

# Japan Labor Issues

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August-September 2021

Volume 5 Number 33

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“Toward a Reiwa Society Where All Women and Girls Can Thrive and Achieve Their Full Potential”

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## Key topic

# The MHLW Study Group Proposes the Direction of Employment Policy for Post-COVID-19

On December 24, 2020, the Employment Policy Study Group of the Ministry of Health, Labour and Welfare (MHLW), chaired by JILPT President Yoshio Higuchi, compiled a report entitled *Strengthening of the Labor-Market Safety Net Functions and Promotion of Employment Policy and Work Style Through Digital Technologies During the Coronavirus Pandemic* (referred to below as “the report”). Levels of socio-economic activity are fluctuating in sensitive response to the state of the pandemic, and the report notes the need for “flexible and effective employment policy measures” as employment and unemployment levels are expected to continue undergoing “short-term situational change,” and for measures to address irreversible changes such as the adoption of digital technologies.

The report summarizes future directions in employment policy, dividing issues arising from the COVID-19 pandemic into “newly emergent issues” and “issues requiring accelerated response.” Based on this report, MHLW intends to take necessary measures and promote employment policy in response to changes in socio-economic structure and working styles, in anticipation of the post-COVID-19 future.

## I. Newly emergent issues

### 1. Strengthening of the labor-market safety net

The COVID-19 pandemic’s wide-ranging effects on employment and unemployment situation have caused various issues to become apparent, including a rise in the numbers of employed persons not at work, adverse impacts on non-regular employees and female workers, and an increasing number of

employment mismatches and discouraged workers (persons willing and able to work but not seeking employment due to perceived unavailability of suitable jobs). Under these circumstances, special measures for the employment adjustment subsidies (EAS) have been implemented to strengthen the safety net functions of the labor market. Also, grants and allowances for those taking temporary leave (“furlough”) have been created to respond to the COVID-19 pandemic, for which individual workers can apply directly. In light of sharp drops in non-regular employment, various measures have been taken such as strengthening the career counseling support system for non-regular workers at *Hello Work* (public employment security offices) and expanding the scope of job-seeker support training to include those not eligible for employment insurance.

The number of employed persons not at work surged in April and May 2020, but their employment has been secured thanks to the effects of the EAS and other factors, and thus they have returned to work. However, there is a concern that prolonged leave may lead to declines in worker motivation and productivity. Based on this perception, the report calls for continued support for education and training courses through the EAS and support for receiving companies (companies to which workers transfer from elsewhere) through labor mobility support subsidies. In addition, the report calls for establishment of subsidies for both sending companies and receiving companies; strengthening of the matching system run by the Industrial Employment Stabilization Center (established in

1987), which provides free support for reemployment and employee transfer between companies; and support to improve the experience and skills of employees through utilization of career counseling.

## **2. Prevention of workers' unwillingly leaving the labor force**

The industries like “Accommodations, eating and drinking services,” “Retail trade,” and “Medical, health care and welfare” are characterized by a high percentage of part-time (non-regular) female workers, and as a result the pandemic is having a relatively larger impact on female non-regular employment in such industries. The report states that it is important to prevent workers from unwillingly leaving the labor force, by eliminating mismatches and providing support for swift reemployment. With this goal, according to the report, *Mothers' Hello Work* (public employment security offices specializing in services for mothers who want to return to the labor market) are offering support based on the various needs of female job seekers, such as providing them with one-on-one vocational counseling and employment placement, while pursuing job openings with telework options that make it easier to combine work and family obligations.

## **3. Labor mobility without despair**

During the global financial crisis of 2008 and 2009, those who had lost employment frequently found jobs in person-to-person service industries and so forth. The current crisis is characterized by a growing number of mismatches even in the service sector, and there are concerns that those willing to change jobs are unable to find them without significant time spent job hunting. Under these circumstances, the report outlines the goal of “labor mobility without despair,” in addition to the existing principle of “labor mobility without unemployment.” “Labor mobility without despair” means moving to a new job which makes it possible to realize physical, mental, and social well-being and improved productivity, even with some time spent job hunting. Such labor mobility should be supported by specific

measures including career counseling, vocational training for those who have lost jobs, and re-employment support with the aid of tools such as Japan O-NET (Occupational Information Network) (launched in March 2020 by the MHLW) and the Job Card System (a system that records information such as personal history and work experience, which can be used over the course of a lifetime for career development and job-hunting activities), according to the report.

## **4. Coordination with industrial policy and livelihood support measures**

Based on these emergent issues, with regard to future employment policy directions, the report calls for coordination with various policies such as industrial policies and measures for livelihood support, as well as a package of comprehensive employment measures including support for securing employment, reemployment support, and support for workers seeking labor mobility. Also, as companies' economic activities and job seekers' employment-seeking activities are sensitive to changes in the pandemic situation, such as the number of new COVID-19 cases, employment measures must also be able to respond flexibly to changes that occur in the future.

# **II. Issues requiring accelerated response**

## **1. Promotion of digitization of employment policy'**

The *Declaration to Be the World's Most Advanced Digital Nation: Basic Plan for the Advancement of Public and Private Sector Data Utilization* (approved by cabinet decision of July 17, 2020) states that it is necessary to accelerate the shift to online communication for administrative procedures and so forth, which were previously premised on face-to-face communication. With the establishment of a “new normal” in response to the pandemic, there is a greater need than ever to address the digitization of administrative processes. There are job seekers both currently employed and unemployed who are refraining from coming to *Hello Work* to seek employment due to concerns over COVID-19, and vocational counseling at *Hello Work* has been

conducted online on a trial basis. Applications for the EAS are also being accepted online. The report cites steady implementation of online public vocational training as a direction for digitization of employment policy in the future. In addition, applications for other employment-related grants will be accepted online (scheduled for March 2023), and at *Hello Work* the whole process from acceptance of job seekers' applications for placement (scheduled to be online from September 2021) to placement with employers will be completed on the Internet (employers' applications for recruitment are already being accepted online), according to the report.

## **2. Improvement of recruitment and job placement services**

It needs to be possible to carry out the job hunting process remotely and without human contact. The report suggests that *Hello Work* should provide people with difficulty in employment with, in addition to face-to-face services, continuous support while maintaining "connections" with the aid of online communication, as well as more personalized support according to users' situations and needs using resources such as Japan O-NET. In terms of support for employers, Japan O-NET and the Job Card System are to be utilized to support companies which cultivate human resources. Besides, the report proposes providing comprehensive proposal-oriented counseling in order for companies to secure and train human resources and improve employment management in light of changes in the labor market and working styles. In this context, the report highlights the need to strengthen human resource development on the administrative side, such as improving the career counseling ability of *Hello Work* staff and utilizing digital technologies.

## **3. Implementation and dissemination of telework guidelines**

After the COVID-19 pandemic began, work styles with the aid of digital technologies, such as telework and videoconferencing systems, became more prevalent. However, while telework expanded rapidly as the pandemic spread, there was a

subsequent reversion to the standard work-at-the-office model. Many people and companies adopted telework as an emergency measure, but it did not gain ground in any permanent sense after the state of emergency was lifted. At the same time, workers and companies that have telework options in place are exercising them, and telework is becoming a more established paradigm. The report emphasizes the need for constant promotion and establishment of telework from the perspective of enhancing diverse work styles over the medium to long term, aside from the immediate concerns over the infectious disease.

The report builds on discussions by the MHLW Study Group on Remote Working Styles of the Future with regard to managing working hours via telework, scope of applicability, issues related to labor management when shouldering the costs of implementing telework and so on. The report calls for revising and appropriately disseminating the *Guidelines for the Appropriate Introduction and Implementation of Remote Work Using Information and Communications Technologies* which was compiled by this Study Group. Regarding work styles with the aid of digital technologies, the report suggests that both labor and management discuss approaches to working hours, optimal management strategies, personnel evaluations, human resource development and so forth within companies.

## **4. Improvement of ability to respond to changes and crises**

With regard to unforeseen crises, it is important not only to respond flexibly after the fact, but also to boost general responsive ability in advance. The COVID-19 pandemic dramatically underscored the importance of strengthening our ability to respond to changes and crises. From this perspective, the report points out that in order to improve individual employees' abilities to respond to changes and crises, it is vital that they acquire learning habits that allow them to come into contact with diverse values, and that they are offered an easily accessible learning environment. The report also recommends that the contents of Japan O-NET be enriched in

order to visualize the skills required for desired careers and promote independent reskilling (returning to education and training). Based on this, the report suggests that companies utilize the system for

personnel management and so forth and that individuals use it to gain a picture of the skills they lack and are more easily able to have access to the necessary vocational training resources.

## Key topic

# The Fifth Basic Plan for Gender Equality “Toward a Reiwa Society Where All Women and Girls Can Thrive and Achieve Their Full Potential”

The Japanese government approved The Fifth Basic Plan for Gender Equality: Toward a Reiwa Society Where All Women and Girls Can Thrive and Achieve Their Full Potential (hereinafter “the Fifth Plan”) through a Cabinet decision on December 25, 2020. Based on the Basic Act for Gender Equal Society, the plan establishes a basic policy direction and specific initiatives to be achieved by FY2025 as well as 89 targets.

The Fifth Plan starts off by stating the following four items as visions of an ideal society.

- (1) A fair, highly diverse, vibrant, and sustainable society in which men and women can fully display their individuality and abilities
- (2) A society in which the human rights of men and women are respected and people can live with dignity
- (3) A society in which work and daily life are balanced and both men and women can lead fulfilling lives at work, in society, and at home
- (4) A society that works with the international community in achieving the inclusive and sustainable world envisioned by the Sustainable Development Goals (SDGs)

The plan then arranges and presents specific policies based on three mainstays: “expansion of women’s participation in all fields,” “realization of safe and secure living,” and “establishment of the foundation for a gender-equal society.”

## I. Expansion of women’s participation in all fields

The Fifth Plan puts forth four initiatives to

expand women’s participation in all fields. They are (i) expansion of women’s participation in policy decision-making processes, (ii) promotion of gender equality in employment and work-life balance, (iii) promotion of gender equality in the community, and (iv) promotion of gender equality in science and technology and academic fields. With regard to (i), the plan notes that women account for 51.3% of Japan’s population and 51.7% of its eligible voters and that the public’s values are becoming more diversified. And it states that the participation of both women and men in all fields and advancement of women’s activities will “create an affluent and vibrant society that can adapt to changes in socioeconomic circumstances and lead to a society that is comfortable for all people by securing diverse viewpoints.”

### 1. Raising the proportion of women in leadership positions to “30% by the early 2020s”

In 2003, the Gender Equality Bureau Cabinet Office (established in 1994) put forth a target of achieving “the proportion of women in leadership positions in all areas of society would reach at least 30%” by 2020. The Fifth Plan states that, although active initiatives have been implemented by the public and private sectors, “it cannot be said that achievement is near at present.” For reasons behind this analysis, the plan mentions the difficulty of balancing the duties of being a candidate or lawmaker with family life in the case of politics, the fact that a “pipeline” for the advancement of women to management and executive positions is still being built in the economic field, and the existence of



stereotyped perceptions of gender roles in society as a whole. The Fifth Plan sets forth a goal of realizing a society in which gender ratio is balanced among people in leadership positions and in which everyone can be active regardless of gender before the 2030s. Toward this target, it sets the “promotion of measures aimed at raising the proportion of women in leadership positions to about 30% of the total as early as possible during the 2020s” as a milestone. Looking at specific initiatives, the government will, based on the Act on Promotion of Gender Equality in the Political Field (promulgated and put into effect in 2018), urge political parties to set a goal of striving to achieve a proportion of female candidates in national elections at least 35% by 2025. It will encourage local government assemblies to develop environments that make it easier for male and female members to play active roles. The focus here includes balancing assembly activities with home life and preventing harassment. The government will also urge concerned bodies to raise the percentage of women among all judges, including supreme court justices.

## **2. The increasing importance of work-life balance**

Thus far, the government has promoted corporate initiatives based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace and laws concerning work-style reform as well as active public/private initiatives that include developing organizations to handle childcare and supporting work-life balance. The Fifth Plan addresses the current situation by pointing out that there are 2.31 million women who desire to work but do not seek employment due to child-rearing and nursing care duties (2019). Additionally, the plan finds that “it is likely that, due to stereotyped perceptions of gender roles, a considerable number of women do not desire employment despite having sufficient vocational ability.” It states that work-life balance obtained through diverse and flexible ways of working (including responses to childbirth, child-rearing, nursing care, and other duties) is becoming increasingly important in promoting gender equality in employment.

## **3. Setting a 70% target for the annual paid leave-taking rate**

As a concrete measure for realizing work-life balance, the Fifth Plan mentions the strengthening of supervision and guidance systems to ensure the provision of legally established working conditions and rectify long working hours. It sets a target of keeping the proportion of employees working 60 hours or more per week at no more than 5.0%. Additionally, it calls for intensive publicity with attention to the seasons during which taking consecutive days off is comparatively easier. This aims to cultivate opportunities for taking annual paid leave as established in the Labor Standards Act. And the plan puts forth a target of achieving a 70% annual paid leave-taking rate<sup>1</sup> for employees in all companies by 2025. Further, to encourage the introduction of work-interval system which ensures workers get enough rest on a daily basis, the plan calls for widespread publicity of introduction manuals and leading examples based on the characteristics of occupational classifications and business categories (see Table 1).

## **4. Setting a 30% target for the male childcare leave-taking rate**

As an initiative for realizing diverse and flexible ways of working, the Fifth Plan calls for ensuring the execution of the Child Care and Family Care Leave Act so that workers can continue employment by taking childcare leave and nursing care leave. Specifically, it calls for the introduction of new frameworks that encourage men to take leave immediately after their spouses give birth. Furthermore, it calls for study toward making it mandatory for employers to provide notification of leave systems to individual workers who report their own or spouse’s pregnancy/childbirth and confirm those workers’ intention to take leave, as well as for study toward promoting public announcements of male workers’ childcare leave rates in companies. It will submit the necessary bill to the ordinary Diet session of 2021. The plan includes as a target the achievement of a 30% childcare leave-taking rate among men in private enterprises<sup>2</sup> by 2025.

Table 1. The Fifth Basic Plan for Gender Equality: Items, current states, and targets (in employment)

Item	Current state	Target (deadline)
Proportion of employees working 60 hours or more per week	Total: 6.4% Male: 9.8% Female: 2.3% (2019)	5.0% (2025)
Annual paid leave-taking rate	Total: 56.3% Male: 53.7% Female: 60.7% (2019 or FY2018)	70% (2025)
Proportion of enterprises providing opportunities for labor and management to discuss working hours, etc.	64.0% (2019)	All enterprises (2025)
Telework	—	(Note 1)
Male workers' childcare leave-taking rates in private enterprises	7.48% (FY2019)	30% (2025)
Number of enterprises earning the "Kurumin" certification mark (Note 2)	3,448 (End of September 2020)	4,300 (2025)
Employment rate for females aged between 25 and 44	77.7% (2019)	82% (2025)
Employment continuation rate for females before and after birth of first child	53.1% (2015)	70% (2025)
Proportion of females in each managerial position in private enterprises		
Section chief level or equivalent	18.9% (2019)	30% (2025)
Director level or equivalent	11.4% (2019)	18% (2025)
Department manager level or equivalent	6.9% (2019)	12% (2025)
Number of enterprises receiving certification ("Eruboshi" certification) based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace	1,134 (End of September 2020)	2,500 (2025)
Proportion of females among people starting new businesses (Note 3)	27.7% (2017)	At least 30% (2025)

Source: Cabinet Office, "The Fifth Basic Plan for Gender Equality" [https://www.gender.go.jp/english\\_contents/about\\_danjo/whitepaper/pdf/5th\\_bpg.pdf](https://www.gender.go.jp/english_contents/about_danjo/whitepaper/pdf/5th_bpg.pdf).

Notes: 1. Specific items and targets will be established with consideration for the situation of responses to the COVID-19 pandemic and subsequent changes in social circumstances.

2. An "enterprises earning the 'Kurumin' certification mark" is an enterprise that has been certified as supporting child-rearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

3. A "person starting a new business" is a person who changed jobs or took a new job within the past one year and who is currently an executive of a company, etc., or self-employed person who started a new business on his or her own.

## 5. Preventing harassment against job-hunting students

The Fifth Plan seeks to ensure the execution of the Act on Securing, Etc. of Equal Opportunity and

Treatment between Men and Women in Employment; Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members; and Act on

Comprehensive Promotion of Labor Measures, and Stabilization of Employment of Employees, and Enrichment of Their Working Lives as well as related guidelines. This is based on recognition that the realization of a society in which people desiring to work can play active roles regardless of their sex is premised on securing equal opportunities and treatment for men and women in employment. Such a society is achieved by eradicating discriminatory treatment on the basis of sex, sexual harassment in the workplace, and unfair treatment and harassment for reasons attributable to pregnancy, childbirth, childcare leave, or nursing care leave. Moreover, the plan notes that students engaged in job-hunting activities frequently encounter sexual harassment by company employees. To prevent such instances, the plan calls for efforts to ascertain the facts in surveys relating to the start of employment/recruiting activities. Also, concerned ministries and agencies will work together in making appropriate responses (such as promoting public knowledge and awareness of desired initiatives indicated in guidelines that are based on the Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment and accepting requests for consultation at the general labor consultation desks of prefectural labor bureaus).

#### **6. Supporting the development of female executives and managers**

The Fifth Plan calls for supporting corporate initiatives to expand women's participation in the workplace, correct gender-based disparities, and encourage women to demonstrate their abilities. Specifically, it urges the ascertainment and analysis of women's activities, establishment of targets based on the results, formulation of "plan of action for employers" aimed at achieving those targets, and the disclosure of information on their activities. It also calls for supporting the development of female executives and managers in companies through the clarification of senior position-oriented career paths that are adapted to life plans, the development and implementation of career development assistance programs, and the building of female manager

networks. It sets target proportions for female managers in private enterprises at 18% at the section chief level and 12% at the department manager level by 2025.<sup>3</sup>

#### **7. Adherence to the policy of aiming for a minimum wage with a national weighted average of 1,000 yen**

Non-regular employment, such as part-time employment, has positive significance in terms of meeting diverse employment needs. However, the fact that the percentage of non-regular employment in all employment is higher for women than men is a factor that makes women more prone to fall into poverty. Additionally, this situation, coupled with disparities between regular employees and non-regular employees, causes differences in treatment between men and women. The Fifth Plan seeks to eliminate unfair differences in treatment between regular employees and non-regular employees within the same company or organization in accordance with the Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers (executed in April 2020). It also calls for adherence to a policy aiming to raise the minimum wage to a national weighted average of 1,000 yen as soon as possible while persistently maintaining an environment that facilitates wage increases by raising productivity throughout the Japanese economy and by optimizing business relationships, etc.

#### **8. Building fair and highly diverse regional communities**

The Fifth Plan promotes gender equality in Japan's regions. The national government aims to build fair, highly diverse, and vibrant regional communities by eliminating deep-rooted stereotyped perceptions of gender roles in regional areas; incorporating and reflecting women's viewpoints in urban development, workplaces, etc.; and promoting women's participation in decision-making processes. These steps will be taken by working closely with local governments; regional communities; economic

and labor circles; organizations associated with agriculture, forestry, and fishery; and women's organizations. Specifically, the plan will support measures taken by local governments in accordance with regional circumstances through subsidies for women's empowerment in regions. These measures include establishing diverse and flexible ways of working, training female human resources to handle digital technologies, supporting women grappling with challenges and difficulties, relearning and career development, and business startups.

### **9. Fostering female human resources in science and technology to lead the next generation**

Although the percentage of women on research and technical jobs is growing, it still remains low compared to other countries. Percentage of women in science and engineering in the major fields of study among undergraduate and graduate students is comparatively low. Recognizing that systematic and long-term increases in the number of women proceeding to careers in research and technology will be required, the Fifth Plan calls for promoting gender equality in science, technology, and academic fields and sets a target of raising the proportion of women among all researchers hired by universities to 20% in science and 15% in engineering by 2025. Additionally, it sets a target of achieving year-on-year increases in the proportion of women among students enrolled in the science and engineering departments of universities toward developing female human resources in science and engineering who lead the next generation. The plan will achieve these targets by raising awareness regarding the advantages of choosing science and engineering among female schoolchildren and their parents/guardians and teachers, and by encouraging their selection of science/engineering-oriented paths.

## **II. Realization of safe and secure living**

The second mainstay policy for an ideal society is "realization of safe and secure living." Under the Fifth Plan, the government will tackle this from the following four angles.

### **1. Elimination of all forms of violence against women**

The Fifth Plan notes that violence against women is a serious violation of human rights, and that eliminating violence through initiatives aimed at prevention and injury recovery is a key issue for building a gender-equal society. It thus calls for the further promotion of movements to eliminate violence against women and the cultivation of social norms that never permit violence. It also urges responses that consider victims' human rights (e.g., by protecting privacy and ensuring safety and security) at municipal spousal violence counseling and support centers. It sets a target of increasing the number of such centers to 150 by 2025 (119 centers in April 2020).

### **2. Study toward reexamination of the child support system**

The plan calls for providing support with respect to poverty and other livelihood difficulties from the standpoint of gender equality and creating an environment that respects diversity. To support independence through stability in employment and daily life, it also requests thoroughgoing efforts to secure equal opportunities and treatment for men and women, the elimination of wage gaps between men and women, and support for continued employment and reemployment among women. And it urges prevention of harassment against women and promotion of work-life balance. Additionally, it calls for support for re-employment of child-rearing women and increased application of vocational training and subsidies at "Mothers Hello Work" job placement centers (opened in April 2006) so that parents and children in single-parent families can live with peace of mind. Furthermore, to cope with the endless instances of unpaid child support between divorced parents, the plan encourages effective publicity and public awareness through videos and pamphlets to promote agreements on such payments. It also requires the implementation of surveys and studies to secure payments and the study of legal revisions to reexamine the child support system. The provision of attorney-led child

support consultations for single-parents in all prefectures, ordinance-designated cities, and core cities by FY2024 is set as a target.

### **3. Alleviation of the financial burden of infertility treatments**

The Fifth Plan also provides support for lifelong health. It aims to develop systems providing specialized and comprehensive health and medical services adapted to women's mental and physical characteristics and promote linkage with welfare as part of the building of systems providing comprehensive health support. It will expand insurance coverage to alleviate the financial burden of infertility treatments. The plan will greatly expand the current subsidy system until insurance coverage is established. And it will enrich the functions of specialized infertility consultation centers with the aims of improving the supply of information on treatments for infertility and difficulty carrying pregnancy to term as well as consultation systems. It will also promote the development of workplace environments in which both men and women can balance work with infertility treatment. The establishment of infertility consultation centers in all prefectures, ordinance-designated cities, and core cities by FY2025 is set as a target.

### **4. Raising the proportion of women in disaster management councils to 30%**

The Fifth Plan will also promote gender equality with respect to disaster prevention/reconstruction and environmental issues in order to realize safe and secure living. The national government will integrate gender perspectives into disaster responses, and it will share recognition with local governments that women (including young women) are major actors at each stage of preparation, initial response, evacuation, and recovery/reconstruction and provide support to ensure local governments' promotion of initiatives that incorporate gender perspectives. As a target, it sets the achievement of 30% female membership in prefectural disaster management councils and municipal disaster management

councils, respectively, by 2025.

## **III. Establishment of the foundation for a gender-equal society**

The Fifth Plan's third mainstay for an ideal society concerns developing the foundation for a gender-equal society. The plan aims to tackle this from three angles: (1) development of systems based on gender perspectives, (2) promotion of men and women's awareness-raising and understanding of gender equality through education and the media, and (3) international cooperation and contributions concerning gender equality.

### **1. Study of systems that do not inhibit motivation to work**

In Japan, a taxpayer who has the "claimable spouse" defined in the Income Tax Act is eligible for a tax deduction (spousal deduction). Upper limit of spousal deduction was raised in FY2017 Tax Reforms for the reason that the deduction inhibited motivation to work. The Fifth Plan calls for efforts to continue publicizing the system and smoothly applying it. Moreover, as part of a reexamination of the social security system, it aims to promote expanded insurance coverage for "category-3 insured persons" who are supported by "category-2 insured persons" under the national pension scheme for company employees, public servants, and the like. It intends to advance studies toward decreasing "category-3 insured persons" who are supposedly inhibited motivation to seek employment based on the thinking of "working within the scope of the spouse's support" (so-called "working hours adjustment"). Additionally, it has been pointed out that the spousal allowances that companies pay to workers who have spouses are a factor behind working hours adjustment. The plan mentions the importance of urging labor and management to examine their spousal allowance systems for making them more neutral with respect to spouses' working, and it intends to continue creating an environment for this purpose.

The plan will also develop legislation concerning families. In Japan, a couple that gets married must



adopt the same family name. At present, discussions are underway concerning the introduction of an optional system for married couples that will allow them to use separate surnames. Concerning concrete systems for married couples' surnames, the plan states the government will "examine further with paying close attention to the opinions of citizens at all levels and discussions in the Diet and based on judicial rulings." Under the existing system, former names may also be noted on personal identification documents. The plan calls for making the current system widely known and for ensuring that people who changed their surnames do not feel inconvenienced or disadvantaged through uniform application of administrative systems.

## **2. Promoting the appointment of women as school principals and vice principals**

The Fifth Plan aims to promote men and women's awareness-raising and understanding of gender equality through education and the media. In the area of school education, it calls for action to promote the appointment of women as principals and vice principals and also women's participation in policy decision-making processes, and it sets as targets the attainment of a female proportion among primary and secondary education institution principals of 20% (15.4% in 2019) and among vice principals of 25% (20.5% in 2019) by 2025. In 2018 a problem discovered whereby the medical faculties of several universities conducted improper entrance exams that, for example, treated women and students who were retaking entrance exams unfairly or favored certain examinees. In light of this, the plan urges the disclosure of male-female pass rates for medical faculty entrance exams. It also calls for the active use of advertising and provision of content that contributes to gender equality in cooperation with newspapers, television, and internet media.

## **3. Collaboration and action toward achievement of the SDGs**

The government established a Sustainable Development Goals (SDGs) Promotion Headquarters comprised of all government ministers in 2016. Based on the "SDGs Implementation Guiding Principles, Revised Edition" that were approved by the headquarters, the Fifth Plan calls for the promotion and implementation of measures to achieve the SDGs in cooperation with a broad range of stakeholders as part of international collaboration and contribution concerning gender equality. Moreover, with respect to unconcluded conventions that have a deep association with gender equality, such as the "Discrimination (Employment and Occupation) Convention, 1958" (ILO Convention No. 111) and the "Convention concerning the Elimination of Violence and Harassment in the World of Work" (ILO Convention No. 190), the plan calls for "conducting concrete studies to arrange issues that can become problematic in their conclusion and paying continuous and sustained efforts toward their ratification."

1. The Labor Standards Act stipulates that, beginning in April 2019, employers must ensure that all workers whose legally mandated annual paid leave amounts to ten days or more take at least five days off each year. According to the Ministry of Health, Labour and Welfare's "General Survey on Working Conditions," the annual paid leave-taking rate in companies was 52.4% in 2019.

2. According to the Ministry of Health, Labour and Welfare's "Basic Survey of Gender Equality in Employment Management," the childcare leave-taking rate among male workers was 7.48% in FY2019. The childcare leave-taking rate among female workers stands at the 80% level, while that for men is low but rising (it was 7.48% in FY2019).

3. According to the Cabinet Office, the proportion of female managers in private enterprises in FY2020 was 11.4% at the director level and 6.9% at the department manager level.

# Accommodation and Food Services Workers amid the COVID-19 Crisis in Japan

TAKAHASHI Koji

## I. Background and objectives

Japan's "accommodations, eating and drinking services" (hereafter, "accommodation and food services")<sup>1</sup> industry has been struck particularly hard by the coronavirus disease (COVID-19) pandemic. Dining in large groups has been avoided as part of efforts to prevent droplet transmission, and non-essential and non-urgent long-distance travel (recreational travel and business trips, etc.) has also been restricted due to the risk of the movement of people leading to the spread of infection.

A questionnaire survey on enterprises by the Japan Institute for Labour Policy and Training (JILPT Enterprise Survey)<sup>2</sup> provides a comparison of figures for enterprises' production, sales, etc., personnel expenses, and numbers of workers in September 2020 with the same month of the previous year. It reveals that the percentage of enterprises that saw a decrease in production, sales, etc., the percentage of enterprises that saw a decrease in personnel expenses, and the percentage of enterprises that saw a decrease in number of workers were all highest in the accommodation and food services industry. According to the *Labour Force Survey* by the Ministry of Internal Affairs and Communications, the number of employed persons in the accommodation and food services division declined by 250,000 people from 2019 (average) to 2020 (average), the greatest extent of decrease among the divisions covered in the survey.

Amid this trend of decline, what is working life like for accommodation and food services workers?

While some aspects may be self-evident, this paper will utilize data from a JILPT questionnaire survey of individuals to outline the state of the careers, monthly income, and job satisfaction levels of such workers.



The data are drawn from the May 2020 Survey (first survey), August 2020 Survey (second survey), and December 2020 Survey (third survey) of the JILPT panel study "Survey on the Impact that Spreading COVID-19 Infection Has on Work and Daily Life."<sup>3</sup> The tabulation and analysis cover those respondents who were working as employees of private enterprises as of April 1, 2020, and who responded to all three surveys.<sup>4</sup>

Table 1 provides, for reference, a profile of accommodation and food services workers. This demonstrates that large proportions of accommodation and food services workers are women, young people, non-university graduates, people not responsible for earning a livelihood ("non-breadwinners"), and non-regular employees. The high percentages of women, young people, non-university graduates and non-regular employees in the accommodation and food services industry has likewise been observed in the Ministry of Internal Affairs and Communications' *Employment Status Survey* (2017).

## II. Careers

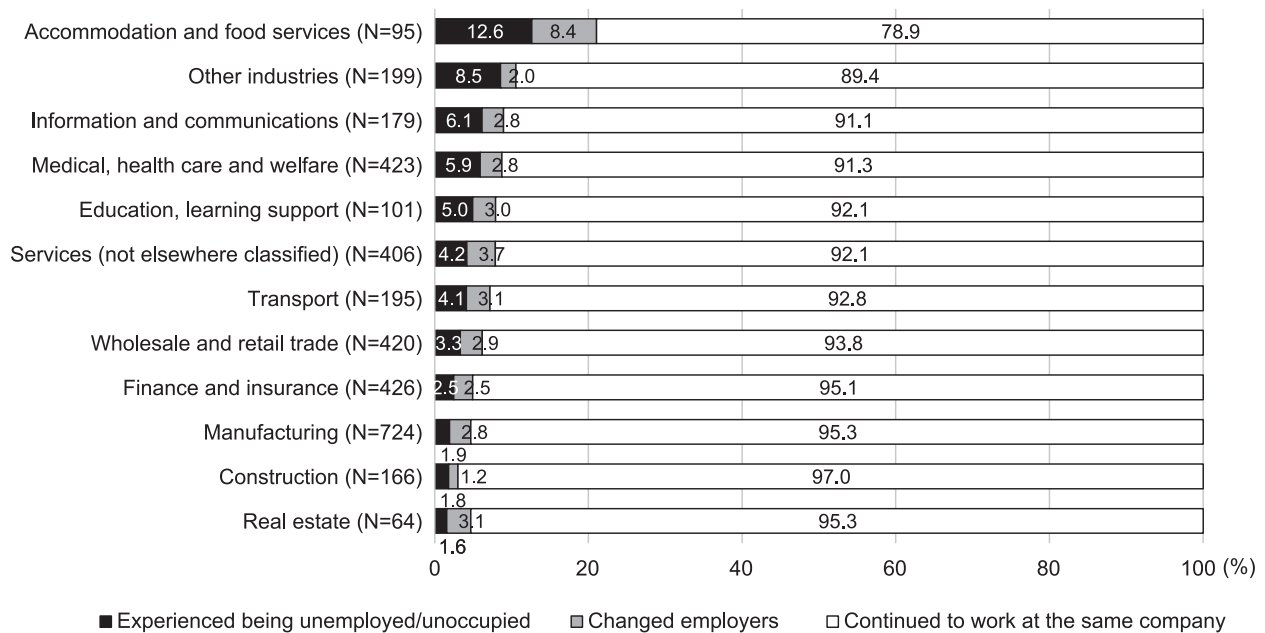
High displacement rates among accommodation and food services workers have become an issue in countries around the world amid the COVID-19 crisis. For instance, Adams-Prassl et al. (2020) have

Table 1. Profile of accommodation and food services workers

(%)

	Total for all industries	Accommodation and food services
N	3,134	95
Male	55.0	31.6
Female	45.0	68.4
Aged 20–34	22.5	36.8
Aged 35–49	43.6	38.9
Aged 50 or over	33.9	24.2
Non-university graduate	54.4	75.8
University graduate or higher	45.6	24.2
Non-breadwinner	35.8	51.6
Breadwinner	64.2	48.4
Regular employee	66.8	31.6
Non-regular employee	33.2	68.4

*Note:* Industry refers to the industry of respondents' places of employment as of April 1, 2020. The same applies to the following tables and figures.



*Note:* Industries for which there were less than 50 samples—"electricity, gas, heat supply and water," "postal services/cooperative associations," and "do not know"—were incorporated into the category "other industries." The same applies to the following tables and figures.

Figure 1. Careers after April 1, 2020 (by industry of employer as of April 1, 2020)

noted that the UK, the US, and Germany all recorded a high rate of jobs lost in the accommodation and food service activities industry. Has a similar trend arisen in Japan?

Looking exclusively at respondents who were employees of private enterprises as of April 1, 2020, Figure 1 categorizes those respondents' careers for the period from April to December into three—



Table 2. Determinants of job separation on or after April 1, 2020  
(binomial logistic regression analysis)

Explained variable = Job separation	Marginal effects	S.E.	
Female	0.020	0.011	†
Age	-0.001	0.000	**
University graduate or higher	0.001	0.010	
Breadwinner	-0.002	0.011	
Non-regular employee	0.057	0.011	**
Construction (ref. finance and insurance)	-0.019	0.038	
Manufacturing	0.006	0.026	
Information and communications	0.054	0.029	†
Transport	0.043	0.030	
Wholesale and retail trade	0.002	0.027	
Real estate	0.005	0.045	
Accommodation and food services	0.076	0.029	**
Medical, health care and welfare	0.035	0.026	
Education, learning support	0.008	0.034	
Services (not elsewhere classified)	0.023	0.026	
Other industries	0.042	0.028	
N		3,134	
Chi-squared		93.33	**
Pseudo R-squared		0.0578	

Notes: 1. \*\* p<0.01; \* p<0.05; † p<0.1.  
2. (ref.) denotes the reference group.

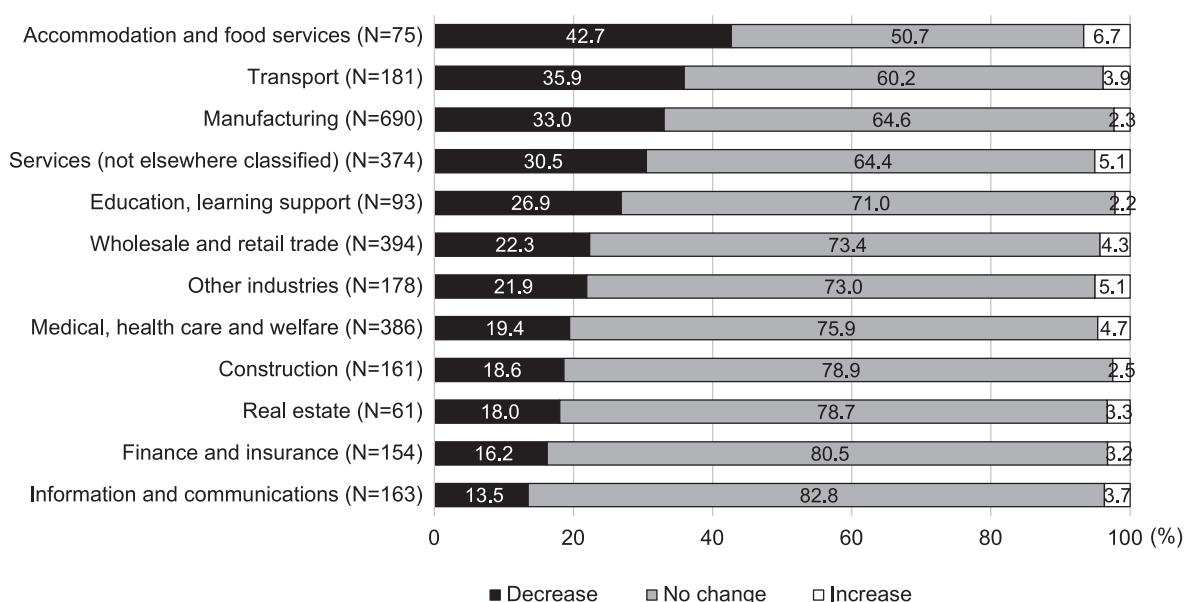
“continued to work at the same company,” “changed employers (without experiencing being unemployed/unoccupied for one month or more),” or “experienced being unemployed/unoccupied for one month or more”—and shows the distribution of those categories by the industry of the respondents’ employers as of April 1. This shows that in the accommodation and food services industry, those who “experienced being unemployed/unoccupied” accounted for 12.6%, a remarkably higher percentage than those of other industries. The situation in Japan therefore appears to resemble that in other countries. On the other hand, the percentage who “changed employers” is also high, at 8.4%. It seems that there is also a considerable number of people who choose to leave their employment of their own accord, possibly influenced by the increasingly difficult business conditions in the COVID-19 crisis.

At the same time, it should also be noted that the large numbers of workers who changed employers or experienced being unemployed/unoccupied may also be related to the characteristics of workers in the accommodation and food services industry—

namely, the large proportions of women, young people, non-university graduates, non-breadwinners, and non-regular employees. Table 2 therefore presents analysis of the effect of industry on job separation (change of employers and experience being unemployed/unoccupied), where those worker characteristics were controlled for.<sup>5</sup> This shows that, even taking into account the tendencies of women, young people, and non-regular employees toward job separation, the accommodation and food services industry dummy is positive and significant at the 0.01 level. This, as expected, indicates a high job separation rate in the accommodation and food services industry.

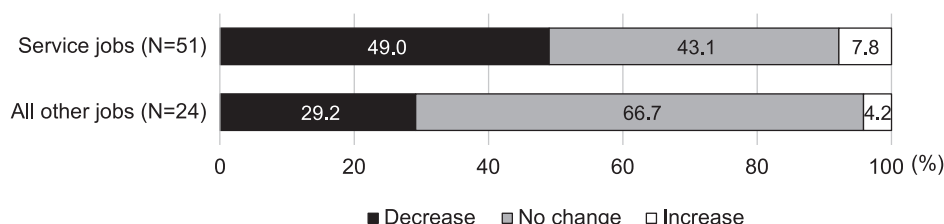
### III. Monthly income

As expected, given the decline in employment, the job separation rate in the accommodation and food services industry is particularly high. Let us now focus on those workers who have continued to work at the same company and consider how their work and attitudes toward it may have been affected. Figure 2 shows the state of monthly income closest



Note: Subjects of tabulation were limited to those respondents who continued to work at the same company on or after April 1, 2020.

Figure 2. Monthly income closest to the December survey compared with a normal month prior to the pandemic by industry



Note: Subjects of tabulation were limited to those respondents who continued to work at the same company on or after April 1, 2020.

Figure 3. Monthly income closest to the December 2020 survey compared with a normal month prior to the pandemic (accommodation and food services industry)

to the December 2020 Survey in comparison with a normal month prior to the pandemic for those who continued to work at the same company on or after April 1, 2020. This shows that in the accommodation and food services industry, those who saw a decrease in income accounted for 42.7%, a higher percentage than those in other industries.

While it is necessary to be cautious in our interpretation given the small sample size, it is also interesting to note that if job types within the accommodation and food services industry are divided into roles that involve serving customers

(“service jobs”) and all other jobs, it can be seen that the percentage of workers whose monthly income decreased is especially high among workers in service jobs (Figure 3). This is surely a reflection of the fact that decline in the amount of work is being experienced particularly by workers in hands-on roles serving and interacting with customers in person.

Is the trend of decline in monthly income in the accommodation and food services industry still present if the worker characteristics are controlled for? Table 3 shows an analysis of the effect of

Table 3. Determinants of monthly income index closest to the December 2020 Survey (OLS)

Explained variable = Monthly income index	B	S.E.
Female	0.800	0.658
Age	0.067	0.025 **
University graduate or higher	0.864	0.570
Breadwinner	-0.534	0.670
Non-regular employee	-0.248	0.675
Construction (ref. finance and insurance)	0.114	1.610
Manufacturing	-2.935	1.278 *
Information and communications	1.391	1.607
Transport	-2.873	1.588 †
Wholesale and retail trade	-0.389	1.360
Real estate	0.165	2.153
Accommodation and food services	-7.265	2.026 **
Medical, health care and welfare	0.317	1.359
Education, learning support	-3.528	1.886 †
Services (not elsewhere classified)	-3.155	1.367 *
Other industries	-1.450	1.577
Constant	92.924	1.755 **
N		2,910
F-value		3.852 **
Adjusted R-squared		0.015

Notes: 1. \*\* p<0.01; \* p<0.05; † p<0.1.

2. (ref.) denotes the reference group.

3. Subjects of analysis were limited to those respondents who continued to work at the same company on or after April 1, 2020.

4. Respondents were asked about their monthly income closest to the December 2020 Survey in terms of ranges in comparison with their monthly income in a normal month prior to the pandemic. Those ranges have been converted into class marks and adopted as the explained variable.

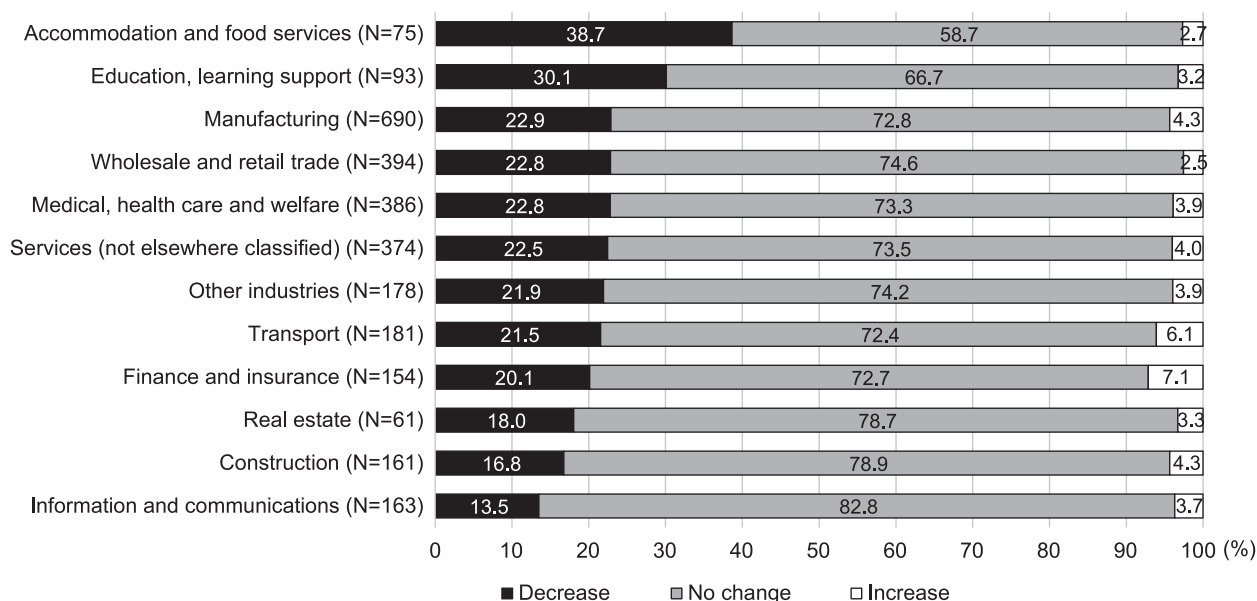
industry, with the closest monthly income to the December 2020 Survey where the normal month prior to the pandemic is set as 100 (monthly income index) as the explained variable, and worker characteristics as control variables. This indicates that in the accommodation and food services industry the monthly income index is significantly low at the 0.01 level (namely, that there is a decline in monthly income).

#### IV. Job satisfaction levels

In the December 2020 Survey, respondents were asked what levels of satisfaction they felt in their jobs at that time (December 2020) and prior to the COVID-19 crisis, with a choice of five levels in both cases. While responses may include considerable error due to the fact that the question involved answering retrospectively, it is possible to ascertain

changes in job satisfaction by looking at the difference between the two sets of responses. Figure 4 is a tabulation of those results by industry. It shows that in the accommodation and food services industry the percentage of respondents that experienced a decrease in job satisfaction was 38.7%, the highest percentage among the industries.

The same result can be seen even when worker characteristics are controlled for (Table 4). Namely, there is a statistically significant decline in job satisfaction levels in the accommodation and food services industry (Model 1). More importantly, the negative effect of the accommodation and food services dummy does not change notably even when the monthly income index is controlled for in Model 2. This suggests that the decrease in job satisfaction among accommodation and food services workers is also due to factors other than the decline in monthly



Note: Subjects of tabulation were limited to those respondents who continued to work at the same company on or after April 1, 2020.

Figure 4. Change in job satisfaction level compared with level prior to the COVID-19 crisis

income.

## V. Key insights

As the analysis has shown, accommodation and food services workers have seen a particularly high job separation rate in the COVID-19 crisis, and even those who have continued to work at the same enterprise have seen both a decline in monthly income and a decline in job satisfaction levels. Moreover, the extent of the decline in job satisfaction level is so great that it cannot simply be attributed to the extent of the decline in monthly income.

In Japan, the rising numbers of COVID-19 infections in spring 2020 led to the declaration of a national state of emergency from April to May, under which there were restraints on the business activities of establishments serving food and drink (“restaurants, etc.”) and restrictions on long-distance travel. Subsequently, the government sought to address the significant blow to the accommodation and food services industry as a result of the pandemic by launching initiatives to bolster business which entailed issuing coupons to be used at

restaurants, etc.<sup>6</sup> and providing subsidies for costs of domestic travel.<sup>7</sup> These initiatives were however suspended when COVID-19 spread once again. What is more, the accommodation and food services industry was dealt a second blow when a state of emergency was again declared in Tokyo and a number of regions from January to March, 2021. While the national and local governments are attempting to exercise their best judgment as issues arise, given the added difficulty of predicting how COVID-19 will spread, there is no question that the accommodation and food services industry and its business activities are virtually at the mercy of such developments.

It appears that, given such conditions, workers in the accommodation and food services industry lack clear prospects for the future, and are in turn experiencing a decline in job satisfaction to an extent that the decline in their monthly income alone is not sufficient explanation.

The JILPT Enterprise Survey revealed that just under 20% of enterprises across all industries and over 40% of enterprises in the accommodation and food services industry responded that difficulty in

Table 4. Determinants of change in job satisfaction level compared with level prior to the COVID-19 crisis (OLS)

Explained variable = Job satisfaction level change score	Model 1		Model 2	
	B	S.E.	B	S.E.
Female	-0.030	0.034	-0.039	0.033
Age	-0.002	0.001	-0.002	0.001 †
University graduate or higher	0.018	0.029	0.009	0.028
Breadwinner	0.014	0.034	0.020	0.033
Non-regular employee	-0.032	0.035	-0.029	0.034
Construction (ref. finance and insurance)	0.032	0.082	0.031	0.080
Manufacturing	-0.111	0.065 †	-0.078	0.064
Information and communications	0.032	0.082	0.017	0.080
Transport	-0.053	0.081	-0.021	0.079
Wholesale and retail trade	-0.082	0.070	-0.078	0.068
Real estate	-0.004	0.110	-0.006	0.108
Accommodation and food services	-0.387	0.104 **	-0.306	0.101 **
Medical, health care and welfare	-0.105	0.070	-0.109	0.068
Education, learning support	-0.198	0.097 *	-0.158	0.094 †
Services (not elsewhere classified)	-0.061	0.070	-0.026	0.068
Other industries	-0.028	0.081	-0.012	0.079
Monthly income index			0.011	0.001 **
Constant	-0.105	0.090	-1.147	0.123 **
N		2,910		2,910
F value		2.500 **		11.033 **
Adjusted R-squared		0.008		0.055

Notes: 1. \*\* p<0.01; \* p<0.05; † p<0.1.

2. (ref.) denotes the reference group.

3. Subjects were limited to those respondents who continued to work at the same company on or after April 1, 2020.

4. The explained variable is a nine-level score based on the difference between satisfaction level (5 levels) at the time of the survey (December 2020) and satisfaction level (5 levels) prior to the COVID-19 pandemic.

maintaining existing levels of employment would arise within six months if the business conditions as of September 2020 should continue.<sup>8</sup> At the same time, given the nature of the decline in job satisfaction among accommodation and food services industry workers, it would be conceivable that the industry will shrink due to a considerable number of workers leaving their employment voluntarily, before enterprises encounter difficulty in maintaining employment.

Nevertheless, there is little point in ensuring that workers remain in their existing employment when business conditions are in such a state of flux. There are therefore issues that cannot be resolved merely with the concept of Employment Adjustment Subsidy (Koyō Chōsei Joseikin) that seek to stabilize employment by supplementing allowances for workers

sent on leave due to business suspension. If we consider the circumstances faced by accommodation and food services workers in the COVID-19 crisis—in which decline in job satisfaction is so great that the decline in monthly income cannot be the only cause—it appears that it is instead necessary to adopt measures focused on assisting people who seek to change employers, such as guaranteeing income through unemployment benefits, and providing employment referral services and support for skills development.

1. Here, “accommodation and food services” refers to the industry division described in the Japan Standard Industrial Classification and the JILPT surveys as “accommodations, eating and drinking services.”

2. See JILPT (2020) for details.

3. See JILPT (2021) for details of the survey method.

4. This is, however, limited to respondents whose career from April to December falls into one of the following categories: “continued to work at the same company,” “changed employers (without experiencing being unemployed/unoccupied for one month or more),” or “experienced being unemployed/unoccupied for one month or more.” “Unoccupied” is used here to refer to those not in work and not looking for work. See Takahashi (2021) regarding these three career categories.
5. The reference group is the finance and insurance industry division which, according to results from the *Labor Force Survey*, saw little rise or fall in the number of employed persons in the period from 2019 to 2020.
6. The “Go To Eat” campaign has been implemented by the Ministry of Agriculture, Forestry and Fisheries. This is a national government initiative subsidizing 25% of the costs of meals at restaurants, etc. where COVID-19 infection prevention measures are taken.
7. The “Go To Travel” campaign has been implemented by the Japan Tourism Agency. Under this initiative, the national government covers the equivalent of 50% of the total costs of a domestic trip.
8. See JILPT (2020).

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## Article

# Working from Home and Work-life Balance during COVID-19: The Latest Changes and Challenges in Japan

TAKAMI Tomohiro

## I. Introduction

This paper considers changes in people's use of non-working time in their daily lives (specifically, the time they spend doing housework and childcare as well as their leisure hours; hereinafter referred to as "non-working hours") that are attributable to the experience of working from home (teleworking) during the COVID-19 pandemic. The pandemic continues to have significant impacts on people's work and daily life. One of the most significant changes in how people work is the expanded application of working from home. Working from home has been growing rapidly since the pandemic began, particularly after the first state of emergency was declared in April 2020 in response to the pandemic's first wave.<sup>1</sup> The legally enforced "lockdown" measures restricting people's movements were not taken in Japan. Nonetheless, individual local governments decided to ask people to refrain from going outside and suspend business (including by shortening business hours) based on the national government's state of emergency declaration.<sup>2</sup> The government called on companies to reduce their numbers of commuters by at least 70% by promoting working from home. During that same period, elementary, junior high, and high schools throughout Japan were in the midst of a temporary closure that began in March 2020. Thus, family life with young children was undergoing significant changes. In short, the state of emergency period was a time of greatly reduced economic activity and rapidly increased working from home, and simultaneously a time when the burden of

housework and childcare became heavier.

After the state of emergency was lifted in May 25, 2020, economic activity gradually resumed and family life was on its way toward returning to normal.<sup>3</sup> It is thought that, at this point, companies and workers had more autonomy to decide whether to continue with their working from home arrangements. Looking at society as a whole, the percentage of people who continue working from home after the lifting of the state of emergency is not high by any means. Nonetheless, it is conceivable that those who do continue to work from home—both men and women—are experiencing sustained changes in terms of time use in their daily lives.

This paper discusses changes that working from home has brought to people's daily lives by examining changes in their non-working hours. Specifically, we focus on how non-working hours of those who work from home have changed—from pre-pandemic period, through the state of emergency period in April and May 2020, and up to December that year.

## II. Related literature

How has people's use of non-working hours changed—and, in particular, how have the housework/childcare hours of men and women changed—as a result of the experience of working from home? This is an important issue to take into account when considering work-life balance (hereinafter "WLB") during the COVID-19 pandemic. The total amount of





housework increased, which is a shared finding in countries and regions that experienced lockdowns. However, an issue that deserves consideration here is whether the housework/childcare hours of men increased as a result of the experience of working from home, that is, whether disparities in the share of housework duties are changing. Andrew et al. (2020) state that household responsibilities increased under lockdown in UK, that household responsibilities showed a particular increase among women, and that this was associated with job loss and furlough among women. Del Boca et al. (2020) found that, in Italy, women's housework hours increased during the lockdown independently of how men worked, while increases in men's housework hours were dependent on how women worked. Additionally, Sevilla and Smith (2020) provide evidence that, in UK, the male-female distribution of childcare hours, which increased under the pandemic, became more equal than the pre-pandemic distribution, and that the difference between the share of childcare duties handled by women and that handled by men had narrowed. In particular, they state that men's involvement in childcare increased when they worked from home or when they were furloughed or lost their job. Thus, it is important to look into the ways men and women work, WLB, and gender inequities in household responsibilities are changing during the pandemic.

In the Japanese context, it has been noted that the country has large imbalances between men and women in terms of housework/childcare hours when compared to other countries.<sup>4</sup> Furthermore, high percentages of employment losses and temporary leave, in particular, are observed among women during the pandemic (Zhou 2021), and the existing imbalances between men and women in household responsibilities are mentioned as a reason for this. It is thought that major factors behind those imbalances in Japan are norms based on gender roles and men's long working hours. One explanation is that men are not at home or come home late and therefore are less involved in housework and childcare. Considering this, their involvement in housework and childcare may have

grown when their home became their place of work under the pandemic.

There is another critical issue that must be taken into account when considering the relationship between working from home and WLB: the possibility that working from home will lead to overwork. It has been pointed out that, if they are not limited to under the pandemic, flexible work styles that involve the use of ICT equipment could lead to increased worker stress and interfere in private life.<sup>5</sup> There are concerns that working from home could blur boundaries between working and non-working hours and impede WLB by, for example, leading to longer working hours.

### III. Data

The data used for the analysis are from the "Survey on the Impact that Spreading Coronavirus Infection Has on Work and Daily Life," a survey of individuals that the Japan Institute for Labour Policy and Training (JILPT) conducted in December 2020, which targeted 4,307 employees of private enterprises and 575 freelance workers. This survey is structured as a panel survey that can track changes in the employment and living situations of the same individuals from April 2020 onward.<sup>6</sup> The analysis of this paper focuses on those continuing survey respondents who were full-time employees before the COVID-19 pandemic<sup>7</sup> and who continued to be employed by the same employer after April 1, 2020.

It should be noted that, in this paper, the use of time in various activities is based on the hours that respondents self-reported on the questionnaire. "Working hours" are hours worked per week, and "housework/childcare hours" and "leisure hours" are hours per weekday. The JILPT survey asks respondents to indicate their per-weekday housework hours (i.e., time spent cooking, doing laundry, and cleaning) and childcare hours (i.e., time spent taking care of their food and clothing, playing with them, helping them with studying, etc.) at three time points: pre-pandemic period, during the state of emergency, and at the time of the survey (as of December 2020). Responses can be selected from 30-minute or one-hour categories (from "0 minutes"



to “at least 5 hours”). Here, responses are treated as continuous variables by applying the median values of categories in the manner of “less than 30 minutes” equals 15 minutes and “at least 30 minutes but less than one hour” equals 45 minutes. Addition of housework hours and childcare hours together are expressed as “housework/childcare hours,” and “leisure hours” are the total of free time that can be grasped from the survey (i.e., time when one is free to do what one wants) and sleeping time.<sup>8</sup>

For working from home, the survey asked respondents about their experience of working from home up to the time of the survey, their use of (or non-use of) working from home at the time of the survey, and when they experienced working from home for the first time. From these questions, it is possible to ascertain such matters as whether respondents experienced working from home after the pandemic’s spread and whether they were continuing to work from home as of December 2020.

#### IV. Descriptive statistics

##### 1. Experience of working from home and changes in working hours

Based on the JILPT survey, approximately 30% of employed people as of December 2020 had the experience of working from home. Of them, approximately 70% engaged in working from home during the pandemic’s first wave (March to May 2020) for the first time. It can be seen that working from home expanded rapidly during that period.

However, of these same respondents, approximately 40% were not practicing working from home as of December of the same year, indicating that challenges remained in making working from home sustainable. Additionally, it has already become clear that working from home during the pandemic was not practiced uniformly by everyone, as it tended to be more common among certain groups, such as those in white-collar occupations (management, professionals and clerical workers, etc.), large corporations, and high-income groups.<sup>9</sup>

How did working and non-working hours change due to pandemic-triggered working from home? The focus in this paper is on “changes” in hours. See the appendix table for the average numbers of hours worked at each time point (provided by “worked from home” and “did not work from home”).

First, let us examine changes in working hours. Figure 1 shows how much working hours changed on average during the state-of-emergency period and in December 2020 in comparison with the pre-pandemic period.<sup>10</sup> Let us look particularly at changes in hours worked associated with the experience of working from home among those who experienced working from home for the first time during the pandemic’s first wave. Of those who experienced working from home for the first time in March through May 2020, the figure classifies those who continued working from home up to December 2020 as “experienced and continuing working from home” and those who experienced working from home but were not practicing it as of December

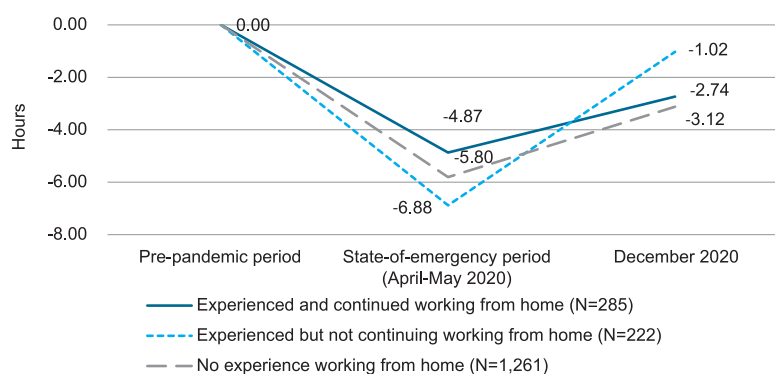


Figure 1. Changes in hours worked per week in comparison with those before the pandemic (average number of hours worked changed): By status of experience and continuation of working from home

2020 as “experienced but not continuing working from home.” The figure further classifies those who did not experience working from home during that period as “no experience working from home” (for comparison).<sup>11</sup>

Looking at Figure 1, we can see that hours worked decreased significantly during the state-of-emergency period, regardless of whether working from home was practiced or not. That hours worked fell sharply among those who did not experience working from home during that period is not particularly surprising. This is because many of those workers were engaged at eating and drinking establishments or in other interpersonal services that were not easily adapted to working from home, and, further, were under pressure to shorten business hours amid the government’s demand for people to refrain from going outside and traveling.<sup>12</sup> It is worth noting here that decreases in hours worked were seen among those who switched to working from home. A likely factor that contributed to decreased hours worked for those who worked from home under the state of emergency was reduced overtime associated with working from home. Another was a precipitous drop in hours worked that occurred because working from home was an emergency measure of assigning the highest priority to controlling infections which hindered their normal business operations.

The decrease in hours worked during the state of emergency was particularly large among those who experienced working from home during the first wave but were not continuing it as of December 2020 (i.e., the “experienced but not continuing working from home” group). However, a look at the December numbers shows that the group subsequently enjoyed a major recovery that approached the pre-pandemic level. It is presumed that this group contained a fair number of those whose work performance fell significantly (i.e., who were in a state akin to “staying at home,” etc.) when working from home came into use under the state of emergency but who returned to the office after the state of emergency was lifted.

Meanwhile, people who were working from

home as of December 2020 saw their hours worked continue to decrease compared to the pre-pandemic level. Assessing the reasons for this is not easy, as various factors can be considered.<sup>13</sup> Nonetheless, an important part of promoting effective working from home will be meeting the need of how to maintain work performance levels within the working-from-home context.

## **2. Working from home and changes in housework/childcare hours**

Second, let us look at changes in housework/childcare hours. Limiting the focus to married respondents, the percentages of those who indicated that their housework/childcare hours increased compared to the pre-pandemic levels are examined at two time points—during the state-of-emergency period, and as of December 2020—with attention to whether they “worked from home” or “did not work from home” at those times (Table 1).

Looking at the total for men and women, the percentages of people who indicated their housework/childcare hours had increased compared to the pre-pandemic level was higher among those who worked from home than among those who did not. This was true for both the state-of-emergency period and December 2020. The trend whereby housework/childcare hours increased markedly among respondents who worked at home is seen regardless of sex. Looking at men only, the percentage of those whose housework/childcare hours increased while working from home as of December 2020 is 29.5%. Of them, the percentage whose hours increased by one hour or more reaches 15.2%.

Increases in housework/childcare hours were seen among people who have newly shifted to working from home due to the pandemic. Figure 2 focuses on respondents who experienced working from home for the first time during March through May 2020 and tracks changes in the housework/childcare hours of married respondents, providing respondents who did not experience working from home for comparison.

The figure shows that housework/childcare hours

Table 1. Percentages of respondents who indicated their housework/childcare hours increased compared to those before the pandemic: By “worked from home” and “did not work from home” at each time point (Married respondents) N=1,026

		State-of-emergency period (April-May 2020)		December 2020	
		Percentages of respondents whose hours increased compared to the pre-pandemic level	Percentages of respondents whose hours increased by 1 hour or more	Percentages of respondents whose hours increased compared to the pre-pandemic level	Percentages of respondents whose hours increased by 1 hour or more
Total of men and women	Worked from home	31.7%	18.8%	28.8%	14.4%
	Did not work from home	21.5%	11.5%	17.4%	7.7%
Men	Worked from home	30.6%	17.9%	29.5%	15.2%
	Did not work from home	19.8%	11.1%	16.0%	7.4%
Women	Worked from home	36.9%	23.1%	25.0%	10.4%
	Did not work from home	26.4%	12.6%	21.7%	8.7%

Note: “Worked from home” or “did not work from home” is determined based on whether or not the respondent was working from home at the relevant times.

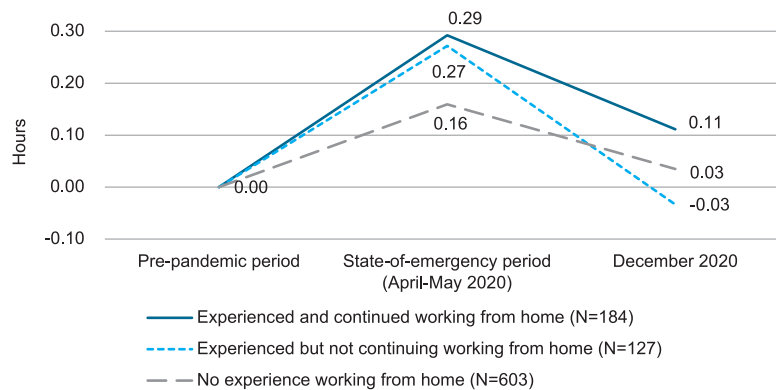


Figure 2. Changes in housework/childcare hours in comparison with those before the pandemic (average number of housework/childcare hours changed): By status of experience and continuation of working from home (married respondents)

increased overall during the state of emergency of 2020 regardless of whether or not respondents worked from home. This may be a reflection of the large childcare burden felt by households with children that resulted from the temporary closure of schools as of May. In particular, large increases are seen among those who worked from home.

Looking at housework/childcare hours as of December 2020, there is an overall decrease compared to those during the state-of-emergency period, though with those hours approaching their pre-pandemic levels. However, for those who continued working from home, hours continued to be higher than the pre-pandemic level. On the other hand, hours returned to their pre-pandemic level for

those who experienced working from home but are no longer doing so (i.e., they returned to commuting to work).

Next, the situation for men only is examined in the same way. Figure 3 shows that, for married men who worked from home under the pandemic and are continuing to do so, housework/childcare hours continued to be high compared to the pre-pandemic level. This suggests that men for whom working from home has become the “new normal” way of working may have also shifted to new daily life routines (in terms of time use, etc.). It is interesting to note that while housework/childcare hours increased markedly during the state-of-emergency period among men who were working from home

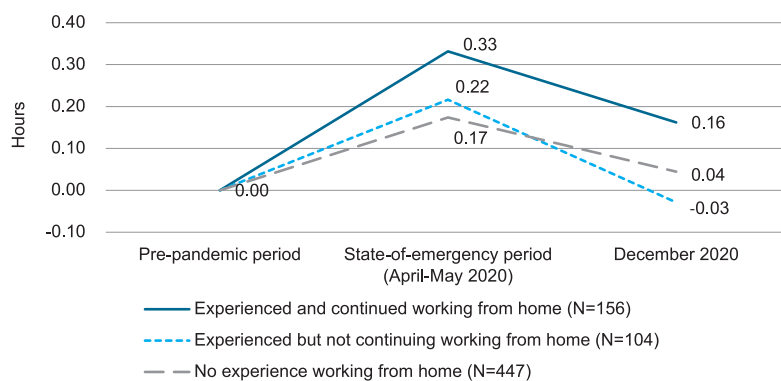


Figure 3. Changes in housework/childcare hours in comparison with those before the pandemic (average number of housework/childcare hours changed): By status of experience and continuation of working from home (married men)

Table 2. Percentages of respondents who indicated their leisure hours increased compared to the pre-pandemic level: By “worked from home” and “did not work from home” at each time point N=1,951

		State-of-emergency period (April-May 2020)		December 2020	
		Percentages of respondents whose hours increased compared to the pre-pandemic level	Percentages of respondents whose hours increased by 1 hour or more	Percentages of respondents whose hours increased compared to the pre-pandemic level	Percentages of respondents whose hours increased by 1 hour or more
Total of men and women	Worked from home	35.3%	23.9%	31.3%	19.6%
	Did not work from home	24.8%	14.6%	21.5%	11.6%
Men	Worked from home	32.0%	21.2%	31.0%	20.1%
	Did not work from home	23.8%	13.2%	20.8%	11.7%
Women	Worked from home	44.1%	31.2%	32.1%	17.9%
	Did not work from home	26.5%	17.2%	22.6%	11.4%

Note: “Worked from home” or “did not work from home” is determined based on whether or not the respondent was working from home at the relevant times.

as of December 2020, the trend toward increased housework/childcare hours in April and May was weak among men who were no longer working from home in December. This suggests that men who discovered a new WLB (i.e., they discovered new values) by spending more time doing housework/childcare as a result of the pandemic were more likely to continue working from home as part of their new lifestyles after the emergency period.

### 3. Working from home and changes in leisure hours

Third, let us consider changes in leisure hours that were brought about by working from home. As in Table 1, how the percentage of respondents whose leisure hours increased changes depending on whether or not they worked from home is examined

at each time point (Table 2). Like housework and childcare hours, the percentage of respondents who indicated that their leisure hours increased was larger among those who worked from home both during the state-of-emergency period and in December 2020. The same trend is seen when looking at men and women respectively.

Leisure hours have changed among respondents who experienced working from home for the first time due to the pandemic (Figure 4). Leisure hours increased conspicuously for such people during the state-of-emergency period. It can be seen that leisure hours continued to be slightly high compared to the pre-pandemic level for those who were working from home as of December 2020, but that those hours returned to their pre-pandemic level for those

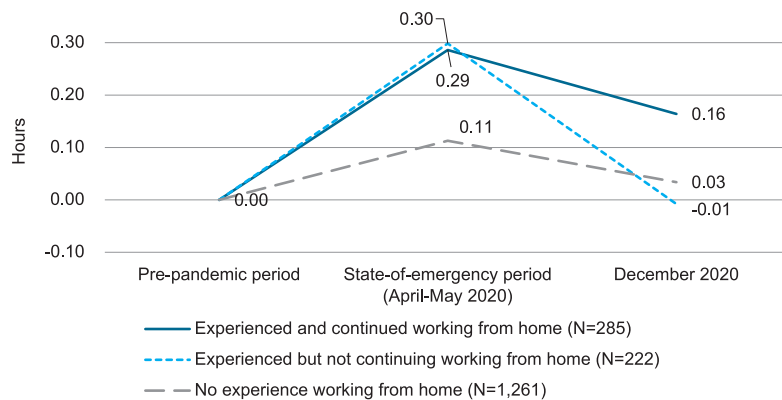


Figure 4. Changes in leisure hours in comparison with pre-pandemic levels (average number of leisure hours changed): By status of experience and continuation of working from home

Table 3. Life satisfaction as of December 2020: By working from home/not working from home and personal attributes as of December 2020 N=1,951

		Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	N
Not working from home as of December 2020		23.1%	46.5%	30.4%	1,532
Working from home as of December 2020		37.5%	39.9%	22.7%	419
Working from home as of December 2020	Male	37.1%	40.3%	22.7%	313
	Female	38.7%	38.7%	22.6%	106
	Not married	31.8%	38.5%	29.7%	148
	Married	40.6%	40.6%	18.8%	271
	Hours worked decreased	39.4%	32.4%	28.2%	170
	No change in hours worked	41.7%	41.1%	17.2%	163
	Hours worked increased	25.6%	52.3%	22.1%	86

Note: In the survey questionnaire, respondents are asked to indicate their degree of life satisfaction using a five-point scale. However, "very satisfied" and "somewhat satisfied" are aggregated here as "satisfied" and "very dissatisfied" and "somewhat dissatisfied" as "dissatisfied."

who did not continue working from home. This result suggests that experiencing and continuing working from home leads to more leisure hours.

#### 4. Working from home and work-life balance as assessed by workers themselves

From the above, we can see that the key factor behind great changes in people's use of non-working hours lies in the experience of working from home under the pandemic. How, then, does continuing working from home contribute to the WLB of workers? The following discussion explores "life satisfaction" as of December 2020 as an indicator of WLB-related life quality and examines its relationship with working from home.

Table 3 reveals that those who were working from home as of December 2020 had a higher percentage of "satisfied" and a lower percentage of "dissatisfied" about their daily lives compared to those who were not. A look at differences based on the attributes of respondents who work from home shows that, although there are no differences between men and women, there is a trend whereby life satisfaction is slightly higher among those who are married, which suggests that working from home contributes to WLB especially for married employees. It is also suggested that changes in hours worked have a relationship with life satisfaction. In other words, there is a trend whereby, among respondents who work from home, those whose

hours worked increased compared to the pre-pandemic level had relatively lower life satisfaction, a point demonstrated by the small percentage for “satisfied.”<sup>14</sup>

Thus, those who continue working from home after the emergency period tend to have high life satisfaction in an overall sense. This suggests that continuing to work from home contributes to WLB. However, given that various factors are associated with life satisfaction (such as income level and changes) and that people who work from home may have had a high plane of living to begin with, this idea will be explored through the regression analysis described below.

## V. Estimation results

### 1. Estimates for increased housework/childcare hours and leisure hours in December 2020

As stated in the previous section, increases in housework/childcare hours and leisure hours were observed among those who continued to work from home in December 2020 (which was more than six months after the first state of emergency was lifted) compared to their pre-pandemic levels. Can this be described as an effect of people shifting their workplaces to the home? Or is it an effect of decreased working hours? To explore these questions, a logistic regression analysis was performed, setting “increase of housework/childcare hours” and “increase of leisure hours” as the explained variables. The explanatory variables were age, sex, marital status, presence of a young child (under the age of 18), educational attainment, occupation, individual annual income before the pandemic, region of residence, changes in hours worked hours compared to pre-pandemic period, and working or not working from home as of December 2020.<sup>15</sup>

The results are presented in Table 4. For housework/childcare hours, (1) the results of married respondents (total of men and women) and (2) the results of married men are shown. For leisure hours, (3) the results of all respondents (total of men and women, including unmarried respondents) are shown. Looking first at result (1), which concerns

housework/childcare hours for married respondents (total of men and women), an increasing trend was seen among households with a young child (positive coefficient). The coefficient for the female dummy is not significant, and there is no evidence of a trend whereby increases in housework/childcare hours are skewed toward women only. Meanwhile, the coefficient for the “working from home (as of December 2020)” is statistically significant and positive. In other words, we can see that housework and childcare hours increased for those who were working from home as of December 2020. Because this is a result that came from controlling change trends for hours worked, it can be assumed that the change in time use in daily life occurred as a result of changes in workplace.<sup>16</sup> It should be noted that result (2), where respondents were limited to men only, indicated a similar result regarding the effects of working from home. In other words, it was observed that housework/childcare hours increased compared to their pre-pandemic level among men who were continuing to work from home as of December 2020.<sup>17</sup>

Looking at result (3), which concerns leisure hours, decreases in hours worked brought increases in leisure hours, and the coefficient of the “working from home (as of December 2020)” is significant and positive. These outcomes indicate the probability that increase in leisure hours rises among those working from home.<sup>18</sup> Thus, we can confirm that changes in daily living occurred during the pandemic as a result of (the continuation of) working from home.

### 2. Estimates for life satisfaction in December 2020

Does continuing working from home lead to better WLB for workers? A regression analysis is conducted to explore what the determinants of life satisfaction are. Our focus is on the effect of working from home (continuing to work from home) as of December 2020 on life satisfaction. Because various factors are thought to affect life satisfaction, the issue to be verified was whether continuing to work from home improved life satisfaction, even if such factors are fixed.<sup>19</sup> An



Table 4. Estimates for increased housework/childcare hours and leisure hours in December 2020 (logistic regression)

	(1)		(2)		(3)	
Explained variables	Increase of housework/childcare hours				Increase of leisure hours	
Targets of analysis	Married respondents (total of men and women)		Married respondents (men)		All respondents	
	B	Standard error	B	Standard error	B	Standard error
Intercept	-1.212	.580 *	-.856	.695	-.857	.302 **
Age	-.017	.010 +	-.034	.013 **	-.015	.006 *
Female	.226	.234			.265	.137 +
Married					.186	.135
With young child	.477	.180 **	.600	.220 **	-.016	.144
Having a degree	.037	.181	.156	.220	-.195	.123
Occupation (ref.: blue-collar workers)						
Administrative and managerial workers	-.051	.302	.122	.339	-.316	.215
Professional and engineering workers	-.017	.283	.006	.326	-.383	.190 *
Clerical workers	.106	.286	.266	.344	-.381	.181 *
Sales workers	-.282	.314	-.196	.362	-.124	.198
Service workers	-.285	.437	.031	.516	-.422	.262
Other	-.796	.662	-.859	.839	.060	.330
Individual annual income before the pandemic	.000	.000	.000	.000	.001	.000 *
Region of residence (ref.: other regions)						
Tokyo metropolitan area (4 prefectures)	.198	.195	.514	.226	-.040	.128
Kansai (3 prefectures)	.129	.240	.232	.273	-.170	.171
Change in hours worked compared to pre-pandemic period (ref.: no change)						
Hours worked decreased	.119	.179	.057	.211	.354	.121 **
Hours worked increased	.156	.216	.033	.244	.052	.157
Working from home (as of December 2020)	.574	.193 **	.553	.224 *	.540	.145 **
Chi-squared		40.379 **		57.831 **		52.06 **
-2 log-likelihood		996.895		731.792		2079.066
Nagelkerke R <sup>2</sup>		0.061		0.111		0.04
N		1,026		794		1951

Note: The standard errors shown are robust standard errors.

\*p< .05.

\*\*p< .01.

+p< .10.

ordinal logistic regression was conducted, setting life satisfaction (score) as of December 2020 as the explained variable. The explanatory variables were age, sex, marital status, presence of a young child, educational attainment, occupation, individual annual income before the pandemic, region of residence, changes in income compared to before the pandemic, hours worked per week, changes in hours worked compared to before the pandemic, and worked/did not work from home. In addition, “life satisfaction before the pandemic” was input as an explanatory variable. This makes it possible to look at people who felt the same degree of life satisfaction before the pandemic and discern who among them had high life satisfaction in December 2020.

The results are provided in Table 5. Model 1

shows that income level and change in income have a significant influence on life satisfaction. In addition, the coefficient of the “working from home (as of December 2020)” is positive and statistically significant, and thus the results indicate that working from home as of December 2020 improved life satisfaction. As the length of hours worked and increase or decrease trends were controlled, the results suggest that the shift of workplace to the home in itself might contribute to improving WLB for workers.

However, the results also revealed a point that requires attention. When the interaction terms for working from home and change in hours worked are additionally input in Model 2, the coefficient for the interaction term “working from home × hours worked increased” was a significant and negative

Table 5. Estimates for life satisfaction in December 2020 (ordinal logistic regression)

Explained variable	Life satisfaction (score)			
	Model 1		Model 2	
	B	Standard error	B	Standard error
Threshold 1	-2.684	.373 **	-2.632	.375 **
Threshold 2	-1.143	.362 **	-1.089	.364 **
Threshold 3	1.159	.359 **	1.217	.362 **
Threshold 4	3.620	.381 **	3.684	.385 **
Age	-.007	.005	-.006	.005
Female	.017	.118	.032	.119
Married	.156	.104	.146	.105
With young child	-.100	.116	-.092	.116
Having a degree	.029	.097	.024	.097
Occupation (ref.: blue-collar workers)				
Administrative and managerial workers	-.070	.167	-.059	.166
Professional and engineering workers	.066	.148	.060	.148
Clerical workers	-.127	.152	-.132	.152
Sales workers	.009	.167	.004	.167
Service workers	.046	.204	.053	.204
Other	-.580	.253 *	-.580	.250 *
Individual annual income before the pandemic	.001	.000 **	.001	.000 **
Region of residence (ref.: other regions)				
Tokyo metropolitan area (4 prefectures)	-.186	.101 +	-.188	.101 +
Kansai (3 prefectures)	.031	.136	.031	.136
Degree of life satisfaction before the pandemic (ref.: no opinion)				
Very satisfied	2.214	.338 **	2.215	.338 **
Somewhat satisfied	.747	.102 **	.745	.101 **
Somewhat dissatisfied	-.905	.132 **	-.908	.133 **
Very dissatisfied	-1.897	.273 **	-1.893	.275 **
Decreased income compared to pre-pandemic period	-.966	.113 **	-.967	.113 **
Hours worked per week	-.001	.006	-.001	.006
Change in hours worked compared to pre-pandemic period (ref.: no change)				
Hours worked decreased	-.151	.103	-.147	.112
Hours worked increased	-.157	.124	-.012	.141
Working from home (as of December 2020)	.285	.124 *	.423	.164 *
Worked from home × change in hours worked (interaction term)				
Worked from home and hours worked decreased			-.024	.254
Worked from home and hours worked increased			-.615	.268 *
Chi-squared		497.413 **		502.818 **
-2 log-likelihood		4799.613		4794.208
Nagelkerke R <sup>2</sup>		0.241		0.243
N		1,951		1,951

Notes: The standard errors shown are robust standard errors.

\* $p < .05$ .

\*\* $p < .01$ .

+ $p < .10$ .

value. Taken together with the main effects, this figure indicates that the positive effects on WLB could greatly be reduced when working from home involves longer hours worked.

## VI. Conclusions

This paper has examined how people's use of non-working hours changed as a result of the experience of working from home during the pandemic as well as explored whether the

continuation of working from home improves life satisfaction of workers. The results suggests that increases in housework/childcare hours as well as leisure hours in comparison with pre-pandemic levels continued among those who were continuing to work from home as of December 2020. The increases in housework/childcare hours were seen among men as well as women, which suggests that men experienced changes in use of non-working hours in their daily lives while continuing to work



from home.<sup>20</sup> On the other hand, changes in use of non-working hours were only temporary for those who experienced working from home but did not continue it.

In terms of the effect of working from home, the analysis of life satisfaction suggests that continuing to work from home improves life satisfaction and contributes to WLB. This points to an advantage of working from home—namely, that it makes it easier to flexibly combine work and daily life to accommodate current circumstances. However, results also indicated that life satisfaction does not rise when working from home involves longer working hours. Working from home has raised concerns regarding the risks of longer working hours and the tendency for boundaries between work and non-work to become blurred. From the results presented here, it is suggested that, when it comes to maintaining WLB, it is crucial for companies as well as workers themselves to appropriately control working hours.

This paper was presented by making substantial additions and revisions to Tomohiro Takami (2020), “Zaitaku kinmu ni yoru waku-raifu baransu no atarashi katachi” (A new perspective of work-life balance brought by working from home), JILPT Research Eye No. 57 (released in Japanese on March 17, 2020 at [https://www.jil.go.jp/researcheye/bn/057\\_210317.html](https://www.jil.go.jp/researcheye/bn/057_210317.html)).

1. See JILPT (2020), Okubo (2020), Takami (2021), etc.
2. The first state of emergency declaration was issued as a response to the “first wave” of the COVID-19 pandemic in seven prefectures (Tokyo, Kanagawa, Saitama, Chiba, Osaka, Hyogo, and Fukuoka) on April 7 and subsequently expanded to the rest of the country on April 16. The declaration was gradually lifted over a period of time that ended on May 25, 2020. Second, third, and fourth state of emergency were declared later, in 2021. However, the first state of emergency had a particularly large impact on the ways people work and live, and therefore this paper studies changes in ways of working and living hours during that time.
3. School closures continued until the end of May. Schools were reopened in June, initially with shortened class hours.
4. See Cabinet Office (2020), *White Paper on Gender Equality 2020*. Looking at daily hours spent on housework/childcare of married couples with children under the age of six, in Japan, such hours amount to 7 hours 34 minutes for women and 1 hour 23 minutes for men. These figures indicate a larger difference between the sexes in Japan than in Western nations.
5. Eurofound and the International Labour Office (2017)

indicates that, when compared with people who do not work outside of their usual workplaces, those who work using ICT devices outside of their usual workplaces—and particularly those who work at two or more locations several times a week (i.e., who frequently engage in mobile work)—feel stress more frequently and are more likely to experience negative health effects. See also Takami (2019) for the Japanese context.

6. The survey was conducted in April, May, August, and December 2020 and still continues. The April 2020 survey was based on joint research with RENG0-RIALS (Rengo Research Institute for Advancement of Living Standards).

7. Respondents who indicated that their hours worked per week before the pandemic (normal time) amounted to 35 hours or more were considered to be “full-time employees before the pandemic.”

8. In discussing non-working time, it should be noted that the JILPT survey is not structured as a strict time-use survey. Therefore, a detailed discussion on differences between men and women in housework/childcare hours will not be pursued here due to the limited reliability of numbers concerning levels of housework/childcare hours as well as leisure hours. It is also difficult to analyze how housework is shared between married partners. While admitting that these points present limitations, the purpose of this paper is to discuss whether or not those hours increased under the pandemic.

9. See Takami (2021a).

10. This study used hours worked per week of the second week of May (May 7 to 13) from the survey as hours worked during the state-of-emergency declaration; it also used hours worked per week in the final week of November (November 24 to 30), which was just before the December survey, as an index for hours worked in December (the time of the survey).

11. The people who experienced working from home in the survey include a small number who experienced working from home for the first time in or after June 2020; however, those people are excluded from the trend analyses (Figures 1, 2, 3, and 4). Additionally, people who experienced work from home before the COVID-19 pandemic (before February 2020) are similarly excluded from the analyses for the reason that they are not suitable for assessing changes brought by the new experience of working from home. The above-mentioned respondents are included in the analyses presented in the other tables (Table 1–5).

12. For example, based on Takami (2021b), which analyzed factors that caused changes in hours worked during the 2020 state-of-emergency period and then up to July, the decreases in hours worked in “accommodations, eating and drinking services” were large in April to May 2020 even when other factors (e.g., sex, region, etc.) were kept constant.

13. If it is the case that overtime work fell due to better work productivity and efficiency, then this development can be evaluated positively in terms of both work and daily life. However, the JILPT survey reveals that self-rated productivity has declined among those who work from home.

14. A tendency is observed whereby many respondents indicate they were “dissatisfied” with their lives when their working hours decreased. On this point, a strong correlation

between decreased income and lower life satisfaction is found. It is presumed that decreased income (such as decreased overtime pay and the like) is attributable to decreased hours worked, which leads to lower life satisfaction.

15. For personal attributes, occupation, and region of residence, information current as of April 1, 2020 was used. For individual annual income before the pandemic, responses on individual annual income for 2019 (category selection method) were converted into continuous variables.

16. The effect of less commuting time resulting from working from home should also be considered. However, the survey does not ask respondents about their commuting times and therefore strict examination of this is difficult. Because average commuting times vary from region to region, differences in the effects of working from home that are attributable to region of residence were sought, but could not be confirmed. Although limitations exist, a possible interpretation is that time became easier to manage with the shift of the workplace to the home and that changes in attitudes and values were also significant, rather than (just) changes in time allocation brought by less commuting time.

17. It should be noted that, although not presented in this paper, no significant increase in housework and childcare hours was observed among people who experienced working from home but did not continue it.

18. No further interpretations are made concerning increases in leisure hours, as the effect of less commuting time cannot be ignored.

19. Indicators about personal attributes and socioeconomic status (educational attainment and occupation), income level, decreased income during the pandemic, and other factors are also thought to be relevant, and therefore the indicators used in the regression analysis are controlled.

20. There are difficulties in aspects of the relationship between working from home and housework/childcare hours in order to lead to the interpretation as a determinate causal correlation. Even in the analysis presented in this paper (Table 4), it is not enough to interpret this relationship as a causal one in which working from home unilaterally regulates housework/childcare hours. Rather, there is a sufficient likelihood that people who have high housework/childcare needs choose to continue working from home. This means that possible endogeneity cannot be ruled out. On this point, due to the difficulty of determining which of the two comes first, it is considered sufficient to show a large correlation between working from home and increasing housework/childcare hours.

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Appendix. Hours worked per week, housework/childcare hours, and leisure hours at each time point (averages): By “worked from home” and “did not work from home” at each time point

	State-of-emergency period (hours)	N	December 2020 (hours)	N
▼ Hours worked per week				
Worked from home	39.52	632	42.14	419
Did not work from home	39.58	1319	42.56	1532
Total	39.56	1951	42.47	1951
▼ Housework/childcare hours (married respondents [total of men and women])				
Worked from home	1.53	389	1.54	271
Did not work from home	1.56	637	1.37	755
Total	1.55	1026	1.42	1026
▼ Housework/childcare hours (married respondents [men])				
Worked from home	1.31	324	1.32	223
Did not work from home	1.18	470	1.03	571
Total	1.23	794	1.11	794
▼ Leisure hours				
Worked from home	8.04	632	7.96	419
Did not work from home	7.90	1319	7.81	1532
Total	7.95	1951	7.84	1951

Notes: 1. For “hours worked per week,” the figures for the state-of-emergency period are average hours worked during the “second week of May (May 7 to 13)” and those for December 2020 are the average hours worked during the “last week of November (November 24 to 30),” just before December 2020.

2. The figures for housework/childcare hours and leisure hours each refer to hours per weekday. In addition, “housework/childcare hours” are the total of housework hours/childcare hours that can be grasped from the survey, and “leisure hours” are the total of free time and sleeping time.

3. The number of people who worked from home during the state-of-emergency period and as of December 2020 differ, and therefore the *N* figures indicating “worked from home” or “did not work from home” at both time points do not match.

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## Judgment Declaring Fixed Overtime Pay Illegal and Upholding a Worker's Claim for a Solatium for Excessive Overtime Work despite No Resulting Health Damage

The *Karino Japan Case*

Nagasaki District Court, Omura branch (Sept. 26, 2019) 1217 *Rodo Hanrei* 56

HOSOKAWA Ryo

### I. Facts

X signed an employment contract in 2012 with Company Y, a company that manufactures and sells noodles, and was engaged in manufacturing noodles and other such duties.

In addition to the basic salary, X received an allowance related to X's specific job duties, namely, "job-based allowance" (*shokumu teate*), of 30,000 yen per month, a "meal allowance" (*shokuji teate*) of 1,500 yen per month, and in some months, received a "good attendance allowance" (*seikin teate*). The notice of working conditions issued by Y when hiring X stated that "a portion of the job-based allowance constitutes overtime pay," but did not specify what amount of the job-based allowance would constitute overtime pay. Y's wage regulations (Article 13) similarly prescribe that "fixed overtime pay is paid as part of the job-based allowance," but do not explicitly indicate how many hours of the premium wages paid for overtime work (*jikangai rōdō*, namely, overtime exceeding the maximum working hours prescribed in the Labor Standard Act (LSA)) are covered in the job-based allowance. As described below, X engaged in large amounts of overtime work every month but was not paid premium wages for overtime work in addition to the basic salary, job-based allowance, and other such payments listed above.

Every month between June 1, 2015, and June

30, 2017 when leaving Y, X worked at least 90 hours of overtime a month. Moreover, in seven of those months, X's overtime work was no less than 150 hours. For the majority of this period, Y had not yet

concluded a labor-management agreement on overtime work as stipulated in Art. 36, LSA (Art. 36 agreement) which Y had been obliged to enter into in the event that workers were to work overtime. An Art. 36 agreement was subsequently concluded on February 1, 2017. The Ordinance for Enforcement of the LSA (Art. 6-2 (1)) requires that the "person representing a majority of the workers" who concludes the Art. 36 agreement with the employer be elected by the workers by ballot, show of hands, or other such means. However, A, the worker representative who concluded the Art. 36 agreement with Y, was chosen as representative of the majority of workers on recommendation. Furthermore, Y did not take any measures to respond to the fact that, as described above, X was engaging in large amounts of overtime work, such as exercising special care, checking the content of X's work, or reducing the large amounts of overtime work. X was diagnosed with partial decline in lung function, although the diagnosis did not identify X's work at Y as the cause.

X demanded the payment of premium wages



and other such allowances for overtime work, work on days off, night work and other work, along with what is known as the “additional monies prescribed in Article 114, LSA”<sup>1</sup> owed for X’s work in the period from June 1, 2015 to June 30, 2017, as well as the payment of a solatium and other such compensation for mental distress, on the basis of consistently having been subjected by Y to harsh long working hours over a long period of time.

Y responded by claiming that the job-based allowance paid by Y to X each month was paid as a fixed amount covering premium wages for the monthly sum of the one hour and a half of overtime worked each working day (fixed overtime pay) and should be excluded from the calculation of the premium wages demanded by X as unpaid wages. Y also claimed that merely allowing a worker to work long hours does not constitute a tort.

## II. Judgment

The Nagasaki District Court partially upheld and partially quashed X’s claims (\*a settlement was reached after an appeal was filed with the higher court). The judgment can be summarized as follows:

(1) The job-based allowances at Y include the payment for ability-based remuneration in addition to that for fixed overtime pay. Therefore, in order to recognize that Y had paid the overtime pay required under Art. 37, LSA by paying the job-based allowance, it is necessary to clarify the portion of the job-based allowance paid for fixed overtime pay and that paid for ability-based remuneration.

However, there is no explicit indication of exactly what amount of X’s job-based allowance represented fixed overtime pay. Moreover, Y’s wage regulations also fail to explicitly indicate how many hours’ worth of premium wages were accounted for the portion of the job-based allowances paid as a part of fixed overtime pay.

Given the above, the job-based allowances at Y cannot be regarded as being clearly divided into a fixed overtime pay portion and an ability-based remuneration portion. It is therefore not possible to recognize that paying the job-based allowances constituted the payment of premium wages for

overtime work as stipulated in Article 37 of the LSA. As a result, the amount of job-based allowances cannot be excluded from the calculation of the premium wages for overtime work that should be paid to X.

(2) As is common knowledge, consistently working long hours for extended periods of time can lead to an excessively accumulated fatigue and mental stress that may damage a worker’s mental and physical health. Y was therefore obliged to exercise care when determining and overseeing the work it assigned X to ensure that there would be no damage to X’s mental or physical health as a result of an excessively accumulated fatigue, mental stress, or other such strains from the pursuit of said work.

X engaged in overtime work as described in Section I above. Initially, Y had not yet entered into an Art. 36 agreement, and the Art. 36 agreement it concluded in February 2017 was invalid, as it did not fulfil the conditions stipulated in Art. 6-2 (1) (ii) of the Ordinance for Enforcement of the LSA. In addition to this, Y also failed to exercise care regarding X’s working hours, which could be ascertained from the clock-in and clock-out times recorded on X’s time card, to check the content of X’s work, or to take measures such as providing guidance aimed at improving the X’s work situation.

Y’s actions as described above were in violation of its contractual obligation to give due consideration to a worker’s safety (*anzen hairyo gimu*). This violation constitutes a tort and Y is obliged to compensate X for any damages that arose as result of its failure to fulfil that contractual obligation to consider safety.

(3) There is no medical evidence that X experienced mental or physical health difficulties as a result of working long hours. However, even if the long working hours did not ultimately result in X developing a specific illness, Y neglected its contractual obligation to consider safety, and, for more than two years, allowed X to work long hours such that there was a risk of causing X to develop mental or physical difficulties. It can therefore be judged that Y infringed upon X’s personal interests.



It can easily be inferred that Y's violation of its contractual obligation to consider safety and in turn its infringement upon X's interests as an individual resulted in X suffering mental distress. Thus, Y is obliged to pay X compensation and other such payments for damages that arose as a result of its tortious act.

### III. Commentary

This is a case that a worker having been compelled to engage in large amounts of overtime work sought the payment of premium wages for overtime work and, at the same time, claimed damages on the grounds that in compelling the worker to work long hours, the employer violated its contractual obligation to consider safety.

The first key point of discussion is what is known as "fixed overtime pay" (*kotei zangyōdai*). In some cases in general it may be recognized that an employer has paid the worker wages for monthly overtime work by paying nominally, in addition to the basic salary, a set amount of monthly allowance, which, as with the job-based allowance paid in this case, is often not explicitly indicated as premium wages for overtime work. At the same time, in many cases there is a lack of clarity regarding the role of the allowances that are treated as fixed overtime pay and the ways in which they are calculated. Furthermore, as these allowances are fixed amounts—regardless of the amount of overtime work—there is a growing number of cases of workers seeking the payment of unpaid premium wages on the grounds that the fixed overtime pay they have received does not sufficiently cover the amount that should be paid for their actual overtime work or demanding that the allowances treated as fixed overtime pay should not be seen as premium for overtime work.

The Supreme Court has ruled that in order for fixed overtime pay to be recognized as payment of premium wages in compliance with Art. 37, LSA, it needs to meet the following two requirements: (1) that it is possible to distinguish between the wages paid for standard working hours and the portion paid as premium wages, and (2) that the amount

paid as premium wages is not less than the amount calculated on the basis of Art. 37, LSA (the *Kochi Prefecture Tourism* case, Supreme Court (Jun. 13, 1994) 653 *Rohan* 12).

In this case, the job-based allowance that Y claimed was fixed overtime pay constituting the payment of premium wages is, according to Y's system, intended to constitute not only premium wages for overtime work but also ability-based remuneration, and yet it is recognized that there is no explicit indication of the portions (amounts of money) assigned to each. It is also recognized that it is unclear how many hours of overtime work those premium wages should cover. On these grounds, the district court determined that the job-based allowances at Y cannot be recognized as the payment of premium wages for overtime work as prescribed in Art. 37, LSA. This decision, which follows the approach adopted in the Supreme Court judgment described above, appears to be the inevitable conclusion.

The second key point is the question of whether to recognize X's claim for damages in relation to the fact that Y compelled X to consistently engage in large amounts of overtime work for a long period of time exceeding two years. Of the points raised by this judgment, this second one has gathered particular interest in Japan.

The employer's contractual obligation to consider safety has been recognized in Supreme Court precedents for many years. Namely, judgments have determined that employers bear a "contractual obligation to give due consideration in order to protect workers' lives and physical safety, etc. from danger (the *Kawagi* case (Apr. 10, 1984) 38–6 *Minshu* 557). In addition to this, Art. 5, Labor Contracts Act currently prescribes that "in association with a labor contract, an Employer is to give the necessary consideration to allow a Worker to work while ensuring the employee's physical safety." Employers are also expected to protect workers from health damage resulting from overwork given their "contractual obligation to take care that workers do not suffer damage to their mental or physical health due to an excessively accumulated

fatigue or mental stress, etc. in the pursuit of their work” (the *Dentsu* case, Supreme Court (Mar. 24, 2000) 54–3 *Minshu* 1155).

It should, however, be noted that in cases regarding violations of an employer’s contractual obligation to consider safety, it is typical that a specific incident or damage to the worker’s health has arisen, thereby allowing the specifics of the contractual obligation that the employer was obliged to fulfil to be clearly identified. It has therefore been considered difficult for a worker to request their employer to fulfill their contractual obligation to consider safety before such an incident or health damage occurs. That is, while there are many precedents recognizing an employer’s contractual obligation to consider safety with regard to employers compelling workers to engage in large amounts of overtime work, all of these cases involved a specific incident of a worker suffering health issues or losing or severely endangering their life due to cerebral or cardiac diseases or mental illness (depression, etc.).

In contrast, this judgment recognized X’s claim for payment of damages (solatium) on the grounds of the employer’s violation of its contractual obligation to consider safety, despite the fact that it was recognized that—given the lack of medical evidence that the disease affecting lung function claimed by X was a result of X’s work—this case did not involve the worker developing a specific illness as a result of work duties. It is, as this judgment states, theoretically possible to recognize that long working hours may incur mental health damage, even if a specific illness has not developed. This point is the major feature of this judgment and can be seen as a valuable precedent.

On the other hand, this judgment addresses the fact that in addition to the over two years of consistent long working hours, Y violated the law concerning the conclusion of an Art. 36 agreement

which is necessary when ordering workers to engage in overtime work, as well as the fact that Y failed to take measures to oversee or ameliorate X’s working hours or work situation. It is problematic that there are unclarity as to the relationships between the circumstances addressed by the judgment and the theoretical framework and conclusion adopted in the judgment, such as whether those circumstances were addressed in order to identify the specific nature of the contractual obligation to consider safety borne (violated) by Y or whether those circumstances had to be addressed in order to recognize the claim for damages despite no specific health damage having arisen.

While this case was settled following the filing of an appeal and will therefore not be tried in a higher court, there is significant interest in future developments concerning judgments that may be passed by courts in similar cases.

1. When an employer has failed to make a payment that is prescribed in the LSA—namely, an allowance to account for lack of advance notice of dismissal (Art. 20), an allowance for absence from work for reasons attributable to the employer (Art. 26), premium wages (Art. 37), or allowance for annual paid leave (Art. 39 Para. 9)—the court, at a request from the worker, may order the employer to make additional monies equal to the amount of unpaid wages or allowances (which is paid *in addition* to the payment of unpaid wages or allowances) (LSA Art. 114). This system is thought to have been established due to the influence of the “double damages” system (doubling of the amount of back pay) adopted in US law (See Takashi Araki, *Labor and Employment Law*, 4th. 2020, at 70). It is at the discretion of the court whether the company should be ordered to make the additional monies and how much the additional monies should be. In recent years, the courts have tended to make decisions on the additional monies depending on the nature of the case and whether the employer has acted in bad faith.

The *Karino Japan* case, *Rodo Hanrei* (Rohan, Sanro Research Institute) 1217, pp. 56–66. See also *Rodo Keizai Hanrei Sokuho* (*Rokeisoku*, Keidanren Jigyo Service) 2402, pp. 2–11 and *Jurist* (Yuhikaku) no.1539, December 2019, pp. 4–5.

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# Labor-management Relations in Japan

## Part III: Systems for Resolving Individual Labor Disputes

HAMAGUCHI Keiichiro

The numbers of collective labor disputes involving labor unions in recent years have significantly declined, almost to the point of extinction. In contrast, there are extremely high numbers of labor disputes between individual workers and management without the involvement of labor unions. In 2019, there were just 49 labor disputes with dispute acts, in comparison with around one million incidences of the authorities being consulted concerning individual labor disputes in the same year, of which around 10,000 incidences resulted in advice or guidance being issued by the Director of the relevant Prefectural Labor Bureau, and around 5,000 incidences entailed mediation by Dispute Adjustment Committees. Individual labor disputes—cases involving individual workers who have been subject to dismissal, bullying, or other such treatment—already account for almost the majority of Japan's labor disputes.

### I. The development of systems for resolving individual labor disputes

As seen in Part II of this article series, over the years there has been a rise in the numbers of individual workers who are unable to have their disputes resolved through collective labor relations, due to factors such as the declining unionization rate and the lack of labor unions in micro-, small-, and medium-sized enterprises, as well as the exclusion of non-regular employees from union membership by the majority of Japan's enterprise unions. Despite this, for many years, no steps were taken to develop systems for responding to such individual labor disputes. Modern Japan's labor dispute resolution

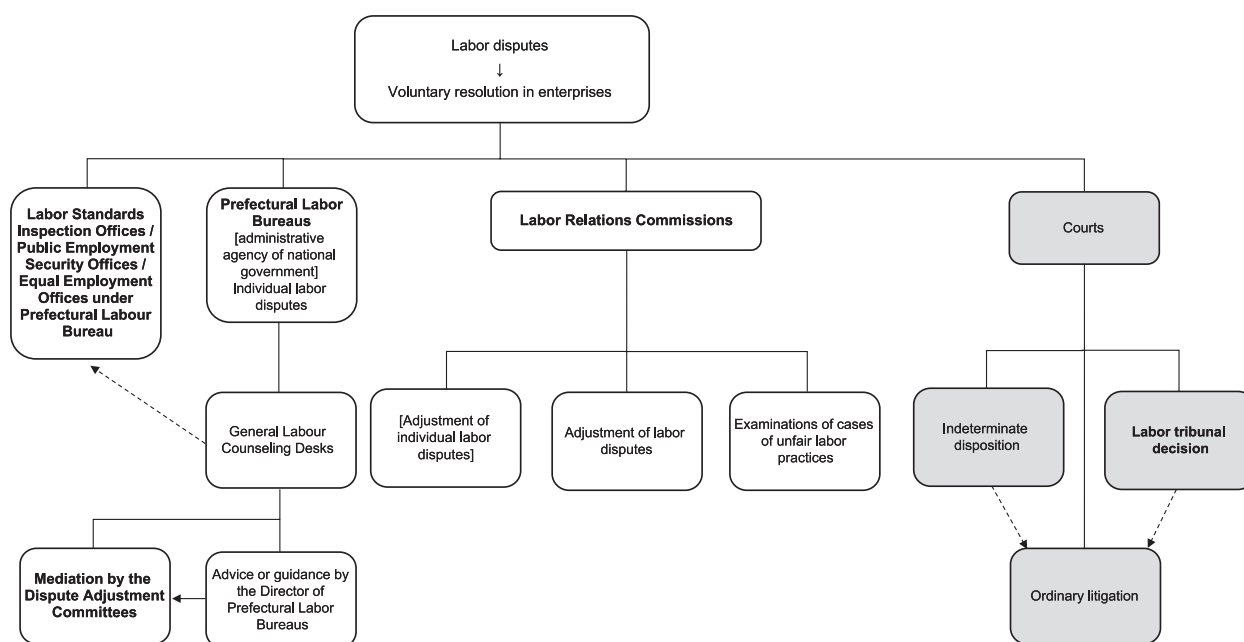
systems have been developed exclusively as adjustment procedures for resolving collective labor disputes involving labor unions. The Labor Union Act prohibits the unfair labor practices of less favorable treatment and refusal



to bargain collectively, and stipulates that in the event of violations, the relevant Labor Relations Commission will issue a remedial order. The Labor Relations Adjustment Act also establishes procedures for handling disputes between workers and their employers in the form of mediation, conciliation, and arbitration by a Labor Relations Commission.<sup>1</sup> However, both approaches assume that the party leading the dispute is a labor union, as opposed to an individual worker.

This is not to say that individual workers formerly had no procedures whatsoever to pursue the resolution of labor disputes. The Constitution of Japan guarantees all people the right of access to the courts. And yet, proceedings in Japanese courts are an unrealistic option for individual workers due to the long periods of time they require. While the cases known as *kakekomi uttae* ("action with last-minute union membership") described in the previous article—namely, those in which a worker joins a non-enterprise-based labor union *after* being dismissed and requests that union to pursue collective bargaining—are in effect individual labor disputes, they are collective labor disputes in formal terms. Moreover, although the resolution of unpaid wages and other such legal violations can be sought by reporting the issue to a Labor Standards





Source: Takashi Araki, *Rodo ho* [Labor law], 4th ed. (Tokyo: Yuhikaku, 2020) 598. Translated by the author.

Figure 1. Framework of Labor Dispute Resolution System

Inspection Office, civil disputes such as unfair dismissal are not covered under that system.

There was therefore growing recognition of the necessity for the establishment of mechanisms specialized in resolving individual labor disputes. This resulted in the enactment of the Act on Promoting the Resolution of Individual Labor Disputes in 2001 (Figure 1). The Act prescribes that Prefectural Labor Bureaus receive consultations from workers, and among those cases the Director of the Prefectural Labor Bureau can, at the request of the worker, issue advice or guidance, and have a Dispute Adjustment Committee conduct mediation. Of these measures, we shall look at mediation process. The majority of cases begin with the individual worker applying for mediation. If the employer that is the other party to the dispute responds by declaring its intention *not* to participate, the mediation is immediately discontinued. If the other party participates, the mediation commences, and the relevant Dispute Adjustment Committee puts forward a mediation proposal. If both labor and management agree to the proposal, the dispute is resolved. If, on the other hand, one or both parties

refuse to accept, the mediation fails, and the process is discontinued.

Table 1 shows changes in the numbers of individual labor disputes—total number of labor consultations, and a breakdown of those consultations into individual civil labor disputes, requests for advice or guidance, and applications for mediation—received by Prefectural Labor Bureaus across Japan. In terms of approximate figures, this indicates that there are around one million consultations in total each year, of which 250,000 are civil labor disputes on dismissal and other such matters, around 10,000 are requests for advice or guidance, and around 5,000 are applications for mediation.

## II. Development of the labor tribunal system

The previous section looked at the labor administration processes for handling individual labor disputes. With regard to the court system, there were likewise increasing calls for the establishment of a simpler system—that is, an alternative to lawsuits—exclusively for resolving individual labor disputes. These led to the

Table 1. Changes in Numbers of individual labor disputes (at Prefectural Labor Bureaus and courts)

(Cases)

Fiscal year	Prefectural Labor Bureaus				Courts	
	Total number of labor consultations	Number of individual civil labor disputes	Number of requests for advice or guidance	Number of applications for mediation received	Labor tribunals	Civil suits
2001 (second half)	251,545	41,284	714	764		
2002	625,572	103,194	2,332	3,036		2,309
2003	734,257	140,822	4,377	5,352		2,433
2004	823,864	160,166	5,287	6,014		2,519
2005	907,869	176,429	6,369	6,888		2,446
2006	946,012	187,387	5,761	6,924	877	2,035
2007	997,237	197,904	6,652	7,146	1,494	2,246
2008	1,075,021	236,993	7,592	8,457	2,052	2,441
2009	1,141,006	247,302	7,778	7,821	3,468	3,218
2010	1,130,234	246,907	7,692	6,390	3,375	3,127
2011	1,109,454	256,343	9,590	6,510	3,586	3,170
2012	1,067,210	254,719	10,363	6,047	3,719	3,358
2013	1,050,042	245,783	10,024	5,712	3,678	3,339
2014	1,033,047	238,806	9,471	5,010	3,416	3,257
2015	1,034,936	245,125	8,925	4,775	3,679	3,391
2016	1,130,741	255,460	8,976	5,123	3,414	3,391
2017	1,104,758	253,005	9,185	5,021	3,369	3,528
2018	1,117,983	266,535	9,835	5,201	3,630	3,500
2019	1,188,340	279,210	9,874	5,187	3,665	3,619
2020	1,290,782	278,778	9,130	4,255	3,907	3,960

Source: Ministry of Health, Labour and Welfare (MHLW), <https://www.mhlw.go.jp/content/11909000/000797476.pdf>. Ministry of Justice, "Civil Affairs Administration of the Ministry of Justice in the Year of 2005" and "Civil affairs administration of the Ministry of Justice in the year of 2019," *Hoso Jiho (Lawyers Association Journal)*.

establishment of the Labor Tribunal Act, which was enacted in 2004 and put into effect in 2006.

Labor tribunals are largely carried out in the district courts. A labor tribunal is conducted by a labor tribunal committee consisting of a labor tribunal judge and two labor tribunal members (selected from labor and management organizations). The dispute is generally resolved within three sessions. The labor tribunal starts by attempting conciliation. If conciliation is achieved, the dispute is thereby resolved, and if an agreement is not reached, the labor tribunal judge passes a labor tribunal decision (*shinpan*). A party that objects to the decision must file a challenge. In such cases, it is considered that an action was filed at the time of petition for labor tribunal proceedings, and from that point on, the case is handled through typical trial proceedings. As seen in Table 1, the annual numbers of labor tribunals have been between 3,000

and 4,000 in recent years.

In fact, the numbers of workers who file civil suits—that is, those who are prepared to do so regardless of the costs—are, as may be expected, also between 3,000 and 4,000 cases each year. Civil suits go through the three-tiered court system: district courts, high courts, and the Supreme Court. Firstly, the plaintiff submits a complaint. The defendant responds by submitting a written answer. The judge then conducts the trial by examining the documentary evidence and witnesses. Generally, the judge passes a judgment (*hanketsu*), but in many cases, disputes are resolved when a settlement (*wakai*) is reached between the plaintiff and defendant during the suit. If a party objects to the judgment, that party files an appeal (*kōso*) with the relevant high court, or subsequently a final appeal (*jōkoku*) with the Supreme Court. This, however, requires a long period of time.

### III. Change in the content of individual labor disputes

The content of the individual labor disputes handled by the labor bureaus has also changed considerably over almost two decades since the system was established. While formerly, issues concerning the termination of employment, such as dismissal or non-renewal of repeatedly renewed fixed-term contract, accounted for an overwhelmingly large number of disputes, there has been a rising number of disputes involving bullying (harassment) in recent years. Figures 2, 3, and 4 show the changes in the numbers of individual labor disputes (civil labor disputes, requests for advice/guidance, and applications for mediation) in each category (dismissal or non-renewal of fixed-term contract, other forms of termination of employment, bullying/harassment, and others).

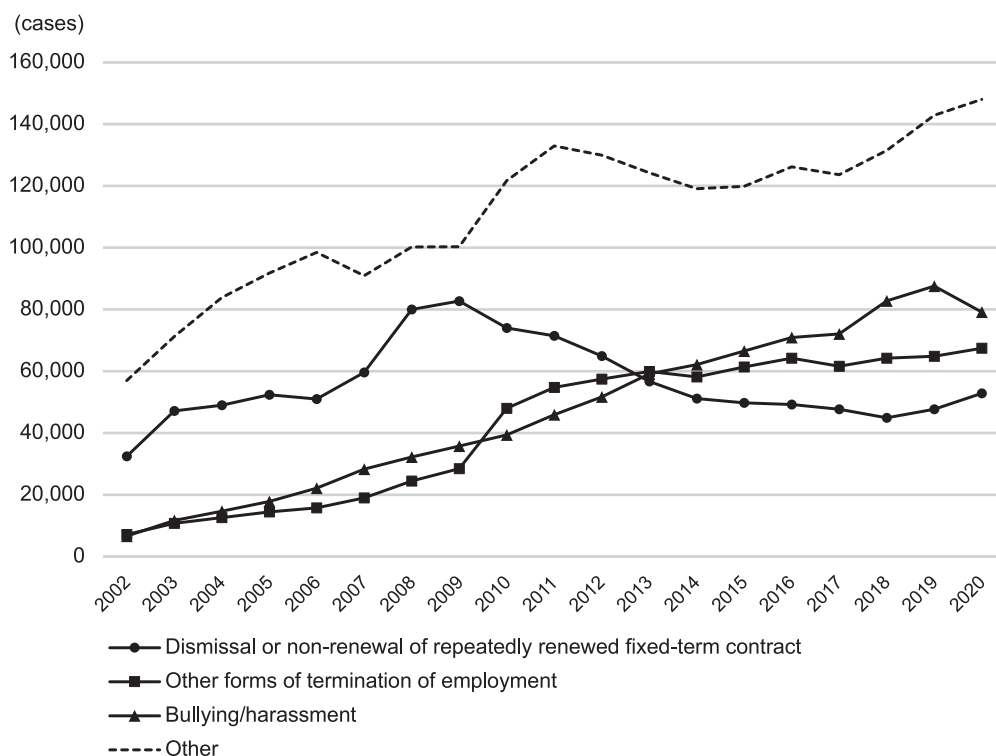
If we take the 2008–2009 global financial crisis as a turning point, the figures show that while prior

to the crisis there was a rising number of disputes regarding dismissal, non-renewal of repeatedly renewed fixed-term contract, and such other forms of termination of employment (such as inducement of resignation, (reluctant) voluntary resignation, or withdrawal of a tentative hiring decision), after the crisis such disputes have in fact been on the decline, while, in contrast, the numbers of harassment-related disputes are steadily rising.

### IV. Increasing categories of disputes handled by conciliation

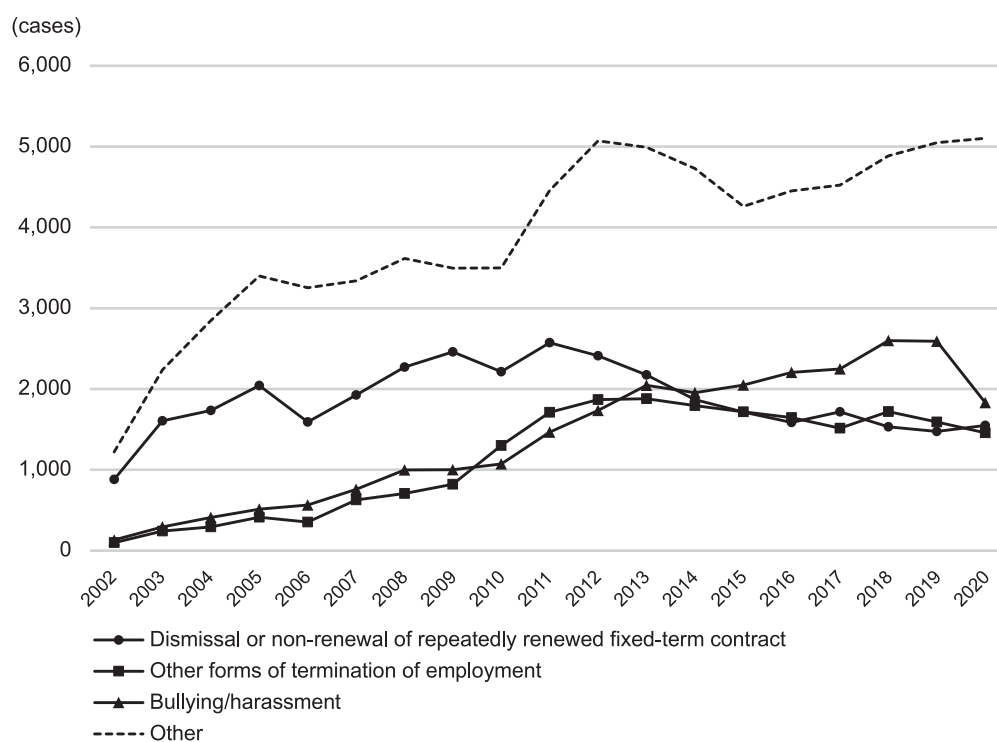
In the previous sections, we have looked at the systems for resolving typical individual labor disputes. The mechanisms for addressing individual labor disputes in specific fields have been established—some prior to those systems, and some as separate, independent approaches—and have been gradually expanding. This section provides a summary of those developments.

The first of those mechanisms to be established



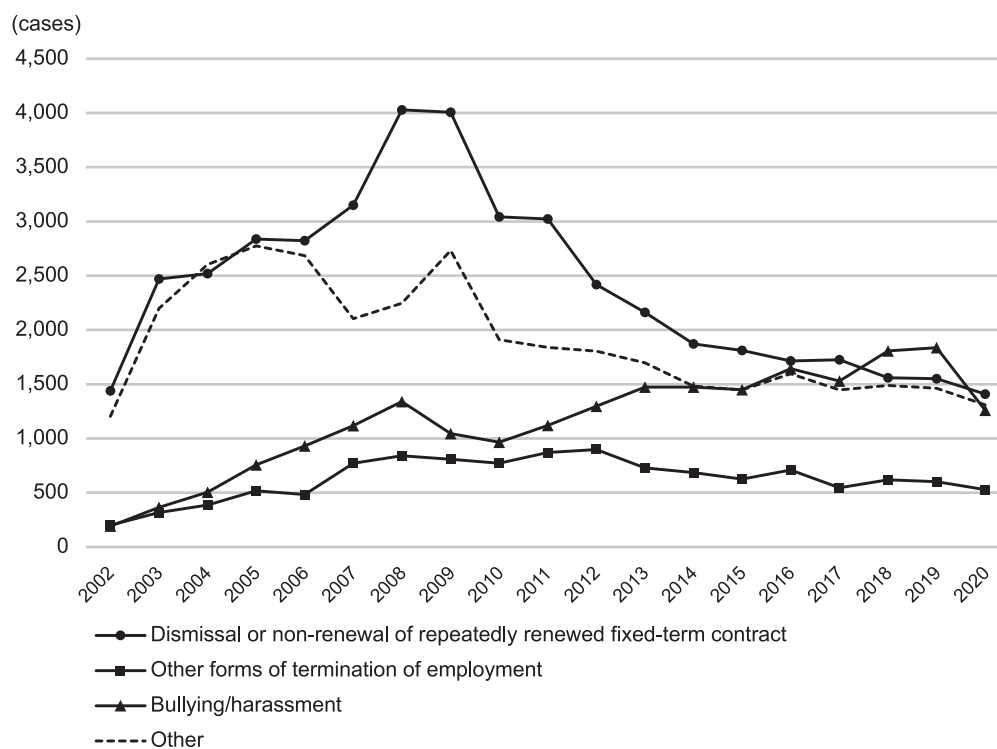
Source: MHLW, "The Enforcement Status of Individual Labor Dispute Resolution System."

Figure 2. Change in number of individual civil labor disputes by category



Source: MHLW, "The Enforcement Status of Individual Labor Dispute Resolution System."

Figure 3. Change in number of requests for advice or guidance by category

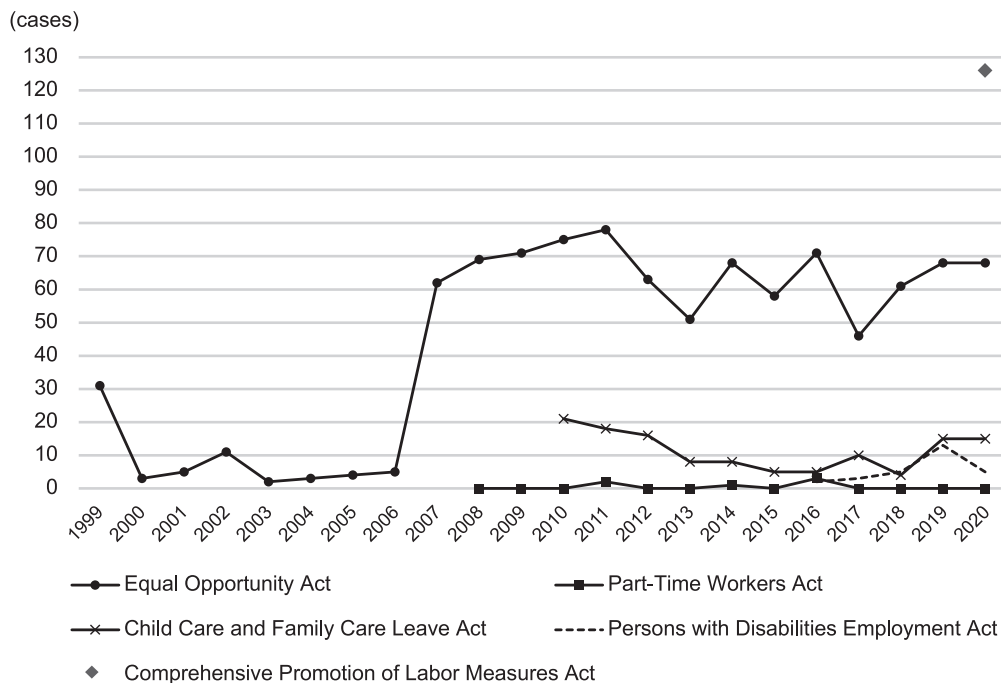


Source: MHLW, "The Enforcement Status of Individual Labor Dispute Resolution System."

Figure 4. Change in number of applications for mediation by category

was an Equal Opportunity Conciliation Commission based on the Equal Employment Opportunity Act<sup>2</sup> of 1985. The Act marked the first time that gender equality in employment was prescribed under Japanese law, and such commissions were therefore created to solve disputes concerning such matters. However, the 1985 version of the Act stipulated merely a “duty-to-endeavor,” and had no legal binding to prohibit discrimination. Moreover, the system of conciliation by an Equal Opportunity Conciliation Commission was such that even if one party applied for a dispute to be handled, conciliation could only commence when the other party also consented. This was on par with the International Court of Justice, which does not have jurisdiction if one of the countries’ parties to the matter does not consent to referral to trial. Subsequently, the 1997 amendment to the Act, which enforced the prohibition of discrimination, enabled conciliation based on the Act to be commenced upon an application from just one party.

At that stage, conciliation was only adopted as a means for addressing disputes involving gender discrimination. Therefore, disputes concerning sexual harassment, as were the cases for harassment in general, were handled through mediation when the Act on Promoting the Resolution of Individual Labor Disputes was enacted in 2001. Several years later, when the Equal Employment Opportunity Act was amended in 2006, the adjustment procedures for handling sexual harassment and maternity-related discrimination cases were changed from mediation to conciliation. Furthermore, the procedures for handling cases of discrimination concerning the working conditions of part-time workers were changed to conciliation with the amendment of the Part-Time Workers Act<sup>3</sup> in 2007, and the procedures for handling cases of discrimination related to raising children or caring for family members were also changed to conciliation with the amendment of the Child Care and Family Care Leave Act<sup>4</sup> in 2009. The 2013



Source: Data on enforcement of related laws issued each year by Equal Employment Offices of Prefectural Labor Bureau, MHLW.

Note: Comprehensive Promotion of Labor Measures Act was enforced on July 6, 2018.

Figure 5. Numbers of conciliation cases by category

amendment of Persons with Disabilities Employment Act<sup>5</sup> saw the adjustment procedures for handling cases regarding discrimination toward (and reasonable accommodation of) persons with disabilities also changed to conciliation. Following the establishment of the Act on the Arrangement of Related Acts to Promote Work Style Reform (more commonly known as the Work Style Reform Act) in 2018, cases of discrimination concerning the working conditions of fixed-term contract employees and dispatched workers were also handled by conciliation, as had already been the cases for those regarding part-time workers. Figure 5 shows the changes in the numbers of individual labor disputes handled through conciliation in that period.

While such increases in the categories of disputes handled by conciliation have resulted in the gradual decline in the numbers of disputes categorized as “other” mediation cases, no particularly significant changes have been noted at this point. At the same time, the changes prompted by the 2019 amendment of the Comprehensive Promotion of Labor Measures Act<sup>6</sup> (enforced in June 2020) are anticipated to prompt rather significant impacts in the years to come. This is due to the fact that the amendment has resulted in all cases of harassment in general—that is, cases of harassment other than sexual harassment—also being addressed through conciliation instead of mediation. As shown in Figure 4, mediation applications regarding harassment cases in general have risen sharply from 192 (6.3%) in 2002 to 1,261 (28.0%) in FY2020. With such cases now being handled by conciliation, it has become not only possible for the conciliation process to begin regardless of the intention of the other party, and to request the company (the employer) in question to appear to the commission, but also possible to

request not only the person involved but also their colleagues to appear to the commission to hear their opinions.

Furthermore, while an example of legislation that was not passed, a human rights bill submitted to the Diet in 2002 proposed to prohibit discrimination and harassment on the grounds of race, creed, sex, social status, family origin, disability, disease, or sexual orientation, and also went a step beyond dispute mediation and conciliation by proposing arbitration as a stronger system for tackling cases of discrimination or harassment. As arbitration is legally binding for the parties concerned, the realization of such a bill could have a considerable impact on Japanese society. However, the bill was ultimately scrapped, as at the time, in 2002, the opposition raised an objection based on concerns regarding the freedom of the press, and subsequently the objection grew among right-leaning diet members in the Liberal Democratic Party itself due to backlash toward the activities of foreigners.

1. *Assen* has been termed as “conciliation,” and *chotei*, as “mediation” in the labor law academia in Japan for a long time. However, *assen* and *chotei* are translated into “mediation” and “conciliation” respectively in this text in the view of general understanding.

2. Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment

3. Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers.

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

5. Act on Employment Promotion etc. of Persons with Disabilities

6. Act on Comprehensive Promotion of Labor Measures and Stabilization of Employment of Employees, and Enrichment of Their Working Lives

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## I. Main Labor Economic Indicators

### 1. Economy

The Japanese economy shows weakness in some components further, although it remains in picking up in a severe situation due to the Novel Coronavirus. 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 taking measures to prevent the spread of infectious diseases. However, full attention should be given to the further increase in downside risks due to the spread of the infectious diseases in Japan and abroad. Also attention should be given to the effects of fluctuations in the financial and capital markets. (*Monthly Economic Report*,<sup>1</sup> May 2021).

### 2. Employment and unemployment

The number of employees in April increased by 220 thousand over the previous year. The unemployment rate, seasonally adjusted, was 2.8%.<sup>2</sup> Active job openings-to-applicants ratio in April, seasonally adjusted, was 1.09.<sup>3</sup> (Figure 1)

### 3. Wages and working hours

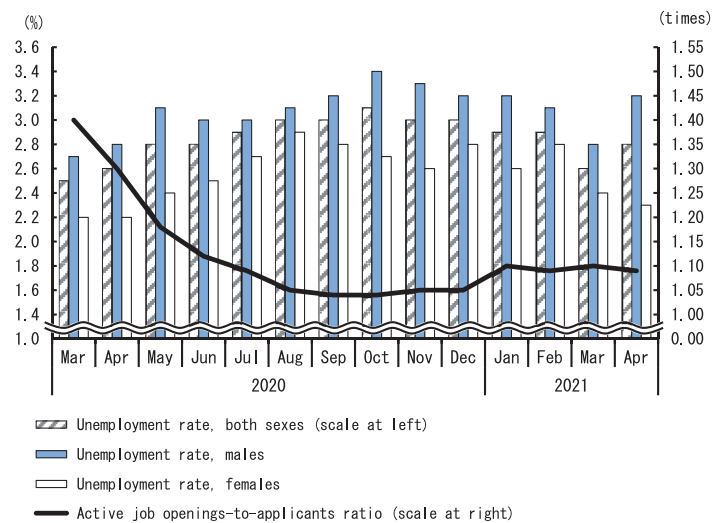
In April, total cash earnings increased by 1.4% year-on-year and real wages (total cash earnings) increased by 1.9%. Total hours worked increased by 4.1% year-on-year, while scheduled hours worked increased by 3.5%.<sup>4</sup> (Figure 2 and 6)

### 4. Consumer price index

In April, the consumer price index for all items declined by 0.4% year-on-year, the consumer price index for all items less fresh food declined by 0.1%, and the consumer price index for all items less fresh food and energy decreased by 0.2%.<sup>5</sup>

### 5. Workers' household economy

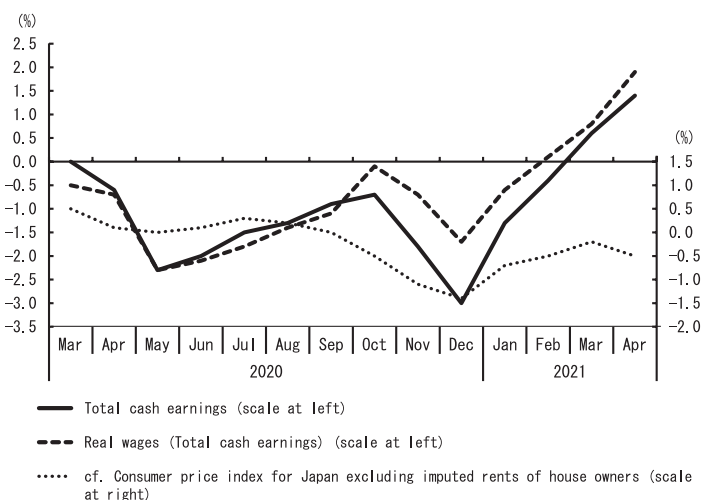
In April, consumption expenditures by workers' households increased by 11.5% year-on-year nominally and increased by 12.1% in real terms.<sup>6</sup>



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>

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

3. [https://www.mhlw.go.jp/english/database/db-l/general\\_workers.html](https://www.mhlw.go.jp/english/database/db-l/general_workers.html)

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

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

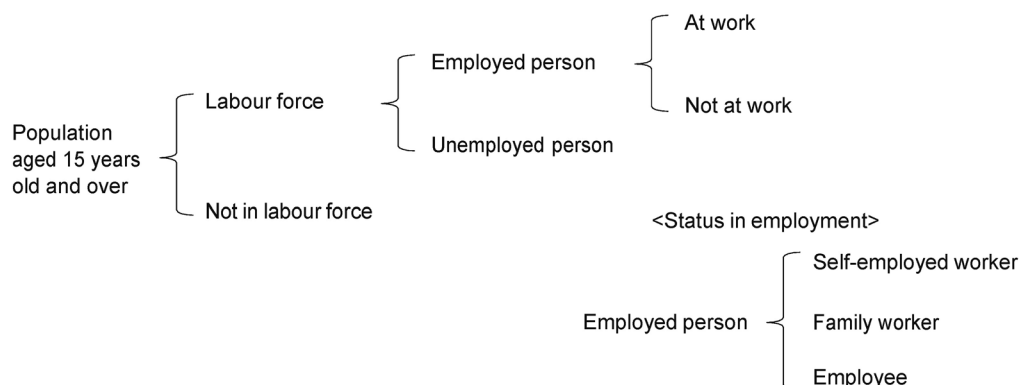
6. MIC, *Family Income and Expenditure Survey*. <https://www.stat.go.jp/english/data/kakei/index.html>

## 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 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>

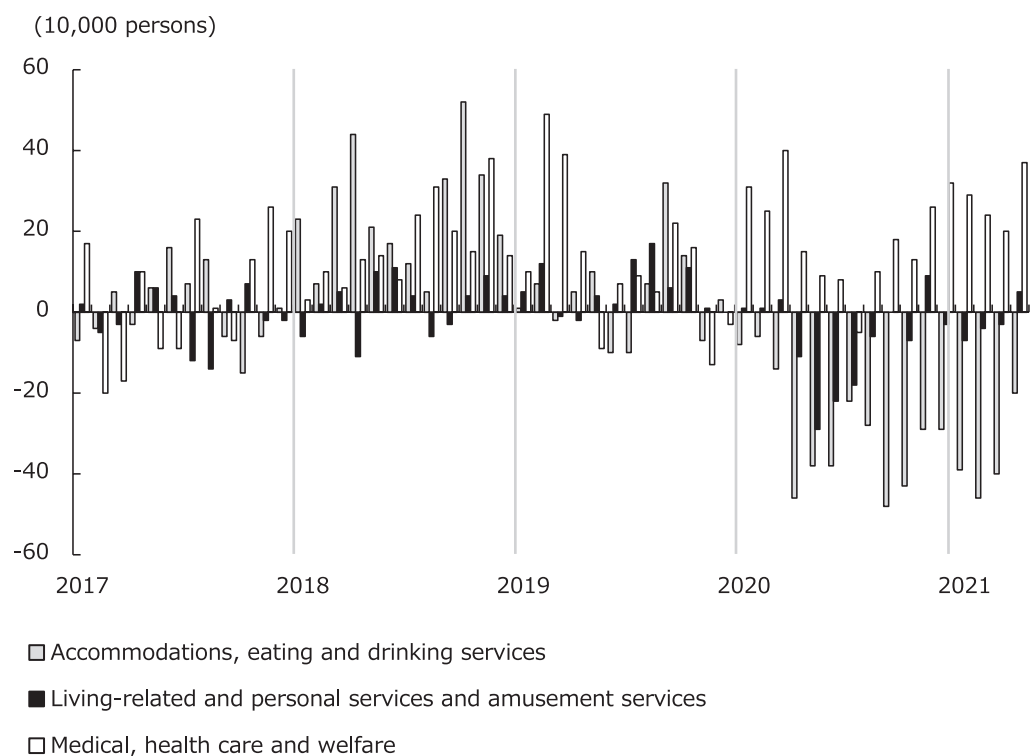
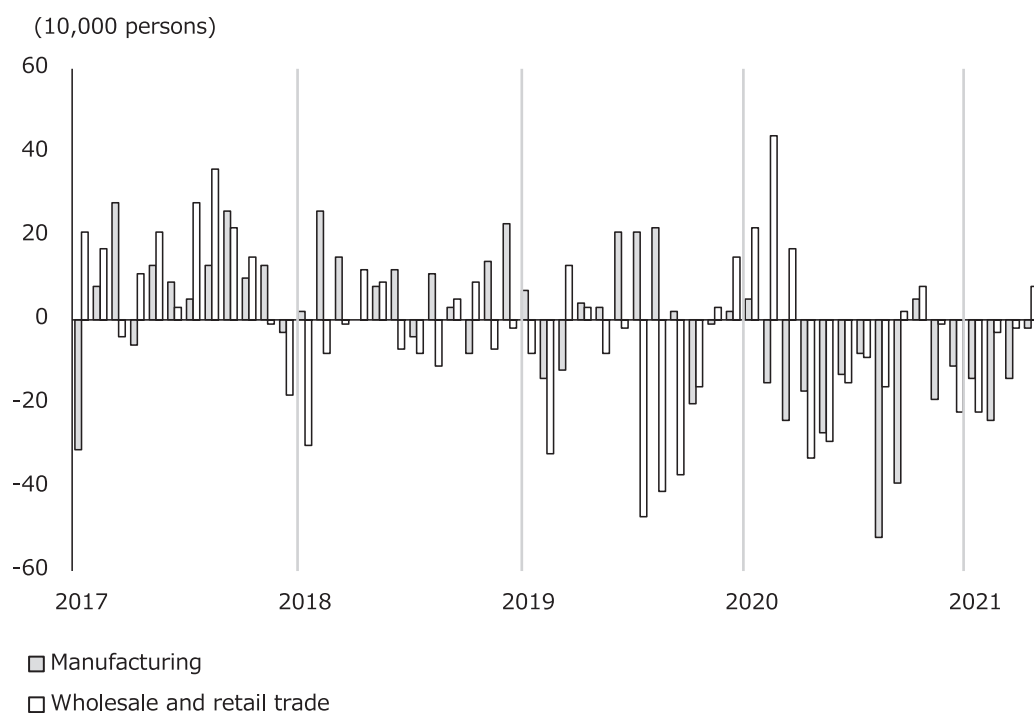
#### (2) Labor force

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	6,868	6,676	256	191
July	6,852	6,655	220	197
August	6,882	6,676	216	206
September	6,899	6,689	197	210
October	6,910	6,694	170	215
November	6,902	6,707	176	195
December	6,860	6,666	202	194
2021 January	6,834	6,637	244	197
February	6,840	6,646	228	194
March	6,837	6,649	220	188
April	6,866	6,657	199	209

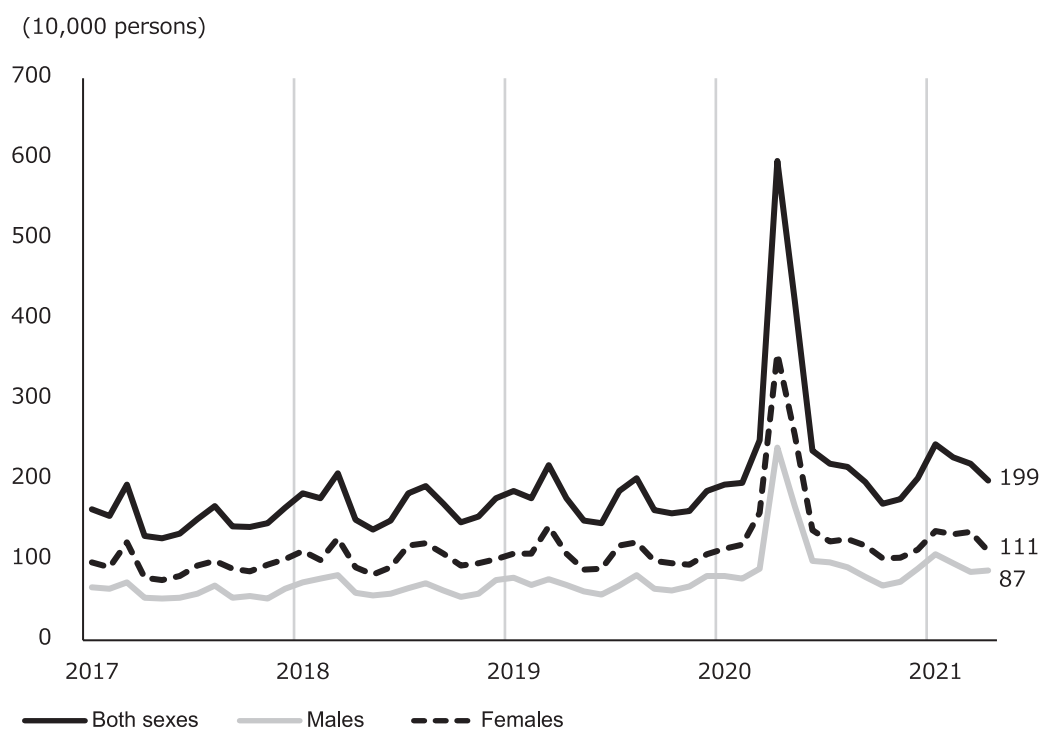
Source: Compiled by JILPT based on Ministry of Internal Affairs and Communications (MIC), *Labour Force Survey* (Basic Tabulation) (unadjusted values).



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

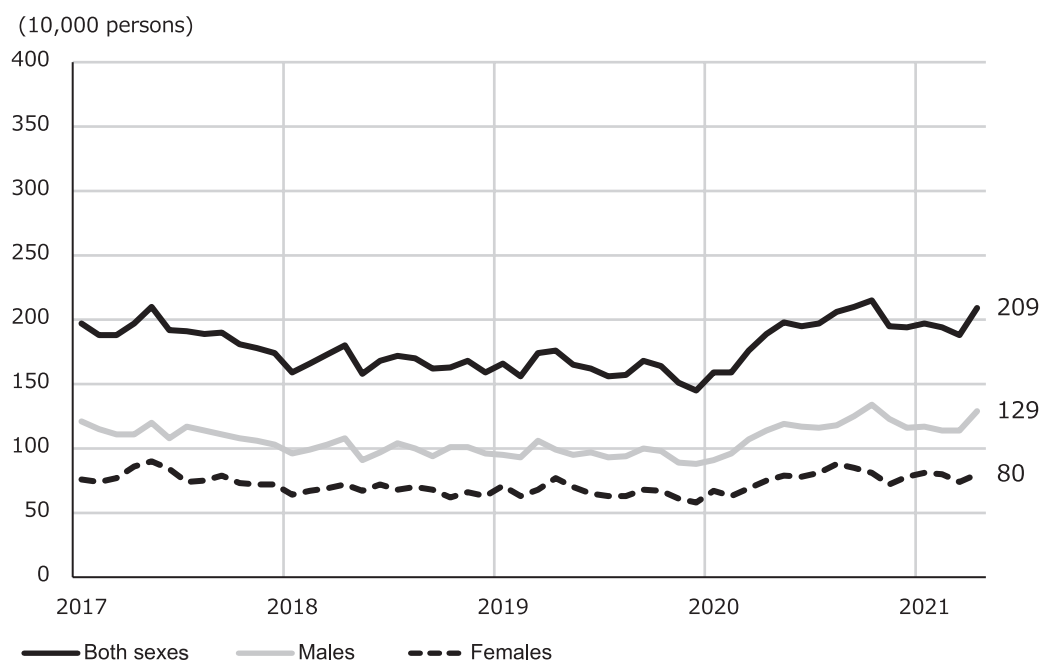
Figure 3. Number of employed persons by main industry (unadjusted values, year-on-year change) (January 2017 to April 2021)

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



Source: MIC, Labour Force Survey (Basic Tabulation).<sup>8</sup>

Figure 4. Number of employed persons not at work (unadjusted values, by sex) (January 2017 to April 2021)



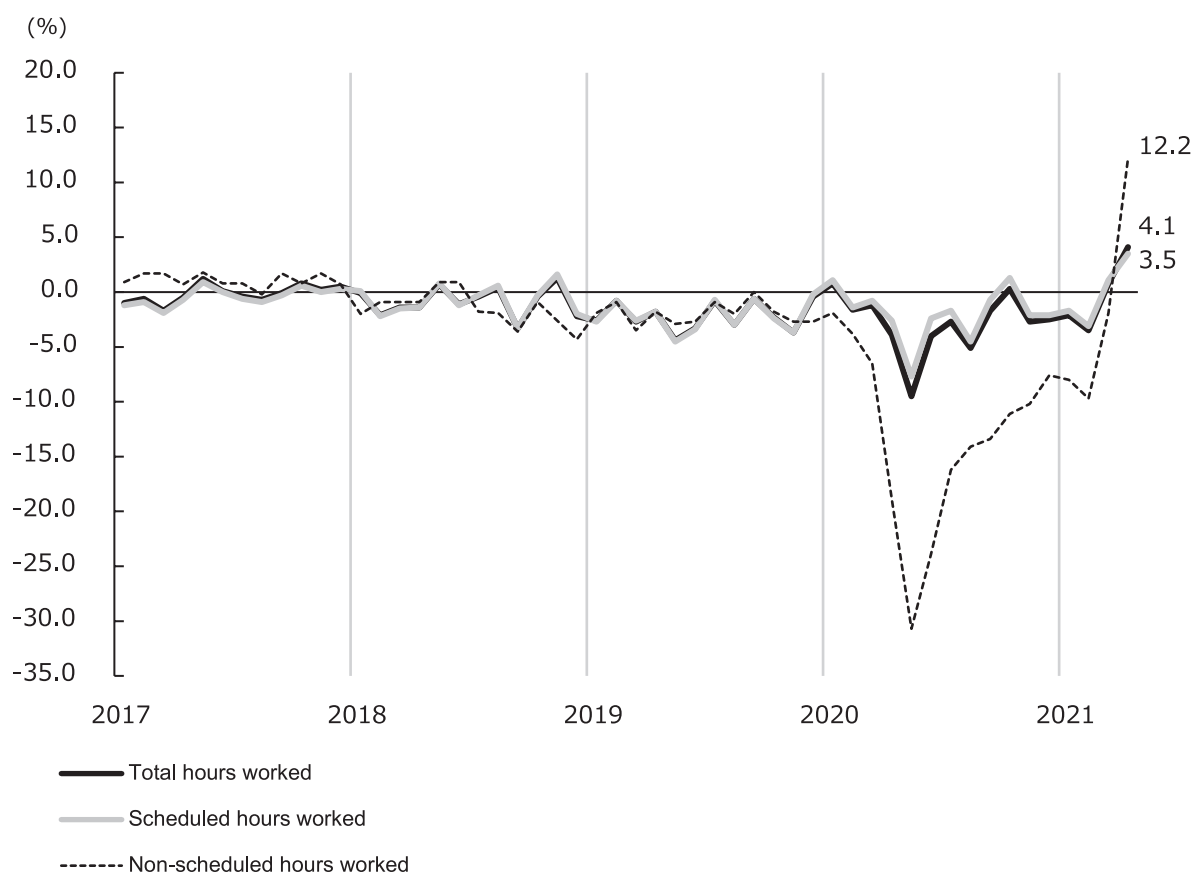
Source: MIC, Labour Force Survey (Basic Tabulation).<sup>9</sup>

Figure 5. Number of unemployed persons (unadjusted values, by sex) (January 2017 to April 2021)

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

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).

## 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) (January 2017 to April 2021)

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

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).

## What's on the Next Issue

### *Japan Labor Issues*

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*tentative*

#### ●Trends

[Key topic]

▷ MHLW Guidelines for Work from Home (Teleworking)

#### ●Research

[Article]

▷ Wage Compensation during Leave (Furlough) in the COVID-19 Crisis and Its Impacts on Workers' Careers

#### ●Judgments and Orders

▷ *Osaka Medical and Pharmaceutical University (formerly Osaka Medical University) Case*  
Supreme Court, Oct. 13, 2020

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

▷ Labor Unions in Japan

#### ●Statistical Indicators



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