

Section 4. Formation of Stable Labour-Management Relations

With the changes that have occurred in the socio-economic structure in recent years, the working environment is drastically changing and it has become increasingly important to maintain long-term stable labour-management relations, which are the source of Japan's industrial competitiveness. Therefore, the Ministry of Health, Labour and Welfare is committed to promoting smooth communication between labour and management, while making efforts to prevent and resolve labour-management disputes and promptly settle unfair labour practice cases.

1. Labour-Management Relations in FY 2007

(1) Labour Unions in Japan

In Japan labour unions are organized on an enterprise basis. To cope with problems that cannot be handled by enterprise unions, including policies and systems, these unions join together to form industrial unions. These industrial unions, in turn, join together to form nationwide organizations.

According to the "Report on the 2007 Basic Trade Union Survey" made by the Statistics and Information Department, Minister's Secretariat, Ministry of Health, Labour and Welfare, the number of union members in Japan is approximately 10.08 million, an increase for the first time in the 13 years since 1994. Conversely, the estimated percentage of organizations dropped to 18.1%, a decrease, as in the previous year (as of June 2007).

The Japanese Trade Union Confederation (the Confederation) controls nearly two-thirds of Japan's total labour force. Aiming to construct a "welfare-oriented society centered on workers", the Confederation focuses its effort on negotiating labour policy issues with the government.

(2) Situation with the Spring Labour Offensive (Shunto)

The spring labour offensive in FY 2008 was held at a time when Japan's economy was projected to recover slowly but steadily while the risk of a downturn was increasing due to the slowdown of the U.S. economy.

In the "Guidelines for the 2008 Spring Labour Offensive", the Confederation announced a policy of wishing to achieve a base-up of wages and improved wages in correcting the wage gap that exists, improved treatment of non-regular workers and more opportunities for people to become regular workers, reduced working hours in realizing a better work-life balance, and a raise in premium rate, which is relatively low when compared to the international standard.

On the other hand, the Japan Federation of Economic Organizations released a "2008 Report by the Committee on Management and Labour Policy" and revealed what they thought important: ① decisions on working conditions including wages should be made according to the respective enterprises' ability to pay and ② temporary business improvements due to such changes as short-term demand should in principle be reflected in bonuses or lump sum payments.

Since March 12, 2008, responses with regard to wages, bonuses, and others were given to

major private sector unions mainly by manufacturing industry. In most of the responses, improved monthly wages with automatic raises linked to age will be comparable to the wage improvements made the previous year. Similarly, bonuses will be at the same level or increased from the previous year, reflecting the good business conditions.

(3) Promotion of Smooth Communication between Labour and Management

In order to maintain stable labour-management relations, efforts are being made to allow dialogue to occur between the government, labour, and management at various levels through friendly discussion gatherings.

2. Matters concerning the Labor Relations Commission (Transfer of Functions of the Labour Relations Commission for Seafarers to the Central Labour Relations Commission, etc.)

Labor relations commissions (such as the Central Labour Relations Commission and Prefectural Labour Relations Commission) examine unfair labour practices such as refusing collective bargaining and works to mediate, conciliate, and arbitrate labour disputes. It was decided that the Labour Relations Commission for Mariners (Central Labour Relations Commission for Mariners and Prefectural Labor Relations Commission for Mariners) was to be discontinued and the collective labour-management dispute coordination functions for mariners, currently performed by the Labour Relations Commission for Mariners, transferred to the labor relations commissions that perform collective labour-management dispute coordination functions for workers in general. Hence the “Draft Law to Amend the Ministry of Land, Infrastructure and Transport Incorporation Act” that incorporated that revision was presented at a regular Diet session in 2008 and was approved on April 25, 2008 (enforced on October 1, 2008).