

## **Chapter 3**

### **Realizing of Work-Life Balance, and Fair and Diverse Work Styles**

#### **Section 1. Realizing Work-Life Balance**

##### **1. Toward realization of work-life balance**

In consideration of the “Work-Life Balance Charter” and the “Action Policy for Promoting a Good Work-Life Balance”, formulated in December, 2007, the Ministry of Health, Labour, and Welfare has been promoting the efforts to be taken by enterprises to restrict long work hours, and encourage workers to take annual paid leave. The ministry has been also promoting measures to support a good work-life balance as a whole society, including revision of a system of child care and family care leaves. (For the full text of the Charter and the Action Plan, refer to the website of the Cabinet Office: <http://www8.cao.go.jp/wlb/charter/charter.html>.)

##### **2. Promoting Efforts to Realize Work-Life Balance**

In consideration of the Charter and Action Policy that aims at a better work and life style balance, the Ministry of Health, Labour and Welfare has been promoting measures to be taken by enterprises in developing social sentiment, restricting long work hours, and encouraging workers to take annual paid leave in facilitating a work style reformation for society as a whole.

Concretely, measures for developing social sentiment which includes:

- Development of “Labour-life Style Balance Promotion Project” to publicize the status and outcome of measures taken by socially influential enterprises in Japan, for realizing a better work-life style balance implemented by these enterprises
- promoting understanding of and a consensus on the need to realize a better work-life style balance through establishment of a “Work-Life Style Balance Promotion Council” in all prefectures formed by labour-management and academic experts are all being implemented.

In addition, measures to promote efforts being made by enterprises include:

- revising “Guidelines for Improving Work Hours <sup>1</sup>” (enforced on April 1, 2008) in consideration to the objectives of the Charter and the Action Plan, and publicizing and enlightening the contents of the revision
- establishing subsidies for supporting small- and medium-sized enterprises that are actively making the effort to improve the consciousness of workplaces for the need to improve work hours are also being implemented.

---

<sup>1</sup> The guideline to designate necessary things for business operators, to properly improve setting of work hours.

### **3. Further Promotion of Measures to Support the Development of the Next-Generation in Workplaces**

In accordance with the Act for Measures to Support the Development of the Next-Generation, enterprises are obliged to formulate and submit a “general business operator action plan” for use in improving work environments and enable work to be balanced with child care. As of the end of March 2009, the percentage of enterprises with 301 or more regular workers, which is obliged to formulate an action plan, was 99.1% while 18,137 enterprises with less than 300 workers that were obliged to make the effort have submitted these plans. In addition, as of the end of March 2009, 652 enterprises having been certified as enterprises that meet certain criteria such as achieving the goals set in the action plan.

Under such circumstances, the Draft Law to Amend the Child Welfare Act was promulgated in December 2008 and the Act for Measures to Support the Development of the Next-Generation was also amended. As a result, the subject of obligation to formulate and disseminate the plans among workers has been expanded from enterprises with 301 regular workers or more to those of 101 workers or more. (The obligation for enterprises with 301 workers or more was

enforced in April 1, 2009. Enterprises with 101 workers or more are obliged to make the effort until March 31, 2011.) Additionally, the subject of obligations to formulate and submit action plans was expanded from enterprises with 301 regular workers or more to those of 101 workers or more. (The expansion will be enforced on April 1, 2011)

#### **4. Promotion to Create an Environment for Work-Family Balance**

The Child Care and Family Care Leave Act provides systems for taking child care leave, family care leave, and nursing care leave, limitations on overtime, and limitations on late-night work and measures for reducing work hours. Efforts are being made to raise awareness of these provisions among business operators and workers as well as offer advice and guidance on them. Particularly, in consideration of the current employment and labour situation, measures are promptly and rigidly taken for dismissal and other discriminatory treatments due to taking child care leave, etc. and publication to prevent them are thoroughly made.

Furthermore, amid rapidly decreasing number of children in recent years, in order to further promote support for work-family balance, which has become an urgent issue, discussions were held since August 2008 at the Subcommittee for Equal Employment of the Labour Policy Council to revise a system of child care and family care leaves. In December 2008, the Council submitted a recommendation to the Minister of Health, Labour and Welfare (“Enhancement of Support for Work-Family Balance”).

Based on the proposal, the “Draft Law to Amend the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave”, which was submitted to the regular Diet session in 2009, was approved on June 24, 2009. The revised law incorporates the contents as follows: a) obligating business operators to establish a system of short-time work for workers having children aged 3 or younger; b) extending the maximum lengths for childcare leave when both father and mother take the leave; and c) establishing a system of short-term family care leave; and d) creating support and arbitration by the director of the labour department in each prefecture to settle disputes aiming at ensuring

effectiveness.

In addition, for the purpose of promoting childcare support taken by small- and medium-sized enterprises (SMEs), it was decided in the FY 2008 supplementary budget to expand the eligible number of children for “Subsidies for childcare support by SMEs”, the subsidy for the business operator of SME which gives childcare leave for the first time to the employees, from second child to fifth child. The amount of subsidy was also increased for the second child and children born after that. Furthermore, the subsidy rate and the maximum amount of subsidy were increased for the subsidies provided for the business owners of SMEs that pay childcare service fees to their employees.

Moreover, with regard to support for on-site daycare centers, efforts have been made to enhance the support by extending the period to subsidize operating costs of the subsidies for establishing and operation costs of on-site daycare centers from the current 5 years to 10 years.

## **5. Promotion to diffuse telework**

In order to promote to diffuse telework under the appropriate working conditions, the consultation centers were established in the three major cities (Tokyo, Osaka and Nagoya). “The Guideline for Telework (the guideline for proper introduction and implementation of work from home exploiting information-telecommunications devices)”, which suggests proper labour management for homework utilizing IT, was also revised to clarify the contents and thoroughly publicized and enlightened to business operators. In addition, seminars have been held in seven major cities in Japan (Sapporo, Sendai, Tokyo, Nagoya, Osaka and Fukuoka) targeting business operators and workers.

Concerning telework for relatively simple and routine works such as entering sentences and transcribing recording, the “Guideline for Proper Implementation of Telework” was formulated to stipulate the minimum regulations for contract, and has been publicized and enlightened in order to prevent troubles related to contract in advance. Furthermore, the websites for teleworkers have been operated to offer online diagnostic ability test and to provide information useful for capability

development, reemployment, and employment. Other support projects include organizing seminars, and providing consultation services related to trouble and health.

## **SECTION 2 Realizing Sustainable Career Development**

### **1. Creating Environment that Enables Independent Career Development throughout Life**

#### **(1) Promotion to Support Career Development including Enhancing Quality of Career Consultants**

Since November 2004, career development promotion grants (benefits to promote vocational ability evaluations) are available for test of evaluating the career consultants' abilities by private institutions (as of end of March 2009, 10 tests were eligible) in enhancing qualifications of career consultants.

Furthermore, to raise effectiveness and improve the quality and quantity of career consultations, career consulting was added to the types of skill tests, and the Career Consulting Skills Test took place for the first time in February 2008.

In addition, career consultants are being stationed at Career Development Support Corners in Prefectural Employment Centers and the Human Resource Development Organization of Japan. Dissemination and enlightenment efforts are being made so that career consultants can play a more active role at such places as private placement/employment support organizations, enterprises' personnel/human resource departments, and vocational/career guidance at schools.

Human Resource Development Centers operated by the Prefectural Vocational Ability Development Association offer counseling, support and information in order to promote their in-house career development programs provided by business operators.

#### **(2) Vocational Ability Evaluation System for a Wide Range of Work**

##### **1) Establishment of vocational ability evaluation standards**

To eliminate employment mismatches, Japan needs to appropriately respond to the structural changes in industry and increased labour mobility caused by changes in the work attitude of workers efforts are being made to formulate vocational ability evaluation standards, a "yardstick" or "common language" for vocational abilities, in cooperation with industry organizations in creating a social infrastructure in which

vocational abilities can be appropriately evaluated. As of the end of March 2009, vocational ability evaluation standards had been set for 41 types of jobs including cross-industrial clerical work such as accounting and human resources, electrical manufacturing, and hotel services. The results are also utilized for a model evaluation sheet of the Job Card System.

## **2) Promotion of a Human Resource Acquisition Program**

To support both employed workers and people seeking clerical work to acquire vocational abilities in a systematic manner, the necessary knowledge required in carrying it out has been systematized and a Human Resources Acquisition Program (Business Career Test) to evaluate vocational abilities is systematically implemented. In addition, an education and training environment for e-learning has been established for offering systematized knowledge to help non-regular workers acquire vocational abilities.

## **3) Establishment of the National Trade Skills Testing and Certification System**

The “National Trade Skills Testing and Certification System” is a national proficiency test to measure workers’ skills and certify them. As of the end of March 2009 tests had been conducted for 136 types of jobs. In FY 2008 approximately 660,000 people applied nationwide with approximately 260,000 passing the tests. Since the start of the system, a total of 3.99 million people have been certified as skilled workers. In order to adapt to the changing needs of applicants, the introduction of new types of work and skills, their consolidation, as well as review of the test standards are constantly being discussed, especially expanding availability of the type of 3rd grade work which is targeting high school graduates and the youth.

## **(4) Establishment of a system to Notarize Practical Abilities for New School Graduates and Young People**

It has been pointed out that the basic abilities of young people required for professionals such as “communication skills” have been remarkably declining. Accordingly, in order that young people independently acquire basic skills necessary for finding jobs at an early stage, companies make public the contents of basic skills

for finding jobs as yardstick, which they demand on young people, and certify the courses and examination to acquire these skills. (As of the end of 2009, 1,516 courses and 302 examinations are certified.) Furthermore, upon requests by young people, “Certificate for Basic Skills to Find Jobs by Young People” is issued on completion of a certified course.

## **2. Realizing of Continued Career, Reemployment and Starting Enterprises Utilizing the Motivation and Abilities of Females**

### **(1) Creation of an Environment that Enables Women’s Continued Careers**

For women’s continued careers, it is effective to create an employment environment that respects maternity and allows working women to display their abilities without gender disparity. In addition to that, it is also effective to promote Positive Action, which is a voluntary and active measure of enterprises to eliminate disparities between male and female workers. Accordingly, seminars have been held to provide specific measures. Furthermore, in cooperation with employers’ organizations, a “Positive Action Promotion Council” was organized comprising the heads of corporations to promote voluntary efforts taken by enterprises. In FY 2008, Benesse Corporation won the best prize of the Minister of Health, Labour and Welfare at “Recognition to Equal Employment and Work-Life Balance Promoting Enterprises.” Moreover, benchmark program to diagnose situation of career development of female employees, and “Positive Action Support Site” (<http://www.netin.org/jiwe/pa/>) are being operated.

### **(2) Increasing the Locations and Expanding the Function of Mothers’ Hello Work**

Employment support has been provided to females who are eager to work while taking care of their children through establishing Mothers’ Hello Works in 12 locations since FY 2006, and since FY 2007, Mothers’ Salons at Hello Works in 36 prefectures where Mothers’ Hello Work is yet to be established so that females can play an active role in various fields and fully display their motivation and ability to work at throughout the lifecycle of marriage, child birth, and parenting.



More concretely, comprehensive and continuous support for reemployment are being provided including creating environments where females can visit with their children more freely, close one-to-one consultations and securing job openings according to job seeker's needs for those who are ready and eager to work promptly, and offering information on day-care centers in cooperation with local governments.

In FY 2008, 60 Mother's Corners were established nation wide at Hello Works in core cities of the region where there are no above services offered. In addition to the similar service provided by Hello Work, efforts are being made to improve employment support for women, who wish to work while taking care of their children, by offering on-site consultation services and seminars.

### **(3) Implementing Support for Females in Starting Enterprises**

Measures to support females in starting enterprises are being implemented, including a program to introduce mentors (experienced advisors), who can then provide know-how on management and advice on how to solve various problems to inexperienced entrepreneurs, and the operation of a special site that offers comprehensive information for supporting females in starting enterprises. (<http://www.watashi-kigyoo.com/>) In addition, at the "Center for the Advancement of Working Women", practical seminars have been provided in accordance with the degree of interest in starting business and the level of commitment.

### **Section 3. Creating Working Environment to Realize Fair and Diverse Work Styles**

#### **1. Securing Proper Operation of Worker Dispatching Undertakings**

A worker dispatch system plays a certain role as a system to adjust supply-demand balance. On the other hand, in recent years, there emerged socially problematic dispatching patterns including those of day labour dispatch. Moreover, the number of illegal dispatching such as disguised contracting and dispatching to prohibited jobs, and guidance and supervision accompanied with these illegal dispatching has been increasing. Hence, it has become issues to take appropriate measures against these problems, to strengthen the structure to protect dispatched workers, and to create environments that allow dispatched workers to work with confidence and satisfaction. Accordingly, the “Draft Legislation to Amend the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved the Working Conditions for Dispatched Workers” that basically prohibit day labour dispatch was submitted to the FY 2008 extraordinary session of the Diet. At the FY 2009 regular session of the Diet, the legislation remained under deliberation, but was talked to death.

Furthermore, in order to take proper measures against premature termination of temporary work contracts, and dismissal or refusal to renewal employment contract, the “Guidelines for Measures to be Taken by Dispatch Business Operators” and the “Guidelines for Measures to be Taken by Destinations” were revised on March 31, 2009. The revised Guidelines stipulate the implementation of compensation for losses caused by the premature termination of temporary work contracts by companies that had accepted dispatched workers, and continuous employment by dispatch business operators. Based on the revised Guidelines, guidance to destinations and dispatch business operators has been strengthened. On May 18, 2009, the licensing standards for General Worker Dispatching Undertakings were revised aiming at securing appropriate and stable operations of the undertakings. The enforcement was scheduled in October 2009.

## **2. Promotion of Improvement and Appropriate Operation of Contracting Undertakings for Manufacturing Workers**

Concerning the guideline for measures to be taken by contracting business operators and companies to order contracted workers that are making efforts for appropriate operation of contracting business and improved employment management for manufacturing workers, which was formulated and announced on June 2007, as well as the check sheet for this guideline, the council to promote improvement of manufacturing contracted business consisting of contractors, trade organizations of the manufacturing industry (companies to order contracted workers), and academics organized seminars to diffuse and enlighten the guideline and check sheets. Support was also implemented for model business operator to improve employment management and promote appropriate operation by utilizing the guideline and check sheets. In addition, consultation services using them were provided.

## **3. Establishment of Skills Development and Career Design System for Dispatched Workers**

The number of dispatched workers has been increasing in recent years. With regard to the manufacturing industry, many contracted workers employed by contractors are working mainly at large-scale manufacturing sites, but the opportunity for these workers to develop skills is rather limited when compared to regular workers.

Furthermore, most of dispatched workers as well as contracted workers are young people in their twenties or thirties. If this situation left unsolved, their vocational abilities will not be fully developed nor enhanced, which makes it difficult for their continuous career development.

Accordingly, support models for skill development and career design are being discussed in each category of dispatched workers. Under the 3-year plan (from 2007 to 2009), efforts were made in FY 2008 to develop support program for skill development and career design for clerical dispatched workers, and to identify and

analyze the actual situation and issues related to skill development and career design of manufacturing and technical dispatched workers.

#### **4. Improved Treatment of Period Contract Workers, etc.**

With an increase in the number of non-regular employees, the issues such as their unstable employment and lack of opportunity to accumulate vocational skills have been pointed out. Regarding part-time workers and dispatched workers, measures are being taken to improve their employment management based on related laws and regulations while the systems have been revised.

On the other hand, concerning period contract workers whose nominal work week is as the same as those of regular workers (hereinafter referred to as full-time period contract workers), they are not designated as the subjects for applying the “Act on Improvements etc in Employment Management for Part-Time Workers” and taking measures based on this Law. As a result, efforts have not been sufficiently made to improve the employment management.

Accordingly, the “Study Group for Improvement of Employment Management of Full-time Period Contract Workers” was established aiming at improving the employment management especially for full-time period contract workers. In July 2008, the measures required to be taken and the issues which need careful attention were compiled as the guideline. The guideline was compiled, and consultation supports, etc, were provided at the public employment security offices, etc. With regard to small- and medium-sized enterprises, improvement of their employment management has been delayed, and therefore, subsidies are provided when certain requirements are met for instance of establishing a system to convert full-time period contract workers to regular employees.

#### **5. Promotion of Equitable Treatment of Part-Time Workers and Introduction of Regular Part-Time Workers**

##### **(1) Promotion of Equitable Treatment of Part-Time Workers and Conversion to Regular Workers**

The number of part-time workers has dramatically increased, reaching 14.07 million in 2008, accounting for 26.1% of all employees. At the same time, more and more part-time workers are assuming not only supplementary roles but also responsible business positions. The way part-timers are treated, however, is not always commensurate with their work and the roles they fulfill. Thus it has become important irrational disparities between full-time workers and part-time workers to be dissolved and equitable treatment that is commensurate with their work and roles secured.

In consideration of this, the “Act to Amend the Act on Improvements etc in Employment Management for Part-Time Workers” was enforced on April 4 2008 and provides for such matters as securing equitable treatment and promotion of conversion to full-time workers in establishing a work environment where part-time workers can use their abilities more effectively.

Based on the “Comprehensive Immediate Policy Package to Ease Public Anxiety” (which was Formulated on August 29, 2008 by A Joint Meeting of the Government and Ruling Parties Council to Address the Comprehensive Immediate Policy Package to Ease Public Anxiety and the Ministerial Meeting on Economic Measures), subsidies for business operators to introduce evaluation and qualification systems that pay attention to equitability with regular workers have been improved. In addition, based on the “Immediate Policy Package to Safeguard People's Daily Lives” (formulated at the Ministerial Meeting on Economic Measures on December 19, 2008), “planners to promote equitable treatments and conversion to regular workers”, who are the experts in employment management, are placed at Prefectural Labour Bureaus to give advices to business operators for the purpose of securing fair treatment for part-time workers based on the revised law.

## **(2) Promotion to introduce the part-time regular employment system**

The part-time regular employment system is expected to offer workers more diverse work styles that will suit their respective life styles and life stages. The “Action Policy to Promote Work-Life Balance” formulated in December 2007 at the “Japanese Government’s Council of Executives from the Public and Private Sectors on Promoting a Good Work-Life Balance”, set the target that the system will be

introduced by 25 % of all companies by 2017.

Under such circumstances, in addition to the subsidy provided to business operators that introduce this system, the Ministry of Health, Labour and Welfare has been implemented supports to introduce part-time regular workers by launching a website, “Support Navigation to Introduce Part-Time Regular Workers”, which offers information on the overview of the system for part-time regular workers and the examples of concrete measures.

## **6. Promotion of Equal Employment Opportunities for Men and Women in the Workplace**

### **(1) Current Situation of Working Women**

The “Labour Force Survey” conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications revealed the number of working women in 2008 to be 27.62 million, a decline for the first time in 5 years (a decrease of 10 thousand from the previous year). The percentage of females in the total labour force increased from the previous year to 41.5 %. The percentage of women in the labour force dropped to 48.4%, the first decrease in the past 5 years. The number of female employees increased for 6 consecutive years to 23.12 million (an increase of 0.15 million from the previous year), and the percentage of female employees within total employees has been on an upward trend and reached 41.9%. (For details, please refer to the following site:

<http://www.mhlw.go.jp/houdou/2009/03/h0326-1.html>)

### **(2) Promotion of Measures to Secure Equal Employment Opportunities and Treatment of Men and Women**

#### **1) Securing Enforcement of the Equal Employment Opportunity Act**

Looking at enforcement situation of the “Act on Ensuring Equal Opportunities and Treatment for Men and Women with regard to Employment” (hereinafter referred to as the Equal Employment Opportunity Law) in FY 2008, the number of counseling cases from employees and business operators reached 25,000. The contents on counseling are mainly about discriminational treatments including sexual

harassment in the workplace and dismissals due to pregnancy or child delivery, as well as maternal health management including securing time to receive prenatal checkups. Advices asked by business operators account for over one fourth of the total. Furthermore, instructions have been provided for rectifying legal violations (14,000 cases in FY 2008). (For more details, please refer to the following site: <http://www.mhlw.go.jp/houdou/2009/05/h0529-2.html>). Moreover, efforts are being made to smoothly and promptly resolve the disputes between employees and employers through support for dispute resolution by the directors of Prefectural Labour Bureaus along with conciliation via the Equal Opportunity Mediation Conference.

## **2) Promotion of measures against sexual harassment in the workplace**

With regard to sexual harassment, administrative guidance has been provided which demands business operators that they take measures without fail to prevent sexual harassment, and the concrete measures and the know-how have been offered to employers. In addition, consultations on sexual harassment have been made available by experts placed at Prefectural Labour Bureaus.

## **3) Strict Measures against Dismissals due to Pregnancy or Child Delivery and Other Discriminational treatments**

Discriminational treatments due to pregnancy/childcare or taking maternity leave violate the Equal Employment Opportunity Act, and therefore, efforts are being made to carefully respond to advices asked by workers, and to rectify legal violations by taking strict measures through administrative guidance.

## **4) Promotion of Efforts Aiming at Securing Substantive Equality**

With the Equal Employment Opportunity Law having been enforced for the past 20 years, establishment of the legal systems has been steadily made progress. In recent years, however, the improvement for securing equality has been slowing down, and it is far from the situation that equal opportunities have been substantively attained. Amid the expected decline in working population due to the decrease in the number of children in the future, it is important to realize

employment for all people who have desires and abilities to work for the purpose of maintaining and enhancing dynamism of the economic societies.

Coupled with ongoing efforts to realize work-life balance such as aforementioned revision of the Child Care and Family Care Leave Act (see Chapter 3 Section 1), and establishment of environments that allow women to continue their careers including promotion of Positive Action (see Chapter 3 Section 2), comprehensive measures will be promoted aiming at securing substantive equal opportunities.



## **Section 4. Creating Safe and Secure Workplaces**

### **1. Securing and Improving Working Conditions**

#### **(1) Securing and Improving Working Conditions**

Amid increasingly severe employment/unemployment situations due to the rapidly deteriorating economy, many people have reported and consulted the Labour Standards Inspection Office nationwide regarding problems with secure implementation of statutory work conditions that include the non-payment of wages and dismissal at to company's convenience without prior notice. Considering this, business operators need to be urged to be more conscious of compliance so that workers can work without any anxiety in legal working conditions.

For this end, the Ministry appropriately conducts supervisory guidance to secure implementing statutory work conditions. At the same time, the Ministry promptly provides appropriate support to solve the violation while taking into consideration the situation of the workers who notified or consulted when workers notify or consult on such matters. The Ministry has been taking appropriate measures from an early stage when corporate bankruptcy or closure of workplaces occur, including payment of wages and retirement allowances as well as securing savings under the company savings program to prevent a situation where legal working conditions are not being met, such as non-payment of wages.

#### **1) Revision of the Labour Standards Act**

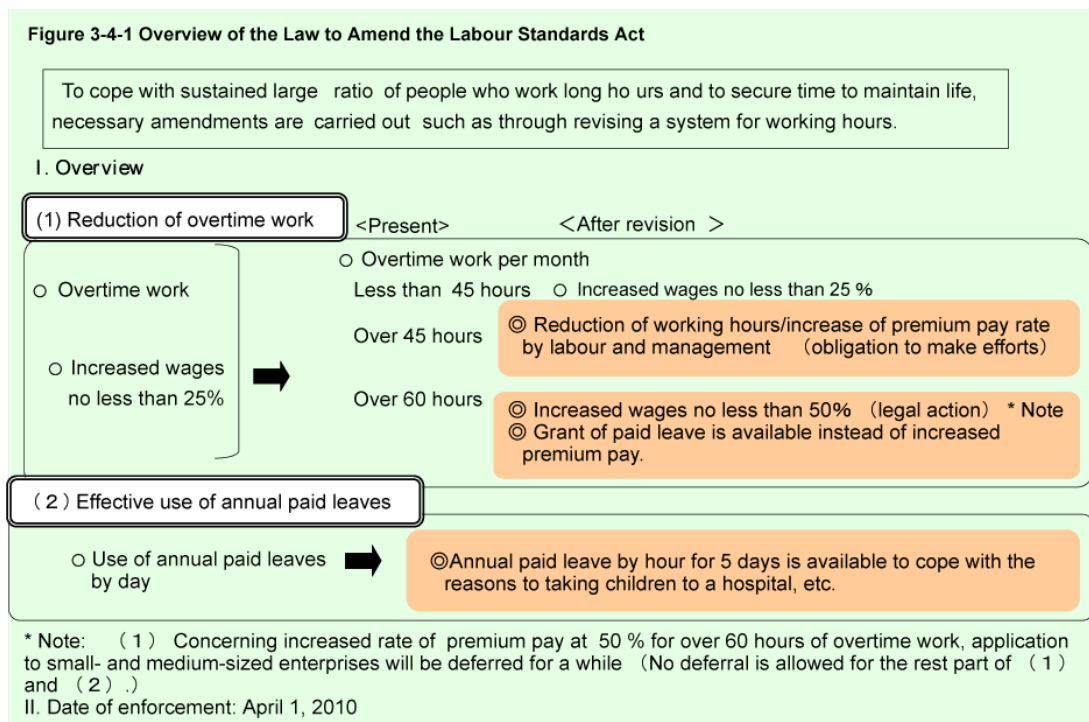
With shrinking labor force working population due to the decrease in the number of children and the aging of society, the ratio of workers who work for long hours, mainly males in child-rearing stage, remains at a high level. It has become an important issue to cope with this situation and create the working environments which allow workers to secure time to maintain their lives other than work while maintaining their health.

To cope with these issues, the "Act to Amend the Labour Standards Act" to review systems related to work hours was promulgate in December 12, 2008 and will be enforced in April 1, 2010 aiming at controlling long work hours, securing workers'

health, and realizing a society with good work-live balance. The main contents of revision are as follows (see Figure 3-4-1):

- a) to increase the rate of legal premium pay from the current 25 % to 50 % (The application of the revised rate to small- and medium-sized enterprises will be deferred for a while.);
- b) to allow employers to give paid leaves to their employees instead of paying aforementioned increased premium pay based on labour-management agreements;
- c) to oblige employers to make efforts to increase premium pay for overtime work exceeding 45 hours a month based on the limit standard for overtime work; and
- d) to allow workers to obtain annual paid leaves by the hour based on labour-management agreements.

Aiming at smooth enforcement of the revised Labour Standards Act, leaflets will be distributed and briefings will be held in order to thoroughly publicize the revised Act widely to the public including users or workers, as well as private organizations.



## **2) Compliance with legal standards for working hours**

To realize an affluent life style free of stress for workers it is important to restrict long work hours, a major social problem these days.

The Ministry, therefore, has been endeavoring to enforce a 40-hour workweek, which is the legal working hour. With regard to overtime work conducted under a labour-management agreement (so-called "36 agreement"), the Ministry is making the effort to disseminate standards for limiting work hours from being extended, which is being determined in the labour-management agreement referred to in Article 36, paragraph 1 of the Labor Standards Act, and instructing both employees and labour unions to abide by the standards.

Since unpaid overtime work is a violation of the Labor Standards Act and can not be condoned, the Ministry formulated "standards for measures to be taken by employers to appropriately identify employees' work hours" on April 6, 2001 and has taken every opportunity to disseminate those standards and execute supervision and guidance on work hours.

### **Column**

#### **Unpaid Overtime Work**

1. Focused measures such as executing appropriate supervision and guidance have been taken to resolve the issue of unpaid overtime work. In addition, a "Comprehensive Measures against Unpaid Overtime Work Scheme" was formulated in 2003. In accordance with the scheme, comprehensive measures are being promoted including publication of the "Guidelines for Measures to be taken to Dissolve Unpaid Overtime Work" that provides the measures to be taken by labour-management in controlling work hours and dissolving unpaid overtime work at enterprises.

2. During the 1 year period of April 2007 to March 2008, the Labour Standards Inspection Office nationwide provided instructions for to rectifying unpaid overtime work in violation of Article 37 of the Labor Standards Act, resulting in premium pay for non-payment being paid to workers. Among them the number of enterprises that paid 1 million yen or more was 1,728 while approximately 27.2 billion yen of the total premiums was paid to 179,543 workers.

### **3) Judicial Actions**

When serious and pernicious legal violations are discovered as a result of supervisory guidance conducted by labour standards inspection organizations, strict action will be taken, including judicial. In 2007, the number of criminal charges came to 1,277 cases.

Labour standards inspectors posted at all the Labour Standards Inspection Offices deal with judicial actions. To promptly and efficiently cope with cases that have been growing in scale and complexity, “special judicial inspectors” have been posted at the Hokkaido, Saitama, Chiba, Tokyo, Kanagawa, Niigata, Shizuoka, Aichi, Kyoto, Osaka, Hyogo, Hiroshima, and Fukuoka Labour Bureaus in order to improve and strengthen the investigation system.

### **(2) Dissemination of the Labor Contract Act**

The form of employment has been growing more diverse and working conditions can now be determined and changed on an individual basis, and numbers of individual labour-related disputes are increasing as a result. As a way of resolving this issue outside of the justice system, the individual labour dispute settlement system has been enforced since FY 2001, and a labour determination system has been enforced since FY 2006, and hence the procedural side of improvement is progressing. However, there has been no law providing civil rules regarding labour contracts for use in settling such disputes.

To aim this situation, the “Labor Contract Act” was enacted in December 2007 (enforced on March 1, 2008) and basic rules for labour contracts clarified in an understandable manner (see Figure 3-4-2).

The Labour Contract Act clarifies civil rules between workers and employers who conclude labour contracts each other. The features differ from those of labour standard-related laws and ordinances such as the Labour Standards Act, which enforce the minimum labour standards with penalties to employers, and on which supervisory guidance is executed by the administration. Accordingly, it is important to smoothly decide and revise rational working conditions in accordance with the objectives and contents of the Labour Contract Act by fully disseminating to both

workers and management. Especially under the current severe economic conditions, enlightenment and guidance with use of brochures have been conducted mainly at the Labour Standards Inspection Offices by referring to the Labour Contract Act and court cases in order to prevent inappropriate handling.

Furthermore in FY 2008, public relations materials were created and distributed, and seminars as well as individual consultation services related to desirable labour contracts were implemented targeting employers of small- and medium sized enterprises.

**Figure 3-4-2 Summary of the Labor Contract Act**

Rules have been provided for use in coping with diverse forms of employment and the increasing number of individual labour-related disputes with the aim of making the relationship between individual workers and employers more favourable.

**Concluding Labour Contracts**

In many cases, the differences in ability to make negotiations that exist between workers and employers and the content of contracts have been unclear

- ③ Clarify the principles of agreements on an equal standing
- ③ Ensure consideration has been given to equal opportunity and a good work-life balance
- ③ Facilitate understanding of the content of contracts (including information being made available)
- ③ Verify the content of documented contracts (including matters related to fixed-term labour contracts) to the fullest
- ③ Take security into account

Misunderstandings can be reduced by confirming the content of contracts and labour-management can then work together satisfactorily without any anxiety over their mutual understanding

**Changing Labour Contracts**

Regarding changing the rules of employment they only exist for procedures and rules for content to be consigned as judicial precedents (which is unclear to most people)

- ③ Clarify the principles of agreements
- ③ Disallow unilateral alterations of employment rules that are disadvantageous to workers
- ③ Ensure that workers are aware of any altered employment rules and working conditions when rational changes take place with consideration given to the degree of disadvantage that workers may incur, the necessity for changing the working conditions, the adequacy of the altered rules, the state of negotiation with labour unions, and other matters related to altering rules of employment

Principles for concluding and altering labour contracts and the relationship between labour contracts and rules of employment have been clarified

**Labour Contracts**

Disputes over disciplinary actions and dismissal are increasing

- Abuse of the right to make dismissals is invalid (Transferred from Labor Standards Act)
- ③ Abuse of the right to take disciplinary action is invalid

Prevention of unreasonable disciplinary actions and dismissals

**Fixed-Term Labour Contract**

Fixed-term labour contractors become unstable due to dismissals during fixed-term or repeated contract renewals

- ③ Clarify that dismissals during the contract period will be disallowed without a compelling reason
- ③ Request that employers do not make contract periods overly fragmented

Fixed-term workers can work without anxieties

Enforced March 1, 2008

### **(3) Program for Pay Unpaid Wages**

Wages are the most essential element in a labour contract because they constitute the financial resources of workers and their families. Practically speaking, however, workers cannot hope to receive any wages when an enterprise goes bankrupt and the business operator is not capable of paying of them.

Therefore, based on the “Security of Wage Payment Act”, the government is conducting a project to pay workers their unpaid wages on behalf of bankrupt business operators. In this project workers who have retired within a certain period with unpaid wages from bankrupt business operators are able to receive a certain percentage of their unpaid regular salary and severance pay.

Due to the deteriorating economic conditions, the total number of cases pertinent to this project increased in 2008 compared with those in the previous year. In FY 2008, the number of enterprises was 3,639, the number of recipients 54,422, and the total amount of payments was approximately 24.8 billion yen, whereas the numbers in FY 2007 were 3,349 enterprises, 51,322 recipients, and approximately 23.4 billion yen, respectively.

### **(4) Appropriate Management of the Minimum Wage System**

The minimum wage system stipulates that the government controls the enforceable minimum amount of wages and that employers must pay workers at least the minimum wage. In Japan, this system is being enforced under the Minimum Wages Act so that the life of workers can be stabilized, the quality of workforce enhanced and fair competition in business ensured.

In July 1, 2008, the “Law to amend the Minimum Wages Act” was enforced. When deciding specific levels of a prefectural minimum wage, three factors are taken into account, which include living costs of workers, wages of workers, and regular ability to pay wages by employers. Concerning living costs, the revised law clarified the decision standards by paying attention to protection of workers’ lives and consistency so that workers can maintain the minimum standards of wholesome and cultured living.

When revising prefectural minimum wages for FY 2008, the Minimum Wages

Council conducted investigation and discussions, taking into account the circumstances surrounding the current minimum wages, the objectives of the revised Minimum Wages Act, and the agreements made at the “Roundtable to Promoting Strategies for Economic Growth”. As a result, the national weighted average minimum wage posted an increase of 16 yen, the largest increase for the past decade. In consideration of these factors along with the current severe economic/employment situations, an increase between 7 yen and 9 yen was indicated as a rough target of the national weighted average FY 2009.

At present there are two types of minimum wages. A prefectural minimum wage is applicable with all employers and workers in all the prefectures, while an industry-specific minimum wage, which is higher than the regional minimum wage, is applicable to employers and workers in particular industries in all prefectures.

As of April 1, 2009, the national weighted average hourly minimum wage, the number of cases, and the number of eligible workers of the prefectural minimum wage was 703 yen an hour, 47 cases, and 50 million workers, while those the industry-specific minimum wages was 786 yen, 251 cases, and 3.81 million workers respectively.

To ensure the implementation of revised and newly established minimum wages, efforts has been made to disseminate them widely to the public including employers, workers, and private organizations through publicity conducted by utilizing the Internet and other media for public relations as well as distributing leaflets, and through holding briefings.

#### **(5) Promotion of measures against concealed worker’s accidents**

“Concealing of worker’s accidents” means “not to submit on purpose the report on workers’ casualties and diseases” and “to submit the false report on workers’ casualties and diseases.” Measures to eliminate worker’s accidents being concealed include new measures made in cooperation with Social Insurance Bureaus as well as identifying and investigating any cases where worker’s accidents are suspected of having been concealed, conducting appropriate supervisory guidance, and taking strict action, including judicial, if any such concealment is found.

## **2 People's working safeties and securing of health**

### **(1) Current situation with industrial accidents**

Although the number of industrial accidents in Japan has been decreasing over the long term, it still amounts to approximately 550,000 workers annually. The number of industrial accidents causing people to be absent from work for four or more days in 2008 was 119,291, a decrease of 2,065 people when compared to 2007.

The figure in 2008 was 1,268 for fatal industrial accidents, which was the smallest recorded number in history, breaking the previous year's record low. The construction industry was at the top of the list with 430 fatalities, followed by 260 in the manufacturing industry and 148 in land transportation.

The number of serious accidents (accidents in which 3 or more people were killed or injured or sickened) has been declining after the peak of 480 cases in 1968. However, there has been an increasing trend since 1985 with ups and downs in certain years. The total number was 281 in 2008, a decrease of 12 cases from the previous year, with 125 cases of the total being caused by traffic accidents, which account for about 44 % of the total (see Figure 3-4-3).

In addition, with regard to health of workers, the results of general health checkup show that the ratio of workers with findings related to blood lipid and blood pressure which might cause brain and heart diseases has been on the rise, and the share of workers feeling stress at workplace is high.

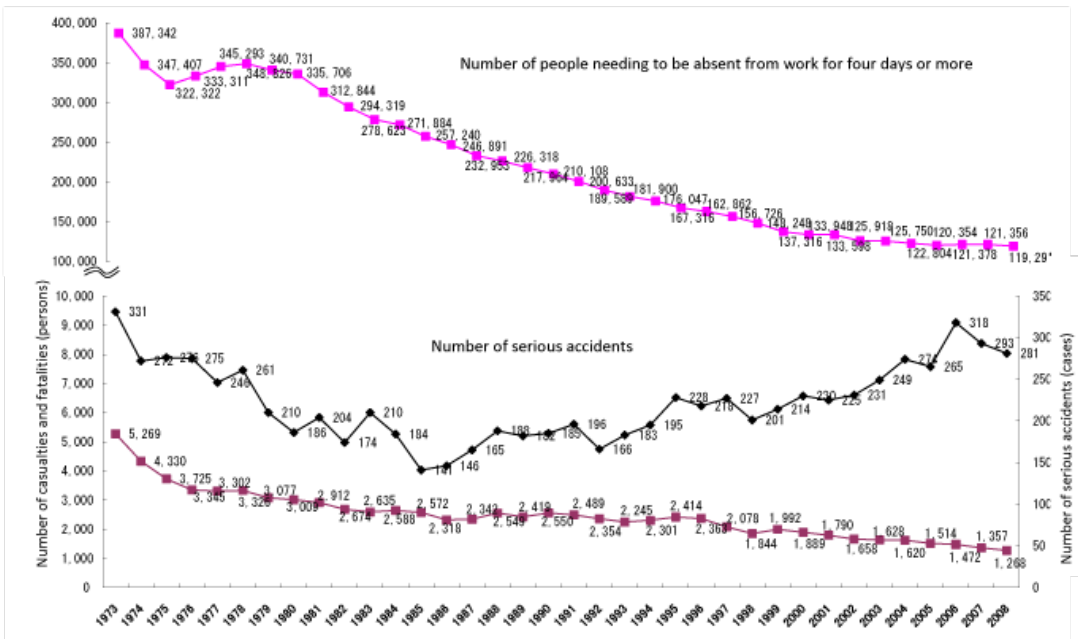
The cases of diseases caused by chemical substances have repeated ups and downs, and a long-term decrease has not been seen yet.

Under such circumstances, in consideration of the basic ideas for the 11th Industrial Accident Prevention Plan and aiming at reducing industrial accidents as a whole, the Ministry of Health, Labour and Welfare continuously needs in FY 2009 to promote voluntary efforts taken at work sites to reduce risks, to improve the specific preventive measures against serious industrial accidents occurred in the construction as well as the manufacturing industry, and to appropriately promote these measures. Additionally, the number of application of industrial accidents related to brain and heart diseases or mental disorders remains large, and hence, it



is necessary to promote comprehensive measures for every step from prevention of workers' mental disorders to smooth return to work, along with preventive measures taken at work sites against health problems due to overwork. Furthermore, ongoing efforts need to be made to prevent health disorders caused by chemical substances.

Figure 3-4-3 Changes in the Number of Industrial Accidents



Source: Labour Standards Bureau, the Ministry of Health, Labour and Welfare

## (2) Improving Preventive Measures against Serious Industrial Accidents

### 1) Preventing machinery accidents

Machinery accidents account for nearly 30 % of all industrial accidents, and many of them are serious one with after effects. Accordingly, in addition to control by the Industrial Safety and Health Regulations, efforts have been made to further reduce machinery accidents by taking individual measures such as formulating structural codes and guidelines for preventive measures against industrial accidents for each type of machine with higher risks, and by diffusing and establishing the “guidelines related to comprehensive safety standards of machinery.”

### 2) Preventing accidents of falling and tumbling

Industrial accidents in the construction industry due to falling and tumbling from a height occur frequently, and hence, the Industrial Safety and Health Regulations was revised in March 2009 for the purpose of improving preventive measures against falling and tumbling from scaffoldings, etc. by incorporating installation of middle bars at scaffoldings, and newly establishing pre-operation check. The revised Regulations were put into effect in June 2009. Efforts has been made to further promote prevention of industrial accidents due to falling and tumbling from scaffoldings, etc, through diffusing and establishing the guidelines including the handrail presetting scaffolding works, which was revised in FY 2009, in addition to enforcing compliance with revised regulations.

### **3) Preventive measures against air-borne dust**

Based on the revised Ordinance on Prevention of the Risk Air-borne Dust, preventive measures against Air-borne Dust made at workplaces such as tunnel construction sites have been strengthened. In addition, in accordance with the 7th Comprehensive Preventive Measures against Air-borne Dust, guidance has been conducted on the focused measures which should be taken by business operator to prevent health problem related to Air-borne Dust.

### **(4) Preventing Health Disorders Caused by Chemical Substances**

#### **a. Appropriate implementation of measures against asbestos**

Since September 2006, it has been completely prohibited to manufacture, import, transfer, supply, and use (hereinafter referred to as “manufacture etc.”) asbestos products. Concerning joint sheet gaskets and other products which are used for a specific purpose such as for chemical engineering, manufacturing of these products has been suspended for the time being in consideration of public safety. Once non-asbestos alternatives are identified, however, as a result of conducting verification tests, manufacturing of those products becomes prohibited.

With regards to preventive measures against asbestos exposure when demolishing buildings, the Asbestos Problem Prevention Regulations were revised in February 2009 and it has become required to post the results of preparatory studies and to wear personal protective equipment with electric fan for breathing (enforced in April 2009). In addition, aiming at enhancing health management of workers, the eligible

workers to provide special health check up related to asbestos and the asbestos booklet has been expanded from the workers who directly handle asbestos, etc, to those engaging in the peripheral works (enforced in April 2009).

**b. Preventive Measures against Nanomaterials Exposure**

Although knowledge about nanomaterials' effects on body has not been sufficiently obtained from the intensive research and development in recent years, discussion was conducted on preventive measures against for workers' exposure to nanomaterials, and a written report was compiled in November 2008.

Based on the report, efforts are being made to publicize preventive measures to business operators by informing them of the "Preventive Measures against Exposures to Nanomaterials, etc."

**c. Further promotion of proper management of chemical substances based on risk assessments**

With regard to preventive measures against workers' health problems, business operators in principle should carry out risk assessments and voluntarily manage chemical substances used at workplaces. Some small- and medium-sized enterprises, however, are yet to have taken adequate measures. And hence the government will carry out risk assessments of work that includes the risk of exposure to highly harmful chemical substances and take the appropriate measures, such as controlling chemical substances with laws and regulations, according to the degree of risk involved.

In FY 2008, the assessments were conducted on 44 substances including alpha, alpha-Dichlorotoluene, etc. In addition, in November 2008, the Order for Enforcement of Industrial Safety and Health Act was revised and its enforcement was strengthened with regard to nickel compounds, arsenic, and arsenic compounds that were assessed as being of high risk in FY 2007.

**5) Promotion of industrial healthcare activities**

Instructions are being given to business operators to assign industrial doctors and promote health committee activities. In addition, industrial healthcare promotion centers are being established in each prefecture to provide technical consultations

to industrial healthcare professionals and training for industrial doctors.

Furthermore, 347 regional industrial healthcare centers have been established nationwide to support small sized workplaces with a shortage of human resources, which will provide healthcare consultation services including mental health, and industrial healthcare guidance by visiting individual workplaces. Since FY 2006, efforts are being made by regional industrial healthcare centers in urban areas to improve the system so that healthcare consultations as well as interviews and guidance can be more conveniently provided at medical institutions near workplaces.

The Ministry has been promoting the creation of comfortable work environments through the dissemination and establishment of the “Guidance for Measures to be taken by Employers for the Creation of Comfortable Work Environments”. It also authorizes comfortable work environment promotion plans prepared by workplaces so that the safety and health standards can be enhanced, including measures to protect against exposure to tobacco smoke.

## **6) Measures for Mental Health and Measures to Prevent Health Disorders Caused by Overwork**

### **a. Measures for mental health**

With regard to the measures for mental health, the Industrial Safety and Health Act was revised in November 2005 to include mental health checkups when people who work long hours are being interviewed and provided with guidance by doctors. In addition, combined with the revision of the law, measures for mental health have been added to the agenda of the health committee in order that voluntary mental health measures are promoted by labour-management. Furthermore, the “Guidelines for Maintaining and Improving Workers’ Mental Health” that was based on the Industrial Safety and Health Act has been published with dissemination and enlightenment efforts having been made. In March 2009, the “Handbook for Workers’ Return to Work who were Out of Work Due to Mental Health Disorders” (formulated in October 2004), was revised and published, and efforts are being made to diffuse and enlighten the revised guideline.

## **b. Measures to prevent health problems caused by overwork**

Concerning preventive measures for health disorders due to overwork, the Industrial Safety and Health Act was revised aiming at preventing health problems caused by long work hours. Since April 2006, business operators have been obliged to have doctors conduct interviews and provide guidance to workers who have performed more than a fixed amount of overtime work and hence are exhausted. In addition, instructions on preventive measures against overwork are being given to business operators based on the “Comprehensive Preventive Measures against Health Problems Caused by Overwork” (hereinafter referred to as the “Comprehensive Measures against Overwork”). Furthermore, as workplaces which regularly employ less than 50 workers have also been obligated to conduct interviews and guidance since April 2008, the Comprehensive Measures against Overwork were revised in March 2008.

## **(3) Promotion of Measures to Mitigate Risks Aiming at Reducing Industrial Accidents**

### **1) Promotion to Implement Danger and Risk Surveys (Risk Assessments)**

As production processes have become more diverse and complex in recent years, the causes of accidents have also become more diverse and difficult to identify. In consideration of this, the Industrial Safety and Health Act was revised in that business operators are obliged to make the effort to conduct surveys on dangers and risks that exist at workplaces and then implement measures based on the results. In order to facilitate appropriate and effective implementation of such measures, the “Guidelines for Danger and Risk Surveys” was published with efforts being made to publicize and provide that guidance at workplaces.

In addition, voluntary actions for safety and health management by business operators are being promoted which includes the introduction of a labour safety and health management system, which is a system to consecutively improve safety and health standards through implementation of such measures in a systematic and continuous manner.

### **2) Promotion to Implement Danger and Risk Surveys (Risk Assessments) related to Chemical Substances**

The number of different chemical substances currently being used by Japanese industries is approximately 60,000, with more than 1,500 new types being brought into workplaces every year. A large variety of risky and hazardous properties have been discovered in them, such as flammability, carcinogenicity, acute toxicity, carcinogenicity, and reproductive toxicity.

In order to prevent industrial accidents caused by chemical substances, it is important for business operators and workers to fully understand the risk and hazardous properties of them. In consideration of this, the Industrial Safety and Health Act was revised to improve the labeling system for containers and packaging of chemical substances as well as the system for issuing documents in December 2006 so that information on the risk and hazardous properties of chemical substances is accurately provided.

In addition, instructions are being given to business operators on promoting voluntary management of chemical substances which includes implementation of measures based on “Guidelines for the Danger and Risk of Chemical Substances Surveys”, utilizing the information.

### **3. Situation of Workers’ Accident Compensation**

#### **1) Situation of workers’ accident compensation**

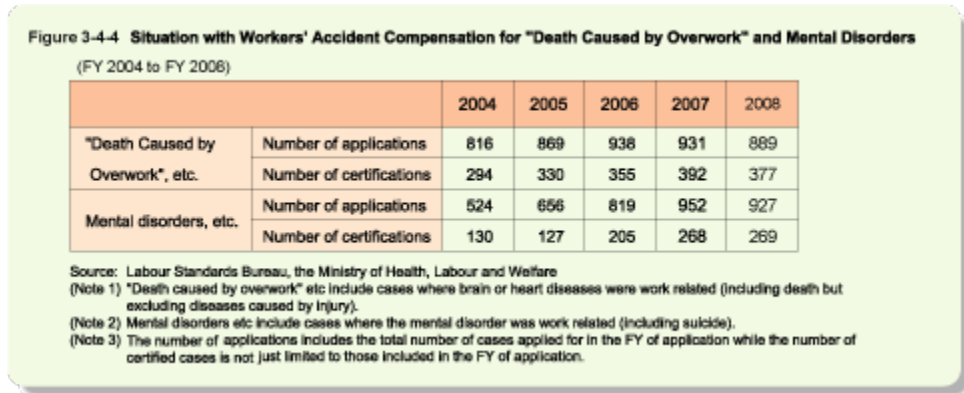
The Worker’s Accident Compensation Insurance system aims at contributing to the enhanced welfare of workers. It provides insurance payments in a prompt and fair manner in order to protect workers who are suffering from injuries, diseases, disabilities or who died at work or while commuting, and also conducts welfare services to facilitate social rehabilitation of them.

The number of new recipients of Worker’s Accident Compensation Insurance payments in FY 2007 increased by 703 persons over the previous year, with a total of 607,348 persons nationwide, including 552,331 persons suffered occupational accidents and 55,017 persons suffered commuting accidents.

#### **(2) Certification for “death caused by overwork” and mental disorders**

When certifying “death caused by overwork” or mental disorders to compensate for

industrial injuries, the Ministry is striving to provide a prompt and appropriate procedure for it by defining “certification standards for brain and heart diseases” and “guidelines for assessing mental disorders” (see Figure 3-4-4).



### (3) Relief of health disorders caused by asbestos

Workers who are suffering from mesothelioma or lung cancer due to handling asbestos at work and bereaved families are eligible to receive insurance payments based on the Workmen's Accident Compensation Insurance Act (hereinafter referred to as the "Worker's Accident Compensation Act"). The "Act on Asbestos Health Damage Relief" was approved in March 2006 and partly enforced in March 2006. As a result, measures are being implemented where "special bereaved family benefits" are paid to anybody who lost the rights to receive the bereaved family compensation benefit based on the Worker's Accident Compensation Act through prescription before the enforcement.

In the mean time, the "Act to Amend the Act on Asbestos Health Damage Relief" was approved in June 2008, and the application period for the special bereaved family benefit extended for 3 years to March 27, 2012. The revision also expanded the subjects of that relief by including those (bereaved families of those who died before March 27, 2006) who lose their right to receive bereaved family compensation benefits 5 years after the enforcement (the revised law was enforced on December 1, 2008).

Thus the Ministry of Health, Labour and Welfare is providing prompt and

appropriate protection and relief for victims and their bereaved families through insurance payments based on the Worker's Accident Compensation Act and payment of the "special bereaved family benefit".

**(Reference 1) Situation with Compensation for Lung Cancer and Mesothelioma based on the Worker's Accident Compensation Act**

(Number of cases)

		FY 2006	FY 2007	FY 2008
Lung Cancer	Number of applications	877	592	640
	Number of payment confirmations	783	501	503
Mesothelioma	Number of applications	831	537	628
	Number of payment confirmations	1,000	494	560
Total	Number of applications	1,708	1,129	1,268
	Number of payment confirmations	1,783	995	1,063

Source: Labour Standards Bureau, the Ministry of Health, Labour and Welfare

Note 1: The number of applications includes the total number of cases applied for in the FY of application while the number of confirmed cases is not just limited to those included in the FY of application.

Note 2: It is a preliminary figure in FY 2008

**(Reference 2) Situation with Applications and Payment Confirmations of Special Bereaved Family Benefits based on the Act on Asbestos Health Damage Relief**

(Number of cases)

	FY 2006	FY 2007	FY 2008
Number of applications	1,454	113	256
Number of payment confirmations	883	94	121

Source: Labour Standards Bureau, the Ministry of Health, Labour and Welfare

Note 1: The number of applications includes the total number of cases applied for in the FY of application while the number of confirmed cases is not just limited to those included in the FY of application.

Note 2: The number given for FY 2006 is the total number of cases for the period of March 27, 2006 to the end of March, 2007.

Note 3: It is a preliminary figure in FY 2008

#### 4. Labour Insurance Applications and Contribution Levy System

Applications and the contribution levy for Labour Insurance (collective term for Worker's Accident Compensation Insurance and Employment Insurance) are important activities not only with regard to payment but also in supporting the appropriate management of the overall administration from a financial point of view, and hence the reliability of the system and fairness of the cost sharing must be secured through such activities.

In principle, all business entities that employ at least 1 worker must have a labour insurance program. However, there are still quite few business operators who have not completed the procedure required to obtain labour insurance.

The "3 Year Plan to Promote Deregulation and Privatization" (decided upon by the



Cabinet on March 19, 2004) clearly states the government's determination to eliminate any businesses that have failed to complete the application procedure, even by exercising official authority. In consideration of this, the Ministry has been implementing measures to eliminate such businesses since FY 2005 in encouraging them to apply for the insurance. More specifically, any business that fails to complete the application procedure is identified in close cooperation with Prefectural Labour Bureaus, Labour Standards Inspection Offices, Hello Work, and other related organizations. They are then strongly urged to obtain labour insurance by the commissioned organization to promote enrollment. Furthermore, if business entity does not complete the application procedure voluntarily, the Ministry will exercise official authority to unilaterally complete the procedure.

## **5. Realizing Affluent and Enriched Worker' Lifestyle**

### **(1) Small- and Medium-Sized Enterprises' Retirement Allowance Mutual Aid System**

The small- and medium-sized enterprises' retirement allowance mutual aid system was established with the help of government based on a mutual aid system for employers who cannot set up a retirement allowance system on their own. It aims to enhance the welfare of workers at small- and medium-sized enterprises and thereby contributing to their development. As of the end of FY 2008 the system had 5,795,000 members with total assets of 4.2 trillion yen.

Due to the recent stagnant economy, the system has suffered financial losses resulting from lower-than-expected interest rates for its fund management. In October 2005, the Organization for Workers' Retirement Allowance Mutual Aid, the operational body of the system, formulated a plan to eliminate those losses, and efforts are being made to carry out the plan in a systematic manner to accelerate the elimination of the accumulated losses. In the second middle-term plan which began from April 2008, measures were provided to secure a safe supply of the retirement allowances being promoted while efforts are also being made to ensure the system is stable and reliable over the long term.

### **(2) Promotion System for Workers' Property Accumulation**

The promotion system for worker's property accumulation is a system for use in encouraging workers to systematically accumulate property. The system consists of a property accumulation savings system, which is based on efforts by workers to be self-supporting, and the property accumulation loan system, a fund of accumulated savings. As of the end of March 2009, property accumulation savings had amounted to 16.9 trillion yen, while property accumulation loans were 174,000 with outstanding loans of 1.9 trillion yen.

## **6. Promoting Comprehensive Measures for Individual Labour-Related Disputes**

Labour disputes between individual workers and their employers have drastically increased, and have included dismissals, drop in working conditions, and bullying at the workplace. The increase reflects changing socio-economic conditions, restructuring of corporate organizations and individualized personnel and labour management.

Accordingly, based on the "Act on Promoting the Resolution of Individual Labour-Related Disputes", the individual labour dispute settlement system described below has been put into practice since October 1, 2001.

- a) General labour consultation counters were set up at the labour bureaus and the Labor Standards Supervision Offices, etc. across the country to offer one-stop service for use in providing advice and information in answering to any consultations on labour problems.
- b) The Directors of Prefectural Labour Bureaus offer advice and guidance to the parties concerned, point out the issues concerned and suggest the direction settlement should take.
- c) A dispute coordination committee available in all prefectures identifies the major arguments of each disputing party and mediates in an effort to reach an agreement.

The individual labour dispute settlement system recorded the following services being available from April 2008 through to March 2009: labour-related consultation cases handled at general labour consultation counters totaled 1,075,021, the number of civil case consultations on individual labour-related disputes was

236,993, the number of cases settled in the scheme that provides advice and instructions by the Director of a Labour Bureau was 7,592, and the number of cases submitted to the mediation scheme provided by the dispute coordination committee was 8,457. A large number of workers and employers referred cases to the system. While continuing its efforts to publicize the system, the Ministry of Health, Labour and Welfare will further enhance operation of the system in achieving its purpose of settling individual labour-related disputes in a fair and prompt manner.

## **Section 5. Formation of Stable Labour-Management Relations**

With the changes that have occurred in the socio-economic structure in recent years, the working environment is drastically changing and it has become increasingly important to maintain long-term stable labour-management relations, which are the source of Japan's industrial competitiveness. Therefore, the Ministry of Health, Labour and Welfare is committed to promoting smooth communication between labour and management, while making efforts to prevent and resolve labour-management disputes and promptly settle unfair labour practice cases.

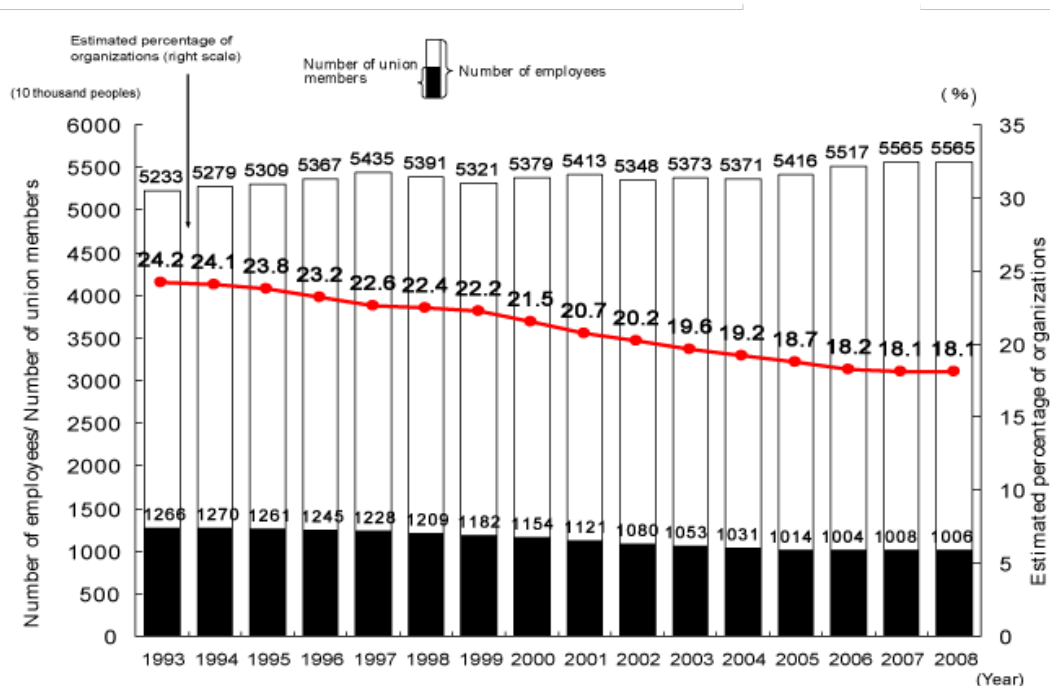
### **1. Labour-Management Relations in FY 2008**

#### **(1) Labour Unions in Japan**

In Japan labour unions are organized on an enterprise basis. To cope with problems that cannot be handled by enterprise unions, including policies and systems, these unions join together to form industrial unions. These industrial unions, in turn, join together to form nationwide organizations.

As of June 2008, the number of union members in Japan was approximately 10,065 thousand, a decrease of 15 thousand from the previous year. Downward trend of the estimated percentage of organizations continued, but the rate in 2008 remained flat from the year before at 18.1%. With regard to labour unions for part-time workers, the number of union members was 616 thousand with the estimated percentage of organization of 5.0 %. Both the number of union members and the estimated percentage of organizations are on the upward trend (see Figure 3-5-1).

As a central organization nationwide, the Japanese Trade Union Confederation (the Confederation) controls nearly two-thirds of Japan's total labour force. Aiming to construct a "welfare-oriented society centered on workers", the Confederation focuses its effort on negotiating labour policy issues with the government.



Source: Statistics and Information Department, Minister's Secretariat, the Ministry of Health, Labour and Welfare Basic Survey on Labour Unions \*

## (2) Situation with the Spring Labour Offensive (Shunto)

The spring labour offensive took place in 2009 in face of rapidly deteriorating business climate for many industries such as construction, transportation, and finance due to the global economic crisis coupled with strong yen.

The Confederation unveiled their policy to call for wage increase as well as maintaining employment by demanding pay raise for the first time in eight years in the “Guidelines for the 2009 Spring Labour Offensive” (announced on December 2, 2008), stating that the Confederation aims to realize payment by the result system for the labour side that enables recovery of the macro economy and expansion of domestic demands based on securing and maintaining workers’ real life through wage increases to keep up with rising prices.

On the other hand, the Japan Federation of Economic Organizations released a “2009 Report by the Committee on Management and Labour Policy” (announced on December 16, 2008) and revealed their view that: a) effort to stabilize employment is demanded at the next labour-management negotiation and consultation in an extremely severe management environment; and b) flat wage increase by individual corporations is quite unlikely.

After March 18, 2009, the answers related to wages and bonuses were made to major private unions mainly those of the manufacturing industry. According to the replies, increase of monthly wage generally stayed within a range of a periodic pay rise, and bonus also fell below that of the previous year mainly in the manufacturing industry.

## (3) Agreements made among the government, labour, and management toward stabilizing

### **and creating employment**

With the deteriorating business conditions, efforts were jointly made among the government, labour, and management aiming at stabilizing and creating employment. On January 15, 2009, the Confederation and the Japan Federation of Economic Organizations compiled a “Joint Declaration for Stabilizing and Creating Employment” and made a request to the Minister of Health, Labour and Welfare. On March 3 in the same year, they formulated a “Joint Request for Stabilizing and Creating Employment” and made a request to the Prime Minister, the Chief Cabinet Secretary, and the Minister of Health, Labour and Welfare. Furthermore on March 23, in replying to an invitation by the Prime Minister Taro Aso, the representatives from the Confederation, the Japan Federation of Economic Organizations, the Japan Chamber of Commerce and Industry, and the National Federation of Small Business Associations got together and made an “Agreement among the government, labour, and management toward stabilizing and creating employment for Stabilizing and Creating Employment.”

### **(4) Promotion of Smooth Communication between Labour and Management**

In order to maintain stable labour-management relations, efforts are being made to allow dialogue to occur among the government, labour, and management at various levels through friendly discussion gatherings.

## **2. Matters concerning the Labor Relations Commission (Transfer of Functions of the Labour Relations Commission for Seafarers to the Central Labour Relations Commission)**

Labor relations commissions (such as the Central Labour Relations Commission and Prefectural Labour Relations Commission) examine unfair labour practices such as refusing collective bargaining and works to mediate, conciliate, and arbitrate labour disputes.

It was decided that the Labour Relations Commission for Mariners (Central Labour Relations Commission for Mariners and Prefectural Labor Relations Commission for Mariners) was to be discontinued and the collective labour-management dispute coordination functions for mariners, currently performed by the Labour Relations Commission for Mariners, transferred to the labor relations commissions that perform collective labour-management dispute coordination functions for workers in general. Hence the “Draft Law to Amend the Ministry of Land, Infrastructure and Transport Incorporation Act” that incorporated that revision was approved at a regular Diet session in 2008 and enforced on October 1, 2008. Smooth operation is continuing even after transfer has been completed.

## **Section 6. Revision of Employment Insurance System**

For the purpose of enhancing the safety nets and reemployment support for job losers in consideration of the current severe employment/unemployment situation, discussions were made on the employment insurance system by the 3 party committee (the Committee on Employment Insurance within the Subcommittee on Employment Security, Labour Policy Council) consisting of labor, management and the public and a report compiled on January 7, 2009. Based on this report, the “Draft Law to Amend the Employment Insurance Act” was presented at a regular Diet session in 2009 on January 20, 2009 and approved on March 27 in the same year (partly enforced on March 31, 2009).

A summary of the revision is as follows:

- a) Relaxing the requirement for recipient to “6 months or longer” for fixed-term contract workers who are denied renewal of their employment contract (from the current 1 year), and extending eligibility to workers who were refused to renew employment contract after being employed for over 6 months but less than 1 year;
- b) Individually providing additional 60-day-worth insurance benefits to those who lost their jobs due to corporate bankruptcy or dismissal, in particular, workers in need of support for reemployment, taking into account the worker’s age or regional circumstances; and
- c) Expanding and relaxing insurance coverage to non-regular workers from the current requirement of “expected employment period of 1 year or longer” to “6 months or longer”.