Proposal for the 10th JILPT Tokyo Comparative Labor Policy Seminar

Theme: The Current Status and Challenges of Minimum Wage Systems

Overview

In recent years, the reassessment of minimum wage systems has become one of the most critical challenges for achieving sustainable, inclusive growth and social justice across the entire Asia-Pacific region, transcending disparities in economic development and legal frameworks. While soaring inflation threatens living standards, the rise of the gig economy driven by digital transformation (DX) and the expansion of non-standard employment are shaking the very definition of "worker," potentially undermining social safety nets. Consequently, the role of the minimum wage system has shifted; it is no longer merely a welfare framework providing a baseline of income support, but a strategic legal instrument. Today, it serves to ensure human rights due diligence in multinational supply chains, close the gender pay gap, and regulate cross-border labor mobility ranging from manufacturing workers to highly skilled professionals. As countries around the world struggle to balance economic resilience with social cohesion, conducting comparative legal research across the diverse legal systems of the Asia-Pacific region is essential to developing a shared regional grand design for decent work.

Minimum wage systems vary considerably across jurisdictions, reflecting diverse political, economic, and social circumstances. A comprehensive understanding of these systems requires careful consideration of institutional trajectories, including the level at which minimum wages are set, the mechanisms through which they are determined, the influence of employers and workers, their relationship with social security systems, and the overall effectiveness of enforcement and compliance regimes.

This seminar seeks to examine the current status, a structural challenge, and future directions of minimum wage systems from a comparative perspective. By examining a broad range of issues—including the historical background to their introduction, their significance today, current challenges, and future prospects—the seminar aims to provide participating countries with theoretical and empirical insights to inform the development of their respective minimum wage regimes.

Suggested Outlines for the Country Reports

** The items listed below are illustrative examples; you are not required to cover them exhaustively. Please focus on topics that best demonstrate the distinctive features of your country's system.*

1. Institutional Framework and Governance

- The relationship between statutory minimum wage systems and other forms of minimum wage-setting, such as minimum wages established through collective agreements or enterprise-level minimum wages

  ** For the purposes of the discussion below, "minimum wage" refers to the legally binding minimum wage in each country. Where multiple legally binding minimum wages exist, the term refers to the core minimum wage.*

- Background to the introduction of minimum wage systems
  - Legislative objectives and policy considerations
  - Historical and institutional background

- Overview of the current system
  - Governance and wage-setting mechanisms (e.g., independent commission, tripartite body or the legislature)
  - Level at which minimum wages are set (national, regional, sectoral, etc.)
  - Coverage (scope of workers covered, circumstances in which lower rates may apply, and other exemptions)
  - Frequency of revisions
  - Measures to ensure enforcement (claims for unpaid wages, administrative supervision, penalties for violations, etc.)

- Factors taken into account when determining minimum wages
  - Indicators and benchmarks used in the determination process
  - Mechanisms for resolving disagreements between employers and workers

- Relationship with social security benefits
  - Discussions concerning the relative levels of minimum wages and social security benefits

2. Economic and Social Impacts

- Trends in minimum wage levels and their relationship with average wages of general workers

- Characteristics of workers earning wages close to the minimum wage
    - Distribution by age, gender, industry, region, employment status, and income level

- Impact on wage levels among low-paid workers and trends in the proportion of workers earning below the minimum wage

- Impact on the income levels of low-income households
    - The role and effectiveness of minimum wages as an "anti-poverty measure", taking into account the distinction between individual wage levels and household income levels

- Perspectives on appropriate minimum wage levels
    - Whether minimum wages are expected to serve as a “living wage”
    - The role of minimum wages in responding to the economic pressures on low-income households

3. Challenges in Implementation and Enforcement

- Effectiveness
    - Issues concerning the level of minimum wages
    - Issues concerning coverage and scope of application

- Compliance with laws and regulations and related issues

4. Future Policy Directions

- Possible directions for improving minimum wage systems

- The need for complementary measures through related institutions and policies, such as working-time regulations

- Issues considered particularly important in each country