

Berkeley Center for Law and Business University of California, Berkeley School of Law Boalt Hall #7200 Berkeley, CA 94720-7220

How the Coronavirus Is Forcing the Japanese Workplace to Modernize Maarten van der Plas | J.D. Candidate, Class of '22

Across the globe, the spread of the coronavirus is suspending international travel, rattling financial markets, and forcing businesses and schools to close. And its impact will likely outlive its containment. With more than 1000 active cases at the time of writing, Japan is among the countries most heavily hit by the disease. And while much ink has rightfully been spilled on criticizing the government's response, some Japanese businesses have shown remarkable flexibility that deserves further inspection.

Like a flash of lightning illuminating a nighttime landscape, the coronavirus exposed issues that have long plagued Japanese workers: long working hours, an overemphasis on face time in the office, and the chronic lack of childcare facilities. Further exacerbating these problems was the unprecedented move by the government last week to <u>close all schools</u> in the country—a move that will leave as many as 13 million pupils at home. With a severe shortage of daycare facilities at the best of times, this move jeopardized millions of working mothers. And how were Japanese businesses to protect the safety of their employees without excessively disrupting business?

"Looking at these results, I'm seriously thinking about the need for an office at all," tweeted GMO Internet Group CEO Masatoshi Kumagai on February 16. His company is allowing 4,000 employees to work from home. Telework is still a novel concept by Japanese standards. But the coronavirus has forced Japanese businesses to finally explore the option. For instance, Dentsu Inc., Japan's largest advertising agency, has announced that it will allow its 5,000 headquarters employees to work from home. For a company that was prosecuted in 2017 for the death of an employee that was allegedly caused by overworking, this is a notable development. Other notable examples include Mitsubishi, Panasonic Corp., and Shiseido. In addition, many companies are reducing their business hours and allowing more flexible working schedules. The result has been a pronounced traffic decrease in Tokyo's otherwise overcrowded train system.

Flexible working hours, teleworking, and reducing overtime are all measures long encouraged by the Abe government and were envisioned by its 2018 labor reform bill. Since its enactment, the labor law puts a cap on the hours of overwork per month and aims to reduce disparities in working conditions between regular and non-regular employees. But the law only furnishes minimum requirements; changing how people work is ultimately something that must be driven by businesses themselves. And in



Japan, face time is still often more important than actual output. A hierarchical and conservative work environment makes employees afraid to leave before their supervisors have done so. The same culture also discourages women from having children or mothers from reentering the workforce. As a result, working hours are notoriously long, and Japan's gender equality persistently ranks as one of the worst among developed countries.

The danger of the coronavirus is likely to persist in the coming months. It has also forced Japanese companies to conduct a teleworking experiment that, if successful, could encourage a rethinking of work. One hopes that this instance of creative destruction will leave a lasting contribution to the modernization of the workplace in Japan.