9 Herculean efforts

What the construction of the Olympic Stadium reveals about working conditions in Japan¹

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Newspaper reports draw the picture of a city in the midst of a building frenzy. Construction works are so relentless, one correspondent² writes, that repeatedly the small pathway leading to the entrance of his hotel is torn down by mistake. The walls of his hotel room exhibit multiple cracks caused by relentless vibrations from a neighboring building site. Other reports illustrate the human toll of a rushed construction effort: a driver of a government minister dies when passing below a brand-new piece of elevated freeway that suddenly crashes onto the road below. The year is 1964 and Tokyo's first-ever Summer Olympics is just a few months away. Fast forward to the spring of 2019, 55 years later and more than a year ahead of the 2020 Games, and things could hardly look more different. Passing by the construction site of the new stadium one finds work is unfolding in a busy but surprisingly quiet manner. Despite its size and central location, streets around the construction site remain spotlessly clean, with dumper trucks entering and exiting the site guided calmly by a group of neatly dressed and helmeted security personnel. Whenever the need arises, the men and women in uniform step out into the street and politely ask bypassing traffic for patience. On Sundays, construction is on hold and car traffic banned from a large section of the road around the stadium, giving visitors and residents some rare inner-city space for leisurely walks and cycling.

The construction of the new stadium as a symbol of Japanese work-styles

Olympic Games are often seen as an opportunity for a country to showcase its social and economic advancement, and Olympic stadiums are often widely recognized iconic symbols of this effort. Comparing the construction of the first and second Tokyo Games therefore suggests that a lot has been achieved in the past 50 years. Yet the new stadium is also symbolic in other rather less admirable respects,³ in particular in regards to the

working conditions of workers involved in its construction. These received international attention due to the suicide of a construction worker in 2017. Many structural problems of the construction sector are known to contribute to such tragedies, yet often these are mere amplifications of issues that plague work in Japan more generally. This applies, for example, to working hours which still rank among the longest in the industrialized world for full-time employees. Most construction workers barely get a full day off a week, and compared to other industries they are most at risk of falling victim to so-called deaths from overwork (*karōshi*) and suicides related to overwork (*karō jisatsu*).

Like Japan's economy as a whole, construction workers have not seen any significant wage growth since the end of the era of high economic growth in the early 1990s, known as the "bubble economy." Three decades later, public and private investments in buildings are still a third below their peak in 1993. Construction then accounted for 8.2% of GDP and employed over 10% of all workers, but this has since fallen to 5.6% and 7% respectively. In Tokyo, where construction sites seem ubiquitous, it can be difficult to comprehend that the industry is in trouble. Investment related to the Olympics has even led to a small boom in building activities. However, the Olympic boom likely even exacerbated some structural problems such as labor shortages. The workforce in the sector is already 23% smaller than in 2000, while the working age population has shrunk by 12% in the same period.

Excessive working hours

Though it is hardly surprising that work in construction can be hard and hazardous, established work-styles clearly constitute additional risks for workers' well-being. The aforementioned suicide of the 26-year-old foreman at the new Olympic Stadium site in 2017 is a case in point (see Figure 9.1 for an aerial view of the construction site of the stadium). Tasked with overseeing the work of ground reinforcement at the new stadium, the worker faced pressure from the overtime-prone work organization and planning delays resulting from the decision to replace the original design for the stadium a year after Tokyo was awarded the Games. Until his death he worked over 200 hours of overtime in a month, well above the 80 hours a month limit that had been set by the government as the "*karōshi* threshold," above which deaths and suicides are treated as potentially caused by overwork.

Although the man's employer claimed to have been unaware of the situation, surveys suggest that this worker's experience is anything but exceptional. The average monthly overtime for workers at building sites has

Figure 9.1 Construction site of the Olympic Stadium, 2015.

Source: © k.2288r102hn8r, Flickr.

been steady above the 80-hours mark for years. After 2017 it fell to 64 hours, potentially a reaction to the massive public interest the case had generated. However, a 2019 report by the international trade union association of construction workers (BWI) suggests that little has changed.⁴

Dual labor market structure

This begs the question why firms are still able to put workers under such pressure given that labor shortages should make it easier for workers to leave high-pressure assignments for jobs with better working conditions. One factor to consider here is the dualistic nature of Japanese employment practices. This concerns, first of all, the relationship between large contractors and subcontractors. A handful of contractors dominate the Japanese construction market, but they employ only few people directly. Much of the work is contracted out to small subcontractors with whom the large contractors negotiate fixed price structures. This makes it difficult for the subcontractors to pay higher wages. Similar patterns are found in other industries with many small and medium-sized suppliers being dependent on a small number of key clients. As a result, small- and medium-sized

suppliers tend to have much less room for improving working conditions. This explains some of the substantial differences in the working conditions between large and small firms in Japan.

Another feature of dualistic employment practices concerns the use of so-called non-regular workers. Today 38% of all employees in Japan are non-regularly employed. Most of these jobs come with low pay, limited prospects for career advancement and below-average social security coverage. In construction, many workers are self-employed or temp agency workers. For both, prospects of ever switching to permanent employment are slim. They also have almost no trade union representation as most unions do not cater to non-regular or self-employed workers. Even for standard employees, unionization rates are low in international comparison. This glaring lack of bargaining power in combination with the high share of non-regular workers has prompted the former Tokyo bureau chief of the International Monetary Fund (IMF) to conclude that in Japan employers have “too much power.” For him this is the main reason why real wage growth has been flat for almost 30 years⁵ – unlike in almost all other OECD member states.

Labor shortages, migrant labor, and informal work

In theory, labor shortages, which have been felt by employers in construction much earlier than in other sectors, could be a factor that improves the bargaining power of workers and thus working conditions. Yet employers have countered such pressures by, among other strategies, recruiting cheap labor from abroad. Until the 1990s this often involved informal and illegal forms of employment, but today several legal options exist. For example, temporary migrant workers from developing countries can enter Japan under the Technical Intern Training Program (TITP) – officially to acquire skills and knowledge while in Japan. Allowing for a maximum of five years of employment in Japan, the TITP functions mostly as a guest worker scheme. Though legally employed and formally covered by the provisions of Japanese labor law, technical trainees do not have the right to bargain and cannot easily switch to another employer. Hence, they have few means to exert influence on their working conditions. The high number of violations against the labor code that authorities unearth every year further illustrates the precarious situation of these workers.

Demand for them, however, is growing inexorably. In official statistics, the number of foreign construction workers has tripled between 2014 and 2019 alone. In part, they replace the dwindling number of Japanese day laborers (*hiyatoi rōdōsha*) who were hugely important in the postwar construction boom and who form a hyper-flexible but often precarious

workforce with little social security and employment stability. Although Japanese day laborer traditionally live in specific areas called *yoseba* such as San'ya in Tokyo, whereas the foreign workforce is much more physically dispersed, their economic roles and casual modes of employment with low social security are similar.

Why labor shortages do not always lead to higher wages

Though standard labor economics suggests otherwise, the Olympic-related labor shortages do not necessarily improve the bargaining position of workers. On the contrary, indications are that instead pressure on workers has increased. For example, the bulk of applications for the recognition of *karōshi* stem from sectors that have been hit particularly hard by the shrinking workforce: care work, social services, shipping, and construction.⁶

It would be wrong, however, to assume that the problems described here are not well known or are being ignored by the government. It is with regard to implementation that policymakers appear conspicuously inconsequential. Many recent reforms seem highly sympathetic to workers yet are ambiguous at best in their implications. One example is a scheme for migrant workers (*tokutei ginō no zairyū shikaku*). In force since April 2019, this scheme guarantees migrant workers the same working conditions to comparable Japanese workers. It also offers, for the first time, the prospect of permanent residence. Yet analysts are skeptical that the law is strong enough to enable migrant workers to achieve equal pay for equal work. Another example is a 2018 law designed to cut excessive overtime; even under the new rules, overtime can – under certain conditions – exceed the *karōshi* threshold. Moreover, construction and other sectors where overtime is particularly problematic are exempted from even this reform for five years. Despite strong rhetoric to the contrary, government policy does little to bolster the bargaining position of workers.

In a similar vein, the construction industry readily acknowledges that working conditions need to improve drastically, not least to overcome labor shortages. Yet at present, the industry claims the Olympics are so exceptional that any attempt at change has to wait until after 2020. Given the long history of labor shortages and problematic employment practices in the sector, it seems improbable, however, that the industry will ever feel ready to improve working conditions on its own. In this regard, the construction of the new stadium offers a sobering tale for anyone hoping that demographic aging will quasi-automatically strengthen the market power of workers.

Notes

- 1 The author thanks Annika Clasen and René Muschter for their assistance.
- 2 Stadlmann, Heinz. 1964. "Tokio. Das Schlagwort heißt: Rechtzeitig bis zur Olympiade." [Tokyo. Motto is to be punctual for the Olympics]. *Frankfurter Allgemeine Zeitung*, May 2.
- 3 On the site's symbolism see also Tsutomu, Tomotsune. 2019. "Making heterogeneous space: Land development and the proletarianization of urban underclass in post war Japan." *International Journal of Japanese Sociology* 28(1): 67.
- 4 Available at www.bwint.org/web/content/cms.media/1542/datas/dark%20side%20report%20lo-res.pdf.
- 5 Cited in Nohara, Yoshiaki, Brett Miller. 2016. "IMF sees Japanese talent locked in low-paying jobs." *Japan Times*. September 29.
- 6 Tsuchitani-Watson, Jeremy. 2018. "Karōshi, karō jisatsu, and gender discrimination: Japan's human rights violations." *Asian-Pacific Law & Policy Journal* 19(2): 142–193.