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Key topic

The 2019 *Shunto* in the Context of the JTUC-Rengo Wage Hike Summary Report

Noboru Ogino

Wage increases on a par with the previous year

Japan's Shunto, the spring labor-management negotiations held every year, has resulted in "base-up" (across-the-board pay raises) and wage improvement of around 2% for five consecutive years since a consensus was built among government, management and labor in December 2014 to overcome deflation and achieve an economic virtuous cycle. The 2019 Shunto unfolded in the uncertainty of economic prospects due to the current economic situation and increased US-China trade friction. According to the tabulated data in May compiled by the Japanese Trade Union Confederation (JTUC-Rengo), the overall level is almost the same as the previous year. It is evident that a shortage of workers is helping to keep wages in general above a certain minimum level.

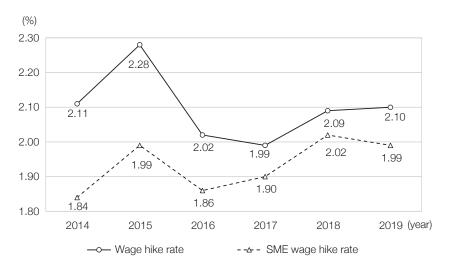
There are two types of monthly wage increases. One is an automatic raise of monthly basic wage in accordance with each worker's age and years worked (*teiki shokyu*). The other is across-the-board pay raises, which raise the basic wages themselves.

This year, March 13 was designated as the management response date ("concentrated response day") by the major labor unions belonging to the highly influential industrial union JCM (Japan Council of Metalworkers' Unions, 1,987,446 union members), composed of five metal-related industrial unions including JAW (Confederation of Japan Automobile Workers' Unions) and JEIU (Japanese Electrical Electronic and Information Union). As of the response day, some major companies had not yet reached the wage hike levels of the previous year.

The weighted average amount as of May, however, including the equivalent of annual wage increases, of wage hikes among 3,715 unions (2,457,144 members) that demanded wage hikes by average wage-based revisions² (compared to average wages per worker before negotiations) was 6,217 yen (US\$56.79), 2.10% in rate, making it almost equal to that of the same period of last year (Figure 1) with a 156 yen increase.

At 2,000 unions (1,853,808 members) among the unions that demanded wage hikes by the average wage-based revisions (where the amount of wage increases such as across-the-board pay raises and wage improvement was clearly calculable), their weighted average wage hike including the equivalent of annual wage increases was 1,570 yen (US\$14.16), a decrease of 44 yen and 0.50% up (0.03 percentage points down) compared to the same period of last year. However, among these, for small and medium-sized enterprise (SME) unions composed of companies with fewer than 300 employees (1,204 unions, 150,145 members), the wage hike rate was 0.62%, the same as the previous year, but above the overall average of 0.50%. Furthermore, regarding the wage hike rate for even smaller-sized unions composed of companies with fewer than 100 employees, there was an unprecedented trend toward a consistent year-on-year increase as of March this year, while it is usually declining over time during the Shunto period.

Based on these circumstances, JTUC-Rengo confirmed at its Central Committee meeting on June 6 in the 2019 *Shunto* mid-term summary report that "the wage hike demand acquisition rate is equivalent to that of the previous year as



Source: JTUC-Rengo, "The 2019 Shunto Mid-Term Summary Report," 2019.

Notes: 1. Data for each year are the wage hike rates including equivalent of annual wage increases (weighted average by aggregate number of union members) according to the average wage-based revisions.

2. The data for 2014 is the value in June, and those for the other years are the value in May.

Figure 1. Trends in management response to Shunto demands (response status in May of each year)

a result of ongoing conscious efforts to maintain and entrench wage increase trends, and we are seeing a robust continuation of these trends." The Committee summarized that "the push to transform structures was firmly established and advanced" as the confederation has been focusing on this area to boost and stabilize the level of wages. From the above-mentioned wage hike results for SME unions, the Committee emphasized that the confederation and its member unions have taken a step forward to change the long-standing *Shunto* negotiation style of "following and complying with standards set by large enterprise unions," namely, the goals for wage hikes by industry for that year, with other unions then following suit.

Shift in focus from "amount of increase" to "level of actual wages"

In 2019 labor-management negotiations, JTUC-Rengo stated its intent "toward restructuring of the *Shunto* system," so as to boost the wages of SME union members and non-regular workers to a level commensurate with the value of their work. Therefore, the focus is being shifted from the demand for an "amount of increase" to the "level of actual wages." Underlying this shift is the fact

that since the annual wage increases resumed, there has been a persistent gap in the responses of large enterprises and SMEs, and correcting this disparity has become a major issue.

JAM (Japanese Association of Metal, Machinery, and Manufacturing Workers, 344,805 members) is a federation of industrial unions, with many unions of SMEs covering a wide range of manufacturing sectors. Starting from two years ago, it has been clarifying and pursuing a policy of placing emphasis on individual wages and demanding an absolute wage level of employees at a certain stage of age and competence, i.e., based on an absolute amount of wages at that point (the "individual wage pay demand method"), rather than indicating wage increase standards by industry. According to JAM's mid-term summary report of the 2019 Shunto, unions that demanded wage hikes at the individual points of age 30 and age 35 received responses that exceeded the average for industrial unions of JAM, but the number of unions making such wage demands leveled off.

Based on these findings, JTUC-Rengo's midterm summary report stated that there was a shift in perception toward pursuit of "wage levels" even at labor unions comprising SMEs with fewer than 300 employees. They clearly defined the wage levels they are aiming for, formulated demands while taking into account the point in time by which those demands should be attained, and engaged in negotiations accordingly. On the other hand, the problem was that while recognition of the situation has deepened, "in many cases it was evident that a system for tracking and analyzing actual wage conditions was not in place," or "some labor unions did not make efforts in this direction due to the business environment this year." It also said that in addition to "tracking actual wage conditions per employee" and "establishing wage structures" based on these conditions, it was essential to establish a support framework for SME unions in order to increase the effectiveness of their efforts to pursue wages at a higher level.

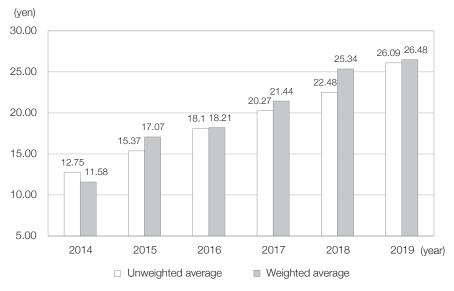
Unprecedented rise in part-time workers' hourly wages

In addition to the labor shortage, the government's promotion of equal pay for equal work has been a driving factor in improving the treatment of part-time and contract employees. According to an announcement as of April by UA Zensen (Japan's largest federation of industrial unions, with 1,767,000

members, of which more than half of the union members are part-time workers), the unweighted average amount of agreed-upon increases in hourly wages (wages as a whole, including annual wage increases, across-the-board pay raises, and wage improvements, etc.) for 184 unions that concluded negotiations during *Shunto* was 28.8 yen (2.93%), its highest ever since UA Zensen was formed in 2012. Also, the wage hike rate for part-time workers has been higher than that of regular employees for four consecutive years.

According to JTUC-Rengo's tabulation as of May 8, the unweighted average of responses to demands for non-regular employees' hourly wage level increases was 26.09 yen (up 3.61 yen year-on-year), and the weighted hourly average was 26.48 yen (up 1.14 yen year-on-year), both exceeding the same period the previous year (Figure 2). For contract employees, the unweighted average rise in monthly wages was 4,223 yen (up 58 yen year-on-year), and the weighted average 4,317 yen (up 88 yen year-on-year), both exceeding the same period of the previous year.

In response to these trends, JTUC-Rengo's midterm summary report stated that "there has been



Source: JTUC-Rengo, "The 2019 Shunto Mid-Term Summary Report," 2019. Note: Same as Note 2 of Figure 1.

Figure 2. Trends in *Shunto* wage hikes for non-regular workers (compared to the same period of the previous year)

significant progress" in correcting disparities among workers in different forms of employment, with hourly and monthly wages for non-regular workers increasing at both amounts and rates exceeding those of the previous year, and also that progress has been made in efforts to reduce the wage gap between men and women. The report gave the positive assessment that "efforts to rectify all manner of disparities, such as those based on company size, employment type, and gender, have made great strides."

Initiatives that anticipate coming Work Style Reforms

In addition to rectification of wage level gaps, JTUC-Rengo emphasizes "review of work styles that takes all workers' positions into account," and is promoting initiatives that go beyond the content of the Work Style Reform Act and go into effect ahead of the law's enforcement. In relation to legislation including the revised Labor Standards Act that came into force in April this year, during the 2019 Shunto there were a total of 7,521 demands for alleviation of long working hours, of which 2,254 elicited responses. Specifically, these called for "promotion of taking annual paid leave" (1,596 demands, 689 responses), "adoption of a work-interval system" (587 demands, 154 responses), and "management of working hours and appropriate monitoring of all workers, including those from outside the workplace that are deemed workers or supervisors" (891 demands, 336 responses), all of which saw both more demands and more responses than last year.

Also, in preparation for the new Part-time and Fixed-term Workers Act to go into effect in April 2020, reform of various allowances and leave and absence systems was a major theme of this year's negotiations. According to JTUC-Rengo, there were a total of 5,936 demands related to "job security and improved treatment for non-regular workers," and a total of 1,881 responses. These included "development of rules for converting to regular employment and reviews to ensure the effective functioning of the system to promote job security" (831 demands, 316 responses), "fringe benefits and safety management activities (inspection, analysis

and review, correction of problems, etc.) to improve treatment" (701 demands, 273 responses), and "creation of the same childcare and long-term care leave systems as those for regular employees" (398 demands, 56 responses), all of which exceeded the number of demands and responses last year.

UA Zensen has been a driving force in improving the treatment of non-regular employees. In this year's labor negotiations, its policy included verification of disparities with regular employees and the content of these disparities, with regard to all working conditions. As a result, there were responses that went beyond the "guidelines for equal pay for equal work," such as improvements in commuting allowances and various leave and absence systems, as well as introduction of family allowances and defined contribution pension plans.

According to its summary report as of April 1, five unions saw improvements in terms of family allowances, such as "newly created child allowances for contract and entrusted employees at the same level as regular employees (15,000 yen [US\$133.80] per child)" (Life Corporation) and "family allowances for part-time employees equivalent to those of regular employees" (Aeon Topvalu Co., Ltd.). In addition, 11 unions saw improvements with regard to commuting allowances such as "upper limits eliminated for all employee categories" (Aeon Retail Co., Ltd.). In terms of leave and absence systems, there were cases such as "granting of wedding and funeral leave equivalent to that of regular employees," "adoption of the same personal injury and illness leave system as that of regular employees," "creation of various leave systems for non-fixed-term part-time workers equivalent to those of regular employees," and "introduction of an annual leave accumulation system for part-time and contract workers."

With regard to these results, UA Zensen Headquarters believes that "in light of the legislation of laws governing equal pay for equal work, equal and balanced treatment of part-time union members is progressing, including improved granting of family allowances and so forth."

Numerous challenges remain for labor—management negotiations and consultations

After the dawn of the 21st century, a deflationary economy coincided with a worsening employment situation, making it difficult for labor to actively pursue wage increases, and society's interest in Shunto was fading. However, since wage hikes were implemented after the agreement among government, management and labor in December 2014, Shunto has gained more attention again. The media has focused on what it labeled the "governmentmanaged Shunto" because labor negotiations were pursued at the request of the government. Practically, however, as labor and management claim, both parties have voluntarily steered negotiations in their current direction, recognizing the social role of these negotiations and the macroeconomic impact of their outcomes.

Shunto, having experienced some major turning points in the past, is now at a moment of change that differs qualitatively from past examples. The underlying reason for this is that it has become necessary for corporate labor and management to find solutions through negotiations and consultations not limited to the immediate managerial and personnel issues they face, but also to address challenges resulting from social and economic structural changes. For example, while population shrinkage due to the declining birthrate and aging population cannot be avoided, halting a drop in the employment rate is a major policy issue for future maintenance and development of the economy. Promotion of employment for women and the elderly is a key. Amid concerns over an aggravated labor force shortage, it is essential to discuss continued employment for women and elderly workers, especially wage structures based on a retirement age of 65, and on how continued employment after age 65 ought to be. In addition, the establishment of wage levels and systems commensurate with added value is an emerging challenge in the effort to secure new human resources that will uphold the "Fourth Industrial Revolution."

Given these challenges, it is clear that wage hikes for regular employees are no longer the main issue of *Shunto*. Improvement of productivity is indispensable to cope with the severe labor shortage, low birth rate and aging population, and technological innovations. There are measures to be taken in workplaces such as the process of introducing digital technologies as well as the utilization of non-Japanese workers, who are being hired in larger numbers as the Immigration Control Act was amended last year. It is vital that labor and management discuss the mounting pile of pressing issues.

Notes

- 1. Wage improvement is a term coined by labor unions during the 2006 Shunto as a replacement for "base-up" (across-the-board pay raises). Until then, in Shunto, "base-up" had been implemented as a means to prevent decline in real wages caused by rising prices. In recent years, with the fall in prices and the introduction of performance-based policies, management has become strongly resistant to "base-up," and a situation where labor unions cannot strongly demand such raises has continued. Starting around 2005, when the economy began to recover, the labor unions demanded that more resources be devoted to pay raises, while management introduced wage hikes limited to specific groups such as young and mid-career workers and those with highly positive personnel evaluations. These are collectively referred to as wage improvement.
- Average wage-based revisions refer to a wage revision method in which wages for all workers are determined based on decisions made about the average (standard) wage increase request of each worker.

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Report

Japanese Policy regarding Employment-like Working Styles

Keiichiro Hamaguchi

Currently, the most pressing labor issue worldwide is new forms of employment that have appeared with the Fourth Industrial Revolution, and buzzwords such as sharing economy, platform work, and crowd work are on people's lips everywhere. A key feature of these developments is that they are progressing simultaneously in the United States and European Union as well as Asian countries such as Japan, China and South Korea so far. The Japan Institute for Labour Policy and Training (JILPT) holds an annual Japan-China-Korea labor forum, and at the conference held in Qingdao, China in November 2018, Chinese participants led a discussion on New Forms of Employment in which current status and measures in the three countries were debated. It was noted that such new business models are rapidly developing especially in China, where conventional industry regulations are not strong. The 17th EU-Japan Symposium organized by the Ministry of Health, Labour and Welfare (MHLW) and the European Commission, which was held in Brussels on July 4, 2018, also focused on the theme of New Forms of Employment, and strong interest on the part of the EU (European Union) is evident as well.

Globally speaking, the EU is one step ahead in terms of survey and research, and policy measures of this area. A report titled *New Forms of Employment*, published in 2015 by the European Foundation for the Improvement of Living and Working Conditions (Eurofound), a labor policy research institute in the EU, clarified a variety of work forms among both employees and non-employees in twenty-eight EU countries, igniting policy measures at the EU level.

Also, in Germany, a debate known as "Arbeiten 4.0 (Work 4.0)" is underway about changes in employment and society caused by the Fourth Industrial Revolution, and new labor law policies to cope with them.

In contrast, China was originally a nation of the socialist economy and regulations on the market economy are limited, putting the country in a position to promote the sharing economy and the platform economy proactively across the board. Concerning ride-sharing platforms, which have frequently led to lawsuits in Western countries on the employee or non-employee status of drivers, China has released a notification stating that conditions would be governed by contract agreements between the involved parties. It is interesting that countries that have always had a capitalist system tend to tighten regulations on labor markets, while China, which shifted from a socialist to a capitalist economy only about one generation ago, is more cautious about regulating and controlling markets.

Under such circumstances, Japan has also begun pursuing policy measures to these issues. A turning point came with the Action Plan for the Realization of Work Style Reform, which was approved at the Prime Minister's Office in March 2017. Under the title "Promotion of Flexible Work Styles," the plan calls for promotion of employment-type telework, non-employment type telework, side jobs and multiple jobs. With regard to non-employment type telework in particular, the plan points out that there is ongoing rapid expansion of crowdsourcing, job introduction service through the Internet, and that workers are facing various troubles with ordering

parties or intermediate agents such as unilateral changes in job contents or overwork associated with them, unreasonably low remuneration or delayed payment thereof, unauthorized diversion of copyrighted works temporarily delivered during the proposal process. The plan states, "Considering work styles, which are like employment, such as non-employment-type telework are more increasing, we will grasp the present situation and discuss necessity of legal protection as a mid-term or long-term agenda, establishing a conference consisting of intellectuals."

In response to this, the MHLW convened the Discussion Committee on Flexible Working Styles in October 2017, summarized its discussions in a report in December of the same year, and formulated the Guidelines for the proper implementation of self-employed type teleworking. These guidelines define an "intermediary or agent" as (i) a party that is entrusted work by other parties, and submits orders for the work to self-employed type teleworkers as a business activity, (ii) a party that mediates between self-employed type teleworkers and ordering parties and arranges teleworking as a business activity, and/or (iii) a party that operates a service enabling ordering parties and contractors to directly place and accept work orders via the Internet ("crowdsourcing") as a business activity. In addition to the preparation and preservation of documents clearly specifying contract terms, the guidelines call for clear specification in advance of the contents of the work offer and any relevant matters to be noted at that time in detail. In the case of crowd work, there is a so-called competition-type model in which a proposal is selected from among multiple submitted proposals and remuneration is paid. The guidelines thus call for clearly stating that this model is being employed, prohibit disclosing or using intellectual property pertaining to non-adopted proposals without the consent of the party submitting the proposal, and state that it is not desirable to instruct the applicant submitting the adopted proposal to make significant changes to the work ordered after delivery.

The most notable among these guidelines is a new clause, "Termination of Contracts." Assuming

that the "abuse of the right to dismiss" theory does not apply because the self-employed type teleworker is not an employee, the clause states that "if the ordering party cancels the contract for its own reasons without the other party's breach of contract, etc., the ordering party must compensate the self-employed type teleworker for damages caused by the cancellation of the contract," and that "when an ordering party that is in a continuous business relationship wishes to terminate an order to a self-employed type teleworker, the ordering party must promptly give notice to that effect and cite the reason thereof."

However, these guidelines are only an administrative notification, and have no legal effects. If employment-like working styles account for a large proportion of the workforce in the future, to "discuss necessity of legal protection as a mid-term or long-term agenda" as called for in the action plan will become more important. In this sense, the guidelines are no more than a stepping stone on the way to true legal protection.

In parallel to this, the MHLW convened the Meeting on Employment-like Working Styles in October 2017, holding interviews with related parties and organizations to obtain a picture of the actual situation in Japan and other countries, with a report summarizing the findings issued in March 2018. This report was presented to the Committee on Basic Labour Policy of the Labour Policy Council (an advisory panel to the MHLW) in April 2018, followed by interviews and discussions in the committee, and in September of the same year the committee issued a report entitled Addressing Evolving Working Styles in an Evolving Era. The following October the Meeting on Points of Controversy with Regard to Employment-like Working Styles was established, and is engaged in deliberations.

The Committee's report says that various approaches can be conceived concerning employment-like working styles, including (i) ways of proactively extending protection through broader interpretation of the scope of worker status in individual cases, (ii) ways of redefining (extending)

the concept of workers under the Labor Standards Act, and (iii) ways of preparing systems to extend and provide protection under labor-related laws and ordinances to those in employment-like working styles. Let us examine a bit on some of the options suggested in this report.

First is (i) extended current interpretation of worker status under the Labor Standards Act. This will take the form of extension of Labor Standards Act protection to the extent that worker status is recognized under the current Labor Union Act. In this case, worker status under Japan's labor protection laws is basically interpreted as a uniform concept, so it would be recognized in all areas including worker's work-related accident insurance, working hours regulations, minimum wage regulations and dismissal regulations. However, there may be questions as to whether such regulations can be permitted through "interpretations" of laws such as Labor Standards Act. In the first place, even if administrative bodies have altered "interpretations" unilaterally, it is the judiciary that has the authority to interpret the law ultimately, and there is no guarantee that the courts will easily accept the new administrative interpretation.

The next option, then, is (ii) extension through redefinition of the concept of a worker under the Labor Standards Act. A clear legislative amendment would probably take the form of defining workers under labor protection laws such as Labor Standards Act with, for example, the same standards governing workers in the current Labor Union Act. In this case, too, because uniformity of the worker concept is maintained, the scope of "workers" under labor protection law remains constant.

However, there is bound to be hesitancy about extending entire regulations from which quite a few

employed workers should be exempted under certain conditions, such as working hours restrictions, to new forms of employment in principle. There is also the question of whether to apply existing worker protection equally, without any distinction as to what problems affect people in engaged in new forms of work, and what kinds of protection are required. Therefore, the option emerges of (iii) applying provisions of individual labor laws as needed, on the premise that those protected are not deemed workers under the Labor Standards Act. Specific contents of protection that can be envisioned include: clear indication of working conditions, advance notice of termination, minimum remuneration, guaranteed payment of remuneration, health and safety, freedom from harassment, work-related accident insurance, employment insurance, agency business regulation, an individual dispute resolution system and so forth.

Extended application of each item of laws to a broader scope of workers would be carried out by revising each labor law, but another possible approach is consolidating these and (vi) legislative introduction of a new worker concept to which only worker protection in specific fields is applied. In fact, current Industrial Homework Act defines certain individual contract workers who are not covered by the Labor Standards Act as "homeworkers" and prescribes special protection such as health, safety, and minimum piece rate. In this sense, this option can be considered a legislative proposal that would extend the scope of application of Industrial Homework Act, currently limited to the manufacturing and processing of goods, to platform workers and so forth, and radically restructure the law with emphasis on protection under the labor contract law.

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https://www.jil.go.jp/english/profile/hamaguchi.html



Judgments and Orders

Does the Unilateral Discontinuance of Dues Check-off by a Local Public Entity Constitute Unfair Labor Practices?

The National Government and Central Labor Relations Commission vs. Osaka City (Dues Check-off) Case
Tokyo High Court (Aug. 30, 2018) 1187 Rodo Hanrei 5

Yota Yamamoto

I. Facts

City Y is an ordinary local public entity pursuant to the provisions of the Local Autonomy Act. Union X_1 , Union X_2 , Union X_3 , and Union X_4 are all labor unions consisting of those City Y employees to whom the Local Public Enterprise Labor Relationships Act applies. Unions X_1 — X_4 each entered into a checkoff agreement with City Y, the earliest of which was concluded in 1957 and the latest in 1980. As these checkoff agreements were automatically renewed each year until 2011, the City Y employees who were members of Unions X_1 — X_4 had their union dues deducted from their salary (checked off) for a number of years.

For City Y employees prescribed in the Local Public Service Act there is an employee organization in place, and the employees who belong to said employee organization had always had their dues checked off in accordance with the "Ordinance regarding Employee Salaries." From around 2004, employees' misconduct was a frequent issue in City Y. It was suggested that these problems could be attributed to the collusive relationships between City Y and the employee organization or labor unions, which are symbolized by the favorable treatment and the grant of convenience that City Y had traditionally provided to the employee organization or labor unions (including the checkoff arrangements). In March 2008, the Y City council therefore approved the "Ordinance for the Discontinuation of Dues Checkoff," which saw the discontinuation of checkoff for those employees belonging to the employee organization. In response to this, Union A, the employee organization of City Y, brought an action calling for the declaration of the invalidity of the "Ordinance for the Discontinuation of Dues Checkoff," but the Osaka District Court passed a judgment dismissing the action in February 2011.

Between February and March the following year, City Y also issued a notification (hereafter referred to as "this notification") to Unions X_1-X_4 , informing them that their checkoff agreements would no longer be renewed as of April 1, 2013, thereby discontinuing the checkoff. In response, Unions $X_1 - X_4$ engaged in collective bargaining with City Y from March to July 2012. During this process of collective bargaining, the explanations given by City Y included the fact that they needed to readdress their provision of the grant of convenience because it was a symbol of labor-management collusion; that the checkoff for the employee organization had been discontinued; that its (City Y's) claims in the aforementioned action regarding the "Ordinance for the Discontinuation of Dues Checkoff" had been upheld; and that it would be difficult to justify the continuation of the checkoff only for Unions X_1-X_4 to City Y citizens.

The course of events is shown in the next page (Process of this case), the Tokyo High Court case largely focused on whether this notification constituted "domination and interference" with a labor union, which would make it an unfair labor practice (Labor Union Act, Article 7, No. 3).²

Process of this case (Course of events leading up to the Tokyo High Court)

April/August 2012	Unions X_1 – X_4 seek remedy from the Osaka Prefecture Labor Relations Commission on the grounds that the notification to discontinue the checkoff ("this notification") is an unfair labor practice as it constitutes "domination and interference" with a labor union (Labor Union Act, Article 7, No. 3).
February 2014	The Osaka Prefecture Labor Relations Commission issues an order-for-relief on the grounds that this notification is an unfair labor practice as it constitutes "domination and interference" with a labor union.
March 2014	City Y petitions the Central Labor Relations Commission to reexamine the case, as it objects to the order issued by the Osaka Prefecture Labor Relations Commission.
November 2015	The Central Labor Relations Communication issues an order-for-relief on the grounds that this notification is an unfair labor practice as it constitutes "domination and interference" with a labor union.
	City Y then brought an action with the Tokyo District Court to revoke the order issued by the Central LRC as it objects to said order.
February 2018	The Tokyo District Court quashed City Y's claims on the grounds that the notification is an unfair labor practice as it constitutes "domination and interference" with a labor union.
	City Y then appeals to the Tokyo High Court as it objects to the judgment of the Tokyo District Court.

II. Judgment

The Tokyo High Court concluded that City Y's notification was an unfair labor practice as it constituted "domination and interference" with a labor union (Labor Union Act, Article 7, No. 3). The judgment is summarized below.

(1) "In the event that union dues are checked off in accordance with an agreement between the employer and a labor union, it is on this assumption that the labor union pursues its activities and management and industrial relations are formed. Given that the checkoff system is in fact adopted by the great majority of private-sector business establishments across Japan, and discontinuation of such arrangements could be expected to have an impact on labor union activities and management and industrial relations; if an employer wishes to discontinue a checkoff, said employer is required to demonstrate reasonable grounds for doing so despite its inflicting a disadvantage. In addition, when discontinuing the checkoff, the employer must also give due consideration to the procedures that need to be followed for the labor union, such as providing an explanation of the grounds for discontinuing the checkoff, engaging in discussion on remedial measures and other such steps, and allowing a sufficient grace period. Moreover, where a discontinuation of checkoff fails to meet these requirements, the situation shall be assessed

such that all elements are considered—including the purpose of, motivation behind, timing and conditions of discontinuation, and the disadvantages, impact and other such consequences that the discontinuation could have for the labor union's management or activities—and, where it can be said that the discontinuation may weaken the labor union, or disrupt its management or activities, the discontinuation shall be classed as "domination or interference" with the labor union."

- (2) As its grounds for discontinuing the checkoff, City Y claimed that it needed to discontinue the provision of the grant of convenience in order to eradicate inappropriate industrial relations. However, "it is not clear what specific relationship exists, between their objective—that is, ensuring appropriate industrial relations—and the means that they took—discontinuing the checkoff—and there does not appear to be concrete grounds for it to be necessary for City Y to discontinue the checkoff with Unions X_1-X_4 in order to ensure appropriate industrial relations with Unions $X_1-X_4...$ There is nothing to suggest that there would be reasonable grounds for City Y to discontinue the checkoff with Unions X₁-X₄ despite the fact that it creates a disadvantage for Unions X₁-X₄."
- (3) Furthermore, "this notification was not only suddenly issued without any prior explanation or coordination, administrative-level negotiations, provision of information, or other such exchange

between City Y and Unions X₁-X₄," and it seeks the discontinuation of "a union dues checkoff arrangement that has consistently been in place for around a quarter to half a century, without any consideration of the individual circumstances of each of the labor unions (Unions X1-X4)." What is more, "in the collective bargaining conducted following this notification, City Y did not provide any of the unions (Unions X_1-X_4) with anything more than a general, abstract explanation of the need to discontinue the checkoff; City Y also merely spoke of the need to eradicate the mutual dependence between labor and management and develop industrial relations that are appropriate in the eyes of the citizens. City Y also failed to make any proposals for investigating the specific kinds of impacts the discontinuation of the checkoff could have on each of the unions (Unions X₁-X₄), or factors such as the necessity of and potential for tackling such individual circumstances." This suggests that City Y did not provide specific explanations of the grounds for or necessity of discontinuing the checkoff, did not engage in sufficient deliberation of remedial measures and other such responses, and did not allow for a sufficient grace period. Therefore, city Y cannot be said to have sufficiently fulfilled its duty to consider the procedures that need to be followed.

- (4) "As the issuing of this notification indeed force Unions X_1 – X_4 to take particular action and thereby coercibly placed them under considerable strain, it is recognized that there was a certain extent of hindrance to union activities." It is therefore possible to reach the conclusion that this notification had the effect of weakening Unions X_1 – X_4 , or disrupting their activities.
- (5) "Therefore, it cannot be said that there were reasonable grounds for discontinuing the checkoff, or that sufficient care was taken when issuing the notification to take the necessary procedures into consideration. As the notification thus appears to have had the effect of weakening Unions X_1 – X_4 or disrupting their activities, it is recognized to constitute "domination and interference" with Unions X_1 – X_4 ."

III. Commentary

According to the "Actual Situation Survey on Labour Unions" conducted by the Ministry of Health, Labour and Welfare (MHLW) in 2008, most Japanese labor unions determine union dues by a fixed-rate method—that is, multiplying each union member's (worker's) basic salary by a set percentage (for instance, 1%). For the labor unions that apply this method, it is important to ensure that the exact salary of each union member is used when calculating and collecting dues. The practice of checking-off-by which an employer deducts union dues from each union member's (worker's) salary at the time of payment each month according to a predetermined rate, and pays those dues to the union as a lump sum—is therefore widely pursued in Japan. Results of the MHLW's "Survey on Collective Agreements," which is conducted in 2011, showed that 91% of Japan's labor unions collected their dues using checkoff. In the case we are addressing here, the labor unions (Unions X₁-X₄) also collected their dues using checkoff conducted according to a fixedrate method.

It also should be noted that such checkoff is a form of the grant of convenience provided by an employer to a labor union, and employers are not legally obliged to implement a checkoff. The checkoff is therefore implemented on the basis of an checkoff agreement between a labor union and the employer (a labor-management agreement; where, according to the Supreme Court's interpretation, a labor union may only enter into such an agreement when said labor union is organized by a majority of the workers at the workplace, in accordance with Article 24 of the Labor Standards Act and the fundamental principles it prescribes on the payment of wages [The Saisei-kai Chuo Byoin case, Supreme Court (Dec.11, 1989) 43 Minshu 1786]). In that sense, it can be said that employers in Japan have, at the least, the freedom to decide whether to start a checkoff arrangement.

However, this does not automatically mean that an employer is entitled to unilaterally discontinue a checkoff arrangement that has already been started, by such means as later refusing to renew the labormanagement agreement. Court precedents and Labor Relations Commission orders have traditionally established interpretation that in order for a checkoff to be discontinued, (i) there needs to be reasonable grounds, and (ii) even if there are reasonable grounds, the employer must give consideration to the procedures that need to be followed beforehand, such as engaging in deliberations with the labor union on remedial measures and other such steps, and allowing a sufficient grace period. If either of these two conditions—(i) or (ii)—has not been met, the discontinuation of the checkoff has typically been classed as an unfair labor practice (Labor Union Act, Article 7, No. 3) on the grounds that it constitutes "domination and interference" with a labor union.

Amid such a trend, the Tokyo District Court case on this matter (Tokyo District Court [Feb. 21, 2018] 1187 Rohan 14) is notable for the fact that the court followed different judgment criteria to those typically adopted. That is, the Tokyo District Court held that "in the event that an employer discontinues (a checkoff) without giving sufficient consideration to the procedures that need to be followed, despite being aware that the discontinuation having the effect of...weakening the labor union, the discontinuation constitutes 'domination and interference' with a labor union." According to such judgment criteria, even if an employer has no reasonable grounds for discontinuing the checkoff—condition (i) above—as long as said employer has given consideration to the procedures that need to be pursued with the labor union, the discontinuation could avoid being classed as domination and interference with a labor union.

In contrast, the Tokyo High Court judgment that in addition to sufficient consideration of the necessary procedures, there also needs to be "reasonable grounds for discontinuing the checkoff despite its inflicting a disadvantage on the labor union" for the checkoff to be discontinued (as reflected in II (1) and (2)). That is, the Tokyo High Court reverted to the judgment criteria adopted in prior cases and Labor Relations Commission orders.

This difference in the judgment criteria adopted by the Tokyo High Court and the Tokyo District Court on this matter is thought to be attributable to divergence in their interpretations of checkoff itself. The Tokyo High Court judgment placed emphasis on the impact (disadvantage) that discontinuing the checkoff could have for the activities or management of the labor union, and therefore adopted the interpretation that it was needed for the employer to not only give consideration to the necessary procedures—(ii) above—but also have reasonable grounds—(i) above—in order to discontinue the checkoff.

In contrast, the Tokyo District Court adopted the interpretation that a checkoff is nothing more than the employer providing a grant of convenience to the labor union, and because "there are no legal grounds for the employer to have to automatically continue the arrangement," "it cannot be said that reasonable grounds are also required" in order to discontinue the checkoff. Thus, in this case the Tokyo High Court and the Tokyo District Court are divided on the question of whether the emphasis should be placed on the usefulness of checkoff as a means for collecting union dues, or on the employer's freedom with regard to starting and continuing the checkoff.

In addition to this divide, there is also another point on which the theories adopted in the Tokyo High Court and the Tokyo District Court's judgments are in conflict. There is a question whether the employer's intent of "domination and interference" (as prohibited under Article 7, No. 3 of the LUA) is necessary for the determination of unfair labor practice. The majority of legal theories argue that for an act to constitute the unfair labor practice of "domination and interference," the employer needs to have intent of dominating and interfering, in the sense that they are aware that their action will weaken or risk weakening the labor union (the theory that intent is required). There are also examples of court precedents that have adopted such an interpretation (The IBM Japan case, Tokyo High Court [Feb. 24, 2005] 892 Rohan 29). However, there are also theories that strongly argue that it is not necessary to demonstrate subjective factors regarding the employer, such as said employer's intent to "dominate and interfere," in order for an act to constitute "domination and interference." That is, if the act can be objectively seen to weaken the labor union or entail the risk of doing so, it is classed as "domination and interference" (the theory that intent is *not* required).

Looking at this case in light of the above, the Tokyo District Court judgment, as we have seen, addressed as part of its judgment criteria the subjective factors regarding the employer—namely, the employer's awareness that discontinuing checkoff would weaken the labor union—and thereby took an interpretation that echoes the theory that intent is required. On the other hand, the Tokyo High Court focused on the ways in which in this notification to discontinue the checkoff weakened Unions X_1 – X_4 (as shown in II (4)), an evaluation that seems to follow an interpretation that echoes the theory that intent is *not* required.

In this case, the notification of the unilateral discontinuance of the dues checkoff had been issued to all of the unions (Unions X_1-X_4) without any discussion being pursued regarding remedial measures and other such steps suited to the individual circumstances of each union and without a grace period being put in place. This was done on the grounds that discontinuing the dues checkoff system was necessary in order to ensure consistency with the treatment of the employee organization (Union A), to which the Labor Union Act did not apply in the first place. The Tokyo District Court—and of course the Tokyo High Court (see II (3) and (5))—also concluded that this notification to discontinue the checkoff constituted "domination and interference" with a labor union, on the basis that City Y had failed to give consideration to the necessary procedures. (Moreover, the Tokyo High Court also determined that the notification to discontinue the checkoff was not based on "reasonable grounds" as specified above—II (2). As we have seen in this case, there is a marked contrast between the respective theories that the Tokyo High Court and the Tokyo District Court followed in the process of reaching these judgments.

- 1. In Japan, employees who work for local public entities fall under the Labor Union Act depending on their job type. In this case, among the employees working for City Y, those employees to whom the Local Public Enterprise Labor Relationships Act applies, such as the members of Unions X₁-X₄, fall under the Labor Union Act as a general rule, as prescribed in Article 4 of the Local Public Enterprise Labor Relationships Act. It is therefore possible for such employees to form or join a labor union and also to use the system of unfair labor practices (Labor Union Act, Article 7). On the other hand, for workers who are regular service employees engaged in clerical work in City Y, like the employees who are members of Union A in this case, the Local Public Service Act applies. Therefore, as these employees do not fall under the Labor Union Act due to the specifications of Article 58, Paragraph 1, of the Local Public Service Act, they are not able to form or join labor unions. These employees are able to form or join employee organizations, but as they do not fall under the Labor Union Act, they are not able to utilize the system for unfair labor practices.
- 2. Labor Union Act, Article 7 (Unfair Labor Practices), No. 3 The employer shall not commit the acts listed in any of the following No. 3:
- (iii) to dominate and interfere with the formation or management of a labor union by workers or to give financial assistance in paying the labor union's operational expenditures, provided, however, that this shall not preclude the employer from permitting workers to confer or negotiate with the employer during working hours without loss of time or wage, and this shall not apply to the employer's contributions for public welfare funds or welfare and other funds which are actually used for payments to prevent or relieve economic adversity or misfortunes, nor to the giving of office of minimum space.

The National Government and Central Labor Relations Commission vs. Osaka City (Dues Check-off) case (Tokyo High Court, Aug. 30, 2018), Rodo Hanrei (Rohan, Sanro Research Institute) 1187, pp.5–38. See also Hanrei Jiho (Hanji, Hanreijihosha) 2403, pp.93–122, and Rodo Horitsu Junpo (Rojun, Junposha) 1924, pp. 67–73. For the summary of the case by the Labor Relations Commission, see https://www.mhlw.go.jp/churoi/meirei_db/han/h10670.html (in Japanese).

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▶▶ Human Resource Management

Labor-Management Relations

Labor Market

Labor Administration and Legislation

Current State of Working Hours and Overwork in Japan

Part II: Why do the Japanese Work Long Hours?

Tomohiro Takami

The previous article (Part I) in this series overviewed the characteristics of working hours and their trends in Japan, and addressed working time arrangements intended to prevent overwork. Why do the Japanese work so long? While insufficient legal regulations are indeed noted as a possible factor behind long working hours, they are not the only cause. In this article, we explore this question by considering the characteristics of the Japanese-style employment system and its related issues such as industry-specific working customs and practices.

I. The reasons for working overtime

Figure 1 shows the reasons for working overtime, drawing on the results of a questionnaire survey of employees. An outstandingly large proportion of the non-managerial employees responded that they work overtime because of their "heavy workload." Those workers are unable to complete their tasks unless they work overtime. Along with excessive workloads, the survey revealed other factors behind overtime, including "sudden and unexpected tasks," "shortage of personnel," "due to nature of the work," and "tight deadlines." The characteristics of work and the situation of workplaces are thought to be the factors behind employees' working overtime on a regular basis.

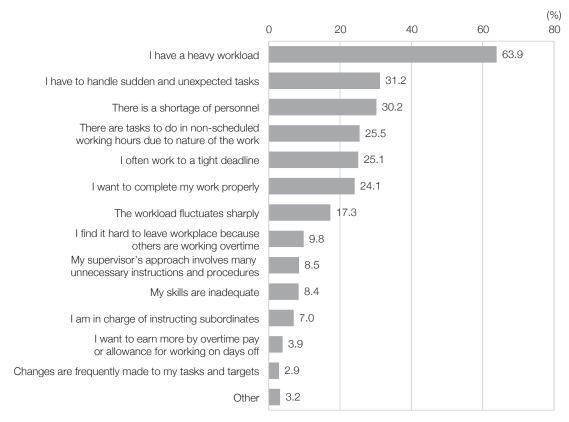
II. The Japanese-style employment system and overtime

Long working hours in Japan are said to be attributed to the Japanese-style employment system, people's attitude to work, and industry practices. It is also argued that the causes of overtime are deeply

rooted in Japan's industrial society, rather than being the results of labor management at individual companies. Let us consider whether this is the case.

The Japanese-style employment system is defined as an employment and labor system aimed at ensuring the long-term livelihood security and skills development of its members (where "members" is almost synonymous with regular employees), which has typically been seen in large corporations and manufacturing companies since Japan's high economic growth period from the 1960s to the early 1970s (JILPT 2017). It is composed of elements unique to Japan that are centered around the longterm employment practice known as "lifetime employment." These include a seniority-based wage and promotion system, cooperative industrial relations, and in-house skills development through approaches such as on-the-job training and job rotation. Japanese companies have also been known for their community-like nature. Relations between labor and management are not merely employer-employee relationships (that is, economic relationships), but mutual aid based on a sense of unity (Hazama 1996). Why, then, does such an employment system lead to overtime?

Firstly, under the system of cooperative industrial relations in Japan, overtime work has been seen as a "buffer" against employment adjustment. Companies avoid dismissing employees as far as possible even during recession periods, while workloads in prosperous periods are covered by employees' overtime instead of hiring new personnel. That is, employees regularly work overtime in return for job security. As a matter of fact, it has been said that



Source: The author, based on the data from Japan Institute for Labour Policy and Training, "Work characteristics, personal characteristics and working hours" in JILPT Research Report no.128. 2011.

Note: N=2515

Figure 1. Reasons for working overtime among non-managerial employees (multiple responses)

companies establish their organizational structures for allocating personnel on the assumption that employees will work overtime.

Secondly, while ensuring the livelihood security of their employees, companies have also developed norms by which employees are expected to prioritize the company and their work over their private lives. In other words, companies have a community-like nature, and workers reflect this in their work ethics by placing a high value on diligence and commitment to the company as a member of that community. This has been noted as a factor behind long working hours. For example, there is a significant amount of overtime with no remuneration or an equivalent, which is referred to as *sābisu zangyō* ("service overtime" or unpaid overtime). Such overtime includes many cases of *mochikaeri zangyō* ("take-home overtime"), as workers take

work home because they are unable to complete it during working hours. Another type of overtime that is rooted in the community-like spirit of companies is cases in which workers continue working after the scheduled hours because they find it difficult to leave the workplace when their supervisor or colleagues are still working, a custom known as *tsukiai zangyō* ("collective overtime"). Furthermore, the scope of each worker's job is not clearly defined at Japanese companies, and most employees are expected to be generalists with a range of skills for handling various work scenarios. This, combined with the grouporiented values within companies, makes it difficult for workers to say that their work is finished.¹

"Service overtime"—even when workers seem to do it of their own accord—cannot be attributed to Japanese work ethics alone, as it is suggested that companies have demanded such ways of working from their employees. Specifically, this indicates that personnel evaluations at Japanese companies often assess not only the employees' achievements, but also their levels of motivation and other such aspects of diligence. This prompts workers to throw themselves into highly demanding work schedules from a young age. In a sense, the fact that there are few workers venting dissatisfaction regarding "service overtime" can be attributed to this conventionally shared belief that such efforts will be rewarded in the long term.

As shown above, it is suggested that Japanese companies have expected their employees to adapt their ways of working to suit the needs of the company in return for stable, long-term employment and a salary scheme that considers living expenses. The Japanese-style employment system played a role in allowing Japan to accomplish its postwar high economic growth, and long working hours were an integral part of this system. Furthermore, the typical ways of working of male regular employees, in which working long hours is a given, were developed in close connection with the gender-based role division in the household. They are increasingly being recognized as outdated, as the number of women in employment is on the increase.

III. Tackling the problem of long working hours

Resolving the issue of long working hours is currently a topic of public interest and the target of policy development, toward the implementation of the Work Style Reform. While it is natural for individual companies to pursue efforts to reduce overtime, there is also a demand for the revision of industry-specific practices that lead to overwork.

Factors behind long working hours and their trends differ significantly from industry to industry. Looking at the breakdown by industry, the industry with the highest percentage of employees working 60 hours or more per week was transport and postal services (17.7%), followed by education (12.6%), and construction (10.7%) in 2017 (Figure 2). Among such industries in particular, it is common to work long hours.

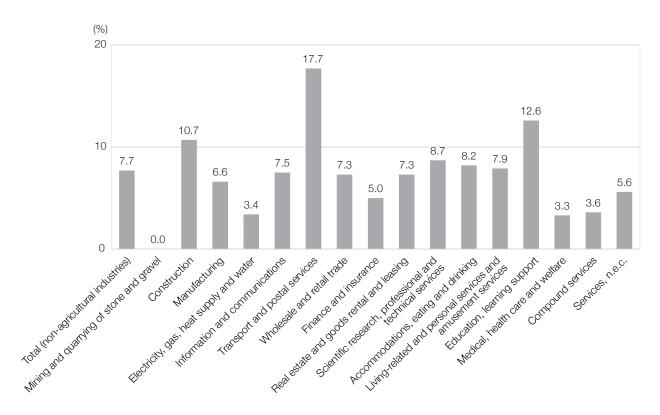
Why do workers in those industries work long hours? The problem is not uniform, because factors such as working customs and practices as well as employment management may be unique to the industry. Let us look at several industries in detail to explore these problems.

In the transport and postal services industry, a particular issue is the long working hours of drivers in truck transportation. The main factor behind them is a large amount of stand-by time—that is, waiting for cargo to be loaded at a loading point, and to be stored in a warehouse at the place of delivery. Efforts to shorten drivers' working hours therefore depend on the cooperation of the owners of cargo. Discussions are underway within the industry toward improvements.

When it comes to long working hours in the education industry, the working styles of elementary school and lower secondary school teachers have been an issue. Their long working hours may be a result of the wide range of tasks teachers may have to address. They not only teach classes and provide guidance for students but also prepare for classes, attend staff meetings, supervise extracurricular activities, organize grade reports, and carry out administrative tasks. As a result, many teachers frequently take their work home with them. The national government has launched deliberations on how to pursue reforms in teachers' working styles.

Long working hours in the construction industry can be largely attributed to the extremely limited number of days off, rather than long working hours per day. This is because tight schedules are regularly required to meet deadlines for the completion of construction work. To solve this issue fully is difficult because the actual execution of work may be affected by weather conditions. However, addressing the roots of the problem, that is, setting appropriate completion dates when placing or taking orders and managing the processes properly, is inevitable for the industry as a whole.

In addition to the above, in industries such as wholesale and retail trade as well as accommodations and eating and drinking, regular employees are excessively burdened by factors such as a shortage



Source: Ministry of Internal Affairs and Communications Labour Force Survey. Quoted in the 2018 White Paper on Measures to Prevent of Karōshi (Death Caused by Overwork), etc.

Note: Percentages among total employed persons, excluding those on leave at the time of the survey

Figure 2. Percentage of employed persons working 60 or more hours per week by industry

of personnel and the increasing percentage of non-regular employees in the workplace. As for industries such as information and communications, manufacturing, and finance and insurance, overly high targets and performance quotas as well as pressure to meet tight deadlines for clients or customers are noted as factors that lead to employees easily falling into taking on excessive workloads.²

As we have seen, overwork is largely affected by employment management and industry-specific working customs and practices. Many companies are currently responding to the government's efforts to promote the Work Style Reform and pursuing a number of initiatives to reduce overtime. There are issues, however, that cannot be solved with companies' internal initiatives alone. The question is how to tackle the fact that—even if a company makes efforts to improve its operational efficiency or places decisions on working hours at its employees'

discretion—many employees still have to work hard in order to respond promptly to customers' needs.³ Simply making changes to the legal system will not be enough. It is also necessary to readdress the employment system, industry practices, and other such key factors.

Notes

- Regarding the typical characteristics of Japanese companies, such as their emphasis on generalist skills and grouporiented nature, see Sugimoto (2003, 94–100).
- 2. Regarding the differences in working hour-related issues by industry, see Takami (2017).
- 3. Regarding overwork to respond to the needs of customers, see Takami (2018), which examines how some professionals (IT engineers, etc.) have to pursue their work to be responsible for customers and end up working long hours. Subjective indicators also suggest that they tend to overwork, even if their company or supervisor allows them to determine their hours on their own.

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This is a series of three articles on the topic of overwork in Japan. Part I (July issue) looks at the characteristics of working hours and investigates the background to the topic by addressing the regulations. Part III (November issue) will consider the distinctive features of overwork at present and the measures that need to be adopted against it.

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The Japan Institute for Labour Policy and Training conducts various researches and studies and releases the results in English. For more details, see summery of each report on the website.

Survey on Activities, etc. of Nationally Licensed Career Consultants

With the establishment of national certification by examination system to set a baseline for career consultant competencies in April 2016, the social expectations placed on career consultants have increased, and further publicity and promotion of career counseling are required in various sectors. Three past surveys, at intervals of every few years, on the status of career consultants' activities have been conducted (2006; 2010; 2013), but there has been insufficient study in recent years, and especially since the establishment of the national certification examination. Therefore, we conducted a questionnaire targeting career consultants holding national credentials. The objective of this 2017 survey research was to grasp the actual status of career consultants' work and activities, and clarify their current situations and challenges so that they could contribute to society as part of a social infrastructure, and meet clients' needs effectively as professionals. Nationally licensed career consultants are enrolled at a specified nonprofit corporation, the Career Consulting Conference (CCC, delegated by the government). The survey targeted 15,962 career consultants registered for the CCC's email newsletter and received responses from 3,273 persons (response rate 20.5%).

(No. 200, March 2018)

Disparities in career decisions and perceptions among young people in major urban areas: Based on the 4th Survey on the Working Style of Young People

The objective of this report is to clarify how young people's school-to-work transitions and perceptions of employment have changed over the past 15 years, based on data from four editions of the Survey on the Working Style of Young People. The first Survey on the Working Style of Young People was conducted with the aim of assessing changes in young people's career decisions and perceptions amid a rise in the number of young people called "freeters" (young people in atypical employment), as young workers increasingly changed jobs and led less stable careers starting in the latter half of the 1990s. Since then the survey has been conducted every five years, and this report organizes data from the 4th Survey on the Working Style of Young People primarily through comparison with past surveys.

(No. 199, October 2017)

Research and Development of Training Program Utilizing Transcript Analysis of Vocational Counseling and Referral Services: Solution-Focused Approach

As part of a three-phase research project, the Department of Career Guidance worked to develop a training program to promote more effective and efficient communication for vocational counseling and referral services provided at public employment security offices (see Figure 1). The core approach to this project has been created to raise the awareness of employees working for public employment security offices (hereinafter, "employees") in charge of the vocational counseling and referral process so that they could learn how to change the wording of their responses when communicating with job seekers, and in turn, put this learning into practice to improve counseling services. To verify this hypothesis, we conducted the training study outlined below in cooperation with the Labour

https://www.jil.go.jp/english/reports/jilpt_01.html

College of JILPT. In this report, we have summarized all the processes over the 14 years of this study, and we verified the effectiveness of the case study that forms the core of the training program. We confirmed the findings of the case study based on the responses of surveys completed by the employees in the training program. The findings of the case study support the idea that employees can learn how to notice issues with their own consultation styles by raising their awareness of the vocational counseling and referral process.

(No. 198, October 2017)

Human Resources Development and Career Management in Japanese Companies

While changes in the social environment such as low economic growth, birth rate decline and population aging are making it harder for corporate organizations to expand, there are social demands for employment to continue after 65 or older and women's career opportunities to be increased. Due to these, and the need to further advance the globalization of economic activity, many Japanese companies seem to be exploring various initiatives on ways of assisting their employees' career formation and skill development. Keeping this present situation in mind, the purpose of this research was to ascertain and analyze facts concerning initiatives being pursued by companies with regard to their employees' human resources development and career management, and how those initiatives relate to the nature of corporate management and the direction of human resource management in general. Additionally, the environment surrounding human resource development and career formation by workers (employees) was examined by ascertaining the realities of workplaces based on companies' initiatives and managerial activities.

(No. 196, March 2017)

Hiring and Workplace Assimilation at SMEs

As economies become increasingly global and competition intensifies, one of the most important issues when considering the future of Japan's economy is how to maintain or increase the stability of employment. As small and medium sized enterprises (SMEs) employ more than half of all workers in Japan, making them more active is a particularly significant issue. This research examines the present situation of management in SMEs, in terms of personnel management, in order to study effective ways of supporting them. Although "personnel management in SMEs" covers a very wide range, this research will investigate actual situations of their personnel recruitment and hiring management. The main focus of this investigation will be on mid-career hiring, given the expectation of increased fluidity between external and internal labor market in future.

(No. 195, March 2017)

Research on Identifying and Developing Next-Generation Executives: Focusing on Manufacturing Companies with Global Expansion Strategies

Since "training, developing and upgrading / next-generation management personnel" has been cited as a notable issue in human resource management, the aim of this research is to clarify how next-generation executives are identified and trained by manufacturing companies with global expansion strategies, and to propose corporate personnel management policies based on the findings obtained. (No. 194, March 2017)

Childcare, Family Care and Pursuing Vocational Careers: Women's Labor Force Participation and Men's Home Life

Now 30 years have passed since the enactment of the Equal Employment Opportunity Act in 1985, 25 years since that of the Childcare Leave Act in 1991, and 20 years since that of the Childcare and Family Care Leave Act in 1995. This research elucidates policy tasks related to women's participation in the labor force and support for work-life balance, through both analyzing current situations in division of labor and roles in child and family care at home by gender, and clarifying factors that maintain or transform gender roles. (No. 192, March 2017)

Current Status, Effects and Latent Needs of Career Counseling: From Survey Results including Responses from 1,117 Persons with Experience of Counseling

To promote career counseling measures effectively, it is essential that we have a detailed understanding of the realities and effects of career counseling, based on workers' attributes and industries. To this end, the author conducted a survey with persons who had prior experience of career counseling (or individual career guidance of a similar kind, all referred to below as "career counseling") in the past, then quantified and analyzed the results. At the same time, the author also carried out a survey on the latent needs of persons without such experience of career counseling. The purpose of conducting these surveys was to provide data that could be of benefit to career counseling measures as a whole in future labor administration.

(No. 191, March 2017)

Distress in Childrearing Households

With a serious decline in the birth rate, there is growing public concern over issues of childrearing. Social support for childrearing households is increasingly strengthened through almost fully subsidized childbirth costs, free medical treatment for small children, and an enhanced system of childcare leave, and so on. However, positive comments that childrearing today is "easier" or "less demanding" than it used to be are hardly ever heard from mothers. If anything, social issues connected with childrearing are now emerging more frequently than before, in forms such as child poverty, child abuse, children eating alone at home, or the "juggling act" for women who balance employment with housework and childrearing.

Over five years from 2011 to 2015, JILPT conducted a series of questionnaire surveys on childrearing households throughout Japan as part of its "Studies on Childrearing Women's Employment" Project Research. This Report clarifies various forms of distress affecting childrearing households in Japan, based on the results of these surveys. Particular focus is on distress caused by a lack of income and leisure time in childrearing households, distress related to continued employment by the mother, and childrearing distress. After presenting the respective situations and issues in each of these areas, measures to support for childrearing households will be considered. This Report is divided into three parts. Part 1 presents the findings on economic distress in childrearing households. Part 2 focuses on employment distress among mothers. Part 3 analyzes work-life and childrearing distress among mothers.

(No. 189, March 2017)

Research on the Work and Lives of Non-Regular Workers in Mid-Prime-Age: Focusing on Conversion to Regular Employment

More than twenty years have passed since the increase in young non-regular workers first became seen as problematic; teenagers who graduated from high schools and universities in the period known as the "employment ice age" are now entering their 40s. Consequently, we are now seeing an increase in non-regular workers in the 35-44 age brackets, who could no longer be called "young." The number of these workers had reached 1.5 million as of 2015, even if married women are excluded. In light of this situation, JILPT has been conducting "Research on working styles and work consciousness of prime-age workers in non-regular employment" since FY2012, consisting of an individual interview survey in 2012 and a national questionnaire survey in 2013. The findings of these surveys can be summarized as follows. First, male and unmarried female non-regular workers in mid-primeage tend to choose non-regular employment for negative reasons more than young non-regular workers do. Unlike regular employees, their job level does not improve and their wages or salaries also tend not to rise as they move from younger years to mid-prime-age, despite the fact that many of them are their family's breadwinner. Second, as a result, non-regular workers in mid-prime-age are more prone to poverty and are less satisfied with their lives than young non-regular workers are. In addition, partly due to their age, they often have health problems. Third, many male and unmarried female non-regular workers in mid-prime-age have experience of working as regular employees in their younger years. Based on this, the authors examined the mechanism that causes workers to quit jobs in regular employment and take up non-regular employment. The findings suggest that workers who have experienced overwork or harassment in a workplace where they worked as regular employees are more likely to switch to nonregular employment. Fourth, the ratio of male and unmarried female non-regular workers in mid-prime age who wish to convert to regular employment is the same as that of young non-regular workers. Although a conversion from non-regular to regular employment undeniably becomes more difficult past the age of 30, the likelihood of converting to regular employment may still be enhanced in older age, for example, by acquiring professional qualifications. Based on the above, JILPT then conducted a "Questionnaire survey on work and lives five years ago and now" in 2015. This was a monitor survey of workers who had been in non-regular employment at the age of 30-39 five years earlier. The aim of this report is to clarify the realities of converting from non-regular to regular employment in mid-prime-age* in more detail by re-analyzing the national questionnaire survey and analyzing the monitor questionnaire survey. (*While the expression "mid-prime-age" has been used to refer to the 35-44 age bracket in the series of related publications, the lower limit of this age bracket has been extended to include ages 30–44 in this report.) (No. 188, March 2017)

THE JAPANESE JOURNAL OF LABOUR STUDIES



Work Style Reform Series 1-3

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Will "Equal Pay for Equal Work" Increase the Competitiveness of Companies?:

Focusing on the Obligations of Explaining Treatment

Akie Nakamura

Re-employment Support for Displaced Workers in Sweden Yoshihiko Fukushima



Statistical Indicators

Economy

The Japanese economy is recovering at a moderate pace while weakness continuing mainly in exports. Concerning short-term prospects, weakness remains for the time being, 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 the intensified tension over trade issues on the world economy, while 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 also need attention (Monthly Economic Report, August, 2019).

Employment and unemployment

The number of employees in July increased by 810 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.2%.² Active job openings-to-applicants ratio³ in July, seasonally adjusted, was 1.59.⁴ (Figure 1)

Wages and working hours

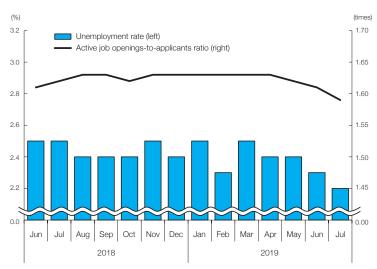
In June, total cash earnings (for establishments with 5 or more employees) increased by 0.4% and real wages (total cash earnings) decreased by 0.5% year-on-year. Total hours worked decreased by 3.3% year-on-year, while scheduled hours worked decreased by 3.4%.⁵ (Figure 2)

Consumer price index

In July, 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 0.6%, and the consumer price index for all items less fresh food and energy increased by 0.6% year-on-year.⁶

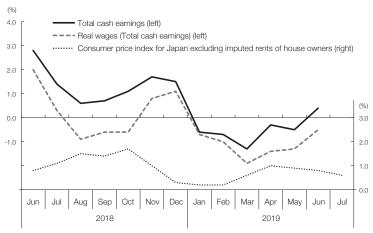
Workers' household economy

In July, consumption expenditure by workers' households increased by 3.6% year-on-year nominally and increased by 3.0% in real terms.⁷



Source: Labour Force Survey²; Employment Referrals for General Workers.⁴

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



Source: Monthly Labour Survey⁵; Consumer Price Index.⁶

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

For details, see JILPT Main Labor Economic Indicators 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 economies and indicates 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 indicates the number of job openings per job applicant at public employment security offices, published monthly by Ministry of Health, Labour and Welfare (MHLW). It shows the tightness of labor supply and demand.
- $4.\ MHLW, \textit{Employment Referrals for General Workers}. \ \texttt{http://www.mhlw.go.jp/english/database/db-l/general_workers.html}. \\$
- 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

What's on the Next Issue

Japan Labor Issues

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Trends

[Key topic]

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Delta Delta

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Statistical Indicators

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JILPT, or the Japan Institute for Labour Policy and Training, is a government-related organization. The objective of the JILPT is to contribute to the planning of labor policies and work toward their effective and efficient implementation, as well as to promote the livelihood of workers and develop the national economy by conducting comprehensive research projects on labor issues and policies, both domestically and internationally, and capitalize on the findings of such research by implementing training programs for administrative officials. JILPT has a number of researchers in a wide range of specialized labor-related fields. By adopting broad-based, interdisciplinary viewpoints on complex labor issues, JILPT compiles the results of research activities swiftly and consistently in research reports, journals, and newsletters with an eye to contributing to the stimulation of policy discussions among different strata.

Please visit our website for details.

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