Japan’s working poor

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The social gulf between rich and poor in Japan is widening. Two decades of economic stagnation and pro-market restructuring have severely undermined the previous system of life-long employment that provided a relatively secure livelihood for significant sections of the workforce.

There has been a staggering rise in the proportion of the workforce engaged in poorly-paid, part-time work, on which many young people and women, in particular, are forced to depend.

Japan’s Ministry of Health, Labour and Welfare (MHLW) categorises workers into two broad classes: regular and non-regular. The former generally work full-time. The latter are mainly part-time, contract, temporary (e.g., daily or very short term), employment agency and rehired retired workers.

In 1994, based on Statistics Bureau data, there were 9.71 million non-regular workers out of a total of 47.76 million, or 20 percent of the labour force, not counting those self-employed or company executives. In the September quarter of 2017, their numbers had increased to 20.5 million out of 54.86 million, or 37 percent of the total.

The most recent MHLW survey of employment conditions, released in December 2015, noted that reasons for hiring non-regular workers included lower wages and flexibility in hiring and firing workers. On average, non-regular workers are paid only 60 percent of the rate of regular workers for doing the same work.

An editorial last November in the *Mainichi* newspaper, decrying the country’s “vicious poverty cycle,” pointed out that the income gap was exacerbated because many non-regular employees have far less hours.

“There are major differences in how much a worker brings home, depending on their employment status,” the editorial reported. “The average permanent worker pocketed some 4.87 million yen [about $US44,000] in 2016, while non-permanent staff averaged 1.72 million yen [about $US15,000]—a yawning gap of about 3.15 million yen. This divide has widened every year since 2012, when the agency began monitoring permanent and non-permanent worker income separately.”

Non-regular workers are far less likely to receive insurance and other benefits. For example, more than 90 percent of regular workers have employment insurance, health insurance and employee pensions, but only 67.7 percent, 54.7 percent and 52 per cent of non-regular workers, respectively, have the equivalent coverage.

This two-tier wage system is a major contributing factor to rising levels of poverty. The *Mainichi* editorial noted that the relative poverty rate—those below half of median disposable income—fell slightly from 16.1 percent in 2012 to 15.6 percent in 2015. However, 50.8 percent of single-parent households were in poverty—the worst rate for all the developed OECD countries.

As 68 percent of non-regular workers are female, many of the single parent families in poverty are women responsible for raising children. In a MHLW survey of living conditions, 38 percent of single-mother households reported having no savings and 83 percent said they had difficulty making ends meet.

It is not hard to see why. A single mother living in Tokyo, for example, supporting a high school aged child and earning 2.7 million yen (approximately $24,500) annually would likely be working two jobs. That level of income would mean that she would receive no welfare support.

Public high school fees are approximately 0.4 million yen every year. Additionally, most Japanese children attend cram school outside of normal school hours to improve their marks in the country’s highly competitive educational environment. Cram school fees for two subjects might total 0.5 million yen annually.

Rent for an average two-bed room apartment would be about 1.4 million yen. Home cooked meals, with limited opportunity for eating out, would cost about 0.5 million yen. Taking just these items, the total already exceeds the single mother's annual salary, before taking into account transport, internet, telephone, clothing and other essentials.

MHLW data released last June showed that 13.9 percent of Japanese children under 18, or one in every seven, live in poverty. An article published in the *Tokyo Weekender* last May pointed out that non-profit organisations have sprung up in response to the growing hardships facing children.

Hiroko Kondo opened Japan's first children's cafe in 2012 when she heard about a student who was not eating properly because of a sick mother. "She wasn't able to cook so there were days when the child would eat school lunch and a banana, and that was it," she told the magazine. "You see so much food around, it shocked me that there were people not getting enough." Kondo estimated that about 400 such cafeterias provided cheap or free food to children in need.

Hayato Hanaoka, author of the book "Child poverty may destroy Japan," told the *Tokyo Weekender*: "It's the kind of poverty that's difficult to identify. Kids from poor backgrounds often have cellphones and computer games, so on the surface everything looks fine, yet dig deeper and you see families struggling with the cost of education."

The *Mainichi* concluded its editorial with a plea for a plan to tackle poverty but no concrete proposals. Neither the government nor the opposition parties has any intention of addressing the social crisis, apart from mouthing platitudes and making empty promises. Confronting a huge and mounting public debt, successive governments have made deep inroads into the country's limited welfare system.

In 2016, Prime Minister Shinzo Abe simply denied that poverty existed in Japan. He told a parliamentary committee: "There is no way Japan is in poverty … By global standards, we're definitely one of the wealthiest [countries]."

The widening chasm between rich and poor is already leading to social tensions and opposition. Last April, some 1,500 young people took to the streets in Tokyo to demand a minimum wage of 1,500 yen ($US13.50) an hour across the country—up from the current 823 yen an hour.

Rie Fujikawa, a 25-year-old member of the student-led Aequitas organising group, told the media: "We want to eat something other than bean sprouts and poultry. We want to buy children what they want."