Japan passes phony “work-style reform” bills

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The Japanese Diet last month passed a set of bills to allegedly improve working conditions. The measures, promoted by Prime Minister Shinzo Abe and backed by the ruling Liberal Democratic Party, Komeito and the conservative Nippon Ishin no Kai, will change little for the vast majority of workers.

The three “work-style reform” laws relate to Japan’s notoriously long working hours, as well as the conditions of temporary and irregular workers who earn considerably less in wages than their regular counterparts. The first bill places a mandatory cap on overtime hours, the second requires equal pay for equal work, and the third removes a work-hour limit for highly paid professionals, earning more than 10.75 million yen ($98,000) annually.

While the first bill caps overtime at 360 hours per year, this can be increased to 720 hours, depending on the type of work and how busy the company is. This essentially voids the concept of a cap. Employees could also be forced to work up to 100 hours overtime per month, as long as they do not exceed 720 hours for the year.

The second bill requiring equal pay for temporary labour is supposedly meant to eliminate this type of work altogether. In reality, the law will be used to slash the wages of permanent employees and bring their earnings into line with temporary workers.

Similarly, the removal of overtime pay for more highly-paid workers is meant to force employees to work longer for less money, regardless of the serious health concerns connected to overtime work.

While Abe claimed that the measures were designed to promote the “dynamic engagement of all citizens,” the new laws seek to drive up labour exploitation.

Big business enthusiastically backed the laws. Sadayuki Sakakibara, head of Keidanren, Japan’s largest business lobby, declared that the measures would “increase the productivity of Japanese companies overall”—i.e., boost profits at the expense of the working class.

Referring to equal pay measures, Sadayuki added: “We must consider Japan’s own pay system and job practice, rather than just promising the same pay for the same job.” In other words, employers intend to work around these laws and demand changes where they see fit.

Oversight and enforcement of Japanese workplace laws is already poor, with only 0.57 labour standards inspectors per 10,000 workers, compared to 1.89 in Germany. Regular inspections cover just 3 percent of Japan’s business establishments.

Labour inspectors have noted that “[n]o matter how long workers are compelled to work, there may be cases where we cannot point out a violation of the Labor Standards Act.” Employers who violate the news laws, moreover, can be fined only 300,000 yen ($2,700) or sentenced to up to six months’ imprisonment.

The laws were presented as a part of the “third arrow” of Abenomics. This aspect of the prime minister’s signature economic agenda comprises a series of plans to deregulate the economy, lower corporate taxes, make it easier for companies to fire workers and otherwise increase big business’ profitability by removing employee protections.

Japanese business leaders, however, have been impatient with the pace of reform and the failure to directly tackle the remaining limited protections afforded to regular workers, largely involving employment dismissal rules.

Yoshihiko Miyauchi, Orix ex-CEO and former head of a key panel advising the government on deregulation, declared that that “[s]tructural reform has hardly progressed.” He told the *Japan Times* late last year: “I’m not saying (work-style reforms) are a bad thing. But unless productivity increases, you can’t conduct work-style reforms.”

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The Japanese labour market is comprised of two sectors, regular and non-regular employees. While the former generally work full-time, the latter are typically part-time, temporary or rehired regular workers who reached the mandatory retirement age. These workers are paid only 60 percent of the rate of regular workers, with substantially reduced benefits, while doing the same work.

Non-regular workers comprise 37 percent of the workforce, up from 20 percent since the early 1990s when Japan's property bubble burst. This method of dividing the working class, which is supported by the unions, has intensified over the past three decades as big business shored up profits and sacked workers while the economy remained stagnant.

In general, overwork dominates the lives of workers. In the most severe cases, it can lead to deaths, a phenomenon called kar?shi. A similar term, kar?jisatsu refers to workers who commit suicide from the stress of long hours. Working 80 hours of overtime a month—that is 20 less than stipulated in the new 100 overtime hours per hours—has been linked to kar?shi.

Recent Ministry of Health, Labor and Welfare statistics detail approximately 300 kar?shi legal claims per year and approximately 150 to 200 kar?jisatsu claims per year. In 2015, there were approximately 1,450 kar?shi-related cases. National Defense Counsel for Victims of Kar?shi secretary general Hiroshi Kawahito noted that the problem could be ten times higher than the official rates. In total, as many as one in five workers could be at risk of kar?shi, according to the government's first white paper on the issue in 2016.

The official opposition parties, the Constitutional Democratic Party of Japan and the Democratic Party for the People, postured as opponents of the bills, but only directed their criticism toward the removal of overtime limits on the more highly-paid office workers.

Likewise, the Japanese Trade Union Confederation (Rengo) and the National Confederation of Trade Unions (Zenroren), which work hand in glove with the government and the major businesses, postured as opponents of the overtime exemptions. Zenroren vice chairman Yuji Iwahashi declared that the system was "modern slavery." Neither union federation proposed any political or industrial campaign to challenge the new laws.

Rather than addressing the attack on workers as a whole, the opposition parties and the unions continue to claim that Abe alone is responsible for the exploitative working conditions and deflect attention from their own role in creating them.

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