

Japan: Prime Minister Shinzo Abe & LDP “seen set to squeeze the poor”

Saturday 5 October 2013, by [Kyodo News](#), [Mainichi Shimbun](#), [OSAKI Tomohiro](#) (Date first published: 15 September 2013).

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Abe seen set to squeeze the poor

Mammoth cuts in welfare benefits starting next month point to the government’s desire to skimp on social security and instead boost military capabilities in hopes of fighting alongside the United States, according to veteran lawyer Kenji Utsunomiya.

Noting the government of Prime Minister Shinzo Abe is keen to amend the pacifist Constitution, Utsunomiya believes the implication is clear: Japan is gearing up to join the U.S. in the event of war.

“In order to do that, you need to boost military spending. So (the government) is considering cutting a variety of social security payments to secure enough resources for military expenditures,” he said. “The welfare slashed this time is just the beginning of that process.”

A former president of the Japan Federation of Bar Associations, Utsunomiya is known as a strong human rights advocate, spending most of his career aiding the poor and debtors.

From August, welfare payments will be trimmed by an average of 6.5 percent over the next three years – the largest cuts since the end of the war. This is projected to help the government save around ¥67 billion, which Utsunomiya said “happens to” exceed the ¥40 billion hike in the defense budget laid out by Abe’s ruling Liberal Democratic Party in January.

Another possible incentive behind the cuts, he said, is the conservative LDP’s long-festering frustration over what it sees as the overly lenient welfare policy of the Democratic Party of Japan, which it ousted from power in December. In its official newsletter in April last year, the then-opposition LDP condemned the DPJ-led government as “glibivous to promoting self-independence among the poor.”

The issue is highly charged. An example was observed last year when it was learned that the mother of popular comedian Junichi Komoto had continued to “indulge in” and receive welfare benefits despite her son’s affluence. The controversy prompted calls for greater stringency in the way municipalities scrutinize the eligibility of welfare applicants.

Dovetailing with this apparently growing mood of intolerance was an ordinance adopted in March by the city of Ono, Hyogo Prefecture, urging its citizens to report any welfare recipients they spotted gambling at such places as pachinko parlors.

But Utsunomiya warns that such a trend risks further aggravating public prejudice against those on welfare and discouraging the poor from applying for aid. The reality is that such “inhumane municipalities are abundant now,” he said.

“Receiving welfare should be considered a legitimate right. It’s nothing you should feel indebted for, or ashamed of,” he continued, adding the government seems to be turning into a bully bent on browbeating the poor even further into the margins of society.

“It would have made sense if the government targeted the rich instead, for instance by raising corporate taxes. But knowing their support is crucial to win elections, the LDP just avoided confronting them,” he said.

While the public backlash against those on welfare is seemingly on the rise, Utsunomiya stressed that some aspects of the reality of those in need of assistance remain little known.

According to the Health, Labor and Welfare Ministry, the number of welfare recipients nationwide reached a record-high 2.16 million in March, but still accounted for a meager 1.8 percent of the total population.

Even more problematic is that Japan’s welfare system covers only 18 percent of those who are probably under the poverty line and in need of the support, while in European countries like Germany, Britain and France, the rate stands at 50 to 90 percent, according to a JFBA report.

Utsunomiya further pointed out the number of illicit beneficiaries continues to hover around 0.5 percent, giving the lie to the misguided public belief that the welfare system is being overrun by ineligible applicants.

Current recipients aside, the intended cuts, when implemented, are likely to affect an estimated 10 million people nationwide pulling in less than ¥2 million in annual income, Utsunomiya warned.

Welfare payments are often cited in deciding the amount of income under which the poor can qualify for other public assistance, such as school expense subsidies and tax exemptions. The cuts will reduce the threshold, denying more lower-income households access to a range of much-needed subsidies and other benefits.

Yet despite the nation’s widening income inequality, the LDP seems determined to “make applying for welfare a more undesirable option” and to reinforce the stigma surrounding the system, Utsunomiya said, citing the ruling party’s abortive attempt in June to steamroll a bill that, if passed, would have changed the welfare system for the worse.

That legislation would have empowered municipal officials to enquire about the income of a welfare applicant’s family members and relatives, to discourage the poor from turning to the state for help. Underlying the proposal, Utsunomiya said, is the LDP’s pet philosophy that families must support each other, a euphemistic way of saying social security payments must be downsized.

“The structure of Japanese families has increasingly diversified. They may no longer be together under the same roof, and more single mothers are coming up,” he said. “So the whole concept of ‘mutual support within families’ is totally outmoded.”

Tomohiro Osaki, *Japan Times* Staff Writer, July 24, 2013

<http://www.japantimes.co.jp/news/2013/07/24/national/abe-seen-set-to-squeeze-the-poor/#.UfT8naxGTFw>

50% against hiking sales tax in April: poll

The public appears divided over whether to raise the consumption tax to 8 percent next April, with a new survey showing 46.8 percent in favor and 50 percent opposed.

But Prime Minister Shinzo Abe, who is expected to approve the first stage of doubling the 5 percent levy early next month, saw his Cabinet's approval rating climb to 61.8 percent from 57.7 percent in August, and its disapproval rating recede to 20.4 percent from 25.6 percent, the results of the nationwide telephone survey said Sunday.

The second stage of the tax hike will raise it to 10 percent by October 2015.

According to the weekend survey, the first carried out since Tokyo won the 2020 Summer Olympics, 85.6 percent praised the bid and 12.9 percent did not.

Asked what impact the Olympics might have on rebuilding areas in Tohoku hit by the 2011 earthquake and tsunami, 28.2 percent said they expect progress, 30.9 percent said they would simply be left behind and 39.9 percent had no opinion.

On the Fukushima nuclear disaster, 75.8 percent said the government should take the lead in handling the situation, including the radioactive water leaks, while 9.3 percent said plant operator Tokyo Electric Power Co., which shared cozy ties with the government for decades, should stay in control of the cleanup.

During the International Olympic Committee's session in Buenos Aires to pick the host of the 2020 Games, Abe said: "I can assure you that there have never been, and will never be health problems" regarding the radioactive water leaks. But 64.4 percent of those polled said they couldn't trust Abe, while 28.3 percent said they could.

On the other hand, 75.9 percent took a positive view of the government's decision to earmark around ¥47 billion in taxpayer money to deal with the water crisis, while only 19.1 percent viewed the move negatively.

The survey received responses from 1,015 people in 1,435 households with eligible voters that answered the randomly dialed phone numbers, which excluded the evacuated parts of Fukushima Prefecture.

Kyodo News, September 15, 2013

<http://www.japantimes.co.jp/news/2013/09/15/national/50-against-hiking-sales-tax-in-april-poll/#.Uj-t nH9jbRY>

Only 26% of population supports planned sales tax hike: *Mainichi* poll

Many Japanese people are stubbornly opposed to the planned April consumption tax increase to 8 percent from the current 5 percent, with only 26 percent saying they support the hike in a new *Mainichi Shimbun* poll.

The survey, taken July 27 and 28, shows that 36 percent backed the sales tax increase but said it should be put off, while 35 percent said the sales tax should be kept at 5 percent.

Prime Minister Shinzo Abe plans to decide in autumn whether to proceed with the planned tax increase. Meanwhile, public opposition to the tax hike remains strong.

The poll revealed that even among Abe government supporters, only 30 percent supported the planned tax hike — compared with 42 percent who favored a postponement, and 25 percent who rallied behind the current 5 percent rate. Among people who do not support the Abe government, 24 percent backed the planned tax hike, 27 percent were in favor of delaying it, and 46 percent demanded that the 5 percent rate be kept as it is.

Chief Cabinet Secretary Yoshihide Suga said during a Fuji TV program on July 28 that Abe will make a decision on the tax issue before an extraordinary session of the Diet opens in autumn. This will follow the September release of revised figures for gross domestic product in the April-June period. "Rather than making a decision lightly, it is better (for Prime Minister Abe) to show a wide variety of indicators and possibilities," he said.

Suga also noted that the Abe government will verify a controversial 1997 decision by then Prime Minister Ryutaro Hashimoto to raise the consumption tax to 5 percent and take necessary measures to avoid a repeat of economic slowdown.

Despite the opposition of many Japanese to the proposed sales tax hike, 68 percent of respondents to the *Mainichi* poll say they are receptive to the idea of reduced tax rates for foods and other daily necessities if the consumption tax is raised to 8 percent as planned. Only 25 percent are opposed to the idea.

Reduced tax rates were supported by 72 percent of Abe Cabinet supporters, and by 69 percent of Cabinet opponents. More than 70 percent of people supporting the Liberal Democratic Party, the Democratic Party of Japan and the Japan Restoration Party were positive about reduced tax rates, down from 81 percent in a *Mainichi* poll conducted in July last year.

The LDP and its coalition partner, New Komeito, have set up an investigative panel on reduced tax rates to look into products targeted by the tax reduction, as well as related issues to ensue in the event that such rates are introduced. The New Komeito will draw a conclusion on the matter at the end of this year, coinciding with a governmental decision on an outline of fiscal 2014 tax system reform.

Mainichi Shimbun, July 29, 2013

<http://mainichi.jp/english/english/newsselect/news/20130729p2a00m0na010000c.html>

Welfare benefit cut the biggest

The government on Thursday implemented its largest-ever reduction in welfare benefits for low-income people.

The measure, the first such cut since fiscal 2004, targets livelihood assistance for food, utility bills and other living costs. It affects 96 percent of the some 1.58 million households on welfare and has drawn harsh criticism.

Around 10,000 people have lodged a complaint under the administrative appeal law with an eye to filing a class action suit if their challenge is rejected.

The measure inflicts a 1.5 percent cut in base welfare benefits in fiscal 2013 and eventually results in a reduction of 6.5 percent, or ¥67 billion, plus ¥7 billion in yearend allowances, over three years.

The welfare ministry claims the step, which was decided in January, reflects price falls caused by deflation in recent years. Food and electricity costs, however, have been on a rise, particularly due to the weakened yen.

Kyodo News, August 1, 2013

<http://www.japantimes.co.jp/news/2013/08/01/national/welfare-benefit-cut-the-biggest/#.UgrhZ9gSrlc>

Number of nonregular workers hits record high

Nonregular workers made up a record-high 38.2 percent of the workforce last year, topping the 20 million mark for the first time, a government survey has revealed.

The workers, who include part-time and contract employees, totaled 20.42 million, up 1.52 million from the previous survey in 2007, the data released Friday by the Internal Affairs and Communications Ministry said.

The ratio of nonregular employees has jumped 16.5 points over the past 20 years, reflecting a significant shift in corporate working conditions in which jobs were predominately held by full-time workers.

The quinquennial survey also found that among the nonregular workers, 22.1 percent were male and 57.5 percent female.

Meanwhile, the number of regular workers who switched to nonregular employment climbed 3.7 points from the 2007 survey to a hefty 40.3 percent. By contrast, the proportion of employees who shifted to regular from nonregular work dipped 2.3 points to 24.2 percent.

The survey covered around 1 million people, including foreign nationals, aged 15 or older.

Kyodo News, July 13, 2013

http://www.japantimes.co.jp/news/2013/07/13/national/number-of-nonregular-workers-hits-record-high/#.Ues_-0rS-gM
