

In the reduction of capital, the rigidity of the measures to protect creditors of the corporation shall be generally reduced.

6. Dissolution

The conditions for resolution to dissolve the stock corporation shall be more strict. In stock corporations with 50 shareholders or less, or in closely-held stock corporations or limited liability companies, the right to demand an order of dissolution by a court can be exercised by a single shareholder or member.

7. Merger

The corporate form of the constituent corporations, the consolidated corporations and the surviving corporations in mergers or consolidations shall not be limited. The formalities of mergers and consolidations shall be simplified.

8. Change of corporate form

Corporations which can not satisfy the legal minimum capital standard shall be able to change their corporate form easily.

9. Other points (to be omitted)

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5. Labor Law

1. Equal Employment Opportunity for Men and Women Act. Promulgated on June 1, 1985.

[Outline of the Act]

First of all, the Act provides that employers shall endeavor to give men and women equal opportunity with regard to recruitment and hiring, and to treat male and female workers equally with regard to assignment and promotion. And the Act provides that employers shall not make a distinction between male and

female workers with regard to training, fringe benefits, compulsory retirement age, resignation and dismissal.

Secondly, the Act established the Equal Opportunity Mediation Commission, the function of which was the mediation of disputes concerning employment equality.

And, with the promulgation of the Act, the Labor Standards Act was partly amended so as to relax restrictions which protected female workers.

[Comment]

The Act comprises a part of the legislation which enabled the Japanese Government to ratify the United Nations Convention on the Elimination of All Forms of Discrimination against Women, 1979. The purpose of the Act is to realize employment equality between men and women.

The Act may contribute to the development of social recognition of female work. It is doubtful, however, that the system established by the Act will be effective in realizing employment equality.

As to treatment by employers, there are problems such as the absence of prohibition with regard to recruitment, hiring, assignment and promotion, and the absence of penal sanction with regard to training, fringe benefits, compulsory retirement age, resignation and dismissal. There is not enough assurance of employment equality. The effectiveness of these provisions depends on administrative guidance, which does not have binding force.

As to the Equal Opportunity Mediation Commission, there are problems such as the employer's agreement as a requirement for application for mediation, and the absence of binding force of the mediation.

As far as the Labor Standards Act is concerned, the relaxation of the restrictions protecting female workers was not opportune. Indeed, the restrictions may prevent women from working in some respect. But, the level of working conditions established by the Labor Standards Act is lower than the international level,

and therefore the relaxation may lead to the deterioration of conditions for Japanese workers as a whole.

2. Temporary Work Act.

Promulgated on July 5, 1985.

[Outline of the Act]

According to the definitions of the Act, temporary work is the work which is done by the worker, who is an employee of a temporary work agency, under the directions of another undertaking. The Act applies to the types of work which need special knowledge, technique or experience, or special management of the workers. Specification of the types to be covered by the Act is entrusted to the cabinet ordinance. As for the types not specified, supply of temporary workers is prohibited with penal sanction.

The Act makes a distinction between agencies supplying only their regular employees (“special temporary work agencies”) and other agencies (“general temporary work agencies”). A general temporary work agency shall be granted a license by the Minister of Labor for each premise every three years. The Minister may revoke the license or order the agency to suspend its operations if the agency violates the Act or the Employment Security Act. A special temporary work agency shall submit a notice to the Minister of Labor. The Minister may order the agency to suspend its operations if the agency violates the Act or the Employment Security Act.

As for working conditions, the Act provides that the period of temporary work shall not exceed the maximum fixed by the Minister, that the agency shall not employ a worker as a temporary worker without agreement of the worker, and that the agency shall explicitly and previously notify the temporary worker of his working conditions.

[Comment]

The Act was made in the social circumstances where the increase of temporary work had made it necessary to control such work. The Act is criticized for having authorized the temporary work agencies which had been in existence through eluding the law. There are problems such as the inferiority of working conditions of the temporary workers, and the precariousness of the employment of temporary workers. The Act is insufficient for resolving these problems, although prohibition of certain types of temporary work is significant for the protection of workers.

3. Aged Persons' Employment Stabilization Act.

Promulgated on Apr. 30, 1986.

[Outline of the Act]

The Act provides that an employer shall, if he fixes the age limit of his employees, endeavor not to fix a limit of less than 60 years. And the Act provides that if an employer fixes the age limit of less than 60 years without special circumstances — the criteria of which are determined by the cabinet ordinance — the Minister of Labor may demand that the employer should raise the limit to at least 60 years. Moreover, the Act provides that the Minister may command the employer to make a plan for raising the age limit, that the Minister may recommend the employer to modify the plan or put the plan into practice properly, and that the Minister may, if the employer does not conform to the ministerial command or recommendation, publish the nonconformity of the employer.

[Comment]

In Japan, the population of the aged persons is increasing considerably. The Act was made in such circumstances. The major aim of the Act is generalization of the age limit of 60 years. But, as the Act does not invalidate a limit of less than 60

years, the success of the generalization of the limit of 60 years depends on efforts of social partners. The effectiveness of the Act is therefore contestable, although we expect that the Act will constitute a step towards a society where each person can choose his own age of retirement. It is desirable that legislation for flexible retirement should develop further.

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6. International Law

— Treaties and Agreements (1985) —

Multilateral:

Extension of the Annex to the Agreement on Trade in Civil Aircraft, accepted on Jan. 1, 1985, entered into force with respect to Japan on Jan. 1, 1985.

International Tropical Timber Agreement, 1983, accepted on June 28, 1984, provisionally entered into force with respect to Japan on Apr. 1, 1985.

International Convention of Maritime Search and Rescue, 1979, acceded to on June 10, 1985, entered into force with respect to Japan on June 22, 1985.

Constitution of the United Nations Industrial Development Organization, accepted on June 3, 1985, entered into force with respect to Japan on June 21, 1985.

Convention on Elimination of All Forms of Discrimination against Women, ratified on June 25, 1985, entered into force with respect to Japan on July 25, 1985.