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# Current State of Working Hours and Overwork in Japan

## Part I: How Has It Changed Over the Years?

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### I. Overview of the series

As symbolized by the term *karōshi* (death from overwork), work in Japan has typically been characterized by long working hours and problems of overwork. Has Japanese labor situation changed over the years? What are the related issues today? This series of three articles will explore the current state of working hours in Japan, with a particular focus on overwork.

Part I overviews the characteristics of working hours in Japan in international or longitudinal comparison. It also investigates the background to long working hours, addressing the regulations including the amendments that have been made to related laws in recent years. Part II will focus on the relationship between the Japanese-style employment system and working hours. Companies' employment systems play a considerable role in the factors that contribute to employees' working hours. Discussion in recent years has therefore explored toward steps such as revising the working styles in companies as well as industry practices to reduce working hours. Finally, Part III will consider the distinctive features of overwork at present and the measures that can be taken against it. Current diverse working styles stem from the growth of service industry or workers' diverse preferences. There are calls for environmental improvements to the industrial society to allow for those new ways of working. Touching on the current issues, the article examines what measures need to be adopted in terms of workers' health, family lives, well-being, and other such factors.

### II. Working hours of major countries decreasing on average

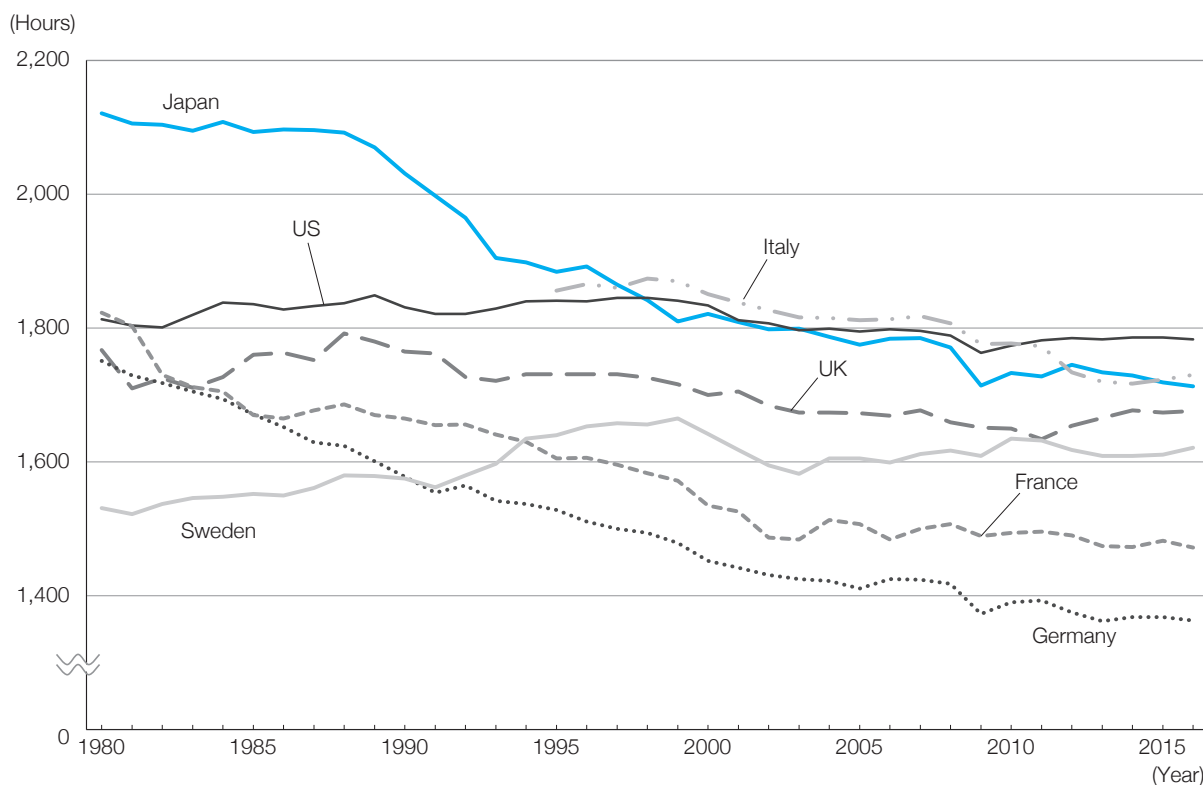
Let us start by looking at an international comparison of statistical data. Figure 1 shows the trends in average annual hours actually worked



per worker in major industrial countries. In the long term, working hours are on the decrease in most developed countries. This decrease in working hours has been attributed to factors such as the rise in productivity along with the development of industry or the results of labor movements.

What distinctive characteristics do working hours in Japan show in comparison with other countries? Up until the 1980s, they were extremely long when compared with those of other developed countries. Since then, following a significant decrease in the period from the end of the 1980s to the early 1990s, working hours in Japan have been consistently on the decrease. In recent years, Japanese working hours can be described as at a similar level to those in the US and the UK, but are still long in comparison with developed countries such as France, Germany, and Scandinavian nations.<sup>1</sup>

The reduction in working hours in Japan from the end of the 1980s was largely due to the effect of legal policies. In the 1980s, Japanese workers became the target of criticism from Europe and the US that they were “overworking” in terms of fair international competition.<sup>2</sup> At around the same time, people in Japan themselves began to reconsider the conventional values that had justified long working



Source: OECD Data, "Hours worked," <https://data.oecd.org/emp/hours-worked.htm>. Quoted in Japan Institute for Labour Policy and Training (JILPT), *Databook of International Labour Statistics 2018* (Tokyo: JILPT, 2018), figure 6-1, 203.

Figure 1. International comparison of average annual hours actually worked per worker

hours in the society. In response to such awareness of the problem, the reduction of working hours became a major policy issue, aiming at 1,800 working hours per year, the level of the US and Europe. The statutory working hours were in fact reduced from 48 to 40 hours per week with the 1987 amendment to the Labor Standards Act and have been set at a 40-hour workweek and 8-hour workday since then. As the result of further amendments to the act, the system of a "5-day workweek" was quickly adopted by an increasing number of employers in the 1990s.

### III. The persistence of long working hours

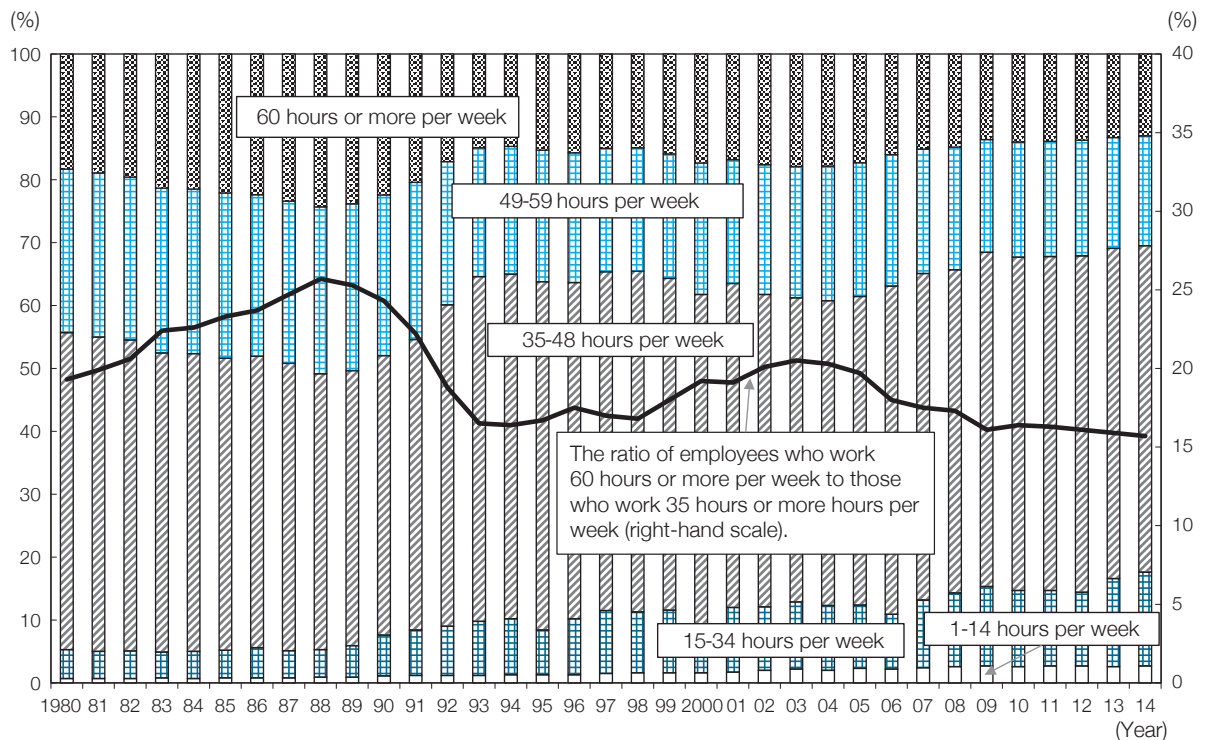
While working hours in Japan have been decreasing on average, this does not mean that all workers are working shorter hours. This is because the average reduction in working hours in recent years can be significantly attributed to the increase in the numbers of (largely female) part-time workers. Though the sharp decline in the working hours

during the end of the 1980s through the early 1990s is thought to be the result of legal amendments, working hours of regular employees have seen little decrease in the period since then.

Figure 2 shows trends in the breakdown of the working hours of male employees (including non-regular employees) over the years. We can see that the percentage of employees working "60 hours or more per week" has been gradually decreasing since its peak in 1998. However, combined with the percentage of employees working "49-59 hours per week," we can also find that there is still a certain percentage of employees working long hours.<sup>3</sup> As far as Figure 2 suggests, long working hours still exist—largely among regular employees.

### IV. The factors behind long working hours: insufficient regulation

Why state of overwork in Japan remain unchanged? There are various possible factors, but



Source: Prepared by Office of Counsellor for Labour Policy Planning of MHLW, based on the MIC's *Labour Force Survey* (Basic Tabulation).

Notes: 1. Data for workers on leave or workers whose working hours are unknown has been excluded.

2. Averages over the 12 months of each year.

3. Values for 2011 do not include Iwate, Miyagi, and Fukushima Prefectures.

Figure 2. Trends in the breakdown of hours worked in the final week of the month (male employees)

here we will focus on the characteristics of the legal system.

As noted above, the Labor Standards Act stipulates a 40-hour workweek and an 8-hour workday as the upper limits on working hours (“statutory working hours”). Employers are obliged to establish the starting and ending time of work (“prescribed working hours”) to ensure that workers do not work beyond the statutory working hours. However, overtime work beyond the statutory working hours is permitted, provided that the necessary procedures are followed. Under Article 36 of the Act, when an employer concludes a labor-management agreement with a labor union organized by a majority of the workers in the establishment or with a person representing the majority of the workers—known as an “Article 36 Agreement (*saburoku kyotei*)”—and submits it to their local Labor Standards Inspection Office, the employer is

not subject to sanctions even if they allow workers to work beyond the statutory working hours or on days off.

It was often suggested that these regulations on overtime in Japan had little practical effect on restriction of overtime work, because there was formerly no binding limitation on extension of working hours that could be negotiated under an Article 36 Agreement. While in 1998 the government stipulated a limitation of overtime recognized under an Article 36 Agreement, this was merely a non-legally binding administrative guidance. This lack of legal provisions to place cap on overtime and impose penalties for violations has continuously been highlighted by critics of the legislation as it is insufficient to prevent overtime work.

Since the Act on the Arrangement of Relevant Acts on Promoting Work Style Reform (“Work Style Reform Act”) was enacted in 2018 (and put

into effect in 2019), there is considerable public attention to the potential changes in working hours. The key feature of this new act includes its provision of definite upper limits on overtime hours—namely, 45 hours per month and 360 hours per year.<sup>4</sup> In addition, employers that violate these limits will now be punished.

As we have seen, Japan’s legal regulations are said to lack the force to deter long working hours and discussion has been directed at strengthening legislation. However, the long working hours is attributable to not only insufficient regulation but also Japanese-style employment systems, industry practices, company systems, workplace customs, and people’s values on work. All of these factors are inextricably embedded in this issue. We shall examine them in the next part of this series.

#### Notes

1. Among the OECD countries, the average hours worked per

year in South Korea for 2016 were 2,069 hours, longer than those of Japan.

2. In the 1980s, Japan’s vast trade surplus (particularly the trade imbalance between Japan and the US), coupled with the appreciation of the yen became an issue. Consequently, Japanese people’s long working hours also faced international criticism that they constituted “social dumping.”
3. The percentage of male employees working 60 hours or more per week has decreased in comparison with that in the late 1980s but has seen no significant change since the 1990s.
4. It is permitted to conclude a labor-management agreement for working hours beyond this limit in extraordinary, special circumstances. But the law also prescribes a separate upper limit for working hours in such cases.

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