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Precis:

Responses to Japanese Prime Minister Abe's proposed labor reforms, which are part of the economic stimulus plan known as Abenomics, are a window on the positions of major stakeholders' social debates in Japan's future. This paper identifies, summarizes, and analyzes six responses to one of the proposed structural reforms: new labor rules that would encourage expansion of "limited regular employment," an employment status between Japan's famous "lifetime employment" and the burgeoning number of non-regular workers. Proponents in the business community and government tout limited regular employment (gentei seiki koyou) as a way to introduce flexibility and mobility in the labor market, boosting productivity, and helping stem the bifurcation of Japanese society into winners, with regular employment, and losers, with non-regular jobs. Opponents, however, see the proposed reforms as an ominous step toward dismantling Japan's already weak worker protections. They argue that limited regular employment is a poison pill containing inherent contradictions that threaten the hopes of women and younger workers for stable careers, as well as loosening long-standing social and legal constraints on employers' right to dismiss workers. Parliamentary debate on this labor legislation is set for the summer of 2014.

Since Adam Smith promoted the division of labor as the path to "universal opulence" in the 17th century, it has been the engine of productivity and a major determinant of social structure. Changes in the division of labor portend changes in the division of property, power, and social honor. For most of the post-World War II period, Japan's most significant division of labor has been between regular正規employees, unlimited in duties or duration of work (i.e. permanent or "lifetime employment," more common for males in larger enterprises), and non-regular 非正規employees (various kinds of limited term contracts or hourly wage jobs, generally more common for women and in smaller firms). The social order created by this division of labor was seen as a fair reflection of results of meritocratic educational competition and taken-for-granted gender roles; perceived fairness contributed to Japan's postwar social stability.

In the early 1990s, Japan executed a managed drawdown of regular employees as firms struggled to cope with effects of the collapse of the famous asset bubble. The concurrent, sharp rise in non-regulars -- from about 10% in 1990 to about 40% of the labor force today (and more than 50% of younger workers (Morioka 2013)) -- has given rise to insecurity and anxiety.[1] Competition for good regular posts is intense; some posts, while regular, are not good, and about a fifth of non-regulars want regular employment but can't find it (MHLW 2013, 30-32). Only 41.5% of available jobs are regular positions (Mainichi Shinbun 2014). Meanwhile, regular workers may face demands for increased productivity that diminish the status advantages of regular employment. The status gap between workers in the two types of employment, however, still represents differential life chances – time binds and work-life imbalance for better compensated regulars, and underpay and poor career possibilities for non-regulars, who get less respect and may receive less than a living wage for a nearly 40-hour workweek. The relative poverty of the working poor is linked to delays in marriage and consequent birthrate declines. This growing imbalance in (and between) the lives of regular "core" and non-regular "peripheral" workers is starting to threaten social reproduction and Japan's long-term social stability.

The Abe cabinet discusses growth strategy (Source: Office of the Prime Minister)

Prime Minister Abe has proposed reforms to create within five years "a society with flexible and varied ways of working," and "World Top-Level Employment Environment and Workstyle" as part of his economic stimulus plan known as "Abenomics." Comprised of "three arrows," the goal of Abenomics is to free Japan from the grip of deflation. Having more or less hit the mark with the first two arrows of fiscal and monetary stimulus (business profits and the stock market rose dramatically, while the value of the yen fell by about 20 percent against the US dollar), the government is now readying the third arrow, a legislative package of more than 30 structural reforms, that experts say are needed to consolidate and continue the recovery. These reforms include labor deregulation intended to diversify employment possibilities through development of a more fluid labor market. That is, an historic shift from support for employment stability to support for mobility. To some extent this is already being realized. There are today about as many jobs as job seekers in Japan and the main measure of unemployment puts it at around 4 percent. Employers foresee labor shortages, which may force them to raise wages. To remain competitive firms want greater flexibility to allocate labor as needed by dismissing some workers and making increased use of less costly non-regulars. But, at the same time, they do not want to lose the high level of dependable commitment that they have been able to get from their regular, core workers, whose "lifetime employment" binds them to the firm. Their continued existence also constitutes the bedrock of workplace hierarchies through which power is exercised.

Limited regular employment (*gentei seiki koyou*限定正規雇用)[2] is offered as a solution that fits the needs of both workers and employers. This paper offers a preliminary analysis of this proposed labor reform, which is expected to pass through the Diet during debate on labor laws and the establishment of special economic zones that are part of Abenomics in the summer of 2014. A hybrid solution to the growing gap between regular and non-regular work, there is as yet no consensus about *gentei*, but just over half of larger firms (300 or more employees) already have such employees and the trend is spreading (Hokkaido Shinbun, 2013). In legitimizing this intermediate category in the division of labor by setting rules for *gentei* work, the debate will have important implications for employment ethics, contractual norms, and relations in production, as well as for the lives and careers of people in Japan and the viability of Japanese companies. Following a brief overview showing where *gentei* employment fits in the recent history of employment practices, this paper outlines six key viewpoints in the debate and discusses the interplay of their positions. Conflict between these six camps represents the common alignment of forces on many emerging labor and social issues in Japan. Limited regular employment is thus a window on the relative influence of social forces determining Japan's trajectory, their implications for social structure and fairness, and the possibilities for economic revitalization.

Japan's Dual Employment System: Core and Periphery

The stereotypical image of postwar Japanese companies is that they are communities organized for their members' mutual benefit (Rohlen 1974). However, Japan's core employment, the famous "lifetime employment" or "permanent employment," did not represent employer ideals. It was actually a temporary expedient that companies used to retain skilled labor during the high-speed economic growth period (1955-1973). Its prevalence has been consistently overstated. That firms recruited employees only from new graduates was also a myth. Even in the heyday of this notion, 50-80% of hires were experienced workers, and, while larger firms recruited new workers straight out of school, smaller ones could not do so until after the 1980s boom in college graduates (Levine 1983, 26). Despite labor force growth, the external job market was relatively underdeveloped. Still, three or more changes of employer were the lifetime norm in Levine's somewhat speculative calculation in the early1980s (Levine 1983, 27) and Cole (1979, 88-90) also reported separation to be far more common than staying with a single firm throughout a career. The stability of the system was the result of expanding job opportunities inside firms due to rapid economic growth and accompanying labor demand. These career opportunities were available almost exclusively to men.

Although unlimited lifetime employment with a single employer did not describe most Japanese careers, in time it came to inform *ideals* about social and productive relations between labor and capital (and men and women) in Japan. Focusing on practices of larger firms, foreign and domestic scholars promoted these ideals as sources of Japanese competitiveness and strength. "Theory Z" Japanese-style management spawned imitations in the West in the 1980s, but no longer. As the economic growth and expanding job opportunities that sustained pursuit of the Japanese ideal disappeared, Japanese managers increasingly adopted America's neoliberal creed. Forms of contingent employment expanded rapidly after a wave of labor market deregulation in 1994. Companies today are continuing to rapidly dismantle costly traditions of employment security. The dilemma they face is how to get more use out of non-regulars and move away from a system of seniority and continuous tenure, still accepted by most workers as the non-contractual basis of contracts, without destroying the moral authority of workplace power relations rooted in age-graded (and gendered) hierarchies. Moreover, courts have interpreted existing laws according to the "common sense of society" that, in exchange for worker loyalty and obedience, employers are responsible for worker well-being and social stability. Legislating social stability from the bench has severely restricted both employers' legal right to dismiss workers and regular employees' ability to resist even extreme employer demands (Foote 1996; Yamakawa 2007; Upham 2011).

Consequently, employers have sought flexibility through more intensive use of regular workers (whose commitment and obligations are unlimited) and increased use of heretofore marginal, cheaper types of labor, such as fixed-term or occupationally restricted contract workers, temporary agency dispatched workers, and expanded use of part-timers, including the oxymoronic "full-time part-timers." Issues arising from ad hoc reshaping of employment categories, rules, and practices at the firm level are reflected in resulting legal challenges. Typical are:

-suits claiming contracts were illegally terminated

-suits over the status and duties of dispatch workers

-suits about unpaid overtime

-suits claiming wage discrimination

-suits about death from overwork (karoshi)

-suits about suicide and depression caused by overwork

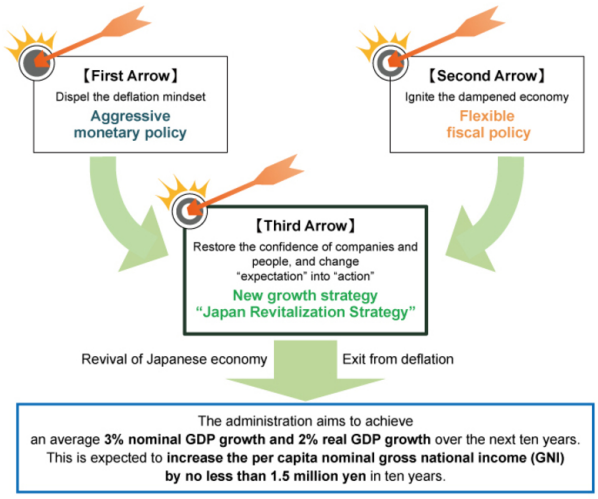
-suits involving exploitation of trainees, many from China

-suits resulting from American-style "lockout firings"

-suits related to "black corporation" practices, including harassment, abuse, and false promises.

Abenomics and Employment Reforms

The Abe government's proposed employment reforms are the work of a policy incubator called the Industrial Competitiveness Council (産業競争力会議), which Mr. Abe chairs. Its proposals are a big part of a package of 30-plus new laws for economic revitalization being developed under the Nihon Keizai Saisei Honbu Japan Economic Revitalization Taskforce (日本経済再生本部), a cabinet-level gathering also under the prime minister's leadership. The overall name for these policies is "new growth strategy" (新成長戦略), dubbed Abenomics, a label the Prime Minister and his party have propagated and embraced. Early successes allowed Abe to announce to the world that, "Japan is back." He now says the reforms are at a critical point and he is calling on the legislature to become a "Favorable Environment Realizing Diet"[3] that will pass the "third arrow" package of laws and show the world that Japan is making concrete progress on long-standing structural issues.



The three arrows of Abenomics (Source: Office of the Prime Minister)

How the legislative process will play out will be interesting to watch, but Mr. Abe's coalition government controls a legislative majority, and the general outline of his plan is clear enough in documents from Abe's Industrial Competitiveness Council. Composed of politicians, academics, and business leaders, the Council has no labor representatives. The plan calls for strengthening competitiveness through a rush of changes that will correct distortions – under-investment, over-regulation, and excessive competition – to give Japan ability to win in global competition. The Council's discussions have given prominence to a number of long-simmering business community demands intended to boost the international competitiveness of Japanese exporters and resolve thorny employment issues that have been grounds for domestic legal action. Taken as a whole, the employment reform aspects of Abe's 3rd arrow aim to normalize and support existing employer practices, including rewriting work rules and employment contracts to permit "varied types of regular employment."

In the run up to parliamentary debate on the legislation some "trial balloons" have been floated to test the strength of the opposition. For example, reforms to Article 16 of the Labor Standards Law, the portion that regulates dismissals, were suggested, but it appears they may not be part of the final package at this time.[4] The proposal for an American-style system of separation payments drew particularly harsh criticism. Nor it seems will there be separate labor contract rules in special economic zones that Mr. Abe has proposed. One incarnation of that idea would have allowed practices introduced by companies having headquarters in special economic zones (Osaka, Tokyo, and Nagoya were mentioned) to be introduced in all of the firm's locations throughout the country. This was shot down by the Ministry of Health, Labour and Welfare (MHLW), which refused to countenance drafting and enforcing a dual labor regulations regime (Nikkei Shinbun 2013b).

Now that the plan has been streamlined for easier passage through the Diet, what will it look like? An overview taken from the most recent report of the Industrial Competitiveness Council entitled, *A Society Where Everybody Participates* (全員参加型社会), simultaneously conveys feelings of "total mobilization" and equality of opportunity. The elements below relate to employment system reforms and "strengthening of human resources" (Prime Minister's Office 2014).

1. Labor mobility without unemployment. Construction of a society with employment opportunities such that young people, women, and the elderly can be active and their abilities exercised to the fullest extent. Funds previously paid to firms to support employment stability will be used to help workers move between jobs without gaps. Between jobs, workers will take training courses offered by personnel businesses created by the new system. Funds may also be used for on the job training. The aim is to redeploy workers to areas of the economy where labor demand is growing.

2. Reform the employment insurance system to provide up to 60% of the cost of retraining and enable young and unemployed workers to *"career up"* or change careers. By 2016 the budget for these training and mobility funds will exceed the current budget for employment adjustment support (雇用調整助成金).

3. Make available to private sector personnel businesses jobs information formerly available only through the MHLW's "Hello Work" employment centers.

4. Change the dispatched worker law, eliminating almost all limits on using temp staff. Emphasize matching of supply and demand rather than worker protection.

5. Revise from 5 to 10 years the period of time before which non-regular workers with specialized ability and or high salaries of a certain level have the right to apply to transition to regular worker status.

6. Expand the portion of the short-hours labor force that is protected from discriminatory treatment (by eliminating the requirement of an "unlimited" contract as prerequisite for receiving legal protection).

7. Admit more skilled foreigners under a point system.

8. Realize Japan as a place where women can shine. Improve childcare options; create a neutral tax and social benefits system to allow choice of workstyle; lead through the PM's office by establishing therein an office of "information dissemination."

9. A three-part set of employment rule and work hour reforms to create varied ways of working (三位一体の労働時間改革). These provisions would limit working hours for some workers, strengthen efforts to get workers to take paid leave, and expand discretionary labor for workers in occupations where hours are difficult to calculate. This includes exempting employers from having to pay overtime premiums to discretionary hours workers and simplifying procedures for registering workers as exempt from work hour regulation.

Reform in these areas will reduce employer uncertainty and associated hesitancy about expanding the hiring and use of workers who are neither regular nor non-regular. In fact, about 50% of larger firms have already introduced some form of limited regular employment. Common examples include: employment limited by location (limited to one location, no transfers); by job (duties are limited); and by hours of work (no or low overtime).[5] Workers who want to limit their commitment, avoid transfers, escape unlimited demands, and avoid long hours, especially unpaid overtime, embrace *gentei* employment. This group includes married women and mothers, young people, and some older workers whose pensions are inadequate or who want to remain active in later life.

Mr. Abe thus proposes a framework of legal rules to support what many firms are already doing. Why then is it attracting so much attention and comment? Establishing a clear legal framework for *gentei seishain* will stimulate expansion of this more flexible and profitable form of employment, creating a potential win-win-win situation for firms, workers, and the nation. But at the same time, *gentei seishain* employment legitimates a semantic contradiction that threatens to corrode the concept of employment. Heretofore*, seishain* – regular employee – has implied *mugentei* "unlimited" or "permanent" employment akin to family membership. *Gentei seishain* – "limited regular employment," with termination or departure rather than permanence expected – directly contradicts the established common sense of "employment." Normalizing this contradiction is certain to create confusion, even as it papers-over the gap in life chances between core and peripheral workers. Responses to Abenomics employment reform proposals thus reflect feelings about the general direction of contemporary Japanese society, the struggle to balance economic transformation with social fairness in particular. As the legislation heads for deliberation in the Diet, what is the range of opinion about the outcome of these proposals? Will the new division of labor liberate animal spirits and renewed hopes of growth, as Mr. Abe argues? With what consequences for workers? We turn now to summarize six points of view that represent the range of opinions in the debate on this issue.

The Activist Left

The left has been the source of much colorful language that attempts to galvanize the working class by capturing the gestalt of Japanese work today. "Black corporations" (ブラク企業), karoshi (過労死death from overwork) and *karou jisatsu* (過労自殺work-induced suicide), "power harassment" (パワハラ),"white collar exemption" or *zangyou nashi hou* (残業なし法 "no overtime pay law"), *nabakari kanrishoku* (名ばかり管理職managers in name only), and *karoshi boushikihonhou*

(過労死防止基本法Basic Law for the Prevention of Karoshi), are but a few of the most prominent examples. Centered on labor lawyers (労働弁護団) and supported by various Communist Party-affiliated labor unions, as well as other small parties and their labor allies, Japan's activist left argues that all employment should be regular, with companies obliged to ensure stable employment. In this view, the purpose of the firm is to support workers, their families and communities. Without long-term mutual commitment, traditional social ethics, which entitle workers to benevolent treatment from employers, cannot operate. The activists characterize employment reforms as "destruction of employment"

(雇用破壊) that will give employers a free hand while stripping workers of traditional rights and legal protections. They criticize Abe's proposals as naked expressions of ruling class interests and they oppose the spread of limited regular employment, seeing it as betrayal of moral human relations ideals founded on long-term mutual commitment.

These activists emphasize that when a majority of workers have non-regular posts and the zeitgeist changes, the door will be open to lower wages and easier layoffs, something employers have long sought. Leftists don't trust employers to honor promises of long-term employment for limited regular workers, pointing out that they will always face the possibility of being cast aside when they are no longer needed. Their "membership" is conditional and thus not true membership. Limited regular employment will be a wedge, cleaving regular employment into competing halves and pitting them against other, even less secure, forms of employment. Fear of easier dismissal is common on the left. In pursuing lower costs, companies could close unprofitable offices, plants, or stores. Employees whose employment is limited ("You were hired as a worker in *this* location.") could be terminated with the closing of their workplace or the elimination of their job designation or category. Moreover, regular workers may face both downward pressure on wages or increasingly heavy work quotas because limited regulars will do the same work as regular workers, but for less pay and few or no benefits.

The statement opposing employment reform issued by Minpoukyou (2013), the Democratic Legal Association, exemplifies this viewpoint.[6] Declaring their determination to fight in the courts, it first concisely summarizes the proposed reforms, noting that proposed special economic zones will become incubators and insertion points for policies, such as exemptions from overtime pay for white-collar workers, that are too hot to push through the Diet. The statement criticizes deregulation for allowing companies to avoid responsibility and causing damage to worker lives and rights. Since the "Lehman Shock" (financial crisis of 2008), Japan's electronics industry in particular has been site of forced restructuring and corporations have been absolved (免罪) of responsibility to maintain employment. Workers have been cut adrift and left to fend for themselves. Similarly, the increase of indirectly employed dispatch workers makes

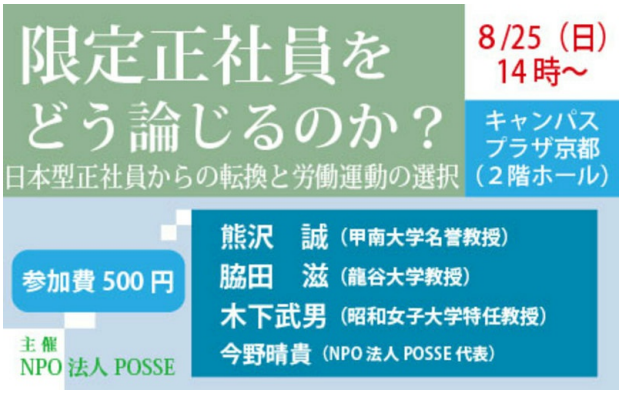
their position even less secure than before.Moreover, deregulating work hours through a discretionary work hours system (裁量労働制) makes workers responsible for the number of hours they work, although they have no control over workloads. This will only cause damage to worker health and lives.

In this view, *gentei* "job-based regular employment" is, in the end, nothing more than an excuse to permit poor treatment for "second-class regular employees" whose jobs can cease to exist by employer fiat. This new category of employees is intentionally created out of a desire for the legalized lawlessness of unlimited dismissal (整理解雇) as seen in the violence of "banishment rooms," "lockout firings," "black corporation" practices, and long, overly intense hours of work that destroy worker health leading to burnout and karoshi. From the point of view of social equality and workers' lives, what is needed is thorough regulation of dismissals and strong legal protection of employment and life, improvement of non-regular worker treatment, increased minimum wages, and improvement in working conditions. From the perspective of Minpoukyou and the activist left, Abe and his backers are proposing almost exactly the opposite.

Another concern of the activist left is that the spread of limited regular employment will increase pressure for exemptions from regulations on overtime pay for regular workers. One leading leftist academic (Morioka 2013b) notes that loopholes in Japan's overtime regulations (Art. 36 of Labor Standards Law) already permit hours so excessive that "death culture" is legitimated. When people are dying, he asks, "How can work be deregulated any further?" and says the reform proposals do not show consciousness of the karoshi (deaths due to overwork) problem. Caring only for corporate globalization and putting consumption last, Japanese companies have failed to raise wages. Lower labor standards are necessary to induce foreign investment, and this, says the left, is the true aim of Abe's labor reforms.

Labor Economists

Many labor economists sympathize with the plight of workers, but on the limited regular employment issue some well-known public intellectuals are taking a pro-reform line.[7] Their view is rooted in the idea that it is *unlimited employment* that creates many of the problems identified by the left. Overwork and work-life imbalance are part and parcel of regular employment, but that is strange, they say, because the Labor Standards Law mandates an ILO-compliant 8-hour day/40-hour week, and does not, in principle, permit overtime.[8] Japan's enterprise unions are unable to take militant action because they are dependent on their firms.



Flyer for an August 2013 symposium on limited regular employment featuring Kumazawa Makoto, Wakita Shigeru, and Kinoshita Takeo. The title reads, "What are the arguments concerning limited regular employment? The transition from Japanese style regular employment and the choices of the labor movement." (Source: POSSE)

Limited employment, on the other hand, would reduce Japan's increasingly polarized regular-non-regular gap in wages and career possibilities by promoting mobility through limited regular employment. A more fluid and forgiving labor market makes workers independent, liberating them from "lifetime employment" whose burdensome male ideology of the self-sacrificing ideal worker and standard of continuous, unlimited work commitment puts most women off the career track. If workers could vote with their feet, companies would have to improve working conditions. Black corporation practices and abuses of power, much decried by the left, would diminish as Japan's shrinking population drives up labor demand. Indeed, the labor market is already tightening, raising the specter of wage cost increases (Iwamoto 2014). In addition, expanded corporate welfare, training, and care may become necessary inducements for keeping good workers. Social belonging and the psychological rewards of membership were important compensations for Japanese workers in the past, and they may be again, for few seem enthusiastic about trading stability for mobility.

Kumazawa Makoto, who has argued as cogently as anyone for the rights of workers, believes that it would be good for all workers to be *gentei seishain* because it would undermine the male ideal worker as the standard of regular employment. The hope is that Japan can become Holland, with government, labor, and capital reaching a Wassenaar-style agreement that can serve as the basis for progress. (Nikkei Shinbun 2013a)

Japan's employment policy research reached a key point in the 2010 report by a committee of prominent labor scholars (Ministry of Health, Labour and Welfare 2010) that proposed limited regular employment and labor mobility as solutions to growing class polarization and the rising number of non-regulars. The report envisioned creating a "trampoline-style society" with a safety net that would catch those who fall out of employment, retrain them, and then launch them back into the labor force. This consensus view among leading academics about a society of second chances has evolved through the election of Prime Minister Abe in 2013 and after. In addition to limited regular employment, new rules about dispatched workers and Labor Contracts Law reforms are all part of preparing the environment for the shift from employment maintenance support to labor mobility.

Will dismissal reform be part of the picture? University of Tokyo emeritus law professor, Sugeno Kazuo, is optimistic that limited regular employees will not be easily terminated (Asahi Shinbun 2013). The support for long-term employment is strong in companies, the judiciary, and the working public so fundamental change is unlikely. Specifically, he argues that there is no room to change Article 16 of the Labor Standards Law, which mandates that employers meet four objective and rational conditions for dismissal.[9] Thanks to judicial activism, only dismissals that are in accord with the "common sense of society" (社会通念) are valid. Strong support for existing practices of long-term employment means that Article 16 is unlikely to be repudiated. Sugeno thinks management and labor need to reach consensus on how workers of various categories should be treated, that it is not a matter for government intervention. He feels that creating multiple "regular employee" categories can help fix the polarizing regular vs. non-regular distinction.

Are limited regular employees likely to work less hard? Research by another labor economist (Tanaka 2010) indicates that changes in commitment are likely to accompany the introduction of widespread limited regular employment. As lower-paid employees whose membership is limited, they may harbor resentment if the burdens put on them are the same as unlimited regulars, who will get more money and long-term perks. This could undermine their zeal for the kind of organizational citizenship behavior that Japanese companies often expect of all their workers.[10] His paper on organizational citizenship behavior concludes, "…employee empowerment can hardly be secured if employees suffer anxiety because their long-term employment is not guaranteed." (Tanaka 2010,15) So the question of whether limited regular employment will be enough of a lure, and provide enough status and a strong enough sense of membership to make people want to be good corporate citizens, is an important one.

Organized Labor

Union membership and union activity (strikes) have both fallen dramatically in the last 35 years. Fewer than one in six Japanese workers belongs to a union. And most Japan unions are enterprise unions: they are generally made up only of regular workers whose fortunes are tied to their firms. Consequently, unions shy away from confrontations with management. Their prime concern is protecting members' job stability, which encourages fealty to the company line. They are generally much less concerned with work conditions than with salaries. Rengo, the largest labor federation, tries to represent the general interests of workers, and it opposes limited regular work. The threat of easy dismissal of limited regular employees, and other changes related to labor deregulation, are seen as threats to employment stability. The growth in *gentei seishain* poses a threat to enterprise union membership, though the issue could eventually become a vehicle for union organizing.

A survey carried out by Rengo (2013) paints a picture of workers buffeted by harsh conditions. It found paid monthly overtime averaging 35.2 hours; 39.1% of

workers worked paid overtime. For regular male employees, the overtime average was 40 hours per month. Regular male workers worked an average of roughly 50 hours total per week (40 hours of regular work and ten hours of overtime). About 5% worked 80 or more hours of overtime per month. Twelve percent of those surveyed by Rengo were in the long hours category of 50-plus monthly hours of overtime. Part-time and non-regular workers are not supposed to work overtime, but even they averaged 32 hours a month (men) and 20.9 hours per month (women) (Rengo 2013, 25). Nearly two-fifths (38%) of respondents felt they were being forced to work overtime and the more overtime they worked the more strongly they felt that it was forced. Forty-five percent of those putting in 45 to 80 hours of overtime hours per month felt forced. Above 80 hours per month, 60 percent felt forced. About a third of the workers surveyed said overtime was integral to their job duties (Rengo 2013, 26). Dissatisfaction has to be due, in part, to unpaid overtime: 35.3 percent said they were not being paid for all their overtime, the average was 18.5 hours of unpaid overtime work per month; 39.7% of regular male employees and 34.1% of female regular workers said they were not paid for all their hours of labor (Rengo 2013, 26). Management failure to monitor hours, workloads, and worker health was blamed for creating an atmosphere in which long hours could grow. (Rengo 2013, 28).

The take-away here is that once established, long-hour norms are easy to maintain in a market where good, "regular jobs" are scarce. Limited regular employment could be a powerful lure for hard-pressed workers, who cannot make ends meet on non-regular wages. But once hired, they may find that workplace customs and employer practices will place more emphasis on the "regular" part of their title rather than the "limited" part, until the firm needs to reduce staff. Then the *gentei* portion of their employment status may be emphasized, as a short video on Rengo's website points out (Rengo 2014).

The Rengo survey indicates that firms purposely overwork their employees, regardless of employment status. Overtime is cheaper than hiring additional workers[11] and regular workers can be induced to work unpaid hours in line with accepted, customary demands of their employment status. Indeed, 46.8% of workers said OT was caused by a lack of workers, or by sudden increases in workloads (42.6%) that were also the result of low staffing levels (Rengo 2013, 26).

More *gentei seishain* could increase the "regular" labor force and reduce some of the pressure for longer hours that is sure to grow as Japan's population ages. Would such employees be union members? With regard to union membership or termination, which aspect of their identity, limited or regular, would take precedence?

Women

Women are perhaps the main target of limited regular employment policy plans. Boosting female labor force participation, but in a way that also allows them to care for children and the elderly, is seen as adding significantly to Japanese economic growth and social stability (Nohara 2014). But Japan's history of attempts to legislate women into greater social prominence is littered with deceptions. The Equal Employment Opportunity Law is a notable failure: companies evaded the EEOL by simply renaming their permanent (male) and non-permanent (female) tracks to give the illusion of equal treatment, but the reality was that everyone knew, and most accepted, that *sougoushoku* was male, career employment and *ippanshoku* was non-permanent, female employment. The Japanese terms translate as "comprehensive" and "general" respectively, and in English there is not much distinction between them. But in Japan their gender significance is well understood by all. To justify this distinction, and to deny women career track employment, the *sougoshoku* employees at some firms became subject to transfers, even if they had not been so before (Hamaguchi 2011, 193). From the perspective of companies and most women themselves, employment limited to a single location is the preferred way of working.

The same denial of equality is likely for women who are limited regular employees. The feminist labor scholar, Osawa Mari (2013), says the *gentei seishain* system will be unequal and discriminatory. Limited regulars will be paid a little more than part-timers or other non-regulars, perhaps 80% of what regular workers make,[12] but they will not have long-term career employment, for that will continue to require unconditional devotion, including overtime on demand, transfers, or solo postings to distant corporate outposts (*tanshinfunin*). Limited regular employment will provide additional entry points for women and young workers who, for whatever reasons, are unsuited for regular employment. They will be told that regular status awaits those who work hard. But when contracts end, product lines are revamped, or offices are moved they could be let go. Thus, for women, the new division of labor is a stalking horse for making dismissal easier and for increasing competition among workers. *Gentei seishain* will be second-class corporate citizens. And most will be women, says Osawa, so limited regular employment will be yet another form of indirect discrimination. Of course there are just enough women in *sougoushoku* employment to rebut charges that the career track is closed to them, but the dropout rate for women entering companies as regular employees remains extremely high and few manage to rise into even the lower levels of management. No doubt there will be some female (and male) *gentei seishain* who manage to move up to unlimited regular status. These examples will deflect criticism that nothing is changing, and allow limited regular employment to be presented as an advance for women.

Osawa and many others have documented how tax and pension incentives, as well as dependent allowances paid by companies, keep women in low-paid part-time work where they do not lose their status as dependents. Gender wage gaps have widened since the 1970s, despite the passage of the EEOL and Japan's participation in UN CEFDAW (Osawa 2002, 273). The primary reason for the failure to reduce gender wage gaps is the lack of enforcement. Women ask if enforcement of rules will be better under the confusion implicit in the new limited regular classification. Despite successive reforms, the EEOL still does not outlaw wage discrimination or mandate equal treatment. Employers were only urged to "make efforts" and there were no serious sanctions for violations. Moreover, although designating some jobs as "women-only" was viewed as a positive step that increased female employment chances, advertising jobs as men-only was illegal. For Osawa, Japan's EEOL is "the weakest policy possible, one that effectively encourages gender discrimination while, at least from an official point of view, obscuring it." (Osawa 2002, 274) Given this history, women's groups fear that "varied forms of regular employment" will simply expand the variety of ways of discriminating. In a case involving a regular female worker at Chugoku Electric Company, Japan's Supreme Court recently ruled against equal pay for equal work on the grounds that it did not constitute a threat to social order (Jibu 2014).

Japan is often contrasted with Western Europe, which has strong, anti-discrimination laws to protect workers against unfavorable treatment. Can Japan overcome its heritage of taken-for-granted gender inequality? Or will it repeat its tried and true strategy of simply twisting inequality in new ways to give the illusion of progress toward equality? Will the plan for *gentei seishain* be yet another iteration of that same defense of masculine breadwinner hegemony? As Osawa (2002, 275) asked of the EEOL, was the marginalization of women "a by-product of its policy goal – or the goal itself?"

Nippon Keidanren

Nippon Keizai Dantai Rengokai (Keidanren) is the main federation of employers and a prime backer of the *gentei* proposal as well as other labor reforms. Increasing flexibility, making dismissals easier, and strengthening unimpeded ability to exercise management authority are its goals. Keidanren's desire to emulate American labor practices is reflected in proposals, such as the one for an exemption from overtime rules for white collar workers, which take language directly from position papers put out by the American Chamber of Commerce in Japan. Keidanren's member companies are large firms whose practices set the tone of the entire Japanese business community. Its support of Mr. Abe's policies was important to his return to power.

Keidanren strongly desires the introduction of *gentei* employment as a way to reduce labor costs, reducing the risks of moving into potential growth fields such as care work and service industries. It holds that limited regular employment will give workers enough time to develop skills and contribute to corporate projects, while their shorter hours will give them better work-life balance: flexibility will improve workers lives. Clear rules for *gentei* employment will allow companies to hire such workers confidently, protecting firms from lawsuits and bad publicity. Terminating workers may become easier, though this will require changes to the Labor Contracts Law. The introduction of *gentei seishain* may also reduce the number of workers in the *seishain* category even further. That is, if *gentei* employment becomes widespread, firms will not have to place big bets on lifetime employment workers or accept the risk they entail (due to restrictions on firing.)

To get the maximum cost-reduction benefit out of *gentei seishain*, business leaders also want to establish white collar exemptions or discretionary work hour systems. Some categories of employees already have discretionary hours. These are supposed to encourage people to work smarter so they can go home

and have a life. But discretionary systems make the worker responsible for keeping track of hours. Coupled with subtle workplace social pressures, quotas imposed from above, and evaluations that emphasize efficiency, workers refrain from reporting excess hours for fear of being labeled inefficient. The white-collar exemption is a direct copy of the US law that exempts certain high salary individuals with significant authority from overtime regulations. In Japan, where there is a widespread and mistaken belief that all management, even those at the lowest levels, are exempt, there have been several attempts to generalize the exemption to all office workers earning above the median salary.[13] Like discretionary work, the white collar exemption gives employers carte blanche to order vast amounts of work (*noruma*) and then blame workers for inefficiency or lack of skill if they cannot accomplish it in 40 hours a week.

Seen in this light, limited regular employment is related to other new tools for increasing competition among the labor force. For example, consider *tenkan*, the possibility of moving from non-regular to regular employment. Workers want to do this, but employers can manipulate the system to their advantage, forcing workers to meet high arbitrary targets during the years (5 or so) that it takes to gain standing to petition for transfer to regular status. Recent changes in rules for hiring and retaining agency dispatched temporary workers (*haken*) will make it possible to rehire them on three-year contracts indefinitely. The trio of worker types – regular, limited regular, non-regular – and the welter of alternative names and subcategories for them in particular firms, permits almost endless manipulation. Although Keidanren will not like to admit it, sowing confusion is a strategy for increasing employer power.

Permanent (regular) employment puts companies in a tough spot. They cannot know what the future will bring, so they must hire very carefully. To avoid risk companies hire part-timers and contract workers on renewable contracts. Depending on type of employee, some contacts are yearly, others up to five years long. Keidanren is seeking a rule that would allow up to ten years so that workers can have more stability and time to build competency, and firms can see how well they work out. And this would seem to be a major selling point for *gentei seishain*: more stability than non-regular work and better opportunities for skill development. A deregulated labor market could offer opportunities better than those that exist today to alleviate the employment worries of the young, help women return to work after raising children, and keep older workers in the labor force. Is the business community just trying to make a virtue of necessity? Everything hinges on the sort of rules that emerge from the legislative process.

The Ministry of Health, Labour and Welfare (MHLW)

Although the MHLW is onboard with the major elements of the *gentei* plan to close the core-periphery gap, it does not like confusion, nor does it want to oversee a system of conflicting rules. A study by academics close to the ministry (MHLW 2010) was influential in promoting the notion of "varied kinds of limited regular employment" as a way to fill the growing gap in the regular-non-regular division of labor. That study also advocated hiking the minimum wage. However, Abe's proposal for special economic zones with their own labor and employment rules (dubbed *kaiko tokkuu*, "special dismissal zones," by opponents) was scuppered by the MHLW which sharply criticized it on grounds that no civilized country has two sets of employment rules (Nikkei Shinbun 2013c). In January 2014, the MHLW reiterated that it favors equal treatment for equal work for all workers regardless of employment status (Nikkei Shinbun 2014). The Ministry wants *gentei* employees to be eligible for various benefits, too.

But ministry opposition to differential treatment of limited regular employees contains a loophole. Current law gives the following conditions for equal treatment and pay: the part-timers and other non-regulars have to have the same level of responsibility as the regulars; there has to be transfer possibility; the contract has to be "unlimited" (no end date). The ministry's proposed revisions, which will be introduced in the Diet session just started, will only do away with the third (unlimited contract) condition for equal treatment. Because few non-regulars experience contract length as a barrier to equal treatment, the reform will only expand the number of part-time and contract workers eligible for equal treatment by about 100,000 (almost all women) from 170,000 to 270,000 (Nikkei Shinbun 2014).

Although this is, indeed, the sort of incremental approach Japanese bureaucrats are known for, it signifies the kind of policy the ministry would like to see. That is important because the ministry must actually draft the rules and enforce them. Japan's bureaucrats are not keen to undermine their own authority nor to make their jobs more difficult, and many of them have children who will one day be workers, too. They will do what they are ordered to do, but the ministry has preferences of its own and it decides how it does its job. Moreover, variety of opinion within the ministry and its offices is not uncommon.

The proposal to use the current employment stabilization funds to kick-start a job training and career counseling industry to encourage and enable mobility could be part of "new public sector" growth. This new public sector could also offer tempting post-retirement careers to MHLW bureaucrats. Known as *amakudari*, the descent from heaven, it is well-known as a source of corruption. Japan's rigid employment system needs to change, but is the creation of a private sector career guidance and placement industry likely to help or harm?

More to the point, is what corporations want the same as what society needs? Japan's professional bureaucracy does not like to be seen as a lapdog for corporate interests. Moreover, it has a slightly authoritarian tradition of public service in the service of moral principles and the good of the nation. That people see the division of labor overseen by the ministry as fair matters a great deal to the pride of the bureaucracy. The ministry also administers welfare and efforts to boost the flagging birthrate. If turning the safety net into a trampoline will help more women marry, have more children, and then bounce back to work (after taking childcare leave), they will do it. Improving the quality of life is an important part of the Ministry's mission, too. But employment policy is hardball, played for big profits. In the final analysis, the battle over rules guiding limited regular employment may be fought between corporate desires and bureaucratic power. The devil will certainly be in the details of the rules that are eventually set, and in their implementation in particular corporate cultural contexts, and in their enforcement.

Discussion

In contrast to regular employment, unlimited in duration, duties, demands, and scope, limited regular employment is restricted to a particular geographic region, factory or office (no transfers), to specific hours (no overtime), or to particular job duties (limited demands). Thus, the defining characteristic of regular employment in Japan -- unlimited commitment and acceptance of all management directives -- is absent. Limited regular worker compensation, while higher than that of part-time workers, is lower than that of unlimited, regular employees. Limited regular employees also receive various benefits that are not paid to non-regular workers. Limits on transfers, hours, and duties make limited regular employment attractive, especially to women, whom the Abe government is keen to bring into the labor force to counter the fall in working age population that is likely to drive up wages and weaken Japan's competitive position. The government and business interests argue that *gentei seishain* and other labor flexibility reforms are designed to restructure the labor market, reduce risk to employers incumbent in hiring regular workers, provide a ladder for workers to "step-up" to regular employment, and reduce inefficiencies associated with widening social inequality. Opponents, represented in this paper by the activist left, women, and unions, see limited regular employment as a dangerous development that will increase competition and job instability for all classes of workers, as well as permit easier dismissal. It is part of a plan to change employment rules to benefit employers in advance of demographic changes that will create a sellers' market for labor.

Changes in Japan's division of labor have been attracting scholarly attention since the employment effects of the asset bubble collapse began to be queried in the late 1990s. Around the turn of the century, there was a spirited debate about the meaning of the increase in non-regular workers (e.g. *Social Science Japan Journal* 2001, 2002). The participants were some of those involved in shaping the current discussion about limited regular employment, particularly Sato Hiroki and Osawa Mari. Sato, who has headed several government panels on labor and lifestyle issues, saw irregular (*hiseiki*) work as providing an expanded range of employment opportunities. Osawa, as she continues to do today, argued that these "atypical" forms of employment were opportunities for exploitation and unequal treatment.

A year later the journal published commentaries from two foreign scholars of Japanese employment. Marcus Rebick (2002) noted that the sort of discrimination pointed to by Osawa is the product of market segmentation originating in both pre-market and market discrimination, consisting respectively of barriers to skill acquisition and barriers to entry. Rebick noted that the barriers to entry "are located within occupations along the lines of employment status, namely whether or not one is a regular worker." (Rebick 2002, 244) That is, pay and treatment can differ solely because of classification, even if the work performed is the same.

The second commentary, by Heidi Gottfried, argued that "atypical," flexible forms of employment are the product of a combination of both employer cost cutting and worker choices. Regardless of origins, however, she noted that, "The diversification of employment alters the social contract." (Gottfried 2002, 246) Non-standard employment puts individual workers in a weak position against firms; non-regular status holders are defined as external to moral and legal norms that make employers responsible for protecting employment.

A television news show presents the conflicting aims of limited regular employment for labor and capital. For workers: achievement of work-life balance and more reliable labor environment than non-regular employment. For companies: ability to hold down wage costs and dismiss workers more easily.

Twelve years on, as atypical employment becomes increasingly common, it is growing more evident that the view of non-regular employment as unequal treatment with negative social consequences was correct. As non-regular employment has expanded, GINI and other measures indicate that Japan's social inequality has grown. In contradistinction to their prominence in higher education, women find it very difficult to advance in the workplace. The inability to gain formal membership as regular workers is taking a toll on the identities and life course trajectories of the young. Atypical employment is less a free choice than a forced choice. Non-regular employment is also putting a heavy burden on the welfare system. If Sato's view had proven correct, there would be no need for the "varied forms of regular employment" now being debated. The question is whether rules for governing limited regular employment can be positive reforms, with outcomes like those envisioned by the labor economists. Or whether they will amount to no more that just another semantic slight of hand intended to draw attention away from the real trick: changing the social common sense in order to permit further deregulation of work and labor relations.

From the views of the various players in the debate summarized above, it seems clear that the status *gentei seishain* is a way of imposing the common sense of the capitalist class upon the workers. That is to say, capital in Japan has long chafed at the postwar imposition of imported notions such as equality and worker rights that were explicit in the US-imposed Labor Standards Law of 1947. Reestablishing absolute employer authority requires the maintenance, indeed, the elaboration of differences between workers. Various forms of limited regular employment are exactly that: new classifications (*mibun)* that justify hierarchical ranking and differential treatment, even when the work performed is the same.

Regular employment means working about 52 hours per week on average, roughly the same as in the early 1960s (Morioka 2013). That this level of work is normal for regular employees has long been "common sense." It is also a barrier to equal opportunity because such hours are incompatible with women's traditional social roles as mothers and caregivers. Moreover, inter-firm mobility is limited because new hires must generally begin again at the bottom of the categorical pyramid as newly hired, low-paid employees who lack seniority. Note that, in international perspective, Japanese "regular" employment is really quite "atypical." The hours and production targets (*noruma*) imposed on unlimited regular employees are notoriously long and heavy, particularly in comparison with Western European nations.[14] The greatest career success comes from uninterrupted tenure with a single firm.

Manipulation and blurring of conceptual and categorical boundaries is a key employer strategy for workplace control. As *gentei seishain* bridges the gap between regular and non-regular employment it also obscures categorical differences. Fu (2012) noted that one significance of dispatched temporary workers was how they cast doubt on the "specialness" of regular workers. But dispatched workers were still clearly outsiders rather than "members." Limited regular employment, however, makes the confusion complete because limited and regular (i.e. unlimited) are, in Japanese terms, opposites. Limited regular employment thus mixes conditional and unconditional employment - the logical outcome of this contradiction is that, in the final analysis, limited regular employment is actually non-regular, that is non-permanent, less protected, and therefore not equal to regular employment. Conditional unconditionality makes no sense. Semantic confusion will whittle down by degrees the will of workers to even figure out what is going on. Workers' heavy loads and long hours impose their own constraints on action, and the difficulties of fighting to change "the system" in Japan are so onerous that workers themselves find it easier just to put their heads down and work on. There is social honor in showing graceful fortitude in the acceptance of one's social role.

In sum, semantics matters. Japan is sensitive to rank and labels more than most places: status designations are the basis for social relations and language use, which then reproduces status distinctions. Rohlen's famous study of a bank (1974) described the accepted model of employment. He noted two categories: members (*seishain*), hired immediately upon graduation, and non-members of various hues. Women were "members," but not expected to stay. Indeed, quitting was mandatory upon marriage. Brinton (2011) still describes the employment system as being segmented into hires who are new grads and others. So the member/non-member divide remains fundamental to Japan's division of labor, more so perhaps than blue-collar, white-collar or other possible divisions.

Weathers's (2009) critical review of books on the non-regular worker issue argues that the scholarly literature on the issue by some important academic figures with influential policy positions misses the boat: large-scale surveys showing that non-regulars are satisfied with jobs that often terminate when contracts expire, or that there are no threats to worker well-being implicit in the bifurcation or segmentation of the labor force, are trumped by observations of what happens in particular workplaces and by the sorts of issues that come before the courts. As Weathers notes, employees' legal rights are generally subordinate to employers' "complete freedom to determine employment conditions." (Weathers 2009, 147) He says that the journalist Kobayashi Miki paints a particularly persuasive portrait of how young people are kept constantly off balance by employer ability to use regular and non-regular job designations as sticks and carrots: "Today's youths face a virtually unregulated labor market in which employers have total freedom to determine the conditions of employment, including wage systems and whether positions are regular or non-regular, regardless of the work actually performed." (Weathers 2009, 144) The result is that non-regular workers overwork to prove they are as worthy of respect as those who make more and have higher status, and regular workers overwork to prove they are worthy of holding onto their positions and perks.

The introduction of limited regular employment is thus a double-edged sword: "limited" means different things to employers and to workers. Employers generally have the upper hand in defining what things mean. The enduring Japanese cultural strategy of sacrificing lower ranked members to preserve the authority of higher ranked ones that sustain the hierarchy as a whole becomes important here. Limited regular employment will mean different things to people with different social class locations. Working class men and women will probably accept it as an improvement in their opportunities. Their pay and social status may rise. They will be enchanted by the "regular" part of the designation and satisfied with the "limits" on work time, transfers, and duties. It will help some people to have better employment and home lives, and some may even "step-up" to careers. But most of those who want regular employment will see *gentei* as second class – a state of being excluded from equal respect and the rewards of real regular employees.

Will non-regular work mean non-regular life? Will banks make home loans to *gentei* workers? Will men and women find *gentei* to be good marriage material? Will the increased hiring of *gentei* workers open up career opportunities and a more fluid job market? If not, will the illusion of "regular employment" provide enough cultural capital satisfactions to compensate for *gentei* limits? *Gentei* are at least fulltime workers and that is a mark of respect. But transfers, unlimited duties, long hours, and other demands, including the duty to show absolute loyalty (accepting payment in products when the firm hits hard times, accepting transfer to any part of the enterprise or a subcontractor as needed) are not part of the *gentei* picture – so just how valued will such workers be? Or is Osawa right, that segmentation will lead to exploitation once again, that *gentei* status will be a dumping ground for women and others less valued? Will it be another nail in the coffin of Japan's classless society myth?

What is clear is that business interests are taking a long-term view: limited regular employment may turn out to be a brilliant ploy by employers and policy makers to muddy the waters and create confusion while pushing forward a new normal. The current restrictions on dismissal were imposed by the courts. Legislating from the bench on behalf of social stability, they made it almost impossible for employers to exercise the right to terminate workers at will. Article 16 of the Labor Standards Law could thus be changed if there is a shift in the common sense of society upon which the earlier activist judicial rulings were based.

Limited regular employment blurs the lines between regular (core), and irregular (peripheral) employment: as the norm of limited employment becomes more widespread, so will ideas of limited employer benevolence and responsibility for worker welfare. With about 40 percent of the labor force now in some non-regular category, the decline in benevolence is already wide and spreading. As layoffs and firings become more common, mobility is becoming the common sense, though stability is still the ideal.

Concluding Note

Mr. Abe's package of structural reforms will be debated in the Diet this summer. The proposal to establish new work and contract rules will almost certainly pass. When it is broadly implemented, limited regular employment will likely become an interpretational football in the long-running war of position between labor and capital in Japan. Employers today are much better situated to win, to use their growing control of the workplace to further increase labor market hegemony. The arbitrariness of Japanese employment categories has long been a hard-to-oppose source of displeasure for workers, because it also provides the structure within which their social identities are formed. Limited regular employment will promise the illusion of regular employment, a business card sort of status that can disappear at any time. It will also weaken the status of regular, *unlimited* employment by pretending to be the same sort of employment, and by placing somewhat lower-paid workers in positions very similar to those of regular workers in terms of duties and responsibilities.

The new division of labor, thus, could have a variety of outcomes for social structure. It could further fracture the working class: regular, limited regular, and non-regular, making labor organizing even more difficult than it already is. It could give employers yet another distinction behind which to hide discrimination against women, thwarting their attempts to gain equal treatment. It certainly will help firms reduce wage costs and increase flexibility to allocate labor as they see fit. With so much at stake, there will be a lot more jockeying before this contentious issue reaches the finish line. New forms of employment could liberate workers from the yoke of the dream of a career with a single employer. But is that what they want? Japan is often described as a consensus society, but it is not encouraging for workers that their voice is so under-represented in these important deliberations about the future of social honor and power in Japan. That raises the question of how advocates for the various points of view presented here see workers. Their views are insights into their premises of social order and their vision of a good society. As such, limited regular employment debate is a window on the battle for Japan's soul, which is currently being played out in economic policy, education reform, international relations, studies of history, and many other fields in addition to labor deregulation.

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Notes

[1] Fu (2012, 122) calls *haken* (dispatched temporary workers) "the vanguard of the reorganization of work." Her analysis points out how the presence of even the small numbers of haken workers symbolizes the increasing erosion of meaning of the regular-non-regular division. She also raises questions about the impartiality of both government statistics and prominent members of Abe's Competitiveness Promotion Commission, which is unabashed about promoting labor market reforms.

[2] Other designations include: "job-based regular employment" (ジョップ方正規雇用) , "associate employee" (準社員), "limited period regular employment" (有期正規雇用), "geographically limited regular employee" (地域限定正社員), or "limited hours regular employee" (時間限定正社員).

[3] Such sloganeering conveys the flavor of Abenomics.

[4] Debate on a system of dismissal dispute resolution continues. See Tsuru 2014.

[5] See Footnote 2.

[6] What follows is my paraphrase of the Minpoukyou statement.

[7] Symposium on Limited Regular Employment, Kyoto, Japan. 25 August 2013. Panelists Kumazawa Makoto, Wakita Shigeru, and Kinoshita Takeo. I am summarizing their lengthy discussion here.

[8] Overtime is regulated by Article 36 of the Labor Standards Law. Capital and labor must agree on overtime plans which must be approved by the Labor Standards Offic (LSO). Current guidelines call for a maximum of 45 hours of overtime per month or 360 hours per year. Although in practice and in their filings with the LSO many firms exceed these limits, the LSO accepts these overtime plans.

[9] 1. Employers must show need to reduce workforce (bankruptcy). 2. Must make efforts to avoid layoffs and try to find other posts for workers within the firm. 3. Selection of workers to be dismissed must be rational (targeted dismissal is prohibited. "Retirement" must be offered equally to all.) 4. Employers must explain to the worker and cooperate with the union or workers' representative.

[10] Workplace ethnographies mention non-regular staff being expected to show up at company sports events on weekends ("And bring food," they are instructed), come early to work or stay late to clean up. They are told, "You are not really part of our company, but you should work hard anyway."

[11] Up to 60 hours per month, the overtime premium is usually 25% of regular hourly salary. It only goes to 50% above 60 hours per month.

[12] The recent ruling in the case of gender wage discrimination at Chubu Electric indicates that courts may tolerate this level of discrimination as it does not "violate social order." (Jibu 2014) Osawa (2002, 274) discusses "full-time part-timers" and the Maruko Alarm case, in which an arbitrary level of 80% of regular wages was set as the threshold for wage discrimination. The court ruled that "public order and morals" would be violated if the employer paid the full-time part-timers less than 80% of the regulars' wages. The message is that "part-time work [even if full-time] is not a matter of working fewer hours than a full-timer, but is clearly linked to an inferior employment status."

[13] The last of these attempts was in the run-up to the election in the summer of 2013. Business representatives on government panels became very outspoken about ramming through a white-collar exemption and the true aims of the Keidanren-led business community became clear. However, as this was one of the issues that brought about the fall of Mr. Abe's first government in 2006, political pressure was brought to bear and white collar exemption was withdrawn as a policy goal. Mr. Abe swept to a landslide victory, giving his coalition control of the Diet and thus, the possibility of pushing through his cherished dream of constitutional revision. The white-collar exemption has been a pet project of the business class for many years and there is every reason to think it will return.

[14] Official figures for Japan's work hours are based on voluntary reporting by firms to the MHLW. These figures show hours of work declining to less than the official target of 1800 per annum. This is because the main MHLW survey is an average of all workers. Increased part-time work, mostly by women, has reduced the annual average. Surveys of individuals, however, such as the NHK Time Use Survey, show men (aged 20-59) working more than 2500 hours per year. (Mouer and Kawanishi 2005, Chapter 4).