

# Japan Labor Issues

# 11

November 2019

Volume 3 Number 19

## ● Trends

Key topic: MHLW's Interim Report on Points of Controversy regarding Employment-like Work Styles

News: Policy Challenges for the Introduction of AI and Other New Technologies: Report of MHLW's Committee on Basic Labour Policy

## ● Research

Long-term Employment as a Social Norm: An Analysis of the JILPT "Survey on Working Life" (1999–2015)  
Koji Takahashi

## ● Judgments and Orders

Binding Effect of Unilaterally Modified Rules of Employment Introducing a Performance-based and Ability-based Wage System  
The *Trygroup* Case  
Zhong Qi

## ● Japan's Employment System and Public Policy 2017-2022

Current State of Working Hours and Overwork in Japan  
Part III: How Can We Prevent Overwork?  
Tomohiro Takami

## ● Statistical Indicators



Japan Labor Issues

*Editor-in-Chief*

Yoshio Higuchi, The Japan Institute for Labour Policy and Training (JILPT)

*Editorial Board*

Mitsuji Amase, JILPT

Keiichiro Hamaguchi, JILPT

Hirokuni Ikezoe, JILPT

Harumi Muroyama, JILPT

Noboru Ogino, JILPT

Akiko Ono, JILPT

Atsushi Shimojima, JILPT

Koji Takahashi, JILPT

Tomohiro Takami, JILPT

Hiroko Uchida, JILPT

*Editorial Advisors*

Takashi Araki, The University of Tokyo

Souichi Ohta, Keio University

*Editorial Office*

The Japan Institute for Labour Policy and Training

International Research Exchange Section

8-23, Kamishakujii 4-chome, Nerima-ku, Tokyo 177-8502, Japan

TEL: +81-3-5903-6274 FAX: +81-3-3594-1113

For inquiries and feedback: [j-emm@jil.go.jp](mailto:j-emm@jil.go.jp)

*Japan Labor Issues website*

<https://www.jil.go.jp/english/jli/index.html>

*To sign up for mail delivery service*

<https://www.jil.go.jp/english/emm/jmj.html>

*Published by*

The Japan Institute for Labour Policy and Training

8-23, Kamishakujii 4-chome, Nerima-ku, Tokyo 177-8502, Japan

<https://www.jil.go.jp/english/>

ISSN 2433-3689

© 2019 by the Japan Institute for Labour Policy and Training

All rights reserved.

Printed in Japan.

# Japan Labor Issues

Volume 3 Number 19  
November 2019

---

## CONTENTS

### Trends

- |           |  |   |
|-----------|--|---|
| Key topic | MHLW's Interim Report on Points of Controversy regarding Employment-like Work Styles                                       | 2 |
| News      | Policy Challenges for the Introduction of AI and Other New Technologies: Report of MHLW's Committee on Basic Labour Policy | 7 |

### Research

- |                |  |    |
|----------------|--|----|
| Research notes | Long-term Employment as a Social Norm: An Analysis of the JILPT "Survey on Working Life" (1999–2015)<br>Koji Takahashi | 12 |
|----------------|--|----|

### Judgments and Orders

- |  |    |
|--|----|
| Binding Effect of Unilaterally Modified Rules of Employment Introducing a Performance-based and Ability-based Wage System<br>The <i>Trygroup</i> Case<br>Tokyo District Court (Feb. 22, 2018) 2349 <i>Rokeisoku</i> 24<br>Zhong Qi | 18 |
|--|----|

### Japan's Employment System and Public Policy 2017-2022

- |   |    |
|---|----|
| Current State of Working Hours and Overwork in Japan<br>Part III: How Can We Prevent Overwork?<br>Tomohiro Takami | 25 |
|---|----|

- |                        |    |
|------------------------|----|
| Statistical Indicators | 32 |
|------------------------|----|

## Key topic

# MHLW's Interim Report on Points of Controversy regarding Employment-like Work Styles

The Ministry of Health, Labour and Welfare (MHLW) released the interim report on June 28 on issues of protection of workers in employment-like forms of work such as through personal business contracts. There are various controversial points on the protection of these workers. Discussion will continue focusing on prioritized issues such as the clarification of contract conditions and seek the direction of future responses in the final report.

## Number of workers in need of protection estimated at 1.7 million

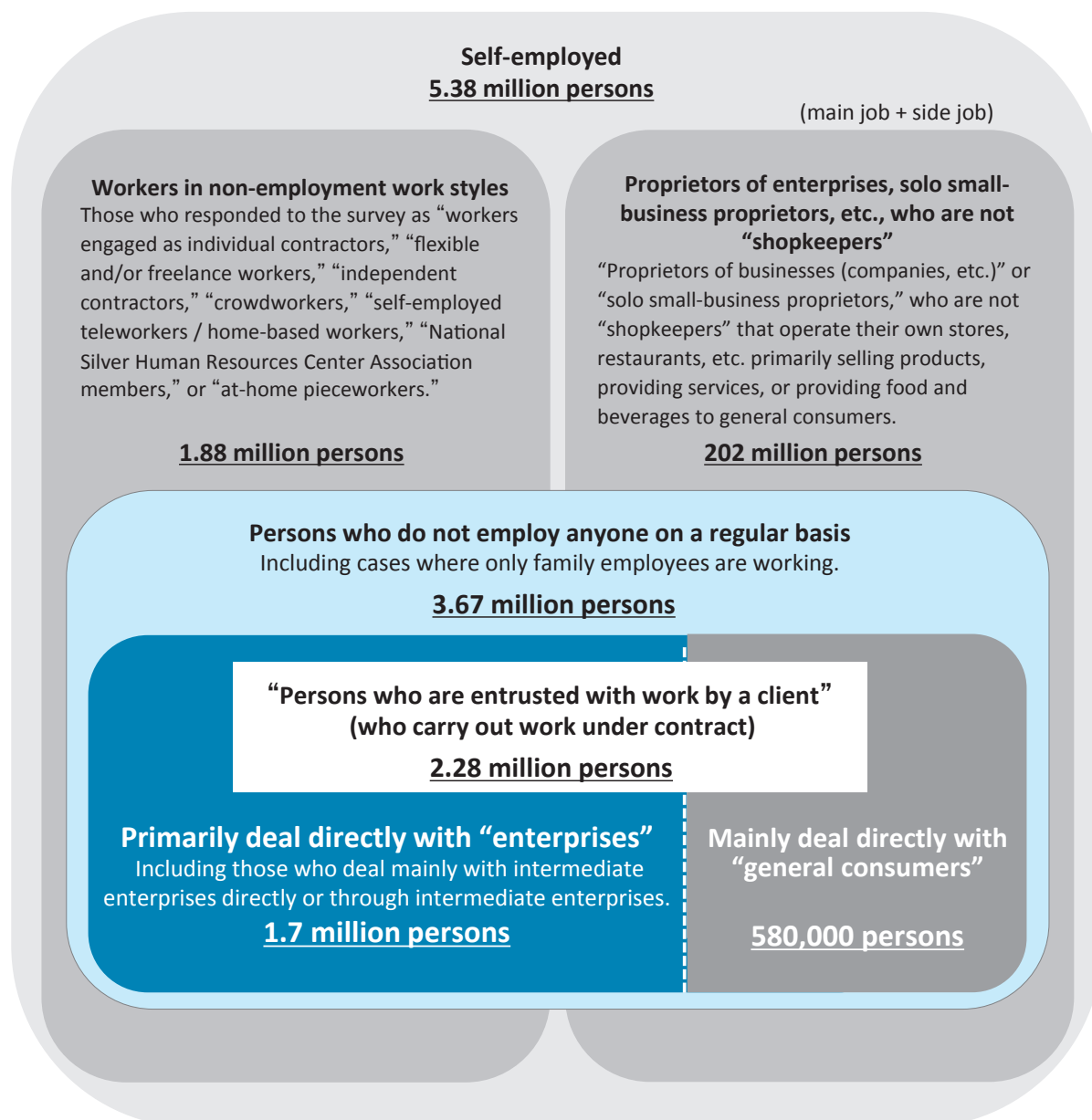
The Council for the Realization of Work Style Reform (Prime Minister Shinzo Abe's personal advisory body), when finalized the Action Plan for the Realization of Work Style Reform (later enacted on March 28, 2017), called for the establishment of a panel of experts to examine the issue over the medium to long-term on employment-like work styles including the necessity of legal protections. Thus, in October 2017 the Meeting on Employment-like Working Styles was established within the MHLW. The actual status of employment-like work styles was ascertained and analyzed there, and a report was compiled on March 30, 2018. Then as a panel of experts, the Meeting on Points of Controversy regarding Employment-like Working Styles (hereinafter the Meeting), chaired by Koichi Kamata (Professor Emeritus of Toyo University), was set up in October 2018, where the further survey has been conducted to grasp actual conditions. It estimated the number of persons affected by the issue and discussed controversial points and challenges regarding their protection.

The interim report defines those in employment-like forms of work as “persons who are entrusted with work by a client (orderer, or similar), provide services, and receive remuneration while operating primarily as individuals.” It estimates this cohort to be 2.28 million persons (main job: 1.69 million, side job: 590,000). Considering disparities in quality and quantity of information and bargaining power, those of the above individuals who primarily “deal directly with enterprises” in the course of their work were singled out as particularly needing protection, and their number was estimated at approximately 1.7 million (main job: 1.3 million, side job: 400,000) persons (Figure 1).

## 38.4% say remuneration is “determined unilaterally and formulaically by the ordering enterprise”

Regarding the current status of employment-like work styles, the issues were organized according to nine aspects based on the results of questionnaire surveys and interviews as follows:

- (1) clarification of working conditions, and clarification of rules for concluding, modifying, and terminating contracts, etc.
- (2) guaranteed payment of remuneration and more appropriate payment amounts
- (3) terms and conditions of employment
- (4) skill improvement and career advancement
- (5) measures against sexual harassment, etc. by the client
- (6) consultation service in the event of a dispute
- (7) collective bargaining with clients
- (8) safety net related issues



Source: Excerpted from reference materials for “Interim Report by the Meeting on Points of Controversy regarding Employment-like Working Styles, 2019.”

Notes: 1. Estimated number of persons who are entrusted with work by a client, provide services, and receive remuneration while operating primarily as individuals. It must be noted that discussions of employment-like work styles are still underway in the Meeting on Points of Controversy regarding Employment-like Working Styles, and at this point consensus has not been reached on the scope of workers requiring protection.

2. Results of estimation, based on the conditions identified in the survey contents. It is necessary to note that the survey is based on the Internet, and the survey estimates the number of respondents who answered that they meet the requirements of each question.

· Target group consists of persons “regularly engaged in some kind of income-earning activity.”

· Contents of income-earning work verified (if there is more than one, including jobs up to the second highest income-earning job).

· Here, “self-employed persons” is defined as those who responded to the survey as “proprietors of businesses (companies, etc.),” “solo small-business proprietors,” “workers engaged as individual contractors,” “flexible and/or freelance workers,” “independent contractors,” “crowdworkers,” “self-employed teleworkers / home-based workers,” “National Silver Human Resources Center Association members,” “at-home pieceworkers,” or “engaged in agriculture or fishing.”

Figure 1. Results of estimates regarding those in employment-like work styles (number of workers engaged as individual contractors)

#### (9) matching support

Regarding (1) above, for example, the questionnaire survey found that the most common response from 38.4% of respondents was that remuneration for the work is “determined unilaterally and formulaically by the ordering enterprise (with no scope for decision-making on the part of the worker, or negotiation)” (main job: 33.3%, side job: 55.2%), followed by “I am offered job contents and payment amount by the ordering enterprise, but I make decisions or negotiate if necessary” (overall: 34.2%, main job: 36.4%, side job: 27.0%). As for items where public support and improvement of systems is sought (multiple answers possible, see Figure 2), while more than half of respondents answered “nothing special” at 54.8% (main job: 54.4%, side job: 56.2%), there were relatively high percentages calling for “clarification of rules for determining or changing contents of contracts” (overall: 9.4%, main job: 9.9%, side job: 7.8%) and “development of rules for clients to clarify contract conditions in writing” (overall: 9.2%, main job: 9.4%, side job: 8.5%).

In the interviews with related parties, it was learned that there are cases when contract details are not clarified and that troubles associated with such situations occur. For example, interviewees stated that “almost no templates are used” and that “freelancers are rarely presented with contract documents when receiving orders, and in many cases monetary amounts are not specified.”

#### **Proposals for means of protecting workers who have not been granted worker status**

Based on these survey results, the interim report presents the basic concept relating to the protection of those in employment-like work styles. It states that a person who, even if described as providing a service under a “contract” may in reality be treated like an employee of the client—taking instructions and commands, and receiving remuneration in return—and thus may qualify for worker status under the Labor Standards Act (referred to below as “worker status”), should naturally be subject to individual labor laws as a worker under the Act. It was pointed out that operations should be carried out

rigorously based on this concept, and the provision of necessary information should be enhanced.

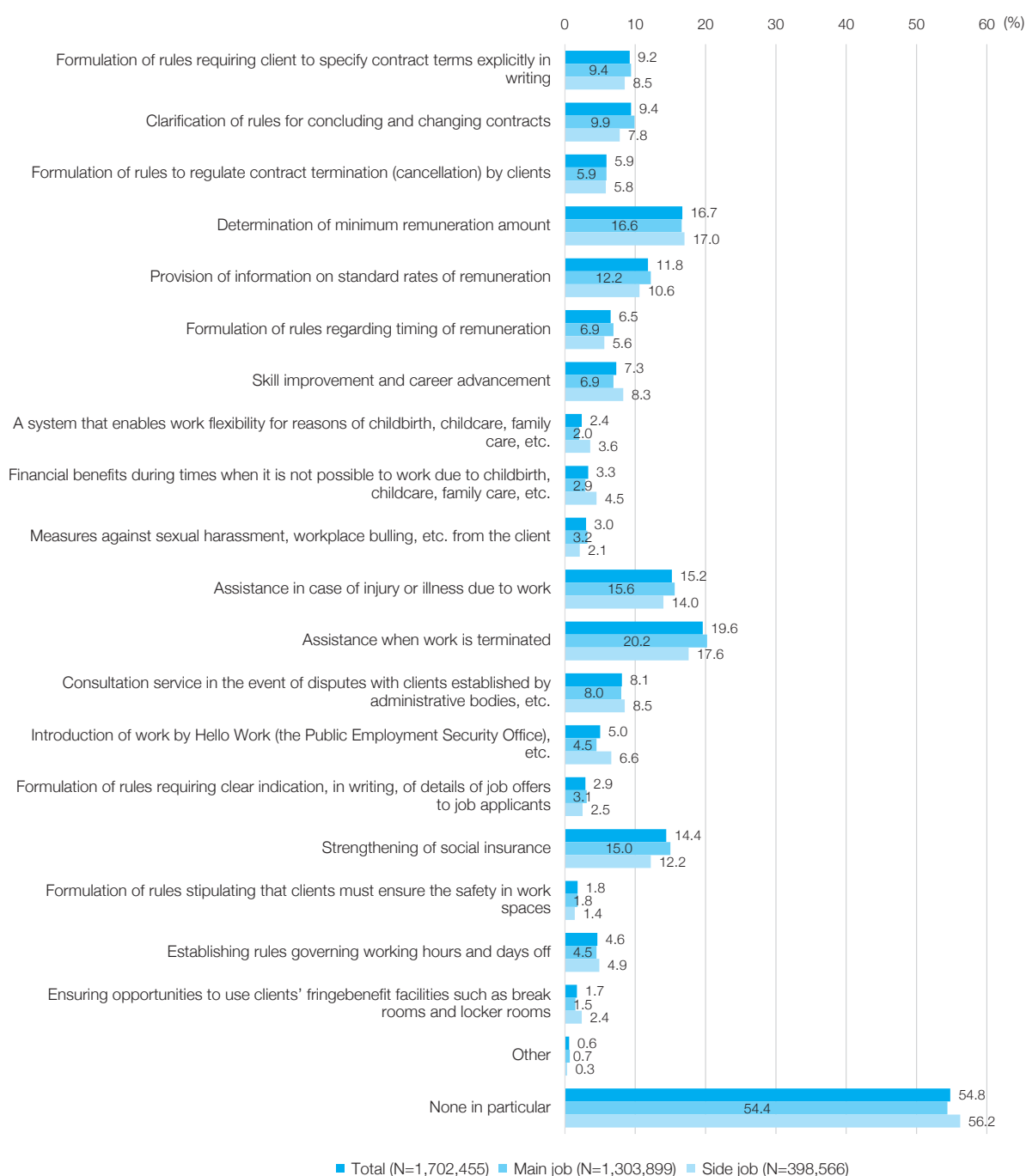
On the other hand, the report indicates that there are cases of labor policies governing protections should be considered even for those who are self-employed and thus do not qualify for worker status in objective terms but work in a manner similar to workers. As for their protection, potential measures cited includes:

- (1) measures to expand the scope of protected worker status
- (2) defining self-employed persons in need of protection as occupying an intermediate category between employees and the self-employed, and partially applying labor-related laws to cover them
- (3) introducing necessary measures for self-employed persons who require a certain level of protection, considering the contents of protections, rather than expanding the notion of worker status

#### **The focus is on self-employed persons who resemble employed workers in practice**

The interim report also indicates that it is necessary to question whether current judgments of worker status—centered on the nature of instructions and commands—is appropriate in light of an economic environment where work styles are diversifying. This will be an issue to be continuously examined. Nevertheless, reconsidering the notion of worker status will entail a fundamental review of the judgment criteria used thus based on extensive studies on examples from other countries.<sup>1</sup> It will be difficult to conclude in the short term. From the perspective of determining the direction of responses to the issue as quickly as possible, the report indicates that it is appropriate for the Meeting to focus, for the time being, primarily on self-employed persons whose working styles resemble those of employed workers, while maintaining the nature of worker status as an issue for discussion in line with economic conditions.

In doing so, it is inevitable to organize thinking about the necessity of protection. The interim



Source: Excerpted from reference materials for “Interim Report by the Meeting on Points of Controversy regarding Employment-Like Work Styles.” Prepared by the Employment Environment and Equal Employment Bureau based on JILPT “Report on Results of Survey and Estimates, etc. Regarding Employment-Like Working Styles, 2019.”

Note: Ns are for reference.

Figure 2. Items requiring public support and regulatory protection (multiple response) (those who primarily deal directly with “enterprises”)

report noted that further consideration is required on disparities in bargaining power, and quality and quantity of information, and on the aspect that self-

employed persons complete their work individually and receive remuneration for it without employing others just as those employed, as well as the fact

that some of them are closer in practice to those employed. Furthermore, there were opinions during the discussions to the effect that it is necessary to consider relationships with other laws and regulations such as the economic law (competition law, antitrust law, or antimonopoly law) and the Industrial Homework Act. With regard to the economic law, the opinions proposed are “there will be basically no problem as long as protections are in line with the law, such as requirements for written documentation,” and “in principle, workers’ activities under the Labor Union Act present no problems in terms of their relationship with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.” In light of these, it was agreed that further consideration is required.

### Prioritizing issues

With regard to those in employment-like work styles for whom protections should be considered, the interim report indicates that it is appropriate to focus on “persons who are commissioned by clients to provide services, mainly as individuals, and receive remuneration for the work,” and that on that basis, specific criteria for the target group could be considered for each form of protection. According to the report, there were opinions in the discussions that when establishing protections, it would be necessary to have clear and uniform criteria for those eligible, and when establishing criteria for judging eligibility, etc., the negative aspects should be taken into account, such as the potential for workers in employment-like work styles and clients to change their previous behavior avoiding to meet protection standards. It also mentions two contrasting opinions. Some members proposed to limit eligibility to those with a high degree of exclusive affiliation, while others expressed that workers who have business relationships with multiple clients should also be considered, or that there was the necessity to consider workers’ economic dependency and organizational dependency on the clients.” In addition, some raised

a perspective regarding protection depending on the kind of workers’ dependency to clients; “there are some areas of protections that should be focused on in ‘person’ as a unit such as exclusive contracts, while other areas that should be focused on in ‘contract’ as a unit to judge eligibility for protection if contracts are with multiple clients.”

Based on these discussions, the nine issues listed above were categorized into three: (a) items that should particularly be prioritized at the Meeting, (b) items that should be prioritized in other professional and technical considerations, and (c) items requiring consideration as necessary, taking into account the status of (a) and (b) and the spread of employment-like work styles.

For example, clarification of contract conditions, and clarification of rules regarding the conclusion ((1) above), modification and termination of contracts falls into category (a). Many opinions are agreeing that it is necessary to clarify contract conditions in writing, and no particular objections were raised. In the case of workers in employment-like work styles, as with employed workers, it was assumed that there are differences in bargaining power and information provided, and therefore this was made a priority issue from the standpoint of preventing disputes. The interim report states that, based on the contents of the discussion so far, it is appropriate to move swiftly in further deliberations focusing on priority issues, including consideration on which means to take, guidelines or legal measures.

### Note

1. “Another approach often contended is to introduce the intermediate category between employee and self-employed. In several countries, such as Germany (employee-like person [*arbeitnehmerähnliche Person*]), the UK (worker whose notion is broader than employee), Canada (dependent contractor), the intermediate category has already been introduced.” For more details, see Takashi Araki and Sylvaine Laulom, “Organization, Productivity and Well-Being at Work” in *Transformations of Work: Challenges for the Institutions and Social Actors*, Bulletin of Comparative Labour Relations 105, ed. Giuseppe Casale and Tiziano Treu (London: Wolters Kluwer, 2019), 326.



## **Policy Challenges for the Introduction of AI and Other New Technologies: Report of MHLW's Committee on Basic Labour Policy**

The technological innovation such as Artificial Intelligence (AI), IoT, big data, robotics, etc. called the Fourth Industrial Revolution will progress in an increasingly globalized world and change the ways people work. At the same time, it is anticipated that the percentage of those who work for only one organization for their entire career will fall as the nation's population shrinks with greater speed and people's working life period lengthens in an era in which the average life span is 100 years. Under such circumstances, improving the labor market's functions will become an important policy issue in Japan.

Based on this recognition, the Committee on Basic Labour Policy (hereinafter "the Committee"), chaired by Professor Motohiro Morishima of Gakushuin University, issued a report on June 27, 2019 titled "Realizing an Affluent Future with the Proactive Use of AI and Other New Technologies by Working People." Concerning new technical trends represented by AI and their impacts on labor, the Report organizes medium-to-long-term labor policy challenges presenting necessary measures to three issues: 1) Use of new technologies such as AI to realize high-quality labor; 2) Changes in the ways people work brought by the diffusion of these new technologies; and 3) Challenges concerning the appropriate application of innovative technologies in the workplace. The Committee discussed this theme over the course of eight sessions between December 2018 and June 2019.

The structure of the Committee is not tripartite composition with the equal numbers of three parties (i.e. members representing the public

interest, the workers, and the employers) in order to discuss medium-to-long-term challenges across the boundaries of individual subcommittees and working groups as well as issues that do not fit into the conventional labor-management framework.

### **Correspondence to population decline and changing employment structure**

The Report begins by stating that, as Japan's population shrinks, the proactive introduction of innovative technologies will be essential in order to 1) maintain and improve socioeconomic vitality on the way to 2040, when the so-called "baby boomer junior" generation will be at least 65 years old; 2) create large added value through the social implementation of AI, etc.; 3) provide opportunities for active participation to diverse human resources having restriction on work; and 4) improve working conditions and realize fruitful careers and decent work in all segments of society.

The Committee observes the recent trend in employment structure. There is an increase in the numbers of people working in medical care and welfare when examined by industry, and in specialized and technical vocations when examined by occupation. When looking at form of employment, large number of people are non-regular workers in services, sales, and clerical work, and many of them are women. It is forecasted that there will be a surplus in personnel in clerical occupations due to increased efficiency of work provided by such technologies as Robotic Process Automation (RPA) while a shortage in specialized occupations. Manpower shortages and physical and mental

burden are becoming problematic among nursing care workers, motor vehicle operators, and other occupations. In light of these, the Report points out the necessity of the introduction of innovative technologies that address trends in the employment structure and circumstances by occupation.

Nonetheless, the Report shows a view that the implementation of innovative technologies may not necessarily move forward in the fields that require a societal attention, as the introduction or utilization state of these technologies differ depending on the type of business and size of enterprise. As possible reasons for slow progress in implementing, the Report mentions inadequate know-how for their introduction as well as financial limitations and insufficient clarity in post-introduction business models. The Report states that there is a need to identify which industries or fields require solutions to manpower shortages and other problems and then take policy measures for the active development and implementation of AI, etc.

On top of this, it is possible that the industrial structure will change the nature of existing industries significantly and may create new industries from innovation generated by AI, etc. Accordingly, the Report expects necessary discussion among those concerned on the effects that such changes will have on employment and labor in each industry or field.

### **Suggesting deepening discussion on labor-management communication**

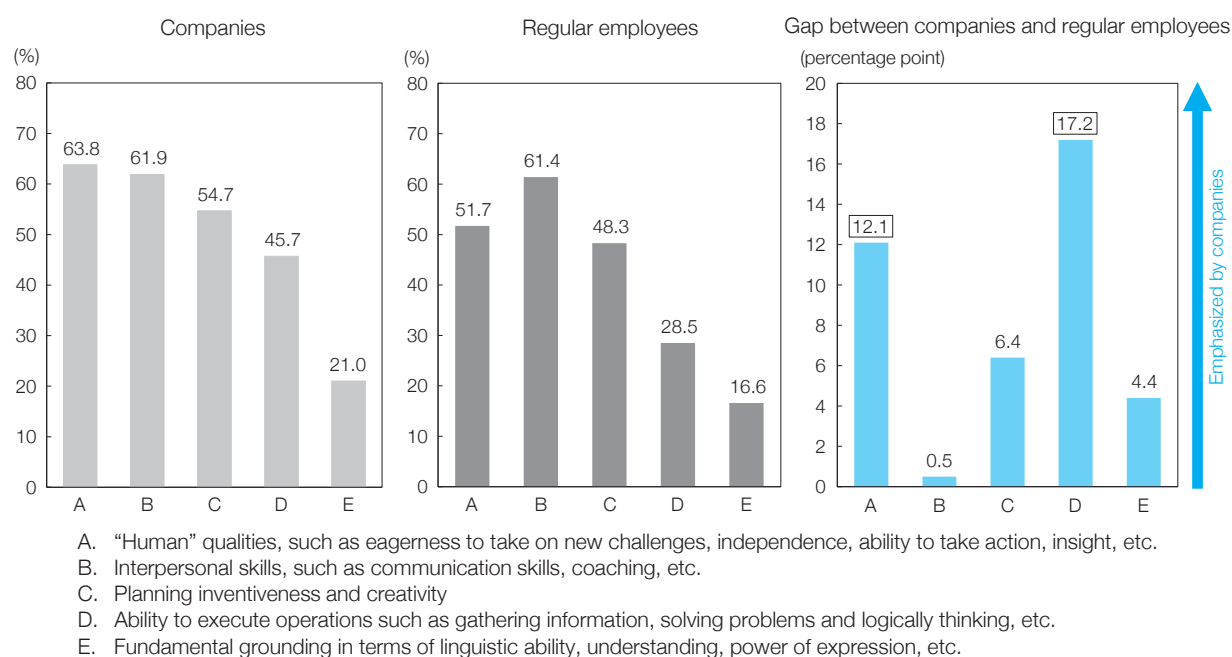
When new technologies were introduced in Japan as part of past shifts toward microelectronics and information technology, labor and management addressed the issues under the collective employer-employee relationship. The two sides reconciled differences in their cognizance of the issues in the workplaces and gained mutual understanding with regard to postings, changes of occupation, reexamination of treatment, and other matters. However, with the technical innovation that is now taking place, the work of a broad range of occupations and posts—including management—may possibly be replaced. What is more, the labor union organization rate has fallen compared to when

microelectronics were coming onto the scene. The Report states that there is a need to deepen discussions on measures to enhance the bargaining power of the workers in workplaces with no labor unions and on the way labor-management communication should be amid advancing technical innovation. There is a difference between the workers and companies in the recognition of what kind of skill is required to cope with the innovation (Figure 1). Therefore, when determining policies for introducing AI, etc., the Report emphasizes the importance to reconcile differences in their cognizance based on past experiences and advance initiatives that are essential to workers—such as improving labor conditions and work environments and providing education and training—while engaging in labor-management communication. These measures must be predicated on executives' improving their knowledge of AI, etc.

When the actual introduction of these technologies moves forward, human resources management (HRM) departments should be involved. Moreover, it is anticipated that HRTech (a word coined by combining “human resources” with “technology”) using AI will become increasingly prevalent in the HRM affairs. The Report points out that workers in HRM departments must also improve their AI literacy.

### **The skills needed to work with AI**

It has been noted that Japanese workers appear to be behind their counterparts in other countries in terms of their understanding of the necessity of acquiring skills for working with AI and their efforts toward acquiring concrete skills. The results of a survey also indicate a tendency in Japan to take lightly the impact of AI on operations when they are introduced (MHLW's white paper *Analysis of Japan's Labor Economy 2017*). The Report asserts that prerequisites here are the acquirement of basic IT literacy by those who engage in operations that will be reexamined or redesigned with the introduction of new technologies as well as digitizing and arranging information possessed. More sophisticated skills will become necessary at workplaces planning to expand their use of innovative technologies so as to make



Source: Prepared by the Office of the Counsellor for Labour Policy Planning, MHLW, based on the Japan Institute for Labour Policy and Training's *Survey of responses to innovation* and *Survey on of working styles in response to innovation*, JILPT Research Series No. 176, 2017, <https://www.jil.go.jp/press/documents/20170710.pdf> (available only in Japanese).

Notes: 1. The results of multiple responses are totaled.

2. Results obtained by subtracting "skills thought important by regular employees" from "skills thought important by companies" are shown.

Figure 1. Skills that labor and management think will be necessary when the use of AI becomes commonplace

actual incorporation into their operations possible. The Report also stresses the need to recruit and train personnel to develop the latest technologies, personnel to apply them to the industries, and to prepare an environmental for such personnel to be active in, with the aim of creating innovation in manufacturing, medical care, and other various fields.

Even if AI and other technologies progress, operations that make the most of humanity or that only humans can do, will remain. If we can raise the skills of those who handle such operation (that requires task setting, interactive responses, new conceptualization, final value judgment, etc.), it should lead to the availability of higher value-added products and services even as the population shrinks, and by extension, can be a source of economic growth. With such an expectation, the Report adds that enhancing the human qualities of workers (eagerness to take on new challenges, independence,

ability to take action, insight, etc.) and interpersonal skills (communication skills, coaching, etc.) will be a prerequisite for this. The Report emphasizes the importance of the appropriate evaluation of such skills by companies and society as well as the achievement of higher productivity and better working conditions including higher wages and shorter working hours with the introduction of AI and other technologies.

### Support for skill improvement and career changes

Regarding changes in tasks brought by the application of new technologies and gaps in skills and aptitudes that workers currently possess and that they will need, the Report states that workers will need to recognize these factors on their own and voluntarily aim to improve their skills or make career changes. For this purpose, information on vocations, skills, education and training, and other

matters must be made “visual.” The Report states that the government are required to develop the information systems that will provide the basis for this. Specifically, the government should ascertain education and training needs accurately and enhance the content of education and training by utilizing private-sector education and training institutions, universities, and vocational schools and colleges.

The Report points out that companies must also study how they will provide education and training aimed at developing workers’ medium-to-long-term career. It mentions the possibility that people will have more opportunities to make career changes as they work for more years in an era of the “100-year life.” Accordingly, it will be necessary to allow everyone who desires support for skill improvement or a career change to receive it, regardless of their age. Additionally, the Report states that students should receive education at school to acquire basic literacy in new technologies including AI and have opportunity to think about how they will learn and work as preparation for working in the coming society.

The Report also notes the need for attention to ensure that workers who cannot cope with new technologies are included in society, not excluded from the labor market. Specifically, the government will be required to provide workers with education and training opportunities and support for their career development, and strengthen company-led measures to support workers’ skills development. Workers will be required to proceed with skill improvement or career change based on the objective view of the direction and necessity of their own skills acquirement. The Report states that it is expected to deepen discussion on how safety nets—namely, independence support such as employment support and life security—will take shape in response to future technological developments so as to provide society-wide support at all life stages for those who have difficulty coping with new technologies.

### **Challenges in the proper application of AI**

As challenges concerning the proper application of AI and other technologies, the Report presents

privacy protection, corporate responsibility and ethics, support for labor mobility, and government-labor-management communication. There must be an environment which protects workers’ privacy and guarantees the security of their personal information, and in which workers can provide required personal information with peace of mind and effectively receive benefits. At the same time, a sense of ethics among the people who handle personal information will be indispensable. The Report calls on companies to develop environments that allow them to respond appropriately to decisions made by AI, stating that doing so is a responsibility and ethical duty that companies must fulfill vis-à-vis those decisions. This is because it was pointed out in the Committee’s discussions that the data and algorithms serving as AI’s information resources may include bias; for example, there are concerns that workers or others will be unfairly disadvantaged if there is bias in the resource data for HRTech. On the other hand, using AI and other technologies makes it possible to analyze whether or not bias is included in operational decisions by human beings, and therefore technical innovation can help eliminate human bias. The Report thus noted expectations for the use of AI, etc. with regard to this point.

New technological advancements will replace and create operations, and change the industrial structure. Workers’ needs will grow with respect to changes of jobs, and companies will need to secure necessary human resources. In anticipation of these, the Report notes the necessity of considering the system which does not make changing jobs disadvantageous and of achieving smooth labor mobility. Additionally, new ways of working are expanding in such areas as crowdsourcing and sharing businesses. Addressing protections for those in employment-like work styles, the Report suggests that studies of issues demanding particularly high priority should take place with urgency, taking into account aspects as self-employed workers and similarities with employees.

Amid expectations that the development of technological innovation will have a major impact on working styles and employment, securing high-

quality employment opportunities will become a critical challenge. However, this challenge is not something that can be tackled within individual companies. It requires the clarification of a vision at the business, industrial, and regional levels, as well as throughout society as a whole, before the impending change to a new age occurs. Thus, the Report urges

continual dialogue among government, labor, and management at the business/industrial, regional, and national levels with focus on the changing times. Moreover, it calls for the study of measures from a medium-to-long-term perspective on the topic of how AI and other innovative technologies will impact employment and labor.

## Research notes

# Long-term Employment as a Social Norm: An Analysis of the JILPT “Survey on Working Life” (1999–2015)

*Koji Takahashi*

## I. Is long-term employment still supported?

During Japan’s postwar rapid economic growth (1955–73), major Japanese corporations are said to have begun to adopt the practices of long-term employment, seniority-based personnel management, enterprise-based labor unions and other such approaches that came to be known as the “Japanese-style employment system.” But are these practices still widely implemented and supported today? Drawing on data from an attitude survey conducted by the Japan Institute for Labour Policy and Training (JILPT), this paper aims to ascertain the current trends in people’s opinions regarding long-term employment in contemporary Japan, and to examine whether long-term employment remains a social norm in this society.

According to the results of the JILPT’s Research Project “Employment Systems and the Law” (FY 2014–2016), the number of employees under the Japanese-style employment system has decreased in comparison with its former level due to the rise in the number of non-regular workers (i.e., workers *not* under open-ended, full-time, direct employment arrangements) within companies. On the other hand, it was also revealed that—in the case of regular workers—the practice of long-term employment is maintained, in the sense that both employers and labor unions still seek to avoid making dismissals or voluntary retirement solicitations (Takahashi 2018).

What does the future hold for the long-term employment of regular workers? Various factors need to be taken into account when forecasting future developments, such as the declining birth rate

and aging population, labor shortages and the intake of foreign workers, the curbing of long working hours, and legislation intended to eliminate the disparities in treatment between regular and non-regular workers. One more factor that also needs to be considered is the social norms regarding the practices of employers and employees (Jacoby 2005, 37). Here, “social norm” means a shared expectation of behavior that is considered culturally desirable and/or appropriate (Scott 2014, 519).

Companies do not necessarily pursue their employment systems in line with social norms. And yet, in a mature society, it seems unlikely that companies’ employment systems and practices would take on a life of their own, entirely independent from social norms. For instance, public opinion have an impact on legal reform, and workers’ opinions influence labor-management negotiations. There are also cases in which workers and citizens, in their role as consumers, boycott the products or services of companies whose personnel management practices are in violation of the law.

With such issues in mind, this paper focuses on people’s opinions of lifetime employment as one indicator to judge whether long-term employment has the aspect of a social norm. Following an outline of the attitude survey in the next section, it examines the growth in support for lifetime employment, the correlation between the evaluation of lifetime employment and career orientation (workers’ preferred types of career path), the typical characteristics of employed persons who support (or are critical of) lifetime employment, and the shift in the opinions of young men. The final section



discusses the potential future trends in people's opinions of long-term employment, and concludes that long-term employment has been established as a social norm in contemporary Japan.

## II. The JILPT “Survey on Working Life”

Twenty years ago, the Japan Institute of Labour (former organization of JILPT) launched the “Survey on Working Life” as a survey repeated at intervals of a few years to ascertain the trends in public attitudes toward the Japanese-style employment system and the underlying values behind them. At the time, there was considerable awareness of the fact that the various mechanisms supporting Japan's industrial society had ceased to function sufficiently, and lively debate was underway on policies directed at reforming those mechanisms. The survey was seen as an essential means of gaining an accurate picture of social norms that could be drawn on to ensure that such reforms would not cause significant friction in society and damage to the economy (Ono 2004).

The “Survey on Working Life” was conducted a total of seven times between 1999 and 2015. Each time the subjects consisted of 4,000 men and women aged 20 or above, randomly sampled from across Japan. The response rate was 69.5% at its highest (in 2000) and 53.0% at its lowest (in 2015). The significance of the survey and commentary on the findings of the most recent survey are covered in detail in Ikeda (2013) and Gunji (2016), respectively.

This analysis will largely focus on the responses to one of the questions that appeared in the survey: “What is your opinion on lifetime employment in Japan where one works for a single company until the mandatory retirement age?” While the number of workers remaining in employment with the same company until mandatory retirement has in fact always been somewhat low, this question is adopted here as one indicator of respondents' approval or disapproval of long-term employment.

## III. Analysis results

### 1. The growing support for lifetime employment

Figure 1 (the pie chart) draws on results from the most recent survey (2015) to show citizens' levels

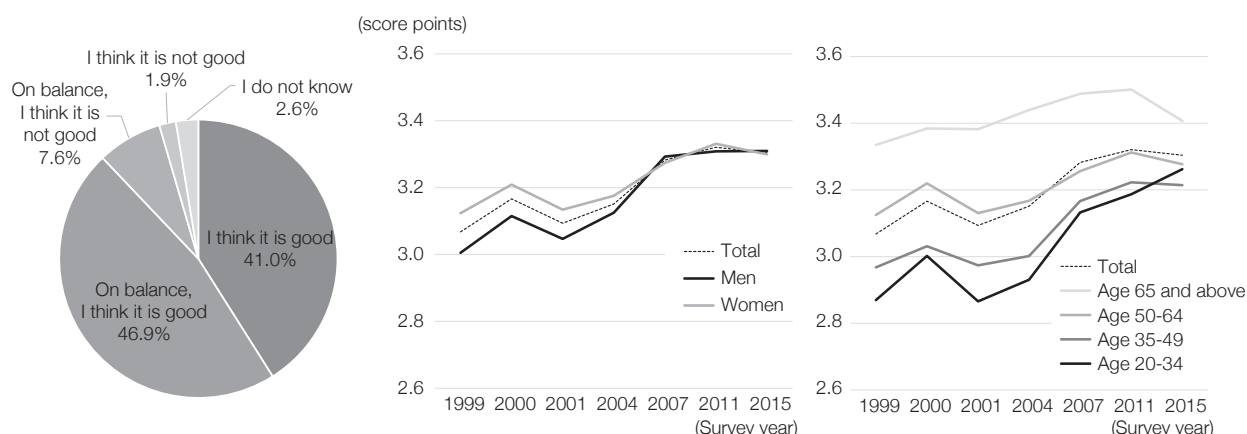
of approval or disapproval of lifetime employment. This reveals that some 87.9% of citizens evaluate lifetime employment positively (the total rate of respondents who answered either “I think it is good” or “On balance, I think it is good”).

The line graphs show the trends in the score of support for lifetime employment by gender and age, across all seven surveys. This demonstrates that support for lifetime employment is growing, among both men and women and across all age groups. The breadth of increase is particularly high among men and young people, which are groups where the support score was originally low.

### 2. Consistency with opinions on similar topics

Support for lifetime employment is closely connected with opinions regarding corporate organizations or labor policies. While the data are omitted here, there is a strong tendency among people who support lifetime employment to take a positive stance toward “Japanese-style system of seniority-based wages, where salaries are increased along with the years of service in employment at an organization” and toward “having a sense of unity with the company or workplace.” In contrast, people who do not support lifetime employment tend to be in favor of “developing one's own skills and making one's own way, without relying on an organization or company” and tend to believe in the importance of “supporting the creation of new employment opportunities” as a measure for addressing unemployment. These responses are consistent with the findings of research on employment systems and labor markets.

Approval or disapproval of lifetime employment is also strongly linked with the respondent's career orientation. Figure 2 shows a breakdown of the percentages of people who think that lifetime employment is “good” (respondents who answered “I think it is good”), by the respondent's career orientation. This reveals that, regardless of the timing of the survey, people who prefer “working long-term at one company and gradually reaching a managerial position” are most positive toward lifetime employment (48.4%–60.4%) and people



Source: JILPT "Survey on Working Life."

Note: The lifetime employment support score is an average of the responses, where "I think it is good" is allocated 4 points, "On balance, I think it is good" 3 points, "On balance, I think it is not good" 2 points, and "I think it is not good" 1 point. (The response "I do not know" is excluded.)

Figure 1. Levels of support for lifetime employment (left: 2015; right: all seven surveys)



Source: JILPT "Survey on Working Life."

Notes: 1. The figures are for those who answered "I think it is good" in response to the question "What is your opinion of Japanese-style lifetime employment, namely, working at one company until mandatory retirement age? Choose one from below."

2. In addition to the above, the response options on career orientation included "Starting out as an employed worker and later becoming self-employed," "Being self-employed from the start," "Cannot say which," and "Do not know."

Figure 2. Breakdown of percentages of people who think that lifetime employment is "good" by career orientation

who prefer "experiencing several companies and becoming an expert in a certain type of work" are most negative toward lifetime employment (17.1%–24.8%).

### 3. Types of people who support lifetime employment

Which types of people support lifetime employment? Table 1 shows the results of OLS regression for which the explained variable is the score of support for lifetime employment (1–4

points) for the employed persons surveyed in each survey year. The explanatory variables used are the female dummy, age, year of education, employment type (four categories), year of service, and annual income.

The results of this analysis indicate the following trends. Firstly, while up until the year 2000 the lifetime employment support score was significantly high among women, this trend is not apparent from 2001 onward. Secondly, up until 2004, the score was higher the older the respondent, but from



**Table 1. Estimates of lifetime employment support score (OLS, non-standardized coefficients)**

	1999	2000	2001	2004	2007	2011	2015
Female	0.146**	0.119*	0.030	−0.006	0.003	0.024	0.024
Age	0.009**	0.007**	0.004	0.007**	0.001	0.002	0.002
Year of education	−0.012	−0.015	−0.039**	−0.019	−0.021	0.003	0.003
CEOs and directors (Regular employees)	−0.362*	−0.392**	−0.128	−0.133	−0.245*	−0.125	−0.125
Non-regular employees	−0.116	−0.151*	0.100	0.019	0.046	0.020	0.020
Self-employed workers	−0.285**	−0.150*	−0.282**	−0.249**	−0.047	−0.148*	−0.148*
Year of service	0.007**	0.005	0.009**	0.008**	0.007**	0.009**	0.009**
Annual income [million yen]	−0.012	−0.007	−0.008	−0.017	−0.002	−0.006	−0.006
Constant	2.728**	2.947**	3.275**	3.013**	3.339**	3.038**	3.038**
F-value	8.544**	7.358**	10.539**	7.813**	3.894**	4.200**	3.345**
N	1427	1380	1451	1285	1060	1209	1100

Notes: 1. \*\*  $p < 0.01$ . \*  $p < 0.05$ .

2. Reference group indicated in parentheses.

2007 onward the score did not differ according to age. Thirdly, focusing on differences according to employment type, employed persons other than regular workers are for the most part critical toward lifetime employment. This trend is particularly prominent among self-employed people. In other words, there is a significant difference in approval or disapproval of lifetime employment between those who work as employees and those who do not (self-employed or other such workers not under employment arrangements). On the other hand, the difference between regular workers and non-regular workers is not considerable. This brings us to the important discovery that the division in Japanese society between regular and non-regular employment is not necessarily generating a division in social norms. Fourthly, as expected, the lifetime employment support score is high among people who have been working for their organization for many years. Finally, the score does not differ significantly according to their annual income.

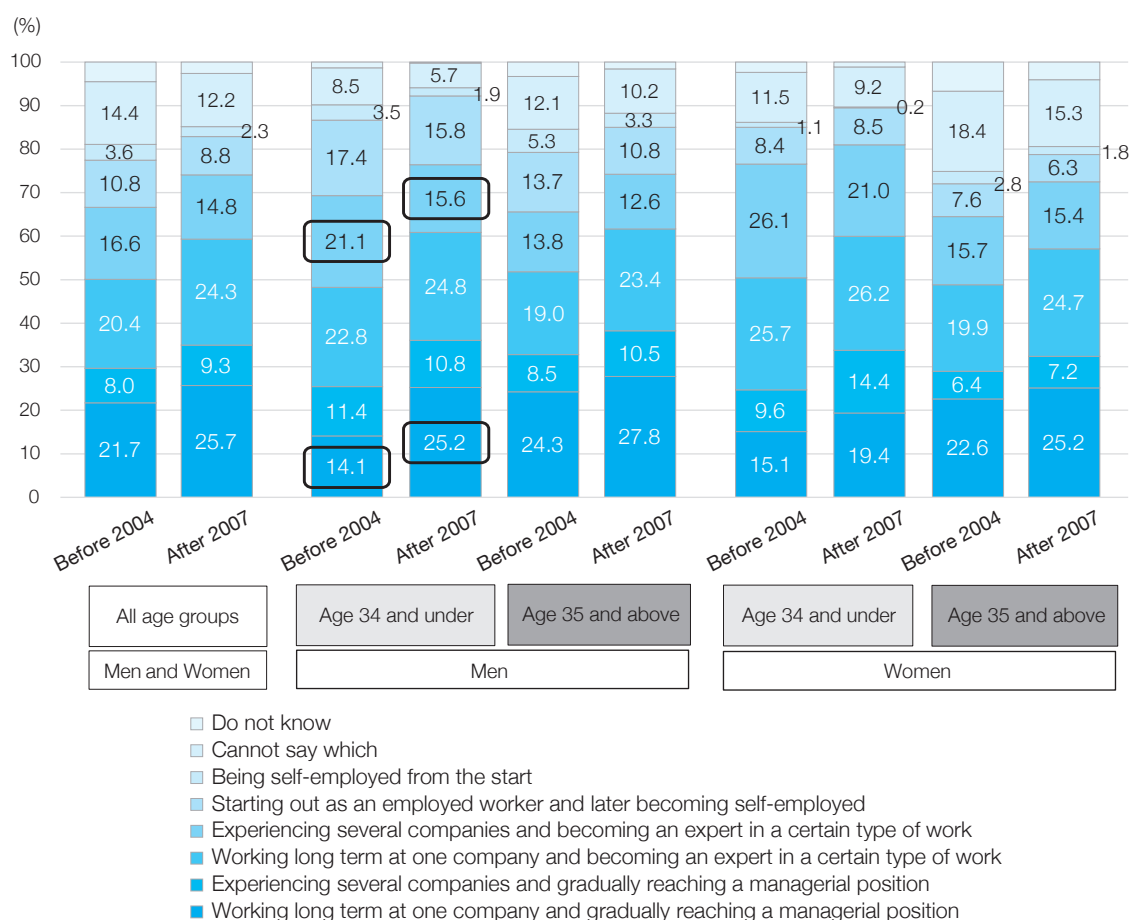
#### 4. The reverse in career orientation among young men

The OLS regression revealed that the differences in the lifetime employment support score by gender and age decrease the closer to the present, as also seen in Figure 1. The important question to explore

here is why young men now have a positive stance toward lifetime employment, which is a switch from their previously negative stance. Figure 3 addresses this by setting out the changes in career orientation by gender and age before 2004 and from 2007 onward. This reveals that—particularly among young men—there is a decrease in the number of respondents who prefer “experiencing several companies and becoming an expert in a certain type of work” (from 21.1% to 15.6%) and an increase in the number of respondents who prefer “working long-term at one company and gradually reaching a managerial position” (from 14.1% to 25.2%). As seen in Figure 2, the career orientation of the latter category is closely linked with support for lifetime employment. This may have prompted a rise in the support for lifetime employment among young men.

#### IV. The past, present and future of the long-term employment norm

The years around the launch of the survey in 1999 were a time of unprecedented shifts in Japan’s labor market. In 1995, a report by the Japan Federation of Employers’ Associations advocated that companies build their “employment portfolios” that combine three types of workers by employment types: long-term core employees who pursue their careers at one organization, skilled technical specialists with



Source: JILPT "Survey on Working Life."

Figure 3. Changes in career orientation by gender and age

the advanced expertise to tackle specific issues, and flexible workers who are hired temporarily for certain tasks. The year 1997 saw the relaxation of regulations on employment placement services for white-collar workers. In 1999, the regulations of the Worker Dispatching Act were relaxed to lift most of the restrictions on the types of work for which dispatched workers could be utilized. Moreover, with Japan's economy in a particularly critical state, the unemployment rate rose to as high as 5.4% in 2002 (its highest level in the period between Japan's rapid economic growth and the present). With such signs of the emergence of a fluid labor market at the turn of the century, young men may have been prompted to focus on equipping themselves with expert skills and developing their careers by changing jobs, rather than relying on long-term employment.

Nonetheless, such a career approach did not really become widespread in the 2000s. The rate of people entering employment at major corporations following a job change has indeed risen in comparison with the 1990s, but turnover rates in these companies have decreased since their peak in 2002 (Takahashi 2018). Young men may have reversed their thinking from the late 2000s to 2015, due to a realization that it is difficult to develop a career by repeatedly changing jobs, and therefore began to choose to remain in continuous employment at one particular company as a means of developing their careers up to managerial level. It is likely that companies are ultimately expecting that the workers they hire will settle and remain in their jobs. These may be factors contributing to the growth in support for long-term employment among young men.

On the other hand, with increasingly severe labor shortages, the number of people changing jobs due to the pull of demand might rise to higher levels in the future. If this happens, there may be some form of impact on workers' career orientation and opinions about long-term employment. Nevertheless, as indicated by the results of the attitude survey conducted between 1999 and 2015, here it can be concluded that long-term employment is firmly established as a social norm, with growing support among young men and other segments of the population.

#### References

- Gunji, Masato. 2016. "Wakamono ga 'nihon-gata koyō' shiji ni" [The growing trend of young people supporting Japanese long-term employment]. *Gekkan rōdō kumiai*, no.629 (November): 38–41.
- Ikeda, Shingou. 2013. "Rōdō kenkyū ni okeru ishiki chōsa no igi" [The significance of attitude surveys in labor studies]. *Business Labor Trend*, 460 (July): 20–21.
- Jacoby, Sanford M. 2005. *The Embedded Corporation: Corporate Governance and Employment Relations in Japan and the United States*. New York: Princeton University Press.
- Ono, Akira. 2004. Introduction to *Kinrō ishiki no yukue* [How work consciousness changes: Analysis of the survey results on Working Life (1999, 2000, and 2001)]. JILPT Research Report no.2. by the Japan Institute for Labour Policy and Training. Tokyo: JILPT.
- Scott, John. ed. 2014. *A Dictionary of Sociology*. 4th ed. Oxford: Oxford University Press.
- Takahashi, Koji. 2018. "The Future of the Japanese-style Employment System: Continued Long-term Employment and the Challenges It Faces," *Japan Labor Issues* 2, no.6: 6–15.

#### Koji Takahashi

Vice Senior Researcher, The Japan Institute for Labour Policy and Training. Research interest: Non-regular employment.  
<https://www.jil.go.jp/english/profile/takahashi.html>



## Binding Effect of Unilaterally Modified Rules of Employment Introducing a Performance-based and Ability-based Wage System

The *Trygroup* Case

Tokyo District Court (Feb.22, 2018) 2349 *Rokeisoku* 24

Zhong Qi

### I. Facts

1

X was hired in August 2012 to engage in general affairs, finance and accounting, etc. at Y Co., Ltd., which operates home tutoring and cram schools. On October 1 of the same year, X and Y concluded an open-ended employment contract with basic salary of 429,000 yen. On March 1, 2013, Y proposed to X a change in working conditions with a contract term of 6 months and a basic salary of 310,000 yen, but X did not agree to this. After that, Y made several proposals for changing working conditions to X, but X did not agree to them.

Y paid a basic salary of 343,000 yen to X from the payment on June 25, 2013, and ordered X to be seconded to affiliate Y1 on July 22, 2013. On November 7, 2013, X filed a claim to the Labor Tribunal for invalidation of secondment against Y. In the Labor Tribunal process, mediation was established which included payment for reduced wages and confirmation that renewal of secondment would not be made.

Along with the end of the secondment, Y ordered X to work with AC affairs (receivable collection work by phone) in the general affairs and personnel department on August 11, 2014. On February 20, 2015, X was transferred to the teacher management division, and on October 17, 2017, X was transferred to the AC collection division again.

2

Y revised its rules of employment and salary regulations (which formed part of the rules of employment), etc. on March 29, 2014 and April 1, 2014, and made major modifications regarding the salary system, payment criteria, etc.

In the former salary regulations, salaries were abstractly determined in consideration of the quality of work assigned to employees and their age, experience, working results, working conditions, etc. In the new salary regulations, by contrast, salaries were determined based on assessment and evaluation by class rank scale tables classifying the quality of work assigned to employees, their age, experience, working results, working conditions, etc.

With regard to the salary system, while the standard wage in the former salary regulations was divided into the basic salary and a position allowance, in the new salary regulations, a functional allowance was added, and the names, contents, etc. of non-standard wages (such as allowances) were adjusted.

Furthermore, while the former salary regulations did not have an explicit provision for pay reduction, the new salary regulations stated that, "Pay raises and reductions concerning the functional allowance and the position allowance for staff below a manager position are determined based on a personnel evaluation conducted in May and November every year." With regard to promotions and demotions, it was stipulated that as a result of the personnel evaluation in the previous article, with the promotion

or demotion of classes, the functional allowance and the position allowance would also be raised or reduced. Under the new salary regulations, raising and reducing of the allowances and promotions and demotions of employees' position are clearly associated with personnel evaluations.

### 3

Y paid wages to employees including X based on the new salary regulations from November 2014. X was positioned at rank 47 in class J3 for the functional allowance, and the new salary was set at a basic salary of 200,000 yen, a functional allowance of 228,000 yen, and an adjusted salary of 1,000 yen (for a total amount of 429,000 yen, and the total amount was the same as the previous month).

Y performed a personnel evaluation based on the new salary regulations and personnel evaluation regulations in November 2014, and the evaluation result of X was the lowest F rank. As a result, X's functional allowance decreased by 15,000 yen to 213,000 yen. In all subsequent personnel evaluations, X received the lowest evaluation, and the functional allowance was reduced by 15,000 yen each time.

## II. Judgment

Dismissal with prejudice on the merits.

### 1. Effectiveness of the Modification in the Rules of Employment

In the new salary regulations implemented by the modification in rules of employment, the basic salary that accounted for most of the wages in the former salary regulations was divided into the basic salary and the functional allowance. For general employees who work in Tokyo, like X, the basic salary would be 200,000 yen. As for the functional allowance, it has become possible to have a reduction in pay up to 10,000 yen to 15,000 yen depending on the class, once every half year, according to the result of the personnel evaluation. The new salary regulations changed the old seniority-based sequential wage system into a performance-based and ability-based wage system based on personnel evaluations. Under the new salary regulations, depending on the result

of the personnel evaluation, the amount of wages may be reduced. Because such a possibility exists, it should be said that the change from the former salary regulations to the new salary regulations correspond to a disadvantageous modification of the rules of employment.

With regard to disadvantageous modifications in rules of employment, the working conditions shall be as specified in the modified rules of employment only when it is reasonable considering the degree of disadvantage received by workers, the necessity of changing working conditions, the appropriateness of the contents of the rules of employment after the modification, negotiations with labor unions, etc., and other circumstances related to modifications in the rules of employment, and when the modified rules of employment are known to the workers.

When changing a seniority-based wage system to a performance-based and ability-based wage system based on personnel evaluations according to the rules of employment, it should be said that the framework for judging the reasonableness of the modification in the rules of employment is different in a case on the one hand, in which the total amount of funds for wages decreases, and in a case on the other hand, that is, the total amount of funds does not decrease, and it is not disadvantageous for workers as a whole compared to the past, and preferably increases and decreases in the wages of individual workers occur as a result of personnel evaluations. That is, except when the total amount of wages decreases, if it does not decrease, it is the result of personnel evaluations of the relevant workers that directly and practically reduces the wages of the individual workers, rather than the result of the wage system change itself. Therefore, in determining the degree of disadvantage to workers and the reasonableness of the contents of the modified rules of employment, whether the equality of the results of pay raises, promotions, pay reductions, and demotions based on personnel evaluation criteria and evaluation results is ensured, considering the evaluation subject, method and criteria of evaluation, disclosure of evaluation, etc., whether there is a certain institutional security to prevent misuse by

the employer in personnel evaluation, the necessity of the modification in the rules of employment, and the circumstances concerning the change shall be considered comprehensively.

#### (1) Necessity of change

After integrating the business of group company Y1 and transferring the company's employees to Y, important working conditions were different between Y1 and Y, so it was necessary to unify working conditions among workers from Y1 and from Y.

Given the situation of intensifying competition, there was a need to acquire experienced personnel, motivate them to perform their duties, and increase their retention.

#### (2) Ensuring equality of pay raises and promotions

The change in the wage system did not reduce the total amount of funds for wages of employees, but it changed the method of determining wage amounts and the distribution method of wage resources to a more rational one. The amount of wages for each employee under the new wage system was determined based on personnel evaluations of the employee, and there may be pay raises, promotions, reductions, or demotions depending on the results of the personnel evaluations for each employee. Equality is secured in this sense.

Since the total wages did not decrease as a result of the modification in the rules of employment, whether a certain institutional security to prevent deviation and misuse of the employers' discretion in personnel evaluations is provided will be important in determining the effectiveness of the modification.

#### (3) Reasonableness of personnel evaluation system

In the case of personnel evaluations, how to configure evaluation items and how much importance to assign to which items reflects business management perspectives, such as what kind of performance is expected of the employee in current and future business operations, and what kind of ability development and human resource development are planned for that purpose. Because

of this, it should be said that it is up to the discretion of the employer as a rule to decide the evaluation items, which items are to be emphasized and their reflection in the salary.

When looking at each evaluation item of the accreditation from this point of view, there are no evaluation items that should be regarded as instances of Y having misappropriated discretion. The personnel evaluation system in Y is conducted by a plurality of evaluators in accordance with evaluation items determined in advance, whereby it is secured to a certain extent that the personnel evaluation is performed objectively, and the evaluation results are to be returned to the person undergoing evaluation. It can be said that a certain institutional security is provided to prevent arbitrary personnel evaluations for illegal and unfair purposes. Also, because it is intended to be utilized for human resource development through the improvement of work ability, it can be said that there is reasonableness as a system, that is, reasonableness of contents of new rules of employment, etc.

As for the procedure for changing the rules of employment, although there seems to be no labor union in Y, after completing the proposal of the new rules of employment, there was a brief period in which interviews were conducted through employee representatives. An opinion from the employee representatives that there were no particular problems was obtained, and it can be considered that the interviews gave the employees at least an opportunity for negotiations with their employer.

To summarize the above facts, this modification in the rules of employment introduces a performance-based and ability-based wage system that meets management needs, and does not reduce the total amount of funding for wages. It should be said that it is effective because the system will be changed to a new rational system, in which pay raises and reductions are based on a personnel evaluation system with certain institutional collateral to prevent deviation.



## 2. Applicability of Proviso to Article 10 of the Labor Contracts Act

For the proviso to Article 10 of the Labor Contracts Act to be applied, it is not necessary to expressly agree that there will not be a modification depending on the rules of employment. It is necessary to have sufficient circumstances to interpret and evaluate that the parties have reached an agreement that the working conditions will not be changed by the rules of employment.

(i) The reason why the monthly salary of X was decided to be 429,000 yen in the employment contract is as follows. In the hiring interview with Y, X said that the annual salary of X's previous job was 7.2 million yen and at least 6 million yen would be necessary. It was decided to make 429,000 yen per month by rounding up 428,571 yen, which was 6 million yen divided by 14 months. (ii) In the wage column of the employment contract, there is a provision for pay raises and reductions (demotions) according to the rules of employment. In addition, it is recognized that there is no provision to exclude any method of modification other than an agreement with X for the wage amount.

The amount of the wage for X was determined by negotiation during the hiring interview, and was not calculated by formally applying the former rules of employment and the former salary regulations.

However, on the other hand, the employment contract provides that pay raises and reductions (demotions) are based on the rules of employment, and the wage amount varies according to the mechanism defined in the rules of employment and salary regulations. In the case of X, it is understood that it is not based on the premise that an individual agreement is necessary when raising the salary. X is just an ordinary employee, and the employment contract is not considered to be based on specific working conditions that are different from those of other employees, and it is not an annual salary system in which wage amounts are scheduled to be changed by annual agreement. Considering the circumstances described above, for X and Y, it cannot be accepted that the wage amount of X has been agreed as a working condition that will not be changed by

changing the rules of employment. Moreover, if Y's wage system has undergone a major change that changes the wage determination mechanism itself, it cannot be accepted as an agreement to treat the wage amount set at the time of entering into an employment contract as a specific contract.

In contrast, X argues that the former rules of employment have a provision for demotions, but that there is no provision for a wage reduction, so it cannot be said that a wage reduction was scheduled for the employment contract. However, the issue here is whether it can be evaluated that the agreement on the wage amount in the employment contract is established as a working condition that will not be changed by the rules of employment. In light of the above mentioned circumstances such as the assumption that wage amounts fluctuate according to a prescribed mechanism such as rules of employment, it should not be evaluated that such an agreement has been established.

In addition, if there is no provision for wage reduction, whether or not it can be newly established by the method of changing the rules of employment has already been examined as a matter of reasonableness for changing the rules of employment.

## III. Commentary

### 1. Significance and features of this judgment

In this case, when a wage system based on seniority is changed to a performance-based and ability-based wage system based on personnel evaluation by unilaterally modifying the rules of employment, it is the first judgment that clearly states that the framework for determining the reasonableness of modifications in the rules of employment differs depending on whether the total amount of funds for wages decreases or not. In particular, if the total amount of funds does not decrease, the court said that the wage decreases of individual workers were not the result of the wage system change itself, but the result of personnel evaluations of the specific workers. Instead of considering *the degree of disadvantage that the individual worker suffers*, a distinctive judgment

framework was presented to examine in detail the *appropriateness of the contents of the changed rules of employment*. As a result, X as an individual suffered a major disadvantage of a reduction in pay of 15,000 yen once every six months depending on the results of the personnel evaluation, but this point was not taken into consideration in the judgement.

## **2. Case law on disadvantageous modification of the rules of employment and Article 10 of the Labor Contracts Act**

In order to perform efficient and rational business management using a large number of workers, it is necessary to uniformly set working conditions and workplace regulations. Rules concerning working conditions and workplace regulations that are uniformly applied to all workers in the workplace, established by employers for such business management needs, are called “rules of employment.”

Regarding modifications in the rules of employment, the employer must listen to the opinions of a representative of a majority of employees at the workplace (a union that organizes a majority of workers at the workplace, or a worker selected by a majority of workers if such a union does not exist) (Labor Standards Act, Article 90, Paragraph 1). When submitting the rules of employment to the administrative agency, a document stating the above-mentioned opinion must be attached (Labor Standards Act, Article 90, Paragraph 2). However, in the sense that the consent with a majority of employees is not a legal requirement, the rules of employment can be unilaterally established or modified by the employer. Therefore, when the employment rules are modified unilaterally by the employer, on what basis this is binding on workers who oppose it became a critical legal issue.

Theories and judicial precedents developed various arguments over the issue, but a 1968 Supreme Court Grand Bench decision introduced a unique doctrine that, if the modification of the rules of employment is regarded as a reasonable one, workers who opposed it would also be bound by it. This was supported by the Supreme Court

for about 40 years, and was incorporated in the Labor Contracts Act as Article 10 in 2007. That is, “When an Employer changes the working conditions by changing the rules of employment, if the Employer informs the Worker of the changed rules of employment, and if the change to the rules of employment is reasonable in light of the extent of the disadvantage to be incurred by the Worker, the need for changing the working conditions, the appropriateness of the contents of the changed rules of employment, the status of negotiations with a labor union or the like, or any other circumstances pertaining to the change to the rules of employment, the working conditions that constitute the contents of a labor contract are to be in accordance with such changed rules of employment; provided, however, that this does not apply to any portion of the labor contract which the Worker and the Employer have agreed on as being working conditions that are not to be changed by any change to the rules of employment...”

“Underlying this ruling is a consideration for employment security and the need for flexible adjustment of working conditions. Traditional contract theory dictates that a worker who opposes any modifications made to the future terms of employment be discharged. However, according to the strict restriction on dismissals by the prohibition of abusive dismissals in Japan, such a dismissal may well be regarded as an abuse of the right to dismiss, and thus, rendered null and void. However, since the employment relationship is a continuous contractual relationship, modification and adjustment of the working conditions is inevitable.”<sup>1</sup> Therefore, a unique rule that admits the binding effect of unilaterally modified rules of employment without workers’ consent on the condition that the modification can be deemed reasonable was formed by case law and incorporated in the Labor Contracts Act in 2007.

According to Article 10 of the Labor Contracts Act, if an employer intends to change the working conditions disadvantageously by changing the rules of employment, and the two requirements are satisfied—namely, (i) inform the workers of the



changed rules of employment, and (ii) the changes to the rules of employment are reasonable—the working conditions will be changed to the contents stipulated in the changed rules of employment. Depending on the results of the personnel evaluation, the wage may be reduced for individual workers. Therefore, the judgement is that the change from the former salary regulations to the new ones is a disadvantageous change in the rules of employment. It follows the judicial precedents and is reasonable.

### **3. The framework for determining the reasonableness of disadvantageous modifications in rules of employment in this case**

The judgement said that the framework for determining the reasonableness of modifications in rules of employment should be different depending on whether the total amount of wage funding is reduced, because it is the result of personnel evaluation of the workers in question which is the reason for reducing the wages of individual workers directly and practically. As mentioned above, in order for a disadvantageous modification in rules of employment to bind workers who do not agree with it, the modification in them must be reasonable. When judging whether there is reasonableness, “degree of disadvantage to workers” is listed as one of the factors to consider in Article 10 of the Labor Contracts Act. Also, “the degree of disadvantage that a specific worker receives” and “the degree of disadvantage that all workers receive” do not necessarily coincide. For example, in this case, the change to a performance-based and ability-based wage system is mainly aimed at the redistribution of wage resources among workers, so even if the total wage resources are not reduced, there are always workers at the individual level who lose their share and suffer disadvantages. In particular, in the case of X, it is true that the wages were reduced by 15,000 yen every six months, resulting in a large disadvantage. From the viewpoint of all workers, even if the total wage fund does not decrease, it does not mean that the degree of disadvantage actually suffered by certain workers at the individual level does not have to be a problem.

In addition, the “degree of disadvantage received by workers” and “appropriateness of the contents of the modified rules of employment” listed in Article 10 of the Labor Contracts Act are both independent judgment factors for determining the reasonableness of changing the rules of employment. The judgment as to whether the contents of the modified rules are appropriate is not directly related to the judgment of the degree of disadvantage received by (individual) workers.

As a result, neither “no reduction in the total amount of wage resources” nor “the reasonableness of the contents of the new rules of employment, etc.” is a reason for not judging “the degree of disadvantage that an individual worker receives.” In this case, in order to determine the reasonableness of the disadvantageous modification in the rules of employment, in accordance with the judgment framework of Article 10 of the Labor Contracts Act, it was necessary to comprehensively examine the degree of disadvantage received by workers (viewed from the two viewpoints of individual workers and all workers), the necessity of the change of working conditions, the appropriateness of the contents of the modified rules of employment, negotiations with trade unions, etc., and other circumstances.

### **4. The “individual specific agreements” in the proviso to Article 10 of the Labor Contracts Act**

*Flexicurity*, a social policy balancing flexibility and security, in Japan is realized by giving employers the right to flexibly adjust working conditions under the case law on disadvantageous modification of the rules of employment while ensuring the stability of employment. While the rule on disadvantageous modification of the rules of employment is for the uniform and collective change of working conditions, it is necessary to secure the area of individual contract autonomy and respect workers’ self-determination. The proviso to Article 10 of the Labor Contracts Act is created to meet the need for such individual autonomy. Where the “individual specific agreements” in the sense of Proviso to Article 10 exist, the agreements take precedent over the rule on disadvantageous modification of the rule

of employment.

However, if such individual specific agreements could be largely admitted, that would potentially undermine the function of the case law for uniform and collective modification of working conditions, which would lead the rigid employment system lacking flexibility to respond to constantly changing market demands. Therefore, in order to establish an individual specific agreement, it is necessary for there to be sufficient circumstances to recognize that an agreement has been reached as certain working conditions will not be changed by the rules of employment.

In this case, the wage amount of X was determined by negotiation during the hiring interview. However,

in order to recognize the establishment of an individual specific agreement, it is necessary to have enough circumstances to recognize that a change in the wage amount of X excludes any method other than agreement with X. In this case, since such facts are not recognized, the establishment of individual specific agreements is not permitted.

1. Takashi Araki, “The Relationship between State Law, Collective Agreement and Individual Contract: Japan’s Decentralized Industrial Relations with Internal Market Oriented Flexicurity,” *University of Tokyo Journal of Law and Politics* 10 (Spring 2013): 15.

The *Trygroup* case, *Rodo Keizai Hanrei Sokuho (Rokeisoku, Keidanren Jigyo Service)* 2349, pp.24–45. See also *Journal of labor cases* (Rodo Kaihatsu Kenkyukai) no.75, June 2018, pp.34–35.

### **Zhong Qi**

Researcher, The Japan Institute for Labour Policy and Training.

Research interest: Labor Law.

<https://www.jil.go.jp/english/profile/zhong.html>

▶▶ Human Resource Management

▼ Labor-Management Relations

▼ Labor Market

▼ Labor Administration and Legislation

# Current State of Working Hours and Overwork in Japan:

## Part III: How Can We Prevent Overwork?

*Tomohiro Takami*

In this series, we have discussed thus far overwork mainly from the aspect of the length of working hours. Following a review of the distinctive features regarding Japanese working hours in international or longitudinal comparison, Part I addressed the background to long working hours in relation to the legal system. Part II examined the reasons why the Japanese work long hours, highlighting the relationship with the Japanese-style employment system and paying attention to industry-specific working customs and practices in particular. This final article discusses important aspects to consider overwork besides the length of working hours, namely, timing of work, flexibility as to when and where they work, and work intensity. We will reexamine the characteristics of overwork from these three aspects and search for measures to be adopted in terms of workers' health, family lives, and well-being to prevent overwork.

### I. *Karōshi* as a current social issue

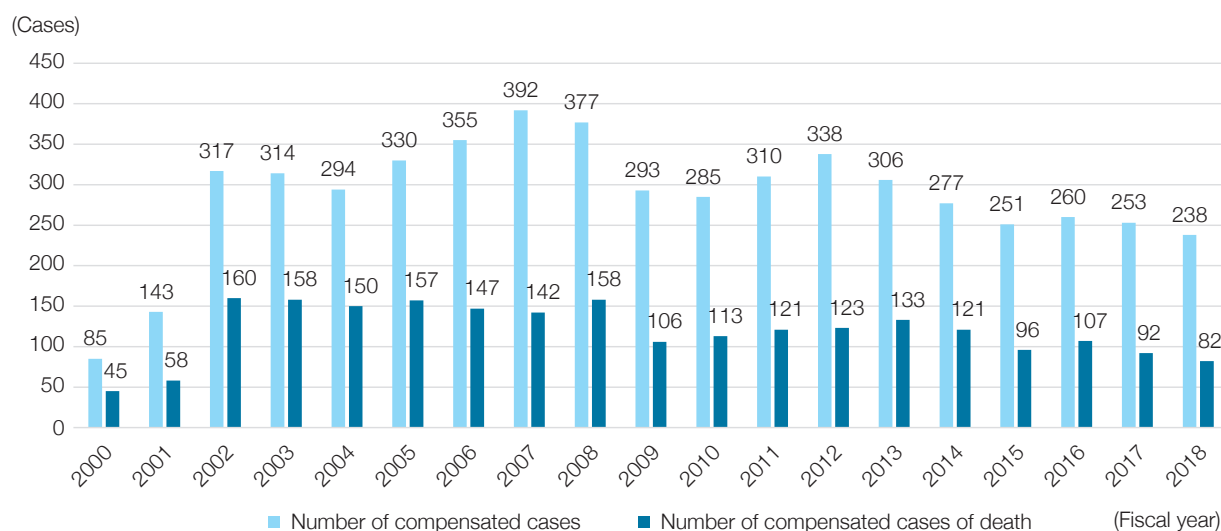
Overwork is an issue due to the ways in which such working styles have a negative impact on workers' health and work-life balance. Workers' health, in particular, can be severely affected by overwork. In Japan, cases in which excessive work burdens cause workers to develop conditions such as cerebrovascular and cardiovascular diseases (CCVDs) or mental disorders that may ultimately be fatal are classed as industrial accidents, and compensation for them may be received.<sup>1</sup>

As can be seen in Figure 1, for over 10 years the number of compensated cases in relation to CCVDs has consistently exceeded 200 and at times reached

high in to the 300s since exceeding 300 in FY 2002. The number of death cases among them was as high as 160 in FY 2002, but has dropped to the 90s and the low 100s in the past few years. The rates of incidences differ according to industry and occupation. Truck driver is a typical occupation for which the number of compensated cases are particularly high. In terms of workers' ages, the number of compensated cases are highest among those in their fifties.

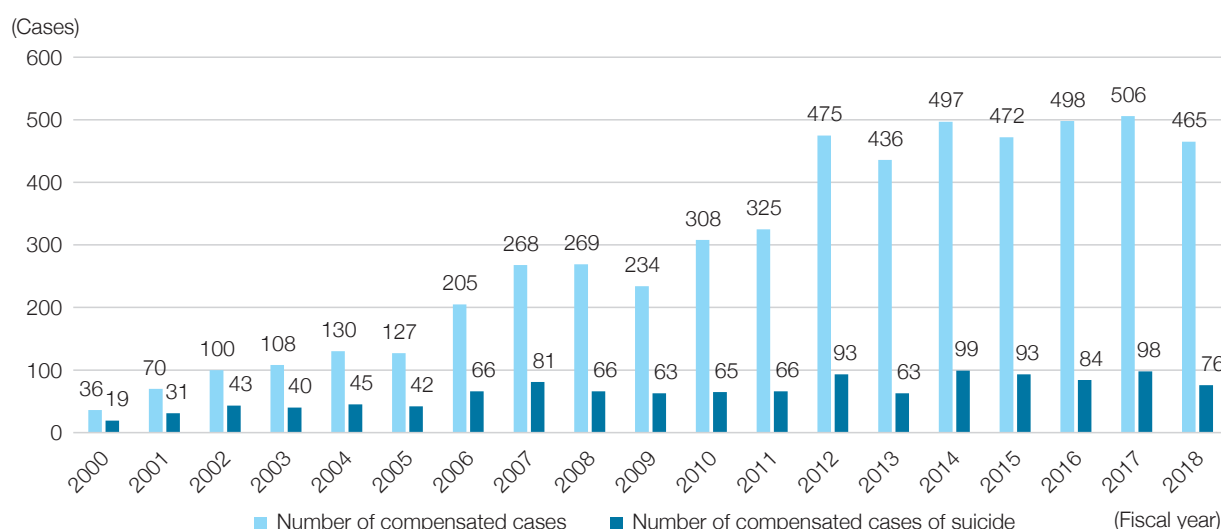
Mental health is also an issue that draws considerable attention at present. The number of compensated cases related to mental disorders exceeded 300 in FY 2010 and has been well above 400 since FY 2012 as shown in Figure 2. Suicides caused by overwork have been a particularly great focus of attention in the past few years as the result of a number of related lawsuits and other such incidents. These have prompted calls for companies to address their social responsibilities. The number of compensated cases related to mental disorders are largely centered on workers in their thirties and forties, a slightly different trend from that among CCVDs.

*Karōshi* (death from overwork) has been a major issue in Japanese society. Policies related to overwork have seen significant developments in recent years. Prompted by movements led by bereaved families and their supporters, the Act Promoting Measures to Prevent Death and Injury from Overwork was established in 2014, the Outline of Measures to Prevent Death and Injury from Overwork was approved in 2015. In 2016, the first white paper on overwork *White Paper on Measures to Prevent Karōshi, etc.* was put together. Similarly, with regard



Source: Ministry of Health, Labour and Welfare, "Status of industrial accident compensation for 'death and injury from overwork'."

Figure 1. Trends in the number of industrial accident, compensated cases regarding CCDVs



Source: Ministry of Health, Labour and Welfare, "Status of industrial accident compensation for 'death and injury from overwork'."

Figure 2. Trends in the number of industrial accident, compensated cases regarding mental disorders

to mental health, the "Stress Check Program" was introduced in 2015 for workplaces employing 50 or more people. Companies have continued to further focus on maintaining employees' mental health in the years since.

## II. Key points of the ongoing discussion

In Japan, the issue of overwork has typically been almost solely equated with the problem of

long working hours. While long working hours are still the focus of such discussions today, changes in working environments have led to other aspects that also need to be addressed.

The first aspect is the changes in timing of work that have arisen by factors such as the growth of 24 hour service economy and economic globalization. More specifically, while the number of people working during the daytime on weekdays are

decreasing, that of people working in the evenings or at night are increasing.<sup>2</sup> While this growing diversity in timing of work any time across 24 hours can be seen to reflect an increase in the options for employment, it has also been noted for the potential problems it may cause in terms of its negative impacts on workers' health and family lives. This trend of increasing diversity in timing of work is not limited to Japan, and it will no doubt become an ever more crucial issue of working hours in the future.

The second trend to be addressed is the growing flexibility in working styles with regard to when and where workers work. Discussions have explored what kinds of approaches are needed to adopt to manage working hours in the case of professions such as sales or specialist roles, which are unsuited to rigid control or constant monitoring of working hours by employers and the case of positions for which workers can work outside their regular workplaces. As a means of adapting to the changes in the economic environment and responding to the diverse needs of workers, working time arrangements have been devised to manage the legally-prescribed working hours more flexibly. Flexible working time arrangements enable working style adjustments to suit companies' changing levels of demand or schedules that are convenient for workers.<sup>3</sup> Expanding the options for working styles such as working from home and other such approaches has also been a topic of policy development in recent years, allowing workers greater flexibility with regard to the place where they work. The fact that such flexible working styles also help to reduce commuting time is a key benefit in Japan where the lengths of commuting time are particularly long in comparison with other countries.<sup>4</sup> With laptop computers and cellular phones now in common use, it has become ever easier to avoid being restricted to a fixed workplace or working hours. At the same time, there are concerns that workers who are free to determine their own working styles may find it difficult to draw the line between work and other aspects of their lives and potentially overwork to an extent that is detrimental to their health or private lives. Especially, when they are under pressure

to meet deadlines for clients or expected to fulfil high achievement targets, it may be hard for them to liberate themselves from the burdens of work, even if they are able to choose when and where to work.<sup>5</sup> More specifically, there is a risk that workers "working *where, when, and how they want*" may turn out to be "working *anytime, anywhere,*" and what is worse, "working *everywhere, all the time.*" This is an especially relevant issue in Japan given that it has long been typical for workers in Japanese companies to take their work home with them (*mochikaeri zangyō*).

Third, work intensity is another aspect that needs to be addressed in relation to overwork. Discussion of work intensification, which tends to be related with increased workloads, mostly focuses on the pace and density of work. Needless to say, environments in which workers are expected to constantly process tasks at a high speed or meet tight deadlines are demanding and stressful. This has for some time been highlighted by countries in the EU as a major issue in the labor environment against the background of progress in information and communications technology and other such developments.<sup>6</sup> In Japan, on the other hand, relatively little attention has been given to the aspect of work intensity. This is simply because it is typically considered that the larger amounts of work there are, the longer overtime hours occurs. Now that Japan has seen the introduction of stricter regulations on overtime hours, it is possible that work intensification may become a growing interest in the future discussion on overwork along with the attention to the worldwide developing technological innovation.<sup>7</sup>

### III. Preventing overwork

What steps then need to be taken to prevent overwork? Looking at the typical practices and current state in Japan that have been touched on in this series, the length of working hours remain an important aspect to tackle the problem. The Work Style Reform Act enacted in 2018 (and put into effect in 2019) placed clear upper limits on overtime hours—namely, 45 hours a month and 360 hours a year—and these are expected to have an impact

in the coming years. In order to ensure that these regulations are effective in practice, government bodies need to monitor and provide guidance to companies.

Moreover, we should search for measures beyond the conventional approach toward preventing overwork. First, it is necessary to consider how to address the work-related factors that may prompt to overwork, such as pressure to fulfil clients' demands or performance quotas. It is crucial that efforts be made to ensure appropriate workloads.

Second, it is also important to consider steps toward ensuring time for sleep and other such activities that constitute private time and rest. One approach that has been discussed as its potential measure is the introduction of a "work-interval system,"<sup>8</sup> which is thought to be an effective method for ensuring rest time, particularly for workers in jobs involving work at night or shifts. Moreover, with the growing digitalization, there is an urgent demand among workers for the development of rules to protect the time that they are able to switch off from work, such as those seen in France, where steps have been taken to honor them "right to disconnect" (*le droit de la déconnexion*). There is a demand for measures that will prevent work from intruding upon a non-working time.

Since the efforts were made to address overwork as a major issue and to adopt policy measures from the end of the 1980s, the average working hours of an individual worker have decreased in comparison with previous years. However, we still face the issue of overwork and the negative impact it exerts on workers' health and family lives. Overwork in Japan can, to a great extent, be attributed to factors that are common to contemporary industrial nations, and yet the problem is also firmly rooted in Japan's distinctive systems, practices and values. It will be important to follow the social shifts in the coming years.

#### Notes

1. The industrial accident compensation insurance system sets out provisions determining what is treated as an "employment injury" (the injuries and diseases to which this

applies and the criteria for determining how they are related to the work, etc.).

2. The Ministry of Health, Labour and Welfare 2015 showed an increase in engagement in work in the evenings or at night between 1986 and 2011.
3. When the Labor Standards Law (LSL) was amended in 1987 to reduce the maximum number of working hours, several statutory flexibility arrangements were added to the LSL at the same time. Since the 1994 amendment, the LSL has permitted five arrangements to make working hours flexible: (1) uneven distribution of working hours over a period not exceeding one month (Art. 32-2), (2) flex-time (Art. 32-3), (3) uneven distribution of working hours over a period not exceeding one year (Art. 32-4), (4) uneven distribution of working hours over a one-week period (Art. 32-5), and (5) presumed working hours for discretionary work (Art. 38-3). The 1998 amendment also created a different kind of discretionary work arrangement (Art. 38-4). Arrangements (2)-(5) require the employer to have a worker-management agreement on the relevant points and to submit it to the Labour Standards Inspection Office. See Hanami et al. 2015.
4. According to NHK 2016, a Japanese worker's average commuting time on weekdays is 79 minutes (total for both directions), and is particularly long in the Tokyo Metropolitan area, at 102 minutes (total for both directions).
5. The risks of overwork due to pressure to meet client demands are covered in more detail in Takami 2018.
6. Green 2006 is a key source on this topic. Green's scale of work intensity is based on the frequency at which workers are expected to work at very "high speed" and to "tight deadlines." Surveys in recent years have also highlighted work intensity as an issue and noted concerns regarding its impact on health and stress levels. See Eurofound 2017.
7. In fact, in a survey by the JILPT in 2014 where workers were asked if "being expected to complete heavy workloads" and "often being expected to meet tight deadlines or delivery schedules" were scenarios that apply to them, the percentages of workers who responded "applies" (the total for all workers who responded "applies" or "slightly applies") were around 47% and around 56%, respectively. See JILPT 2015.
8. A "work-interval system" sets out a certain period of no work (rest period) in the period between the ending time of work on a given day and the starting time of work on the next day. This approach was discussed in Japan on the basis of an initiative developed by the EU, and efforts to promote the application of this system were prescribed in the Work Style Reform Act enforced in 2019.

#### References

- Eurofound 2017. *Sixth European Working Conditions Survey: Overview Report (2017 update)*. Publication Office of the European Union, Luxembourg.
- Green, Francis. 2006. *Demanding Work: The Paradox of Job Quality in the Affluent Economy*. Princeton: Princeton University Press.



- Hanami, Tadashi A., Fumito Komiya, and Ryuichi Yamakawa. 2015. *Labour Law in Japan Second Edition*, Zuidpoolsingel, The Netherlands: Wolters Kluwer.
- JILPT (The Japan Institute for Labour Policy and Training). 2015. *Jōhōtsūshin kiki o riyō shita tayō na hataraki-kata no jittai ni kansuru chōsa kekka* [Results of a survey regarding the state of flexible working styles using information and telecommunications devices]. JILPT Research Series no. 140. Tokyo: JILPT.
- MHLW (The Ministry of Health, Labour and Welfare). 2015. *White paper on the labour economy 2015*. Tokyo: MHLW.
- NHK Broadcasting Culture Research Institute. 2016. *The 2015 NHK Japanese Time Use Survey*. Tokyo: NHK Broadcasting Culture Research Institute.
- Takami, Tomohiro. 2018. “Challenges for workplace regarding the autonomy of working hours: Perspective for the prevention of overwork.” *Japan Labour Issues* 2, no. 5 (February–March 2018): 50–63.

### **Tomohiro Takami**

Vice Senior Researcher, The Japan Institute for Labour Policy and Training. Research interest: Sociology of work.

<https://www.jil.go.jp/english/profile/takami.html>



---

## **Series: Japan's Employment System and Public Policy 2017-2022**

JILPT researchers review Japanese employment systems and policies and analyze current labor situations in this series. It covers each researcher's field of speciality in labor studies and rotates in five years.

---

### **What is Japanese Long-Term Employment System? Has it Vanished?**

Vol.1, No.1, September 2017

*Makoto Fujimoto*

---

### **Recruitment and Hiring in Japan**

Vol.1, No.2, October 2017

*Shinsaku Matsumoto*

---

### **Allocation and Transfer in Japan**

Vol.2, No.4, January 2018

*Hodaka Maeura*

---

### **Termination of Employment Relationships in Japan**

#### **(Part I) Resignation and Termination of Employment Contracts by Mutual Consent**

Vol.2, No.6, April-May 2018

#### **(Part II) Dismissal and Refusal to Renew a Fixed-term Contract**

Vol.2, No.7, June-July 2018

#### **(Part III) Mandatory Retirement Age System**

Vol.2, No.9, October 2018

*Hirokuni Ikezoe*

---

### **Corporate In-house Education and Training and Career Formation in Japan**

#### **(Part I) In-house Skills Development**

Vol.2, No.10, November 2018

#### **(Part II) Japanese Companies' Commitment to Employees' Career Formation**

Vol.2, No.11, December 2018

*Makoto Fujimoto*

---

### **Combining Work and Family Care in Japan**

#### **(Part I) Why do Women Leave Jobs at the Stage of Childbirth?**

Vol.3, No.14, May 2019

#### **(Part II) What is the Challenge after Reforming the Long-term Care Leave System?**

Vol.3, No.15, June 2019

*Shingou Ikeda*

---

### **Current State of Working Hours and Overwork in Japan**

#### **(Part I) How Has It Changed Over the Years?**

Vol.3, No.16, July 2019

#### **(Part II) Why do the Japanese Work Long Hours?**

Vol.3, No.18, October 2019

*Tomohiro Takami*

---





# THE JAPANESE JOURNAL OF LABOUR STUDIES

## Work Style Reform Series 1-3

December 2018, January and May 2019 Issues

### 1. Equal Pay for Equal Jobs

- OPINION** The Rationality of Discrimination in Workforce Management Classification Mutsuko Asakura
- ARTICLES** *Abstracts in English:* <https://www.jil.go.jp/english/ejournal/documents/201812.pdf>
- Empirical Analysis of Wage Differentials between Employment Contract Types Daiji Kawaguchi
- Part-Time and Fixed-Term Workers Act: Content and Problems Yuko Shimada
- Regulation for Equal and Balanced Treatment and the Dispatch of Workers Yasuyuki Konishi
- Balanced and Equal Treatment for Utilization of Part-time Employees in GMS Business: The Case of Changes of Company A's HRM since 2000 Mitsutoshi Hirano
- Determinants of Wage Differences between Standard and Non-standard Employees in Japan: The Human Resources Management Perspective Tomoyuki Shimanuki

### 2. Working Hours

- OPINION** Requirements when Reviewing the Flextime System Koichiro Yamaguchi
- ARTICLES** *Abstracts in English:* <https://www.jil.go.jp/english/ejournal/documents/201901.pdf>
- Legal Analysis of the Working Time Regulations Reform of 2018 Hajime Wada
- Scope and Flexibility of the EU Working Time Directive 2003/88/EC: Development, Purpose, and underlying Fundamental Rights Shiro Ikawa
- The Effect of Work-style Reform Legislation on Long Working Hours in Japan Isamu Yamamoto
- Regulatory Reform of Work Hours and the Response of Companies Kazuya Ogura
- Toward Remediating Long Working Hours in Trucking Industry Kunishige Asai
- Deliberation of the Work Style Reform Law and Labor Management Relations: The Legal System for Working Hours Sumiko Ebisuno

### 3. Other Implementation Plans

- OPINION** Rebalancing Regulation and Labour-Management Autonomy Kazuo Sugeno
- ARTICLES** *Abstracts in English:* <https://www.jil.go.jp/english/ejournal/documents/201905.pdf>
- Legal Issues surrounding Work Styles that are not Due to Employment Koichi Kamata
- The Current "Employment Ice-age" Situation: Perspective on the Transition from School to Work Yukie Hori
- Conditions for Improving the Quality of Work Hiroshi Ono
- 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



## 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 oil price hikes and fluctuations in the financial and capital markets also need attention (Monthly Economic Report,<sup>1</sup> September, 2019).

## Employment and unemployment

The number of employees in August increased by 720 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.2%.<sup>2</sup> Active job openings-to-applicants ratio<sup>3</sup> in August, seasonally adjusted, was 1.59.<sup>4</sup> (Figure 1)

## Wages and working hours

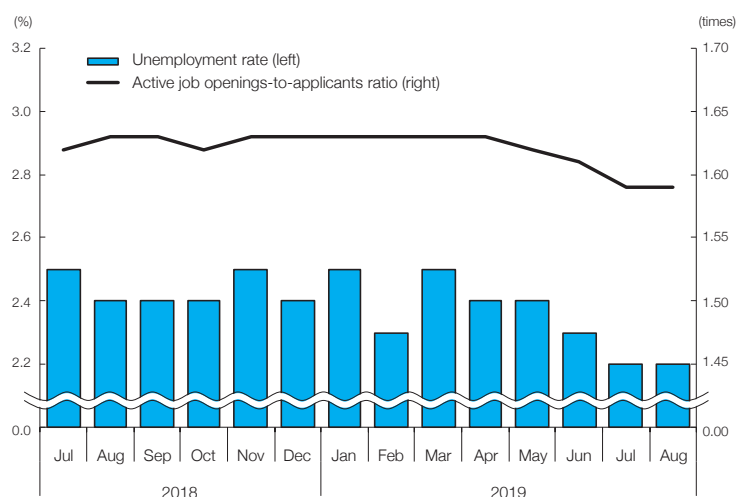
In July, total cash earnings (for establishments with 5 or more employees) decreased by 1.0% and real wages (total cash earnings) decreased by 1.7% year-on-year. Total hours worked decreased by 0.8% year-on-year, while scheduled hours worked decreased by 0.7%.<sup>5</sup> (Figure 2)

## Consumer price index

In August, the consumer price index for all items increased by 0.3% year-on-year, the consumer price index for all items less fresh food rose by 0.5%, and the consumer price index for all items less fresh food and energy increased by 0.6% year-on-year.<sup>6</sup>

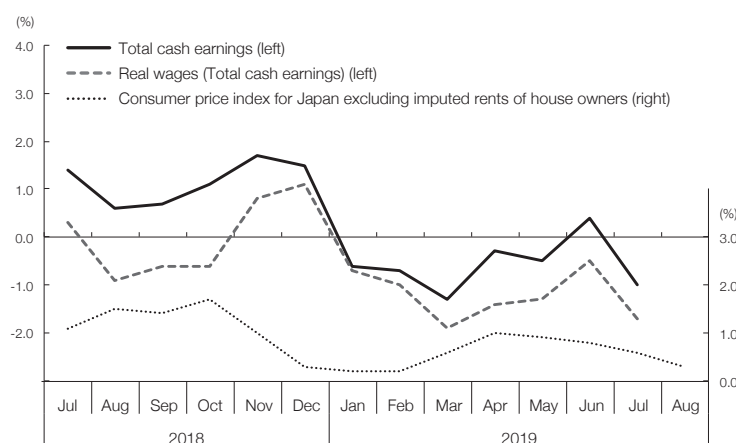
## Workers' household economy

In August, consumption expenditure by workers' households increased by 1.7% year-on-year nominally and increased by 1.4% 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

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, *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>

## What's on the Next Issue

### *Japan Labor Issues*

Volume 4, Number 20

Dec. 2019–Jan. 2020

*tentative*

► Japan's "Employment Ice-Age Generation" Today: Drawing on Analysis of the Conclusions of Research on the Transition from School to Work

Yukie Hori

► The Slow Decline of the Male-Breadwinner Family Model in Contemporary Japan and Its Ramifications on Men's Lives

Yuko Ogasawara

► International Comparison of Higher Education Cost Sharing and Japanese Challenges

Masayuki Kobayashi



## Sign up for *Japan Labor Issues*

Free of charge

We send you the latest issue  
via email.

<https://www.jil.go.jp/english/emm/jmj.html>



**Japan Labor Issues** (ISSN 2433-3689) is a monthly journal published by the Japan Institute for Labour Policy and Training (JILPT). This journal introduces the recent developments in Japan in the field of labor through news articles as well as the latest research results and analysis to a global audience. The full text is available at <https://www.jil.go.jp/english/jli/index.html>. **E-Letter Japan Labor Issues** is delivered the latest issue via email to the readers who have registered. *Japan Labor Issues* in print is distributed free of charge to libraries, research institutes and labor related organizations over the world. When quoting, please cite sources and inform the Editorial Office at [j-emm@jil.go.jp](mailto:j-emm@jil.go.jp) for purposes of the future planning and editing. Reproduction in whole or in part without the written permission of the author(s) and the Editor is prohibited. For inquiries and feedback, contact the Editorial Office at [j-emm@jil.go.jp](mailto:j-emm@jil.go.jp).

(Back number)

<https://www.jil.go.jp/english/jli/backnumber/index.html>



### What is JILPT?

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.

<https://www.jil.go.jp/english/>



The Japan Institute for Labour Policy and Training