their wages (such as that regular employees' overtime pay is fixed—that is, their actual overtime hours are not calculated, and instead they receive a set additional wage equivalent to a predetermined number of overtime hours, but such fixed overtime payment is not offered to workers under system (iii)). Work content also differed, as regular employment includes a specified minimum number of classes to teach and responsibilities such as acting as a role of project leader.

X requested permission to work three days a week while remaining a regular employee, but her request was rejected by Company Y. Of the aforementioned three types of work arrangement, she selected option (iii), and on September 1, 2014, she signed an employment contract with Company Y as a fixed-term contract employee. X then returned to work on September 2 as a fixed-term contract employee. Shortly after, X found a childcare facility to look after her child, and therefore requested B



to allow her to switch to the system (ii)—that is, to work as a part-time regular employee. Company Y rejected X's request. In July 2015, Company Y ordered X to stand by at home, and later informed her that her employment contract would expire on September 1 that year—in other words, that they would not be renewing her contract.

X filed a suit against Company Y with the following claims and demands: (1) the confirmation that she, X, is a regular employee of Company Y, given that she has the right to return to work as a regular employee once she has found a childcare facility to look after her child, (2) in the event that claim (1) is not recognized, the confirmation that Y's refusal to renew her fixed-term contract on September 1, 2015 was a violation of Article 19 of the Labor Contracts Act, and that she, X, is a fixed-term contract employee of Company Y, and (3) that Company Y harassed her due to her pregnancy, childbirth, and taking childcare leave—behavior that is referred to as “maternity harassment” in Japan—and, as such behavior is illegal, should therefore pay solatium (*isharyō*).

## Judgment

Tokyo District Court partially upheld and partially dismissed X's claims. The judgment is summarized below.

(1) At Company Y, contracts for regular employees and contracts for fixed-term contract employees differ not only in the contract period and working hours, but also wages and other such working conditions, as well as work content and responsibilities. Consequently, the signing of a fixed-term employment contract by X and Company Y in September 2014 cannot be regarded as the revision of the former labor contract with changes to the terms and conditions of employment. Rather, it can be treated as the cancellation of the regular employment contract and the conclusion of a new contract, under which X was employed as a fixed-term contract employee. X's contract with Company Y as a regular employee has therefore already been canceled.

(2) Article 9, Paragraph 3, of the Act on

Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment (Equal Employment Opportunity Act or EEOA) and Article 10 of the CFCLA prohibit the unfavorable treatment of a worker by reason of pregnancy, childbirth, or taking childcare leave. It was difficult for X to work five days a week because she was unable to find a childcare facility to look after her child, and X was unable to fulfill her work obligations as a regular employee at Company Y. When it is taken into consideration that concluding a contract with Company Y as a fixed-term contract employee enabled X to continue her employment, the fact that Company Y canceled X's contract as a regular employee and made a contract with her as a fixed-term contract employee cannot be described as unfavorable treatment of X.

(3) Company Y issued X with a written notification specifying that “employment as a fixed-term contract employee is on the premise that the worker in question will be able to switch back to a contract as a regular employee should they wish.” This does not mean that a labor contract as a regular employee is immediately established as soon as X requests it. For X to return to the original form of employment as a regular employee, Company Y needs to agree to employ X as a regular employee once again. As Company Y has not agreed to X's request to return to employment as a regular employee, the court does not recognize the establishment of a regular employment contract between X and Company Y.

(4) Company Y's fixed-term contract employee system was established as an option for regular employees returning to work as a regular employee following childcare leave. Judging from the aims of the system, it can, for instance, be recognized that it presupposes that said employment relationship will continue until the worker's child starts school. The employee contract in this case therefore falls under the type of fixed-term labor contract for which “it is found that there are reasonable grounds upon which the worker expects said contract to be renewed,” as specified in Article 19, Item 2, of the Labor Contracts Act.



The grounds were given by Company Y for its refusal to renew the fixed-term labor contract with X: that X continuously demanded that Company Y restore her to regular employment, that she spoke with colleagues about the process of negotiations with Company Y, that she spoke to the media regarding the matter, that she made an audio recording of the content of negotiations without Y's permission, and that she received and sent non-work-related emails during working hours. They cannot objectively be seen as reasonable grounds for refusal to renew said contract. Accordingly, X holds the status by the fixed-term employment contract with Company Y and may claim for the payment of damages such as unpaid wages dating back to Company Y's refusal to renew the contract.

(5) Company Y stated that fixed-term contract employees may have their contract changed to a regular employment contract should they request it. X entered into a contract as a fixed-term employee and then later found a childcare facility to look after her child. Given these circumstances, since X has requested to return to employment as a regular employee, Company Y is subject to good faith principle to pursue sincere efforts to negotiate with X and provide her with any information required. While X adopted the flexible stance for both parties to discuss the issue and come to a decision in such a way that neither would be disadvantaged, Company Y consistently adopted an insincere stance toward negotiations with pressuring X to compromise in the negotiations by implying the risk of disciplinary measures. Moreover, X's supervisor, C, made the following statement at a meeting with X: "If my wife and I were going to have a child, I would make sure I'm prepared to earn enough to support the whole family before her pregnancy." This thoughtless and inappropriate statement—which suggests that a woman who has become pregnant should leave her employment and depend on her partner's income—is unacceptable. As Company Y's insincere actions toward X can all be attributed to the fact that X is raising a young child, Company Y should pay solatium to X in the sum of one million Japanese yen.

## Commentary

This case dealt with a worker who was unable to return to full-time employment as a regular employee at the end of the legally-prescribed period of childcare leave due to the lack of childcare facility to look after her child. It raised the following three issues: firstly, the worker was forced to switch to employment as a fixed-term contract employee, a form of employment which entailed not only different numbers of working days and hours, but also different job responsibilities and a different wage system; secondly, when the worker in question requested to return to regular employment after finding a childcare facility to look after her child, the employer rejected this request; and thirdly, the employer later refused to renew its fixed-term labor contract with the worker in question.

Let us start by looking at the background to this case. In Japan, the CFCLA prescribes a worker's right to take childcare leave. As a general rule, childcare leave lasts until the worker's child "reaches one year of age." Under the CFCLA at the time of this incident, there was also the proviso that, in the event of special circumstances such as the worker not finding a childcare facility to look after their child, the childcare leave could be extended until the child "reaches one year and six months of age." (Currently, two years of age.) Despite such legal provisions and parents' demand, in Japan there is a severe shortage of childcare facilities—this is referred to in Japanese as "the problem of *taiki jidō*" (literally, "children on the waiting lists to enter the childcare facilities").<sup>2</sup> In fact a considerable number of workers are unable to find a childcare facility for their child when their child turns one year and six months of age.

In order to support workers who have returned to work after completing their period of childcare leave and to assist them in combining work and childrearing, the CFCLA obligates employers to take measures to shorten prescribed working hours (in other words, to offer a reduced schedule work) or other such measures for those workers with children under three years of age who request such assistance.<sup>3</sup> However, no explicit provisions regarding a worker's rights upon returning to full-

time work after childcare leave or a reduced schedule work, such as their right to return to the position they held prior to childcare leave have not been set. The CFCLA merely obligates employers to endeavor to set out provisions regarding the related matters in advance and take measures to make them known to workers.

While the law does not explicitly protect a worker's right to return to their original position, as we shall look at below, it prohibits "unfavorable treatment." Namely, the EEOA expressly prohibits employers from giving the unfavorable treatment of workers on the grounds of pregnancy and childbirth, and the CFCLA prohibits such treatment on the grounds of childcare leave.

The prohibition of such unfavorable treatment was addressed in the *Hiroshima Chuo Hoken Seikatsu Kyodo Kumiai* case (*Hiroshima Central Health Care Cooperative* case) Supreme Court, (Oct. 23, 2014) 1100 *Rohan* 5.<sup>4</sup> In said case, the Supreme Court determined that measures taken by an employer to demote a woman worker upon transferring her to light activities during pregnancy, in principle, constitutes treatment that is prohibited under Article 9, paragraph (3) of the EEOA. In this case, a worker had been demoted from a managerial level post as a deputy chief (*fukushunin*) to a non-managerial level position when said worker had requested to be reassigned to light activities due to her pregnancy (as was her right under the provisions of the Labor Standards Act). The issue at question was whether this demotion was in violation of the aforementioned the prohibition of unfavorable treatment in the EEOA. The Supreme Court appears to have taken the stance that in principle any form of unfavorable treatment due to pregnancy, childbirth or other such circumstances is a violation of the EEOA. On the other hand, the same Supreme Court judgment specified exceptions where such treatment is not classed as a violation of the law: (a) Where there are objectively reasonable grounds to deem that the demotion has been consented based on the worker's free will, in light of factors such as the content or extent of the favorable and unfavorable impacts of the measures taken by the employer, the

content of the employer's explanation, and other such aspects, or (b) If the employer had difficulties in transferring the woman worker to light activities without taking a measure to demote her due to the operational necessity such as ensuring smooth business operations, or securing proper staffing, and there are special circumstances due to which said measure is not found to be substantially contrary to the purpose and objective of said paragraph, said measure does not constitute treatment that is prohibited under said paragraph and if there are special circumstances that do not substantially go against the purpose and objective of the statutory prohibition of unfavorable treatment in light of the content or extent of operational necessity and aforementioned favorable or unfavorable impacts. Justice Ryuko Sakurai also added a concurring opinion to this case. In the opinion, she suggested that the same logic for the violation of EEOA could be applied to CFCLA as well,—namely, unfavorable treatment on reassignment to light activities during pregnancy—might also be applied for judgments regarding whether treatment in response to a worker taking childcare leave falls under "unfavorable treatment" prohibited by the CFCLA.

In relation to the aforementioned (a) of the Supreme Court's "special exceptions," in the *Japan Business Lab* case the point in dispute is that when X completed her period of childcare leave and it was difficult for her to return to her job as a regular employee, the only viable option offered to her by Company Y was employment as a fixed-term contract employee, a form of employment with differing work-related responsibilities and in turn a differing wage system. On this point, the Court determined that without the system for continuing employment as a fixed-term contract employee, X would have had difficulty continuing to work and been forced to leave her employment (this stance appears to be based on the premise that the worker has completed the legally-prescribed period of childcare leave, and the fact that the CFCLA only obligates employers to take measures to "shorten prescribed working hours" and does not obligate them to take measures to reduce the number of working days). The court

therefore came to the conclusion that the continuation of work as a fixed-term contract employee was not in violation of the law because although it meant that X's wages and other such conditions were lower than these prior to her childcare leave, it could be seen as a treatment that was favorable to X when compared with the alternative option that would ultimately mean her having to leave her employment. The court also determined that while X requested to return to employment as a regular employee on finding a childcare facility to look after her child, she could not expect to automatically return to regular employment on her request, as this also required the agreement with Company Y.

The reasoning adopted in this judgment seems valid when we consider that the measures taken by Company Y were not directly in violation of the provisions prescribed by the CFCLA regarding childcare leave and a reduced schedule work. On the other hand, it can be suggested that the series of actions taken by Company Y were in violation of the purport of the CFCLA given the following circumstances: the fact that Company Y was aware that X would have ultimately been forced to leave her regular employment due to needing to care for her child unless she had accepted the option of working as a fixed-term contract employee with different responsibilities and lower wages, the fact that X's original request at the time of returning from childcare leave of being able to continue her employment as a regular employee while working fewer days was only considered as a temporary measure until she had found a childcare facility, and the fact that if X were to become a fixed-term employee under (iii)—namely, work as a fixed-term contract employee—for a long period of time, she would be subject to a significant reduction in her income (although it is also necessary to take into account the fact that this reduction is due to the decrease in her working hours). Therefore, while it did not recognize a violation of the CFCLA, the court appears (although not explicitly stating as such

in its judgment) to have taken such circumstances, along with Y's insincere response to X's request to return to regular employment, into consideration as a factor when deciding whether or not Company Y's behavior was illegal and violation of their duties in good faith. It must be noted, however, that it is somewhat difficult to form legal reasoning by which X's claim (i)—confirmation of her status as a regular employee—is recognized in addition to (iii), her request for payment of damages. In any case, there is considerable interest in what judgment will be reached by the High Court.

1. The Childcare and Family Care Leave Act (CFCLA) entitles workers to take childcare leave until their child reaches one year of age. Under the CFCLA at the time of this case, the proviso attached to this was that the workers could take childcare leave until their child reached one year and six months of age, in the event that the workers were unable to find a childcare facility to look after their child or other such circumstances.

2. Under the 2017 amendment to the CFCLA, workers are currently able to extend their childcare leave until their child reaches two years of age. This amendment has on one hand been positively received as a measure to address the problem of long waiting lists for childcare (the *taiki jidō* issue), while on the other it is criticized on the grounds of the potentially negative impact that the extension of childcare leave could have on workers' career development, and other such factors.

3. For workers with children between the age of three and the time at which they start elementary school (April of the year in which they turn seven years of age), the employer is only obligated to make efforts to take similar measures.

4. For details of the *Hiroshima Chuo Hoken Seikyo (C Seikyo Hospital)* case, see the Supreme Court judgment at [http://www.courts.go.jp/app/hanrei\\_en/detail?id=1297](http://www.courts.go.jp/app/hanrei_en/detail?id=1297) (English) and [http://www.courts.go.jp/app/files/hanrei\\_jp/577/084577\\_hanrei.pdf](http://www.courts.go.jp/app/files/hanrei_jp/577/084577_hanrei.pdf) (Japanese).

The *Japan Business Lab* case, *Rodo Horitsu Junpo (Rojun, Junposha)* 1925, pp. 47–78. For the Supreme Court judgment, see [http://www.courts.go.jp/app/files/hanrei\\_jp/404/088404\\_hanrei.pdf](http://www.courts.go.jp/app/files/hanrei_jp/404/088404_hanrei.pdf) (in Japanese).

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▶▶ Human Resource Management

▼ Labor-Management Relations

▼ Labor Market

▼ Labor Administration and Legislation

▼ Social Security System

Combining Work and Family Care in Japan (Part II):

## What is the Challenge after Reforming the Long-term Care Leave System?

*Shingou Ikeda*

This time, we discuss long-term care for elderly or disabled family members, as this has become a hot issue for both male and female workers. Presenting the background and outline of policy developments in Japan, we argue problems of combining work with long-term family care, which are inherently different from those of childrearing in terms of whether the person in need of care needs to be accompanied by someone all the time. This article focuses mainly on nursing care for elderly family members, rather than that for disabled family members, in consideration with aging population and low birth rate in Japan.

### I. Introduction

Japan is the world's most aging society and its elderly population in need of care is expected to increase even more rapidly as the post-war baby boomers reach the age of 75 (Figure 1). The Japanese government views this trend as a problem considering that an increasing number of people giving up work to take care of their elderly parents may restrict the available workforce and threaten the nation's economic growth. To avoid such a situation, the government has begun working on providing support for workers to balance work and care for their parents.

There has been a noticeable increase in male employees leaving work to take care of their parents. Currently, the number of male and female workers who leave their jobs to provide family care is around 100,000 a year, of which men account for 10 to 20%. This fact indicates the possibility that the number of full-time male employees leaving their jobs will increase, resulting in a reduction of

the core workforce, and employers are becoming more and more concerned about this. In fact, recently cases are often seen in which employers and managers leave their positions in order to provide long-term care for

their parents. There are also women in managerial positions leaving jobs for the same reason, sacrificing many years of service in their careers. Losing these female employees would be a significant setback to employers, as there are more women in important positions than before backed by recent government policies to promote more opportunities for women in the labor market.

In this context, the amendment to the Child Care and Family Care Leave Act<sup>1</sup> was enforced in 2016, which significantly changed the support systems for workers who need to care for frail elderly family members. Section II presents the outline of the amended Act and Sections III and IV discuss further problems regarding combining work and family care from a new perspective.

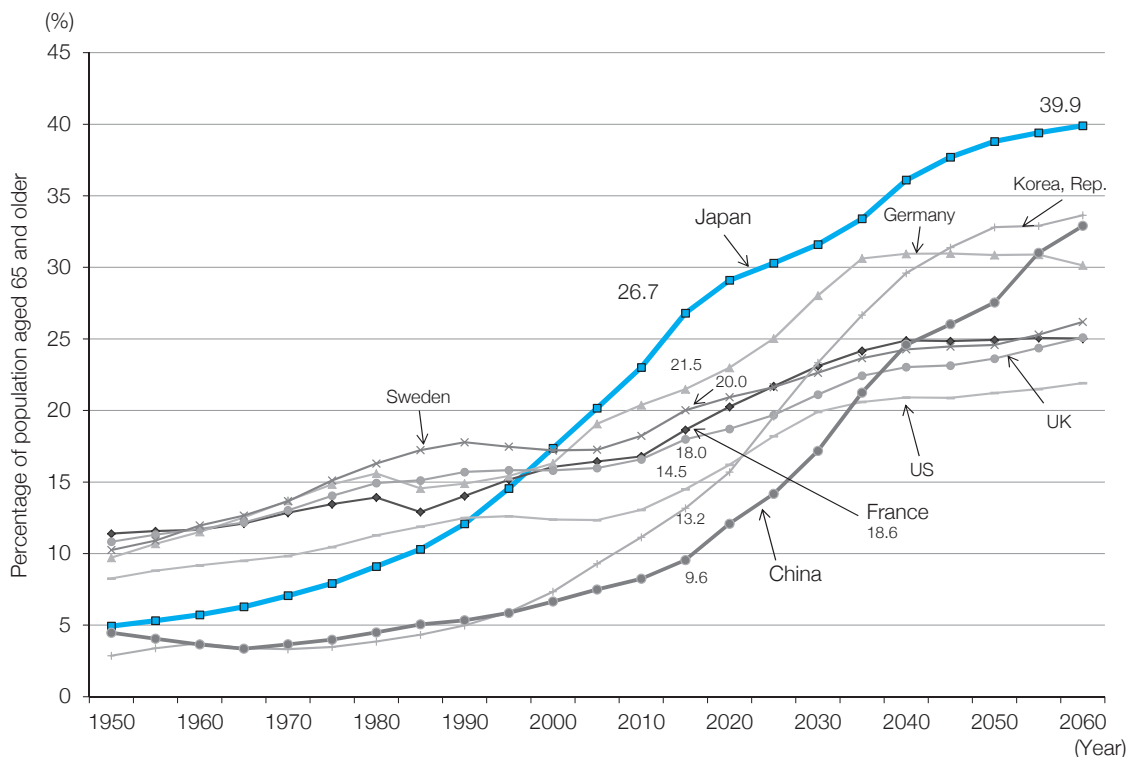
### II. Legal support systems for combining work and long-term family care

The 2016 amendment to the Child Care and Family Care Leave Act has reformed the long-term leave system and ensured flexible working arrangements for family care (Figure 2).

#### 1. Reform of the family care leave system

The reform of the family care leave system





Source: Ministry of Health, Labour and Welfare (MHLW), [https://www.mhlw.go.jp/english/policy/care-welfare/care-welfare-elderly/dl/lcisj\\_e.pdf](https://www.mhlw.go.jp/english/policy/care-welfare/care-welfare-elderly/dl/lcisj_e.pdf).  
 Note: Sources: For Japan, Ministry of Internal Affairs and Communications, Population Census; National Institute of Population and Social Security Research, "Population Projections for Japan (January 2012 estimate): Medium-Fertility & Medium-Mortality Assumption" (figures as of Oct. 1 of each year). For other countries, United Nations, World Population Prospects 2010.

Figure 1. Changes in percentage of the population over age 65

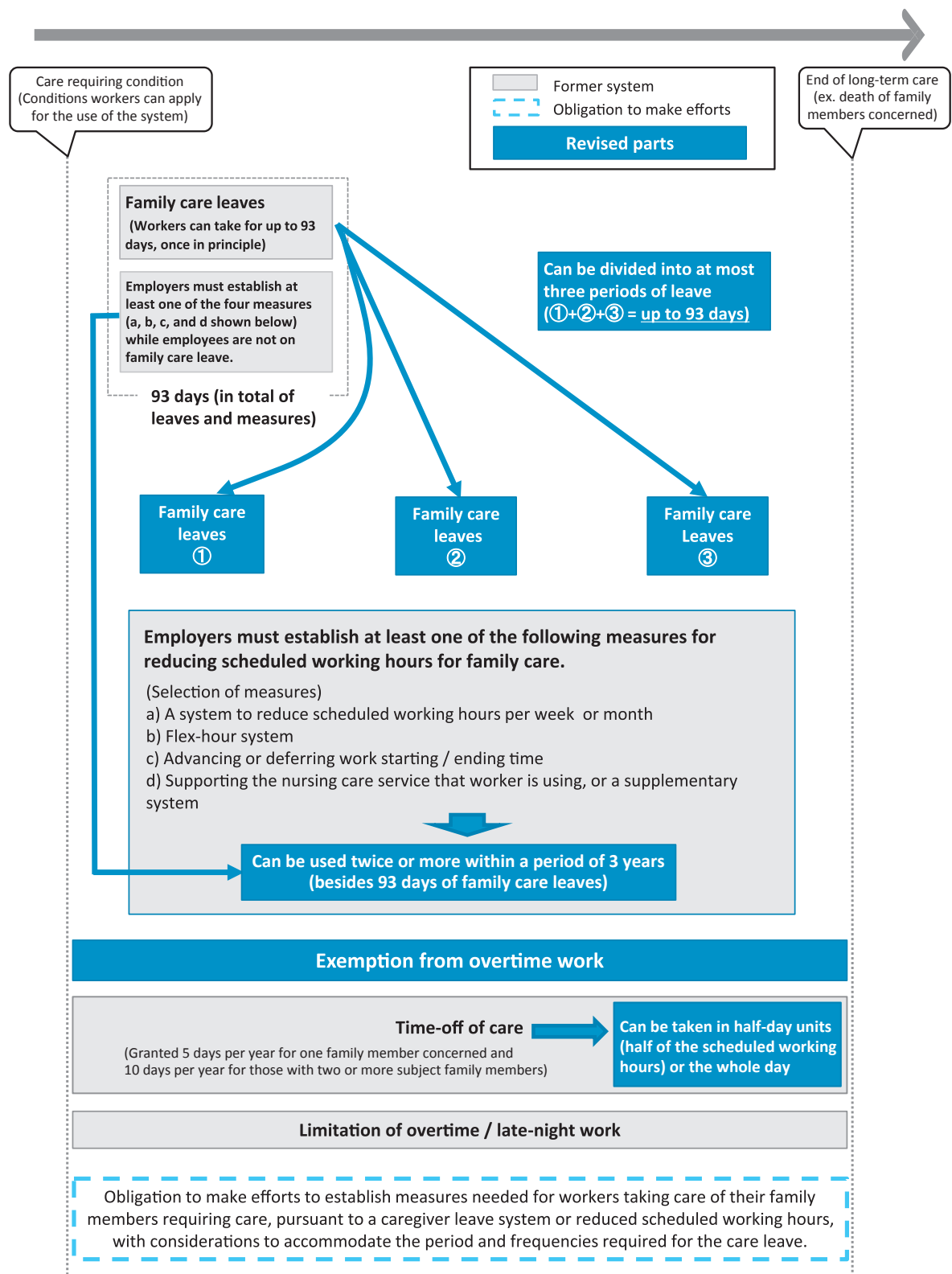
enabled working carers to divide 93 days of leave into at most three periods of leave, while the total days of leave provided remains 93 days. Unlike the childcare leave system, the aim of the family care leave system is not for the workers to spend time caring for their family members directly but for the workers to take time to make arrangements (such as consulting with other family members, taking procedure to use public care services, or renovating their home into a barrier-free residence) so that the workers can combine work with family care. The new "divisible" family care leave system assumes that if care lasts for many years, carers will need to rearrange in use of the public care services, type of care to provide, or the facilities to stay, particularly in the middle and terminal phases of long-term elderly care. In a typical elderly care in Japan, the provision of care begins at home, and in the middle phase of care, it often becomes necessary to transfer a person

under care to a care facility and then move them to a hospital in the terminal phase. The recent legislative amendment recognises that at these transitional period working carers need to take leave to seek suitable care services and facilities or hospitals and that the divisible leave is effective if working carers can divide the leave into separate terms each time they need to make such arrangements. These arrangements make it possible for carers to combine work and care obligations effectively.

## 2. Ensuring flexible working hours for family care

Shorter working hours systems for supporting childcare are very popular in Japan. In contrast, when it comes to long-term caring for elderly family members, such systems are not effective in terms of preventing workers quitting jobs. Rather, it is relieving caring workers of their obligation to work overtime would be more effective.





Source: Author, based on Ministry of Health, Labour and Welfare (MHLW), <https://www.mhlw.go.jp/english/policy/children/work-family/dl/160802-01e.pdf>.

Figure 2. Revision of work-and-family care balance support system (enforced on January 1, 2017)  
(Workers can use the system above for each family member concerned in a state requiring long-term care)

The amended act has established a rule that carers are not obliged to work overtime until the need for care ends. It has also extended the period of flexible working arrangements such as shorter working hours and flextime working hours, from three months to three years. Exemption from overtime and flexible working arrangements are designed to support the daily care even when public home care services are available, because it is recognized that these services address only part of the care recipient's needs and that their family members still play a major role in providing care that cannot be outsourced. These changes make the necessary caregiving arrangements easier for carers such as day service drop-offs and pickups, providing meals, changing clothes and other daily nursing assistance the elderly require.

Exemption from overtime is crucial for maintaining a daily routine in which work and care can be combined successfully. It is especially important in Japan where workers are generally expected to regularly work overtime. In order to keep caregiving employees from quitting jobs, employers need to relieve them of overtime work or, alternatively, introduce their own systems and provide the employees financial allowances or supplementations that enable working carers to purchase professional care services in order to work as usual.

### **3. Policy stance and evidence regarding the amended act**

The new scheme aims to address working carers' needs over several years. The original family care leave system, when introduced in 1995, was aimed to ensure workers mainly to make various arrangements at the point when needs first arise so that working carers can provide family care while combining work and care, not addressing their support when care needs become daily and over a long period of time. In short, Japan has recognized that conventional family care leave system was insufficient to fully satisfy subsequent care needs and that it needs to enhance support systems to respond to changing care needs across the entire

period of care requiring time, from beginning to end.

Therefore, the framework of support is now designed to allow workers to combine long-term leave and flexible working arrangements, which is similar to that for childrearing support. However, it is not desirable to use this support system for family care in the same way as the support for childrearing is intended. Childrearing is a time-consuming responsibility, as infants cannot be left alone at home, whereas this is less applicable to care for the elderly, depending on the case. This is because there are many cases in elderly care that care receivers can stay at home by themselves for a short period of time during the carer's absence as they are matured adults as a person even in the case of heavily dependent, bed-ridden patients. Furthermore, in the sense of the well-known way of thinking and attitude in family caregiving (but not so well infiltrated in Japanese society), it is important for family carers and their family members in need of care to put a proper distance and respect each other in order to keep them healthy mentally in the long-term care contrary to that intimacy between parents and infants is stressed in the context of childcare. For the reasons set forth above, carers can and should make time to go to work. Additionally, in terms of service infrastructure, there is no official data suggesting there is a waiting list for home care services for the elderly, while there is a serious shortage of nurseries for children. This also indicates that family carers for the elderly should be able to go to work easier compared to parents of infants.

This understanding is apparent in the relationship between the support policies and employment turnover. In the context of elderly care, a longer-term leave system longer than the period of three months (93 days), as stipulated by law, is unlikely to reduce turnover. Rather, it would seem to be more effective if the 93-day term could be broken down. Also, in terms of flexible working arrangements, exemption from overtime is more effective than shorter working hours. These arrangements would help employees manage work and caregiving relatively well. It must be noted that, in the context of elderly care, an increasing number of people are breadwinners as



Source: Japan Institute for Labour Policy and Training (JILPT), "Survey on Combining Work and Care" (2014).

Note: Analysis on regular employees who started long-term family care after April 2000.

Figure 3. Influence of care fatigue on daily work (by yes or no of feeling physical fatigue or mental stress from long-term family care)

well as carers, such as unmarried employees taking care of elderly parents or married ones looking after their spouse in need of care. For these people, a system based on the no-work no-pay principle would offer very little no matter how extensive the terms were, as their income would diminish eventually. In this sense, again, it is better if the system offers working carers more flexibility to be able to receive the necessary support when needed.

### III. Working carers' presenteeism

This being said, it is premature to think that being able to work will solve the problem. There is another problem in that, even if employees could come into work, physical and mental fatigue from caregiving would build up and hinder their work performance. This problem often manifests outside the workplace in Japan, in the form of family carers becoming abusive at home or committing suicide. It would be unreasonable to assume that people in such a state of health can perform normally at work. Ultimately, they are highly likely to leave their jobs as their health deteriorates to the point where they can no longer come to work. It is usually not a quick process in which they decide to resign when they

feel exhausted. They spend some time struggling to make things work, but the adverse effects of lack of sleep begin to manifest at work, in the form of not concentrating enough or falling asleep during work hours and failing to fulfill the targets and so on.

Recently, the concept of *presenteeism*, in which focuses on reduction of productivity, has been attracting attention in the context of health care in work places in contrast to the traditional concept of *absenteeism*, which means reduction of productivity by employees' absence from the workplace due to sick or injury. Presenteeism problematizes the reduction of productivity while working in a worsened health condition. We can say that the negative influences on daily work due to care-providing fatigue are a kind of presenteeism, while problems in workplaces due to workers taking long-term family care leave, time-off, or arranging working hours flexibly for family care are workers' absences, which could be said to be similar problem to absenteeism for employers.

Here, we must recognize that, from the viewpoint of corporate administrators, the physical and mental state of the employee is not always apparent. In terms of the time of care that causes fatigue, average



employees who provide elderly care are more likely to feel tired or stressed if they perform care outside working hours, for instance in the evening, during the night, or in the early morning. In other words, it is more probable that people become fatigued when they are on a regular working schedule without having to take family care leave or flexible working arrangements. These people may be unable to perform as expected even if they seem to have come to work as usual.

There is another point. The vast majority of employees do not inform their employer of the fact that they need to look after a family member at home. They seldom take leave, ask for alternative arrangements, or discuss their issues with their employer. In the meantime, their situations become exacerbated without the employer's knowledge. This is an implicit problem in support policies for workers in the context of elderly care as opposed to childcare.

#### IV. Uniqueness of long-term family care

People may think that childcare and long-term elderly care have common problems in the workplace under the name of the Child Care and Family Care Leave Act because each contain long-term leave, time off, and flexible working arrangements. This is partly true, but we must focus on differences between them to construct effective support systems

for long-term family care. Long-term family care has unique problems such as presenteeism that cannot be reduced through time management between work and providing care. Although job leaving for long-term family care is a hot issue among government and companies, more serious problems might be hidden among working carers who do not leave their jobs.

#### Note

1. Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members

#### Reference

Ikeda, Shingou. 2017. "Family Care Leave and Job Quitting Due to Caregiving: Focus on the Need for Long-term Leave." *Japan Labor Review* 14, no. 1. [https://www.jil.go.jp/english/JLR/documents/2017/JLR53\\_ikeda.pdf](https://www.jil.go.jp/english/JLR/documents/2017/JLR53_ikeda.pdf).

For argument on combining work and childcare in Japan, see Part I "Why do Women Leave Jobs at the Stage of Childbirth?" *Japan Labor Issues*, vol.3, no.14 (May 2019).

#### AUTHOR

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## Economy

The Japanese economy is recovering at a moderate pace while weakness is seen recently in exports and industrial production in some sectors. Concerning short-term prospects, weakness remains for the time being in some areas, but the economy is expected to continue recovering, supported by the effects of the policies, while employment and income situation is improving. However, attention should be given to the effects of situations over trade issues on the world economy, the prospect of the Chinese economy, the uncertainty of situations and policies in overseas economies and the effects of fluctuations in the financial and capital markets.

(*Monthly Economic Report*,<sup>1</sup> April, 2019).

## Employment and unemployment (See Figure 1)

The number of employees in March increased by 760 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.5%.<sup>2</sup> Active job openings-to-applicants ratio<sup>3</sup> in March, seasonally adjusted, was 1.63.<sup>4</sup>

## Wages and working hours (See Figure 2)

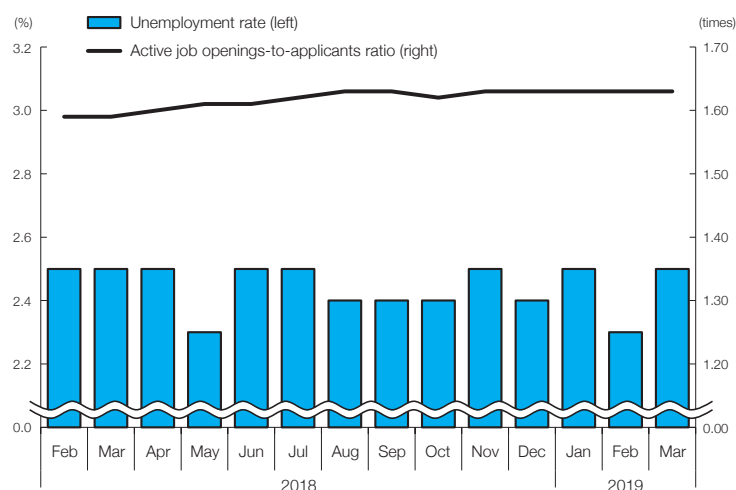
In February, total cash earnings (for establishments with 5 or more employees) decreased by 0.7% and real wages (total cash earnings) decreased by 1.0% year-on-year. Total hours worked decreased by 0.8% year-on-year, while scheduled hours worked decreased by 0.8%.<sup>5</sup>

## Consumer price index

In March, the consumer price index for all items increased by 0.5% year-on-year, the consumer price index for all items less fresh food rose by 0.8%, and the consumer price index for all items less fresh food and energy increased 0.4% year-on-year.<sup>6</sup>

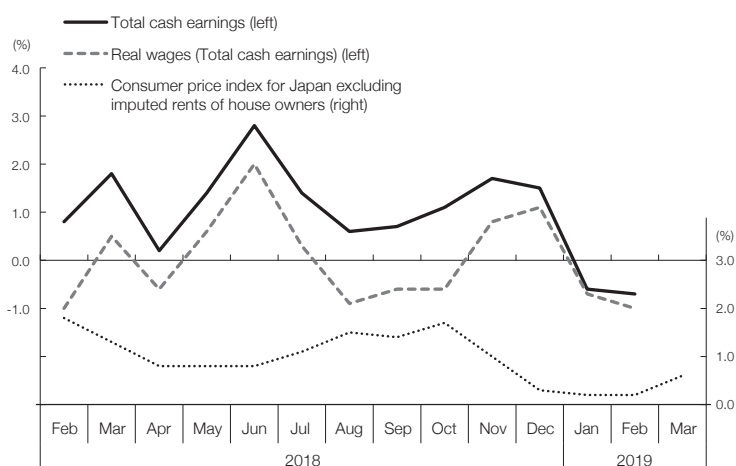
## Workers' household economy

In March, consumption expenditure by workers' households increased by 4.2% year-on-year nominally and increased by 3.6% in real terms.<sup>7</sup>



Source: Labour Force Survey<sup>2</sup>; Employment Referrals for General Workers.<sup>4</sup>

Figure 1. Unemployment rate and active job openings-to-applicants ratio (seasonally adjusted)



Source: Monthly Labour Survey<sup>5</sup>; Consumer Price Index.<sup>6</sup>

Figure 2. Total cash earnings / real wages annual percent change

See JILPT Main Labor Economic Indicators for details at <https://www.jil.go.jp/english/estatis/eshuyo/index.html>

Notes: 1. Cabinet Office, *Monthly Economic Report* analyzes trends in the Japanese and world economics, and indicating the assessment by the Japanese government. Published once a month. <http://www5.cao.go.jp/keizai3/getsurei-e/index-e.html>

2. Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey*.

<http://www.stat.go.jp/english/data/roudou/results/month/index.htm>

3. Active job openings-to-applicants ratio: An indicator published monthly by Ministry of Health, Labour and Welfare (MHLW), showing the tightness of labor supply and demand. It indicates the number of job openings per job applicant at public employment security offices.

4. MHLW, *Employment Referrals for General Workers*. [http://www.mhlw.go.jp/english/database/db-l/general\\_workers.html](http://www.mhlw.go.jp/english/database/db-l/general_workers.html)

5. MHLW, *Monthly Labour Survey*. <http://www.mhlw.go.jp/english/database/db-l/monthly-labour.html>

6. MIC, *Consumer Price Index*. <http://www.stat.go.jp/english/data/cpi/index.htm>

7. MIC, *Family Income and Expenditure Survey*. <http://www.stat.go.jp/english/data/kakei/index.htm>



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