# Japan Labor Issues

**10** October 2020

Volume <u>4 Number 26</u>

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Statistical Indicators



The Japan Institute for Labour Policy and Training

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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/

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Printed in Japan by International Academic Publishing Co., Ltd.

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#### **Statistical Indicators**

# Trends

### Column

# Decreased Working Hours and Impact on Wages: A Look Back at the Novel Coronavirus's "First Wave" in Japan

### TAKAHASHI Koji

#### **I. Introduction**

In this column, I use individual data obtained from a questionnaire survey to identify the people whose working hours were reduced as a result of the novel coronavirus's "first wave" and analyze the degree to which their reduced working hours were linked with reduced wages.

When the state of emergency declaration was lifted nationally in late May 2020, complete statistical data showing the effects of the novel coronavirus's "first wave" on employment have finally become available.

According to the Ministry of Internal Affairs and Communications' *Labour Force Survey* released on May 29, the number of unemployed persons in April was 1.89 million, which was an increase of only 130,000 persons compared to the same month of the previous year. On the other hand, employed persons who did not work at all during the survey period numbered 5.97 million, which was an increase of 4.2 million compared to the same month of the previous year.<sup>1</sup> This situation contrasts with the recession that followed the global financial crisis of 2008, when the number of employed persons not at work was consistently below 1.5 million but the number of unemployed persons peaked at around 3.6 million.

Perhaps reflecting this increase in employed persons not at work, preliminary data provided in the Ministry of Health, Labour and Welfare's *Report of Monthly Labour Survey* released on June 9 show that the total of hours worked per person in April decreased by 3.7% compared to the same month of the previous year (total of surveyed industries).<sup>2</sup> It is also apparent from the first aggregation result of a questionnaire

survey conducted by JILPT and RENGO's Research Institute for Advancement of Living Standards (RENGO-RIALS) (June 10)<sup>3</sup> that the largest of the "COVID-19-associated impacts on own employment and income" faced by



employees of private companies in April and May was "decrease in workdays and working hours."<sup>4</sup>

Two questions arise here. The first is, who (including employed persons not at work) experienced a decrease in working hours? Looking at the number of hours worked per person in April (year-on-year comparison) in the preliminary data of the Report of Monthly Labour Survey by type of employment, there was a 2.6% decrease among "ordinary workers" (i.e., regular employees, etc.) and a 9.9% decrease among part-time workers. On the other hand, looking at this by industry, there was a decrease of 21.5% in "accommodations, eating and drinking services." A tendency whereby there are more persons with reduced working hours among part-time workers and in "accommodations, eating and drinking services" is also seen in the press release of the aforementioned joint research. However, if one thinks about it, "accommodations, eating and drinking services" comprise an industry that typically has many part-time workers. So then, which of "type of employment" and "industrial characteristics" is having the largest impact on working hours.

Secondly, if working hours decreased, what happened to the wages that should have been earned during those hours? Article 26 of the Labor Standards Act stipulates that an allowance for absence from work must be paid at least 60% of average wage when a company puts employees on leave for a reason "attributable to the Employer"5 However, in actuality, while some companies pay this amount or more, some probably cannot. Moreover, although subsidies such as the Employment Adjustment Subsidy exist to supplement allowances for absence from work, it is unlikely that all companies have mastered the application procedures for them. Naturally, the circumstances of workers who receive hourly wages and those of workers who receive monthly wages differ. It is also probable that some companies scaled back the number of persons who come to work by making employees take paid leave. At any rate, how working hours and wages are linked is an empirically open question.

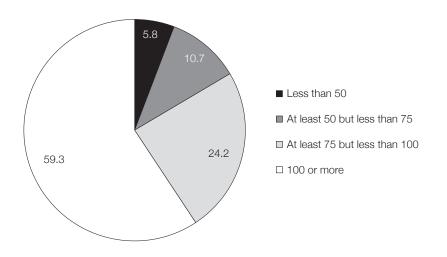
#### II. Survey and data outline

The survey is called the "Survey on the Impact that Spreading Novel Coronavirus Infection has on Work and Daily Life," which was conducted as part of the aforementioned joint research. It was sent to "employees working at private companies" and "people working in freelance" among persons registered with an internet survey company who are aged at least 20 years old but no more than 64 years old and who were residing in Japan as of April 1, 2020.6 The survey period was May 18 to 27, 2020.

Here I will conduct two analyses that correspond to these two questions. The applied data is individual data from this questionnaire survey. The focus of the analysis in this column is the total of 4,178 survey respondents who were employed at a private company on April 1 and who continued to work at the same company at the time of the survey.<sup>7</sup> Accordingly, note that "employed persons not at work" are included in the scope of analysis, but persons who separated from employment during the period mentioned are not.<sup>8</sup>

#### **III. Whose working hours decreased?**

The survey asked about hours worked per week for each of "a normal month prior to the emergence of the novel coronavirus problem (hereinafter, the normal month)," "the second week of April (April 6 to 12), and "the second week of May (May 7 to 13)." From the results, I obtained an "index of change in working hours under the coronavirus's effects compared to the normal month (no change=100)" by dividing the average of hours worked for the second week of April and second week of May (class value) by the hours worked per week for the normal month (class value).<sup>9</sup> The average is 89.9, with distribution shown as in Figure 1. From this, it is apparent that



Note: Values were obtained by dividing the average of hours worked in the second week of April and second week of May by the weekly hours worked of the normal month (the value is 100 when there was no change in April/May in comparison with the normal month).

Figure 1. Index of change in working hours under the coronavirus's effects compared to the normal month (N=4,178, %)

Eveloin education la	Model 1		Model 2		Model 3		Model 4	
Explained variable: Index of change in working hours	Coefficient B	S.E.	Coefficient B	S.E.	Coefficient B	S.E.	Coefficient B	S.E.
Females Breadwinners	-2.891 0.835	0.700** 0.724					-2.252 0.061	0.774** 0.733
(Regular employees)								
Part-time workers			-4.632	0.730**			-0.306	0.899
Contract workers and shokutaku (entrusted			-1.298	1.253			-0.017	1.241
workers)			6.002	1.765**			6.244	1.779**
Dispatched workers			-6.902	1.765		4 4 0 0 *	-6.344	
Administrative and managerial workers					2.395 1.608	1.186*	0.548	1.263
Professional and engineering workers (Clerical workers)					1.008	0.944	0.417	0.981
Sales workers					-3.497	1.069**	-4.575	1.096**
Service workers					-3.766	1.217**		1.241**
Security workers					4.200	4.243	2.296	4.265
Production/skilled workers					-1.809	1.306	-2.709	1.332*
Transport and machine operation workers					-0.023	2.400	-1.479	2.418
Construction and mining workers					-1.184	3.332	-2.911	3.351
Carrying, cleaning, and packaging workers					0.030	1.713	-0.813	1.753
Others					-0.946	1.805	-1.696	1.833
Do not know					-0.384	2.743	-1.098	2.750
Construction					1.985	1.575	2.248	1.572
(Manufacturing)						o *		o · · - *
Electricity, gas, heat supply and water					5.413	2.451*	5.611	2.447*
Information and communications Transport					0.523	1.491 1.687	0.606	1.489 1.686
Wholesale and retail trade					-1.285	1.225	-0.785	1.241
Finance and insurance					-3.506	1.528*	-2.835	1.531
Real estate					-4.360	2.121*	-4.448	2.117*
Eating and drinking places,					-13.695	1.909**		1.937**
accommodations								
Medical, health care and welfare					3.756	1.160**		1.175**
Education, learning support					-7.674	1.867**		1.894**
Postal services, cooperative associations					6.230	3.301	6.572	3.301*
Services					-8.280	1.195**		1.200**
Other business categories					-1.775 2.123	1.749 4.923	-1.168	1.756 4.922
Do not know					2.123	4.923	0.779	4.922
(1,000 or more employees)					1.010	0.000	4 070	0.007
100–999 employees					1.010	0.829	1.076	0.827
99 or fewer employees Do not know					0.978 0.514	0.802 1.156	1.123 1.724	0.806 1.190
Constant	90.718	0.741**	91.299	0.372**		1.037**	93.009	1.282**
	30.710		31.233		31.000		33.008	
N		4178		4178		4178		4178
F-value Adjusted R <sup>2</sup>		15.058** 0.007		16.929**		12.099**		11.119** 0.074
AUJUSIEU A		0.007		0.011		0.069		0.074

# Table 1. Determinants of the index of change in working hours under the coronavirus's effects compared to the normal month (OLS)

*Note*: \*\*: *p*<0.01, \*: *p*<0.05. Parentheses indicate reference groups.

nearly 60% of workers did not experience a decrease in working hours, but there were some workers, at the 10% to 20% levels, whose working hours were less than three-fourths compared to the normal month.

Then, who among workers experienced larger decreases in their working hours? Here, I will use the

OLS method by setting the aforementioned "index of change in working hours" as the explained variable and (i) "personal attributes" (female dummy, breadwinner dummy), (ii) "type of employment," and (iii) "occupation, industry, and size of enterprise" as explanatory variables. Table 1 shows the results.

The coefficient B shows how much higher or lower the index of change in working hours is, compared to the reference groups. For example, if the coefficient of an industry is "-5," this signifies that, in the case of that industry, the amount of decrease in working hours compared to the normal month is 5 percentage points larger than "manufacturing" that is the reference group.

For Model 1, I inputted (i) "personal attributes" only. From this, it can be seen that working hours decrease more for females, and that whether or not a person is the household's breadwinner does not affect the amount of decrease in working hours.

For Model 2, I inputted (ii) "type of employment" only. From this, it can be seen that the amounts of decrease in working hours are large for part-time workers and dispatched workers (in comparison with regular employees). On the other hand, the working hours of full-time directly-employed non-regular employees—specifically, contract workers and *shokutaku* (entrusted workers) —do not appear to be significantly affected.

For Model 3, I inputted (iii) "occupation, industry, and size of enterprise" only. From this, it can be seen that, in terms of occupation, the amounts of decrease in working hours are large for "sales workers" and "service workers"; that, in terms of industry, decreases in working hours are particularly large in "eating and drinking places, accommodations," "education, learning support," and "services"; and that, conversely, the decrease in working hours is small in "medical, health care and welfare" (in comparison with other business categories). It should be noted that "size of enterprise" does not strongly influence amounts of decrease in working hours.

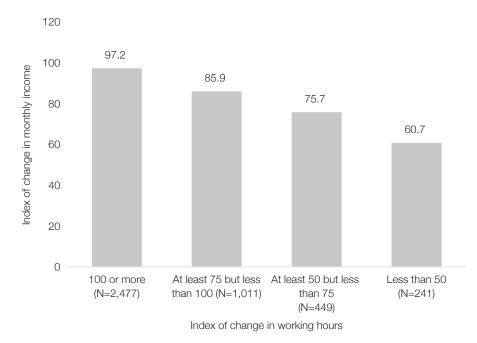
For Model 4, I inputted all of the variables (i), (ii), and (iii). One point that deserves attention here is that the coefficient for part-time workers loses significance. In other words, the working hours of part-time workers are not necessarily susceptible to decreases when sex, occupation, and industry are controlled. Of course, the explained variable I am using here is the "index of change in working hours" for persons who have not left employment, and it goes without saying that, in reality, a not insignificant number of part-time workers left employment during the novel coronavirus's "first wave" (see the addendum). A second point is that the amount of decrease in working hours is large for women, even when various variables are controlled. In-depth research and discussion will be needed on the mechanisms by which working hours are adjusted in workplaces and households. And a third point is that, looking at coefficient sizes, industry has a generally strong influence on the index of change in working hours. That the novel coronavirus's "first wave" made a concentrated attack on certain industries through voluntary business suspensions, etc., is clear from this.

# IV. Decreased working hours and decreased wages

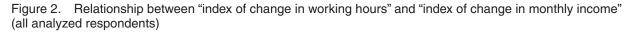
The previous section is an analysis to find out who had larger decreases in their working hours. In this section, my analysis will look at how far wages decrease when working hours decreased to certain degrees. The survey asked respondents, "How does your most recent monthly income compare to what your original (normal) monthly income was before the emergence of the COVID-19 problem?" Here, I consider the class value of their responses to be an "index of change in monthly income" (no change = 100) and show the relationship between the index of change in working hours and index of change in monthly income.

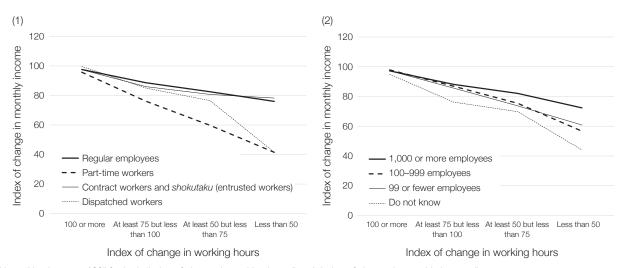
Figure 2 shows the relationship between both variables for all respondents covered by the analysis. As one might expect, it can be seen from this that when persons experienced a significant decrease in working hours, they also experienced a proportionally significant decrease in monthly income.

On the other hand, Figure 3 shows the two variables' relationship by type of employment and by the size of enterprise. Looking at an analysis by each "type of employment" category of (1), it can



Note: "No change = 100" for both "index of change in working hours" and "index of change in monthly income."





Note: "No change = 100" for both "index of change in working hours" and "index of change in monthly income." Figure 3. Relationship between "index of change in working hours" and "index of change in monthly income"

be seen that, for regular employees and contract workers and *shokutaku*, the decrease in wage is gradual against the decrease in working hours. The index of change in monthly income's decline stops at about 80 even when the index of change in working hours falls below 50. However, in the cases of parttime workers and dispatched workers, the decrease in working hours brings a straighter decrease in wages. This is likely related to differences in wage systems, as regular employees, contract workers, and *shokutaku* often have a monthly wage system and part-time workers and dispatched workers often have an hourly wage system.

Looking at an analysis by each "size of enterprise" category of (2), it can be seen that, in the case of large enterprises with 1,000 employees or more, the decrease in wage is more gradual against the decrease in working hours compared to enterprises with 999 or fewer employees. Presumably, this is related to large enterprises' having reserves to pay sufficient allowances for absence from work and their having mastered the application procedures for the Employment Adjustment Subsidy and other programs. Their application of paid leave to cope with short-term suspensions of business or operations may also have had something to do with this. Even more noteworthy is that decreased working hours are most straightly linked to decreased wages for workers who responded that they "do not know" the size of their enterprise. One possible reason for this is that non-regular employees often do not know how large their enterprises are. An additional consideration may be the possibility that wages are not being compensated when working hours are curtailed in companies that lack the inclination or ability to disclose information to their workers.<sup>10</sup>

#### **V. Conclusion**

Speaking abstractly, labor research is all about analyzing wages as compensation for working hours. However, I would add with some self-admonition that the perspective of "losing working hours" tends to be overlooked in our daily research even when we are conscious of "losing employment or work." Moreover, the question of whether or not lost working hours lead directly to decreased wages is not always considered.

In this column, I intended to get back to the perspective of "losing work hours." I focused on how the effects of the novel coronavirus's "first wave" appeared in the form of decreased working hours, such as through increased numbers of employed persons who are not at work (in contrast to the recession that followed the global financial crisis of 2008).

As a result, it became clear that lost working hours during the "first wave" were concentrated in

a number of industries, among them "eating and drinking places, accommodations"; that working hours were lost more often by females than by males; and that decreased working hours tended to link directly to decreased wages for part-time workers, dispatched workers, and workers in SMEs.

That being said, the scope of this column is limited to a partial analysis that was conducted based on a single questionnaire survey of registered respondents. I therefore hope that, by serving as a springboard for discussions and further analyses, it will help advance appropriate employment and labor policy for the "second wave" and later waves as well as the post-coronavirus era.

#### Addendum: Determinants for leaving job

I mentioned in the main text that the working hours of part-time workers are not necessarily susceptible to decreases. However, according to the *Labour Force Survey* of April, 2020, there was a 630,000-person increase in the number of regular employees compared to the same month of the previous year, but a 770,000-person decrease in the number of part-time workers. Naturally, attention must be paid to part-time workers who left employment.

With this in mind, I attempted an analysis, using the same survey data presented in this column, for the 4,307 persons who were employed at a private company on April 1. I conducted a binomial logistic regression analysis by setting "whether or not a person was without work at the time of the survey" as the explained variable and using the same explanatory variables presented in Model 4 of Table 1 (determinants of the index of change in working hours). The results indicated that part-time workers and dispatched workers were susceptible to leaving job with a 1% level of significance (compared to regular employees) (Table 2). It deserves noting that neither the industry dummy nor the size of enterprise was significant at the 5% level. Likewise, for the occupation dummy, only "do not know" was significant at the 5% level. This contrasts with the finding that the index of change in working hours was strongly influenced by industry.

Explained variable: Have left job = 1	Coefficient B	S.E.
Females	-0.121	0.351
Breadwinners	-0.325	0.327
(Regular employees)		
Part-timer workers	1.478	0.404**
Contract workers and <i>shokutaku</i> (entrusted workers)	0.580	0.654
Dispatched worker	1.686	0.621**
Occupation	[Dummy variables are	inputted]
Industry	[Dummy variables are	inputted]
Size of enterprise	[Dummy variables are	inputted]
Constant	-5.851	0.811**
Ν		4307
Chi-square		95.837**
Nagelkerke R <sup>2</sup>		0.163

Table 2. Determinants for leaving job (binomial logistic regression model)

Note: \*\*: p<0.01, \*: p<0.05. Parentheses indicate reference groups.

In any case, a more precise implication concerning part-time workers that can be drawn from the results of this analysis is that "part-time workers have a high probability of quitting job, but those who continue working for the same company are not especially susceptible to experiencing decreases in working hours."<sup>11</sup>

However, generally speaking, it is thought that non-regular employees would be more likely to be without work even if there is not the novel coronavirus crisis. Therefore, I will add that not all of the analysis results presented here were brought by the novel coronavirus crisis.

The views and recommendations of this paper are the author's and do not represent those of the Japan Institute for Labour Policy and Training. I wish to thank the persons concerned of RENGO-RIALS and JILPT for their cooperation and permission in connection with my analyses of the questionnaire survey and publication of this column. In particular, I extend my gratitude to Ms. Yuko Watanabe of JILPT, who compiled the first aggregation result of the survey, for her advice to my analyses. However, I assume complete responsibility for this column's content and any errors it may contain.

1. For details, see Masayuki Nakai, "Shingata korona no rodo shijo inpakuto: Shitsugyo-sha wa bizo da ga kyugyo-sha wa gekizo shi, katsuyo rodo-ryo wa ichi-wari no gensho" [The novel coronavirus's impact on the labor market: The number of unemployed persons has risen slightly, but the number of employed persons not at work has risen substantially and the amount of utilized labor has fallen by 10 percent] published May 29, 2020. https://www.jil.go.jp/tokusyu/covid-19/column/012.html (in Japanese).

2. While the translation of this report was in progress, the total of hours worked per person in May announced to be decreased by 9.0% compared to the same month of the previous year. In aggregation for the *Monthly Labour Survey*, persons who are in the service of a surveyed establishment and whose salary was calculated during the survey period are included even if they did not attend work during the survey period.

3. See JILPT (2020) Results of the "Survey on the Impact that Spreading Novel Coronavirus Infection has on Work and Daily Life" (May Survey, a follow-up survey coupled with the respondents of April Survey) (First Aggregation) at https://www.jil.go.jp/english/special/covid-19/survey/documents/20200610.pdf (in English) or https://www.jil.go.jp/press/documents/20200610.pdf (in Japanese).

4. From the same press release, it can be seen that respondents indicating that their approximate weekly working hours were "40 hours or more" decreased and respondents indicating "under 20 hours (including "did not work")" increased in comparison with a normal month prior to the emergence of the COVID-19 problem.

5. It should be noted that the concept of "leave" as it is used here refers to "an inability to work during a period when one is under a duty to work determined by a labor contract" and thus differs from the concept of "employed person not at work" in the *Labour Force Survey*. See Kazuo Sugeno, *Rodoho* [Labor law], 12th ed. (Tokyo: Kobundo, 2019), 457.

6. For "employees of private enterprises," stratified sampling method was applied, so that respondents are proportionally represented in the subgroups of sex, age group, residential region block, and regular/non-regular employee status, based on the *Employment Status Survey*.

7. To be precise, one person who satisfied this condition did not provide a response for the number of weekly hours worked for "normal month prior to the emergence of the novel coronavirus problem" and was therefore excluded from the analysis. 8. However, I provide an analysis that includes *rishokusha*, or persons who were working a month ago, but quitted that job and are not working at present, in the addendum at the end of this column.

9. Due to the survey's design, following should be noted: The employed persons not at work in the second week of April (zero hours worked) selected the response "Less than 15 hours." The employed persons not at work in the second week of May selected that of "Did not work."

10. I conducted a similar analysis as a trial by extracting only part-time workers. In comparison with large enterprises with 1,000 or more employees, the amounts of decrease in wages were relatively large for enterprises with 999 or fewer employees and the "do not know" size of enterprise category even when the decreases in working hours were roughly the same.

11. While this becomes a theoretical discussion, ultimately, the

problem boils down to the procedure by which companies make decisions. Specifically, does the company (i) first decide whether or not it will dissolve employment relationships (i.e., Whose employment relationship will be dissolved?) and then decide the working hours of remaining workers, or (ii) first decide the degree to which working hours will be decreased (Whose working hours will be decreased?) and then decide whether or not to dissolve employment relationships (Whose employment relationship will be dissolved?) when it can no longer maintain its business with decreased working hours? If (i) is the stronger aspect, then the analysis results presented in Table 2 have greater meaning. However, in this column, I considered (ii) to be the stronger aspect amid the novel coronavirus's "first wave." I therefore decided to make the analysis of Table 1 the column's main focus and leave Table 2 to the addendum.

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#### Article

# A Case Study on Overwork-related Mental Disorders in Japan: Focusing on Young Employees

#### **I. Introduction**

Death from overwork (karōshi) has been seen as a serious social problem in Japan. Karōshi refers to cases in which cerebrovascular or cardiovascular diseases occur as a result of work and lead to death. In case of "overwork-related disorders" in the forms of cerebrovascular and cardiovascular diseases and mental disorders, including karoshi, expenses relating to treatment, benefits for absence from work, and compensation pension and lump-sum for injury, diseases, disability and surviving family are covered by the industrial accident compensation insurance system. Over the past decade or so, the yearly number of claimed industrial accident compensation cases for work-caused cerebrovascular or cardiovascular diseases has ranged from the upper 700s to the upper 800s. The yearly number of compensated cases has ranged from the 200 level to the lower 300s. The number of deaths among compensated cases hovers around 100 per year. The number of both claimed and compensated cases remain high.1

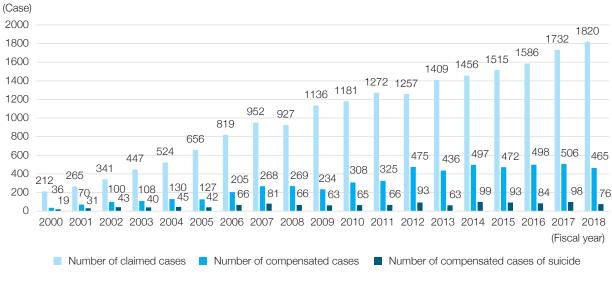
Meanwhile, the occurrence of work-related mental disorders has become an increasingly important topic of social issues in recent years. It has become generally accepted through court decisions concerning overwork-related suicides and other developments since the mid-1990s that workers who are exposed to intense stress in their work can experience depression.<sup>2</sup> The number of claimed cases for mental disorders continues to rise, exceeding 1,000 in FY2009 and reaching 1,820 in FY2018 (Figure 1). In FY2018, the number of compensated cases for mental disorders, including cases that did not result in suicide, reached 465. This number has hovered around the 500 mark since FY2012. The number of compensated cases in which a person suffered a mental disorder caused by overwork and committed suicide has ranged between 80 and 100 per year.



**TAKAMI** Tomohiro

Then, what kinds of cases have been compensated as industrial accidents involving a work-caused mental disorder? Looking at statistical trends, some attributes of the sufferers of mental disorders (hereinafter, the sufferers) are in common with cerebrovascular and cardiovascular diseases, while other attributes differ. First, there is a difference in core age groups. For cerebrovascular and cardiovascular diseases, compensated cases in the 50–59 age group are the most numerous, followed by those in the 40– 49 age group. Meanwhile, a characteristic of mental disorders is that most compensated cases are between the ages of 20 and 49.<sup>3</sup>

There is a slight difference in terms of core industrial categories. For cerebrovascular and cardiovascular diseases, a typical example of categories having large numbers of claimed and compensated cases is "transport and postal activities" (and, within that category, "truck drivers"). For mental disorders, "manufacturing" has the most compensated cases, followed by "wholesale and retail trade." However, when compensated cases are considered in terms of percentage of the employed population, the percentages of industrial accident cases are higher for "information and communications," "transport and postal activities,"



Source: The Ministry of Health, Labour and Welfare (2019).

and "scientific research, professional and technical services."<sup>4</sup>

Looking at the names of disorders concerning mental disorder recognition, among living cases except for suicide cases, the highest percentage belongs to "depressive episode," followed by "adjustment disorder" and "post-traumatic stress disorder." Differences between males and females can be seen here. "Depressive episode" and "adjustment disorder" have relatively high percentages among males, while "post-traumatic stress disorder" has a relatively high percentage among females.<sup>5</sup>

The above provides a description of statistical trends. However, there remain several questions that statistical trends don't fully answer. For example, how did work-related events cause intense stress leading to mental disorders? Why had the sufferers of the mental disorders worked until they lost their health? To what extent had coworkers noticed changes in the sufferers' health? To answer such questions, it is necessary to study cases in detail. With these questions in mind, this study examines the nature of work-related stress and the process of mental disorder's onset by conducting case studies. The following section explains the study's points of focus while presenting Japan's recognition criteria of

industrial accidents.

# II. Recognition criteria for mental disorders as industrial accidents

We first examine the recognition criteria for mental disorders as industrial accidents in order to study what constitutes overwork as it relates to mental disorder's onset. Japan's industrial accident compensation insurance system recognizes mental disorders that arise from excessive work-caused stress based on certain criteria and covers expenses relating to their treatment, lost work time, and the like.<sup>6</sup> According to the recognition criteria for mental disorders, an assessment period is set for six months prior to the disorder's onset, and whether or not the disorder will be recognized is determined through a comprehensive assessment that considers the degree of work-related stress and non-work factors. The work-related stress satisfies the recognition requirement of an industrial accident in the following cases: 1) a case in which the work-related stress involves a "special event" recognized to involve intense stress, namely (1) an "extremely psychologically stressful event" such as a life-threatening work-related illness or injury or <sup>(2)</sup> "extremely long working hours," i.e., more than

Figure 1. Number of claimed and compensated cases for overwork-related mental disorders

160 hours of overtime per month prior to the onset of mental disorders, or, when case 1) is not applicable, 2) a case in which work-related stress is judged as "strong" through a comprehensive evaluation based on the factual presence or absence of 36 "specific work-related adverse events" that are assessed as "strong," "medium," or "weak" in terms of the intensity of the stress.

The 36 "specific work-related adverse events" can be classified into the following four categories according to the kind of stress involved:<sup>7</sup> "long working hours," "injuries and disasters," "interpersonal conflict," and "other events." It should be noted that cases relating to long working hours make up a large percentage of industrial accidents.

# III. Detailed analysis of overwork-related cases

Based on these recognition criteria for mental disorders, we conducted case studies to examine in detail the nature of the stress discerned by concerned parties-namely, the sufferer and people around him/her-and the process through which the sufferer lost his or her health.8 We focused this study on cases involving the so-called "young" age group of people who were 39 years old or younger at the time of their disorder's onset.9 This is because, unlike those involving cerebrovascular and cardiovascular diseases, industrial accidents involving mental disorders are also widely found among younger workers. Additionally, we limited the studies to living cases in order to study the sufferers' stress awareness on the process of becoming ill. In these cases, we conducted examinations to determine which events produced stress and the mental disorders that occurred as a result.

As was mentioned in Section II, not a few industrial accidents involving mental disorders are cases in which the disorder's onset arose from an injury/disaster or interpersonal conflict. In this study, however, we examine cases where the stress was primarily attributable to excess in work quantity and quality, such as long working hours.

Our study method involved accessing materials describing the work-related stress for each case and

then analyzing the content of these descriptions. Specifically, we used "investigation report" prepared by the Labor Standards Inspection Offices for use in making decisions on the granting of industrial accident recognition as well as related materials that served as the basis for those investigation reports as study materials.<sup>10</sup> The investigation reports contain the overall judgment concerning industrial accident recognition as well as such items as "presence or absence of work-related stress and its description" and "observed mental and physical symptoms." They are written in a manner that compares the sufferer's statements with investigation findings. Investigation findings are based on objective materials (daily work reports, etc.) as well as interviews with the sufferer's family members, workplace supervisors and colleagues, etc. regarding the status of overwork and health hazard of the sufferer. In this study, we examine cases that were recognized as industrial accidents between January 2010 and March 2015 using these materials.

We employed a method whereby we clarified which events created intense stress leading to mental disorders based on the concerned parties' awareness. First, we examine what the sufferer perceived as stress at that time. At the same time, we examine the awareness of people around the sufferer-particularly workplace supervisors and colleagues-during the process of the onset of that disorder and compare it with the sufferer's awareness. In comparing both, some cases can be observed in which differences in awareness exist, such as when the sufferer feels that he has been given an "impossible quota" but his colleagues say that "it was just a target which does not involve penalties." This kind of "awareness gap" can be a factor that made it difficult to prevent the onset of mental disorders causing industrial accidents.

#### **IV. Results**

In this study, we analyzed what constituted overwork as it related to the onset of mental disorders and the process by which it led to mental disorders based on concerned parties' awareness, including gaps in awareness among them. We found that, even in the cases which are recognized largely based on long working hours, there are various elements which have caused the sufferer to feel stress in the process of health deterioration under the environment of long working hours. Here, we present and examine three typical cases<sup>11</sup> (Table 1). These three types were extracted as being conspicuous among younger age groups based on the stress awareness of sufferers.

First, there are cases in which mental health becomes impaired, primarily early in a career,

amid strong realization of a job's severity and the difficulty of adapting to a workplace (Case 1). It is pointed out that the sufferers are aware of their heavy workloads, the lack of sleep caused by long working hours, and the difficulty of adapting to the rhythm of their job. It is sometimes noted that severe scolding or instruction from a supervisor against a backdrop of work mistakes also became a major source of stress. Although these events alone can be seen as common challenges in the process of adapting to a

Table 1.	Cases recognized as	overwork-related mental disorders	(industrial accidents)
Tuble I.			

Case No.	Sex	Age group	Industry and occupation	Years of continuous service	Disorder (ICD-10 classification)	
1	Male	20-29	Accommodations, eating and drinking services	1 to 3 years	Adjustment disorder (F43.2)	
			Service worker			
	<b>Case summary:</b> The worker was an apprentice chef. After transferring to a new restaurant (job transfer involving change residence), he constantly worked long hours from eight or nine o'clock in the morning until midnight. I also got sharp reproaches from the chef in charge of his training (e.g., "Why can't you do this right?"), we blamed for his mistakes, and physically struck. He became afraid to go to work in the morning, felt complete hopeless, and jumped from his dormitory (attempted suicide). According to the restaurant's manager, the worker a full-fledged chef as soon as possible.					
2	Female	30-39	Real estate and goods rental and leasing	4 to 9 years	Other anxiety disorders (F41)	
			Sales worker			
	<b>Case summary:</b> The worker was a real estate salesperson. She had to prepare materials on days off and at home. She worker long hours without taking holidays. She felt stress from an excessive quota and from being demeaned by he supervisor. She was examined for stomach pains and other problems. According to her company, contrary t her claim, she had not been instructed to work on days off or to take work home. Additionally, although ther were sales targets, they were not high and she was not scolded or penalized even if she did not make them Furthermore, although the supervisor scolded her in strong language, the supervisor did the same to other employees as well.					
			Manufacturing			
3	Male	30-39	Manufacturing process worker	At least 10 years	Depressive episode (F32)	
	The wor custome frequen coworke colleagu	ers was adde t telephone ers. He beca ues also notio	ed to his original duties, he was calls, etc. He appeared to me unable to control his fac ced his change in health (e.e.	worked from early in the morn have a more than extremely ial expressions and was awar g., he had a strange look and	dealing with complaints from ing until late at night handling r heavy workload even to his e that he had lost energy. His did not respond to jokes). He eceived a medical examination	

and took leave from work. According to his supervisor and colleagues, he had an earnest personality and

probably became overwhelmed by the task of responding to complaints.

Source: The Japan Institute for Labour Policy and Training (2020).

company or job and becoming fully competent, the extraordinarily long working hours which constitute the background should not be overlooked. In the case presented, overtime work that greatly exceeded 100 hours per month is confirmed during the four months prior to the disorder's onset. It is safe to say that, in a work environment where extremely harsh working styles are considered to be normal, supervisors and colleagues tend not to be concerned about how stressful the sufferer is in such an environment and thus problems are overlooked.<sup>12</sup>

Second, there are cases in which people worked up to the point of impairing their health because they had a strong sense of work responsibility or obligation to achieve quotas (Case 2). The case presented also involved significantly long working hours, with overtime work exceeding 80 hours per month for the six months prior to the disorder's onset and exceeding 100 hours per month in the three months prior to onset being confirmed. This kind of case is typically seen among chiefs or leaders of specific duties. Often it is the case that the person ended up working long hours out of his or her own strong sense of work responsibility, rather than in response to an order to do overtime from the company or supervisor. Differences exist in factual awareness concerning responsibilities and quotas between sufferers and people around him/her<sup>13</sup>—an example being claims by supervisors/ colleagues that no strong obligations with penalties exist-and thus how stressful the sufferers are is overlooked in the workplace.

And third, there are cases in which the sufferers' health deteriorated after they took on obviously difficult task or assumed a disproportionate workload amid certain circumstances, such as a job transfer, involvement in a new duty, dealing with customers, or tight deadlines (Case 3). In the case presented, the worker's overtime increased greatly during the month prior to the disorder's onset (exceeding 130 hours) compared to the previous month. His struggling to respond to customer complaints is confirmed as a factor behind this. Instances of mental disorder arising from such circumstances are also found among cases in which workers have progressed along their career paths to some extent

and are charged with stressful tasks. When actual disorders appear, a certain degree of correspondence concerning the heaviness of the sufferer's workload can be seen between the sufferer and his or her workplace supervisors and colleagues. In not a few cases, the sufferer was highly evaluated. At any rate, it is fair to say that workplace care in terms of excessive work burdens and health was insufficient.

#### V. Conclusion

In this study, we analyzed cases of overworkrelated mental disorders among younger workers who were 39 years of age or younger at the time that their disorder appeared. Our method involved comparing the awareness of the sufferers themselves and that of their workplace supervisors and colleagues, and then clarifying the background situation that caused each awareness. Even in cases which are recognized largely based on long working hours, it is not only actual length of working hours but also consciousness of quotas and responsibilities, job-related failures, interpersonal relationships, and other factors that can lead to deteriorating health. There are also cases in which a demanding manner of work may not initially appear to be problematic, but perception of the workload gradually (or suddenly at some point) changes and results in a disorder. Moreover, when a certain way of doing a job or working becomes accepted as a matter of course in a workplace, the workload assumed by individuals and signs of change in health are easily overlooked.

The question of how to manage the volume and quality of employees' work as well as their health is a difficult one. However, case analyses reveal that conventional corporate culture and industry practices which are accepted as 'natural,' and therefore whose abnormality has become hard to see, create the background upon which overwork-related industrial accidents occur. It is now required to improve labor environments and review workplace cultures.

<sup>1.</sup> See MHLW (2019).

<sup>2.</sup> See Kitanaka (2012). In light of Supreme Court decisions concerning overwork-related suicides, the government created a framework for clarifying the cause-and-effect relationship between stress in the workplace and mental disorders using

Stress Evaluation Tables and other tools for recognizing mental disorder-related industrial accidents.

- 3. See Takahashi (2019) and Yamauchi et al. (2018).
- 4. See Takahashi (2019).
- 5. See Takahashi (2019).

6. The mental disorders covered by the recognition criteria are those classified under Chapter V (Mental and behavioral disorders) of International Classification of Diseases and Related Health Problems, Tenth Revision (ICD-10). Disorders attributable to dementia, head injury, and the like (F0) and disorders due to use of alcohol or substances (F1) are excluded. Representative disorders whose onset may be work-related include depression (F3) and acute stress disorder (F4). See MHLW (2011).

7. See Yamauchi et al. (2018).

8. Although Yamauchi et al. (2018) is important as a study that analyzes the nature of the stress, it is oriented toward grasping quantitative trends. For detailed case studies in Japanese literature on industrial accidents involving mental disorders that focus on the processes by which the cases progressed and concerned parties' awareness, Kawahito (2014) and Kumazawa (2018) conduct detailed studies focused on overwork-related suicides; however, few case studies cover living cases.

9. Only cases of regular employees in business establishments with ten or more employees are included in this analysis.

10. The Research Center for Overwork-Related Disorders established within National Institute of Occupational Safety and Health, Japan (JNIOSH) collects these materials and makes them available for research. Participation in the planning of research projects takes place as part of joint research by JILPT and JNIOSH.

11. Twenty cases are presented in Chapter 2 of JILPT (2020), which is the basis of this paper.

12. In some cases, supervisors and colleagues' view is that overtime will naturally increase during busy periods, or that busyness is just a part of the industry. There are also cases in which the manner in which the sufferer did his or her job was considered to be more problematic than the workload assigned to him or her, cases in which it was claimed there was a problem in the basic abilities of the sufferer as a working member of society (e.g., in terms of communication skills, etc.), and cases in which the sufferer's lifestyle habits were considered to be problematic.

13. Workplace supervisors and colleagues point out that sufferers' view of responsibilities and quotas largely comes from sufferers' personalities and characteristics. Observed character evaluations include "personality with a strong sense of responsibility" and "personality that tackles tasks by themselves without leaving them to others," for example.

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# Do Educational Loan Programs Exempting Repayment of School Expense Lent by Hospitals on Condition of Working for Certain Periods Violate Article 16 of the Labor Standards Act?

The Kyoyukai Misumi Hospital Case Hiroshima High Court (Sept. 6, 2017) 1202 Rodo Hanrei 163

#### HOSOKAWA Ryo

#### I. Facts

 $X_1$  passed the entrance examination for School of Assistant Nursing A in March 2005, and was hired by Y, a medical corporation that manages hospitals, to work as a nursing aide starting on April 1 that year while attending school. In February 2007,  $X_1$ passed the Assistant Nursing Examination, and in March that year graduated from School of Assistant Nursing A. Y suffered from a chronic shortage of nurses, and encouraged staff who were working while attending School of Assistant Nursing A to obtain nurse certification. Thus, starting in April,  $X_1$  attended Nursing School B while working as an assistant nurse in Y. Afterward  $X_1$  passed the nurse examination, graduated from B in March 2010, and has been working at Y as a nurse since April 1, 2010.

Y had a program offering interest-free educational loans for those who wanted to work for Y. Its main contents were as follows:

—Educational Loan period is from the day the loan is decided upon until the month the borrower graduates from school (Article 2 of the loan agreement).

—Borrowers who have graduated from school and worked at Y for certain years (4 years after graduation for assistant nurses, or 6 years for nurses) are fully exempt from repayment (Article 5 of the loan agreement).

-Educational loans must be repaid in full under the following circumstances, although repayment may be reduced in amount, waived, or delayed when students withdraw from school or resign from their jobs due to unavoidable reasons such as illness (Article 6 of the loan agreement).



(1) If a student withdraws from school

(2) After obtaining certification, if a student does not work for Y, or resigns from Y before the prescribed period has elapsed

When enrolling at schools A and B,  $X_1$  submitted an educational loan application to Y and received the loan, with  $X_2$ , the father of  $X_1$ , as the guarantor.  $X_1$  decided to resign from Y in or around May 2014. On asking Y's medical office manager C and section chief D about potential contract issues that would be raised by resignation,  $X_1$  was not told that educational loan repayment would be required. Under these circumstances  $X_1$  resigned on August 20, 2014.

Y filed a lawsuit against  $X_1$  and guarantor  $X_{2,}$  seeking full repayment of the educational loan to  $X_1$  on the grounds that  $X_1$  resigned before working for the prescribed number of years. The first instance (Yamaguchi District Court, Hagi Branch [Mar. 24, 2017] 1202 *Rohan* 169) dismissed Y's claim, and Y appealed.

#### II. Judgment

The Hiroshima High Court dismissed Y's appeal (Y's demand for payment). The following is an

overview of the court's judgment.

(1)  $X_1$  and  $X_2$  claim that repayment is not required, and that a requirement for the educational loan to be repaid was not explained to them. However, it is clear that the document submitted by  $X_1$  is a loan application. Also, a guarantor was required for this educational loan. Therefore, it cannot be said that there was no agreement to repay the loan.

(2) However, of the funds loaned by Y to  $X_1$ , the portion loaned to  $X_1$  when the latter was attending School of Assistant Nursing A is exempted from repayment because, as stipulated by the regulations,  $X_1$  worked for Y for 4 years or more after graduating from School A.

(3) Article 16 of the Labor Standards Act (LSA) stipulates that "Employers shall not make a labor contract which predetermines either a sum payable to the Employer for breach of contract or an amount of compensation payable for damages," and this could also be applied to loan agreements (formally signed independently of labor contracts).

Therefore, in the light of the purpose and content of this educational loan, the loan can be judged as violating Article 16 of the LSA if the obligation to repay the loan is deemed to unduly restrict  $X_1$ 's freedom to resign from a job.

Article 14 of the LSA stipulates that the period of a fixed-term labor contract is, as a basic rule, limited to 3 years. Therefore, whether this case can be judged as "unduly restricting freedom to resign from a job," and whether the period for which the employee is effectively prohibited from resigning is longer than 3 years, should be considered important criteria here.

(4) Y recommended that  $X_1$  attend nursing school due to Y's need to secure nurses. Thus, the fact that  $X_1$  acquired a nurse certification is directly related to  $X_1$ 's working for Y.

There was an agreement between Y, and  $X_1$  and  $X_2$  stipulating the latter's repayment of the educational loan (see [1]). On the other hand, explanation of the agreement's contents was insufficient, and at the time  $X_1$  submitted a letter of resignation,  $X_1$  was unable to recognize these contents clearly.

The period of nurses' full exemption from

repayment is 6 years, far longer than the maximum length of a fixed-term labor contract stipulated by the LSA. Y asked for full repayment, ignoring the fact that  $X_1$  worked at Y for 4 years and 4 months after obtaining a nurse certification. The amount Y sought to have  $X_1$  and  $X_2$  repay was 10 times  $X_1$ 's base salary. Thus, the actual effect of the obligation to repay it was to seriously restrict  $X_1$ 's freedom to resign.

(5) Based on the above, the agreement drawn up by Y stating that  $X_1$  is to repay educational loan for Nursing School B, containing provisions regarding the period of exemption from repayment obligation and obligations to repay in the case stipulated in Article 6, constitutes an economic obstacle that unduly restricts  $X_1$ 's freedom to resign and as such violates Article 16 of the LSA. Therefore, the contract between Y and  $X_1$  relates to financial aid as a benefit and does not contain an agreement to repay. As a result, Y's demand for repayment is invalid.

#### **III.** Commentary

The matter disputed in this case is the legality of a system in which staff working at a hospital who have made a loan for the school expense of nursing school to obtain a nurse certification, and are expected to be exempted from repayment on condition of working for the hospital for a certain period after obtaining the certification (if they leave the job during this period, they are required to repay the loan).

Article 16 of the LSA prohibits employers from "making a labor contract which predetermines either a sum payable to the Employer for breach of contract or an amount of compensation payable for damages." In pre-World War II Japan, many employers had an unethical practice of imposing penalties for leaving jobs or returning to hometowns in the middle of a contract period, in effect, restricting workers' freedom and rendering them subservient. Article 16 of the LSA was established to prevent such undue restrictions by employers.

Today, employers sometimes bear the cost of workers' training or study abroad in order to have workers enhance abilities and vocational skills, or obtain certifications. If workers then immediately resign after they have obtained certifications, etc., it becomes a total loss for employers. For this reason, it is a common practice for employers to "make a loan plan" covering the cost of the study to workers, and exempt them from repayment of the loan if they work for the employer for a certain period after the completion of study (if they resign during this period, they will be liable for repayment.) Contracts of this nature appear to stipulate "a sum payable to the Employer for breach of contract if a worker does not work for a certain period." Thus, whether this violates Article 16 of the LSA is an issue for debate.

Court decisions on such cases are divided. Some have found that workers by rights ought to be liable for voluntary educational expenses (without immediate relation to work), and a system in which they are exempted from repaying loans for such expenses on the condition of working for a stipulated period does not violate Article 16 of the LSA. On the other hand, requiring payment if employees do not work for a certain period when education constitutes vocational training (and/or is ordered by the employer) is in violation of said Article. However, it is difficult to distinguish between these two types of cases. More specifically, courts take the following factors into consideration: (i) Whether study, etc. is voluntary or involuntary-whether it is workers' option or order by the employer, (ii) Relevance between the content of study, etc. and work-if it is barely relevant, a loan, etc. is considered support for voluntary study, whereas if it is highly relevant, it is considered an expense that ought to be borne by employers, (iii) Reasonableness of conditions for exemption from repayment—if the amount to be repaid is too large or the period to be worked in order to be exempted from repayment is too long, it is deemed to "unduly restrain" the employee, (iv) Reasonableness of repayment procedures-if payment in installments is accepted, or amount to be repaid is reduced according to years of service after completing the education the procedure is deemed not to be unreasonable as the restricting effect on employees is small. These factors are comprehensively considered, and a judgment is made on whether conditions constitute "unduly

restricting freedom of resignation."

In this case, the issue is a loan of school expense to obtain nurse certification (national license), thus the relation between the certification acquired through study and the work performed for the employer is very strong. Underlying the conditions imposed is a shortage of nurses at Y. Therefore, it can be judged that demanding repayment of an educational loan when an employee resigns within a certain period prevents the employee from resigning by imposing the cost which should be borne by employers as their business cost. The court's judgment of violating Article 16 of the LSA is considered valid.

However, the following key feature of this decision should be noted. There was an emphasis on the period of service required before exemption from repayment, with the maximum length of a fixed-term labor contract stipulated by the LSA as the standard. Article 14 of the LSA states that the period of a fixed-term labor contract is, as a basic rule, limited to 3 years. The purport of Article 14 of the LSA is that an overly long contract period prevents workers from resigning and unduly restricts their freedom. However, some questions can be raised with regard to this reasoning.

First, regarding the maximum length of a fixedterm labor contract under Article 14 of the LSA, a supplementary provision states that a worker can resign freely once one year has passed after conclusion of a labor contract (Supplementary Article 137 of the LSA). This supplementary provision was added out of concern that a 3-year fixed-term labor contract could have the effect of unduly restricting personal freedom to leave jobs. Thus, when the court decision refers to the maximum length of fixed-term contracts that limits freedom of resignation, the provision to be referenced should not be Article 14, but Supplementary Article 137 of LSA, which stipulates that workers are free to resign after 1 year. However, this court decision overlooks Supplementary Article 137.

Second, the scope of cases that reference the limit on length of fixed-term labor contracts as defined by Article 14 of the LSA is not clear. One precedent was a case regarding voluntary study-abroad expenses that had a low degree of relevance to work, and a system of exempting repayment on the condition of 5 years of service was judged to be legally valid (the *Nomura Securities Co.* Case, Tokyo District Court [Apr. 16, 2002] 827 *Rohan* 40). Another provision, although it relates to public officers, which sets the period of service required for exemption from repayment of expenses at 5 years, in cases where officers resign of their own accord after studying abroad (Act on Reimbursement of National Public Officers' Expenses for Studying Abroad Article 3, paragraph 1, item 2).

In addition, generally in such cases regarding educational loan program and repayment of school expense, if it is judged that Article 16 of the LSA is being violated, then repayment of the full amount of expenses is exempted, but if Article 16 is not violated, then employers can seek repayment of the full amount of expenses (within the scope of the system established by employers), and it has been pointed out that it is not appropriate to come to an "all or nothing" conclusion in such cases (Takashi Araki, *Rodoho* [Labor and employment law], 3rd ed. [Tokyo: Yuhikaku, 2016] 77). The above-mentioned Act on Reimbursement of National Public Officers' Expenses for Studying Abroad states that if an officer resigns within 5 years after studying abroad, the amount to be repaid is not the full amount, but rather is proportionally reduced according to the length of service after studying abroad.

The Kyoyukai Misumi Hospital case, Rodo Hanrei (Rohan, Sanro Research Institute) 1202, pp.163–168. See also Rodokeizai Hanrei Sokuho (Rokeisoku, Japan Federation of Employers' Associations) 2019, pp. 3–16.

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# **Statistical Indicators**

### I. Main Labor Economic Indicators

#### 1. Economy

The Japanese economy is still in a severe situation due to the Novel Coronavirus, but it is showing movements of picking up recently. Concerning short-term prospects, the economy is expected to show movements of picking up, supported by the effects of the policies and improvement in overseas economies while the socio-economic activities will be resumed with taking measures to prevent the spread of infectious diseases. However, attention should be given to the risk that domestic and overseas infections would affect economies. Also, full attention should be given to the effects of fluctuations in the financial and capital markets (*Monthly Economic Report*,<sup>1</sup> August 2020).

#### 2. Employment and unemployment

The number of employees in July decreased by 920 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.9%.<sup>2</sup> Active job openings-to-applicants ratio in July, seasonally adjusted, was 1.08.<sup>3</sup> (Figure 1)

#### 3. Wages and working hours

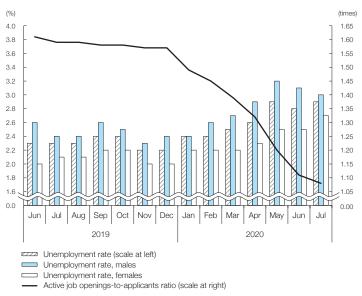
In June, total cash earnings decreased by 2.0% year-on-year and real wages (total cash earnings) decreased by 2.1%. Total hours worked decreased by 4.0% year-on-year, while scheduled hours worked decreased by 2.4%.<sup>4</sup> (Figure 2)

#### 4. Consumer price index

In July, the consumer price index for all items increased by 0.3% year-on-year, the consumer price index for all items less fresh food remained the same level as the previous year, and the consumer price index for all items less fresh food and energy increased by 0.4%.<sup>5</sup>

#### 5. Workers' household economy

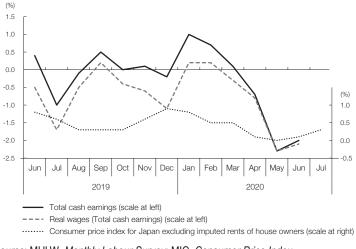
In July, consumption expenditures by workers' households decreased by 10.1% year-on-year in nominal terms and decreased by 10.4% in real terms.<sup>6</sup>



Source: Ministry of Internal Affairs and Communications (MIC), Labour Force Survey; Ministry of Health, Labour and Welfare (MHLW), Employment Referrals for General Workers.

Note: Active job openings-to-applicants ratio indicates the number of job openings per job applicant at public employment security. It shows the tightness of labor supply and demand.

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



Source: MHLW, Monthly Labour Survey; MIC, Consumer Price Index.

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

For details for the above, see JILPT Main Labor Economic Indicators at https://www.jil.go.jp/english/estatis/eshuyo/index.html

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. https://www5.cao.go.jp/keizai3/getsurei-e/index-e.html

<sup>2.</sup> https://www.stat.go.jp/english/data/roudou/results/month/index.html

 $<sup>3.\</sup> https://www.mhlw.go.jp/english/database/db-l/general\_workers.html$ 

<sup>4.</sup> For establishments with 5 or more employees. https://www.mhlw.go.jp/english/database/db-l/monthly-labour.html

<sup>5.</sup> https://www.stat.go.jp/english/data/cpi/index.html

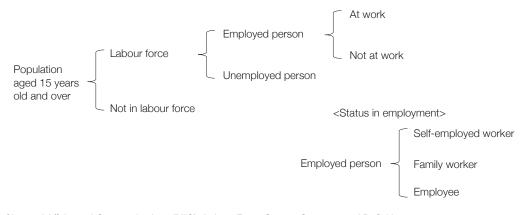
<sup>6.</sup> MIC, Family Income and Expenditure Survey. https://www.stat.go.jp/english/data/kakei/index.html

#### II. Impacts of the COVID-19 pandemic on employment and unemployment

There are growing concerns that COVID-19's spread will have a significant impact on employment by retarding economic activity in Japan. The following outlines the most recent trends shown in statistical indicators relating to employment. See JILPT website *Novel Coronavirus* (*COVID-19*) for the latest information (https://www.jil.go.jp/english/special/covid-19/index.html).

#### 1. Employment and unemployment

#### (1) Definitions of Labour Force Survey



Source: Ministry of Internal Affairs and Communications (MIC), Labour Force Survey, Concepts and Definitions. https://www.stat.go.jp/english/data/roudou/pdf/definite.pdf

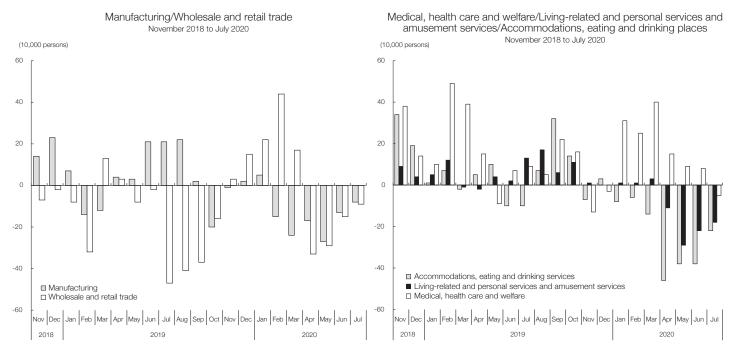
#### (2) Labor force

#### Table 1. Labor force

(10,000 persons)

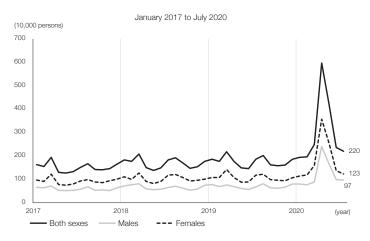
		Labor force				
		Total	Employed person		Unemployed person	
				Not at work		
2017		6,720	6,530	151	190	
2018		6,830	6,664	169	166	
2019		6,886	6,724	176	162	
2020	January	6,846	6,687	194	159	
	February	6,850	6,691	196	159	
	March	6,876	6,700	249	176	
	April	6,817	6,628	597	189	
	May	6,854	6,656	423	198	
	June	6,865	6,670	236	195	
	July	6,852	6,655	220	197	

Source: Compiled by JILPT based on Ministry of Internal Affairs and Communications (MIC), Labour Force Survey (Basic Tabulation)(unadjusted values).



Source: Ministry of Internal Affairs and Communications (MIC), Labour Force Survey (Basic Tabulation).<sup>7</sup>

Figure 3. Number of employed persons by main industry (unadjusted values, year-on-year change)

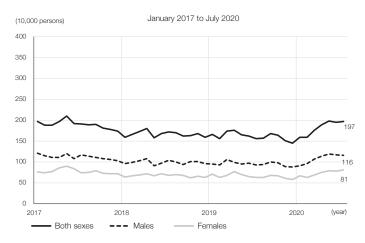


Source: MIC, Labour Force Survey (Basic Tabulation).8

Figure 4. Number of employed persons not at work (unadjusted values, by sex)

<sup>7.</sup> For up-to-date information and further details, see https://www.jil.go.jp/kokunai/statistics/covid-19/c01.html#c01-1 (in Japanese).

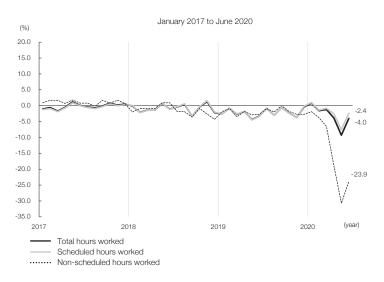
<sup>8.</sup> For up-to-date information and further details, see https://www.jil.go.jp/kokunai/statistics/covid-19/c23.html (in Japanese).



Source: MIC, Labour Force Survey (Basic Tabulation).9

Figure 5. Number of unemployed persons (unadjusted values, by sex)

#### 2. Working hours



*Source*: Compiled by JILPT based on MHLW, "Monthly Labour Survey."<sup>10</sup> *Notes*: 1. Beginning in June 2019, values are based on a complete survey of "business establishments with 500 or more employees." 2. "Business establishments with 500 or more employees" for the Tokyo metropolitan area are re-aggregated beginning in 2012.

Figure 6. Total hours worked, scheduled hours worked, and non-scheduled hours worked (year-on-year change, total of full-time employees and part-time workers)

For the up-to-date information, see JILPT Main Labor Economic Indicators at https://www.jil.go.jp/english/estatis/eshuyo/index.html

9. For up-to-date information and further details, see https://www.jil.go.jp/kokunai/statistics/covid-19/c03.html#c03-1 (in Japanese).

10. MHLW, *Monthly Labour Survey*. https://www.mhlw.go.jp/english/database/db-l/monthly-labour.html. For up-to-date information and further details, see https://www.jil.go.jp/kokunai/statistics/covid-19/c11.html#c11-1 (in Japanese).

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