

## **Part 2. Outline of Discussions at the General Assembly of National Labour Relations Commissions Liaison Council to Commemorate the 60th Anniversary of Establishing the Labour Relations Commission System**

The Labour Relations Commission System started operations in March 1946, with the Central Labour Relations Commission (CLRC) set up at central government level, and local labour relations commissions (currently, prefectural labour relations commissions) established at prefectural level. The CLRC and prefectural LRCs set up the National Labour Relations Commissions Liaison Council (NLRCLC) to maintain routine links among LRCs and coordinate their tasks as necessary. NLRCLC holds its general assembly in November every year. As the LRC scheme celebrated its 60th anniversary in March 2006, NLRCLC held the general assembly last November as the "60th Anniversary Memorial Event of the Labour Relations Commission System." Part 2 describes its schedule and outlines the discussions at the general assembly.

### **I Program of the 60th NLRCLC General Assembly to Commemorate the 60th Anniversary of the Labour Relations Commission System**

[November 10 (Thursday) and 11 (Friday), 2005 at Nakano Sun Plaza]

Thursday, November 10, 2005

1. Opening
2. Chairman's speech
3. Speech of the Honorable Kiyoshi Nakano, Senior Vice Minister of Health, Labour and Welfare
4. Reports from the Chairman of the Steering Committee
5. Commemorative Speech by Dr. Tadashi Hanami, former chairman of the CLRC, and Professor Emeritus of Sophia University
6. Discussion
  - 1) Panel discussion: "Future Outlook of Labour Relations Commissions"

Friday, November 11, 2005

7. Discussion
  - 2) Issues in Amendment to Trade Union Law  
(the topic proposed by members of the Kyoto and Kanagawa Prefectural Labour Relations Commissions)
8. Closing remarks by the Chairman
9. Closing

## II

# Commemorative Speech: "Labour Relations Commission System and Japan's Labour-Management Relations"

(Dr. Tadashi Hanami, former chairman of the CLRC, and professor emeritus of Sophia University)

## 1. Labour Relations Commission and myself

While I was an undergraduate student at Tokyo University in the 1950's, my mentor, Professor Kichiemon Ishikawa (my predecessor as chairman of the CLRC), taught me that the labour relations commission system provides a "simpler, quicker and less expensive dispute solution procedure" in comparison with the civil law procedure available at the court.

From my own experience serving as a public commissioner for the Tokyo Labour Relations Commission from 1968 to 1977, I felt that the reality of the system was much different from a "simpler, quicker and less expensive procedure." Complainants often submitted such an enormous volume of documentary evidence that a cart was required to take them to hearing sessions and reading them through posed for us, part-time commissioners, too heavy a burden. At the beginning of my time at the Tokyo LRC, it took about 300 days on average to finish an unfair labour practice case. Around the time I left the Tokyo LRC, it took more than 500 days on average.

Later, I again served as a public commissioner for the CLRC from 1992 and as the chairman from 1998 until 2000. During that time, the most important issue for us was the series of unfair labour practice cases of Japan Railway (JR). In that case we delivered our first order requiring JR to hire former Japan National Railway (JNR) workers whom JR unfairly refused to employ (as a successor of JNR after the reform of the National Railway in 1987). JR subsequently filed a lawsuit to revoke our order decision. As the judicial branch revoked so many LRC orders at that time, we clearly saw an opinion gap between LRCs and the judicial branch.

## 2. Functions of LRCs have been changing

When it comes to the functions of LRCs in labour dispute settlement, LRCs in total adjusted some 2,200 cases in Japan in 1974, reaching its peak level in the postwar period. Following this peak, the number of adjustment cases has been gradually declining, and now stands at approximately 600 cases, around a quarter of the peak level. As a matter of fact, LRC's adjustment capacities started scaling down around 1975 and ever since, have continued to decline. In a sense, LRC has played a less important role in adjusting labour disputes after the mid-70's. The strike held in relation to the right-to-strike carried out by the National Railway Union (NRU) in 1975 represented a turning point in the postwar history of the trade union movement in Japan (As Japan National Railways (JNR) was one of the government enterprises at that time, JNR workers were public servants and were denied the right to strike. In the nationwide strike to seek the right-to-strike in the public sector, the NRU stopped railways for a week, caused serious inconvenience for the general public and hence

created anti-union sentiment in the public opinion). The total number of strikes in Japan has since begun to decrease sharply. Collective labour disputes as a whole have been decreasing. As a result, the dispute settlement function of the LRC today looks like almost a thing of the past.

When Professor Ishikawa gave the 50th anniversary commemorative speech for the LRC system 10 years ago, he pointed out one of the important factors: "Adjustment activity is very important because it provides preventive roles. We have local labour relations commissions that provide a forum for employers, employees and public interest members to have discussions. In other words, it is important to prevent a problem in advance."

Now, I am working as a practicing lawyer. When I go to local areas, I feel that a company's internal dispute resolution process does not provide an effective solution to labour force reduction arising from economic reasons. Because stakeholders in labour relations become diversified as is the case in the international context, they solve labour disputes in many cases by involving not only employers and employees, but also NPOs, community leaders, local politicians, and local industrial leaders. In summary, when a factory in a small town is about to shut down, an industrial relations framework consisting only of an employer, employees and unions does not provide an effective answer to the questions: "How can we keep our jobs?" or "How should we create job opportunities?" In this context, I think that LRCs play important roles because local LRCs go beyond the intra-company framework, provide a regular meeting place for members representing the public interests, employers and labour to form good personal relationships. However, this is not enough without involving other stakeholders who are capable of creating job opportunities in the local communities.

Next, the number of LRC examination cases of unfair labour practices has been decreasing sharply as well following a similar pattern to dispute settlement cases 10 years earlier. The number of pending cases of unfair labour practices reached its peak at a little more than 3,000 around 1970, but currently stands at around 1,000. More important than such decrease in number is that more and more cases stay pending for a longer time. This trend is obvious when we look at the average time it takes for local LRCs to complete their first trial's examination process. Until the 1960s, it took some 100 days for LRCs to complete the process. However, they needed more than 500 days in 1971. The figure reached its peak of 1,877 days in 1998. In other words, LRCs needed 5 years to complete the examination procedure. Fortunately, the process has shortened to some 1,000 days since then although it is still very slow.

### 3. LRCs are playing less important roles

Procedures at the LRCs are getting shorter in recent years, but they still take longer than civil law court procedures. It looks like an "inverse phenomenon" between LRCs and the judicial branch. On the one hand, civil labour lawsuits in Japan have been increasing sharply. The number of labour lawsuits in Japan has long stayed around 1,000, but has gradually increased and reached a level of approximately 3,000 in 1992.

On the other hand, the number of cases handled by LRCs has decreased to a quarter of the peak level, but the judicial branch now handles three times as many labour law cases as in the past. More importantly, the judicial branch provides speedier proceedings in civil labour lawsuits, and now handles those lawsuits in a shorter period than LRCs. On average, it takes approximately 300 days to complete a judicial proceeding, three or four times quicker than LRCs.

In Japan, people file labour-related or lawsuits in general to the judicial branch less frequently than in most other industrialized countries because judicial proceedings are less accessible and more time-consuming. On the other hand, LRCs are supposed to provide simpler, quicker and less expensive dispute resolution procedures than civil trials. However, the LRCs became less cost-effective over the years. In addition, judicial proceedings are much quicker than LRCs. This suggests that people are questioning *raison d'être* of LRCs.

In his commemorative speech for LRC's 50th anniversary, Professor Ishikawa also expressed a sense of crisis in this regard. In my opinion, the LRC's presence started to decline in the 1980s. I guess the morale of LRC commissioners and also office workers is weakening because of fewer applications, longer proceedings, and permanent delays. Since then, LRC stakeholders have repeatedly held meetings to discuss delays in the examination process, but LRCs still have an increasing backlog of pending cases that have not been settled for many years.

In fact, LRCs alone are not responsible for the "downward spiral" of their status. As labour movements have weakened, the number of collective labour disputes has been decreasing. This is a global trend although this trend is stronger in the United States and in Japan. This is ironic enough in both the US and Japan where rather extensive legal protection for unions including remedies against unfair labour practices exists. As a matter of fact, trade unions in these two nations are suffering from a more significant drop than other nations in terms of union density, political/societal influences, prestige and *raison d'être* of the unions. This is a very important point.

Some LRC related people pay due attention to LRC's delayed proceedings and seriously consider how to improve the situation. However, as long as it is basically a collective dispute, I guess that not so many of them are really interested in speeding up the proceedings. Rather, some of them were not so seriously concerned with obtaining a speedy solution since unions bring the case and try to keep it pending as long as possible as a part of the labour movement. They are not necessarily interested in settling the case in a short period. In other words, they are more concerned with the collective interests than that of victimized individual workers. On the other hand, the judicial branch has successfully provided much speedier proceedings over the last 10 years probably because the judicial stakeholders (including lawyers acting for employers and labour) had a much stronger sense of crisis than those related to the LRC.

#### 4. LRCs from the viewpoint of a labour dispute resolution system theory

As mentioned earlier, there is an inverse phenomenon between the roles of LRCs and those of the judicial branch because of two factors: the declining role of unions and collective labour relations in general, and changes in attitudes among labour-related lawsuit stakeholders. I would like to explain some more basic reasons, from the viewpoint of a dispute resolution system theory.

While teaching at law schools in the United States, I was involved in a series of comparative research projects on the dispute resolution processes in the U.S. and in Japan during the 1980s. At that time, the U.S. saw a so-called "litigation explosion," which meant a lawyer's paradise where many people filed lawsuits even for trivial reasons. As they faced way too many lawsuits, many experts researched and discussed the possibility of informal dispute settlement or extra-judicial conflict resolution, which is called "alternative dispute resolution" (ADR) today.

Among the discussions, there was an interesting hypothesis among US scholars that people tend to file lawsuits if plaintiffs and defendants do not have interpersonal relationships. For example, there are many lawsuits on pollution, product liability, or racial discrimination. On the other hand, people tend to avoid litigation if they have inter-personal relations, such as long-term, stable business relationships. Even in the United States in these situations, they tend to avoid lawsuits as much as possible, and litigation is regarded as the last resort after they attempt to solve the problem through other various means. At that time, experts of sociology of law and anthropology of law were working on research activities in regards to dispute resolution processes of underdeveloped tribes in developing nations. According to their study results, the informal dispute resolution processes that they found in underdeveloped areas were very similar to Japanese-style dispute resolution.

Learning from discussions with American lawyers, I have developed my own interpretation of dispute resolution processes which could be summarized as follows: Every human society has the two extremes (formal and informal dispute resolution processes) as well as various dispute resolution processes between these two extremes. For example, a meddlesome neighbor mediates between contesting parties and successfully solves the problem within a local community. Even a small tenement house in a downtown neighborhood has its own unique process of dispute resolution which is regarded as the most informal type of dispute settlement.

On the other hand, the most typical example of formal dispute settlement mechanism is the judicial branch, which lies at the complete opposite to such informal dispute resolution process in small societies. The judicial branch has three major characteristics that differentiate it from informal procedures. First, the judicial process carries out a distinct judgment based on a "black" or "white" evaluation applying clear-cut criteria, while informal processes take a more flexible approach and provide judgment based on non-clear-cut gradual evaluation avoiding decisive "black" or "white" decision-making. Second, they employ different norms. The formal process aims to solve problems based on universal and objective norms called legal norms, while informal processes might

employ norms that are very flexible and could be sometimes vague. These norms are not universal norms that are applicable to all persons. Informal processes might employ different norms, depending on social status or position and the mutual relationship of contesting parties. Third, the judicial process solves problems by identifying the past facts and applying existing statutes or judicial precedents established in the past. On the other hand, informal processes also take into consideration the past facts, but they handle disputes, paying attention to possible inter-human relationships to be developed in the future. Namely, the formal one is past-oriented while the informal one is future oriented.

From this point of view, one may easily understand that an informal way of dispute settlement is more suitable for dispute settlement in the field of labour because labour relations are relationships in which human factors and personal elements of the parties play an important role and often are continued in the future. In this sense they are of a different nature from the ordinary type of business contract, particularly such as a contract of trade and exchange.

When considering Japan's labour relations up until the 1980s in this way, the Japanese-style labour-management informal negotiation system, was working quite effectively as an informal intra-company dispute solution approach especially in larger companies. This is largely because employers and enterprise unions were successful in developing long-term human relationships based on stable and long-term employment practices, such as lifelong employment. Unlike dispute resolution through judicial proceedings, LRC's procedures used to provide more flexible solutions, while paying due attention to bringing about proper or stable labour relations with an eye for the future. In this sense, LRCs were successful in providing an informal dispute resolution approach in the past.

## 5. Future outlook for LRCs

As described above, the LRC has a totally different dispute resolution approach from that of judicial proceedings. Hence, it is very natural that these two approaches would yield different perspectives. The judicial branch tends to revoke LRC's orders on JR-related and other cases. This is because the judicial branch employs totally different criteria from LRCs. LRCs are playing important roles to some extent. A speedy solution might not be absolutely necessary. In some cases, even delayed justice has provided effective solutions to some extent.

However, after the collapse of the bubble economy, Japanese-style employment relationships have been gradually declining. With the decline of life-long employment practice and an increasing non-regular workforce, the intra-company informal dispute resolution system has gradually lost its coverage and effectiveness as well. LRCs handle collective labour disputes, but many of them fall under personal labour disputes in real terms. Today, many of the unfair labour practice cases brought to the LRCs are in fact rather individual disputes in substance although disguised in the form of collective disputes.

To address this problem, the Government introduced a new system of Local Labour Counseling Services, which serves as a starting point for individual labour dispute solution programs at the prefectural level. With the "Law on Encouraging Resolution of Individual Labour Disputes" becoming effective, 730,000 workers asked prefectural labour offices for counseling services in FY2003. Due to the growing importance of individual labour relations as a result of more frequent job changes, increasing numbers of unorganized workers and the declining importance of intra-company dispute solutions, Japan has also been experiencing a sharp rise in individual labour disputes. In this context, policymakers launched the Industrial Tribunal System in April 2006.

To conclude my speech, I would like to emphasize that the most important issue is the tripartite structure that characterizes LRC's. Commissions consist of tripartite members representing public, labour and employer. Labour members are appointed in accordance with the most representative union organizations in more or less the same way as the ILO representative. Just as at the ILO, there emerged serious doubts as to whether such labour members could really represent the interests of the now fast growing unorganized workers that include the part-time, non-regular or temporary workforce. Thus, lawmakers should consider the possibility of introducing a system to include employee representatives within the dispute settlement mechanism and to reflect the voices of unorganized workers in the future.

In spite of the general trend of declining union density and the role of unions in many industrialized countries, some countries in Western Europe including Sweden enjoy a relatively higher trade union membership ratio for non-regular workers. On the other hand, I am afraid that those unions in Japan that are now represented in the LRCs basically organize only regular employees who are mostly from larger enterprises and enjoy higher wages, generous working conditions and strong employment security, while neglecting the interests of non-regular workers for whom there is an increasing number of disputes. In this sense, the dominance of such established unions in the present Japanese labour policy-making and the dispute settlement system based on the traditional tripartite principle are facing really serious problems. This is a great challenge for all the stakeholders in the field of Japanese labour today.



Panelists: Kozo Fujita, public member, Tokyo Labour Relations Commission (moderator);  
Kazuo Sugeno, public member, CLRC;  
Koichi Sato, worker member, Hokkaido Labour Relations Commission;  
Koichi Sugiyama, employer member, CLRC;  
Katsutoshi Kezuka, Japan Labour Law Association, and professor of Chuo University;  
Kunio Miyazato, lawyer, Labour Lawyers Association of Japan; and  
Shigeo Nakayama, lawyer, Management Lawyers Council.

### 1. Current status evaluation and necessary reforms for LRCs

(Sugeno)

When we look at whether or not LRCs are properly exercising the powers or carrying out the missions under the current legislations, LRCs provide simple and quick solutions in reconciling labour disputes or individual labour disputes, and are working effectively through their tripartite structure. However, when it comes to handling unfair labour practice cases, they are far from providing simple or quick solutions. CLRC has faced the following problems: CLRC failed to handle a vast amount of JR-related cases efficiently; LRCs attach importance to settlements and prioritize settlement over adequate examination process because LRCs give a greater importance to adjustment or settlement; and the judicial branch has revoked a higher percentage of LRC's orders in the judicial review process.

Almost one year has passed since the amended Trade Union Law became effective in January 2006. At the CLRC, the chairman, commission members and secretariat staff work closely together and bring about impressive achievements. As public members' meetings now consist of three panel, each panel issues at least one order every time they hold their fortnightly meeting. The secretariat also supports this task in a more adequate manner. In addition, we also set a target period for completing the ULP procedure. We strive to halve our examination period by completing it within three years. I think we should achieve this goal within three years after the amended Trade Union Law become effective and if we fail to achieve our target, we will not see better LRCs in future.

(Sato)

The amended Trade Union Law provides serious impacts because they no longer pay travel expenses for contesting parties. On the other hand, as they have to prepare a detailed schedule for hearing, including a schedule for the submission of evidence, in the investigation phase, more and more contesting parties are employing lawyers to represent them at the hearing. These factors pose heavy burdens on the trade unions of small- and medium-sized enterprises. In addition, since the administrative appeal procedure takes place in Tokyo, some trade unions have no choice but to accept settlement. At the very least, I would be grateful if the administrative appeal procedure

could be conducted at CLRC regional offices.

As for necessary improvements for LRCs, I am concerned about a significant gap in workload among local LRCs. If the prefectural LRC handles way too many complaints, it will lead to a delay in the process. On the other hand, if the prefectural LRC receives only few complaints, the LRC scheme will lose substance. I think we will face a serious problem if all LRCs fall within these two categories.

(Sugiyama)

As for the amended Trade Union Law, the good news is that CLRC has three panels in charge of the ULP procedure and some public members now serve as full-time members. CLEC employs additional staff and enhances training sessions for secretariat staff. All of factors have positive impacts.

However, the Diet amended the Trade Union Law, aiming for a speedy and more adequate ULP procedure at LRCs receiving many complaints filed by workers. The amended law provides no action for prefectural LRCs that have fewer cases. For example, it is an idea to set up some regional LRC blocs combining several prefectural LRCs. As for a decrease in total cases, the secretariat's improved coordination, removal of barriers between the ULP and adjustment sections, and integration of prefectural LRCs with the local adjustment members of CLRC, or possibly with the seafarers' labour relations commission, would yield a streamlined LRC's structure without compromising its capabilities.

(Kezuka)

When it comes to an amendment to the Trade Union Law, there are two purposes: LRCs would deliver orders more satisfactorily to the judicial branch, keeping the judicial review in mind; and LRCs would correctly find facts. By doing so, they intended to improve reliability in the dispute resolution process, I guess. Under this new framework, we should firmly establish legal doctrines that would reflect the intentions of the persons who have served as LRC members to date.

LRCs have primary missions to eliminate the root causes of unfair labour practices and strive to stabilize labour-management relations. I think LRC members should also strive to carry out these missions in more easily understandable and accessible manners to the general public.

(Miyazato)

As a lawyer representing workers, I think that LRCs have played significant roles in repairing damaged labour-management relations.

I also have some requests. The amendment to the Trade Union Law this time would lead to a speedy ULP procedure, but further amendment to applicable law does not naturally bring about a speedy ULP procedure. A speedy process would require cooperation from public members, highly skillful and experienced secretariat staff as well as a more cooperative attitudes from lawyers acting for employers and employees.

Secondly, we should avoid over-prioritizing the speedy process itself. I think that the concept of a speedy process will also mean a better ULP procedure. It naturally takes a longer time to settle a case that involves complex circumstances and multiple trade

unions. It is necessary to identify or evaluate whether we are able to settle the cases quite easily or not.

Finally, I don't think LRC's procedure should become similar to a civil procedure. As the settlement of labour disputes would involve different patterns from the judicial process, LRCs should employ an adequate approach, such as making the most of its tripartite structure.

(Nakayama)

As a lawyer representing employers, I highly evaluate LRCs as a dispute resolution organ because LRCs have amicably settled 60-70% of their pending cases and also successfully reconciled a high percentage of adjustment cases, despite facing serious and complex cases, like JR-related cases, and those involving multiple trade unions. However, when it comes to unfair labour practice cases, LRCs have some problems in their ULP procedure, and the quality of orders they deliver. Firstly, the ULP procedure takes a longer time, in particular in CLRC and prefectural LRCs in urban areas. Secondly, LRCs do not clearly specify when to deliver their orders. An additional problem is that the judicial branch revokes many orders delivered by LRCs.

To overcome these problems, the amended Trade Union Law would yield positive impacts. From practical perspectives, it is important to clearly designate the deadline for issuing LRC orders and prepare an examination plan by sorting out disputed issues. LRC's ULP procedure attaches a higher priority to settlement, in other words, its adjusting function. However, LRCs decide on unfair labour practices, which mean dishonorable behavior for employers. In this sense, from the employers' perspectives, I think LRCs should put a higher priority on the adjudicating function. If LRC's ULP procedure could quickly identify whether or not unfair labour practice existed, it would encourage quicker settlement, I guess.

I also see some criteria gaps in determining unfair labour practices among prefectural LRCs as well as between CLRC and prefectural LRCs. In this regard, I would like LRCs to eliminate such gaps.

## 2. Desirable LRCs for the future

(Nakayama)

I think that prefectural labour bureaus and employment tribunals should be in charge of individual labour disputes, while LRCs should concentrate on collective labour disputes. We should also consider closing down some LRCs that carry fewer cases, while Tokyo, Osaka and some other LRCs that handle many cases should introduce panel system or full-time membership like the CLRC.

(Miyazato)

LRC's ULP procedure has both adjudicating and adjusting functions. However, as LRCs have the mission to settle labour disputes quickly, I strongly think they should attach a higher value to the adjusting function. As trade unions organize workers, employers remain uncomfortable about trade unions, which sometimes leads to unfair labour practices, I guess. So, I think LRC's adjusting function and labour education

function will become more important in future.

As for a decrease in LRC cases, if trade unions come to know that LRCs meaningfully overcome their problems over a short period of time, more and more trade unions will naturally access LRCs, I think.

(Kezuka)

If LRCs have a passive attitude such as "We will help you if you file a complaint," LRCs are not working effectively as labour dispute resolution organs. As a comprehensive organ to handle collective labour disputes, LRCs should have awareness "We will send our staff members to care about your collective labour disputes" and should make themselves more attractive for settling disputes. I would like LRCs to engage in meaningful discussions in that way.

(Sugiyama)

I feel the current legislations only provide a vague status for commission members who represent employers and employees. I would like LRCs to discuss what they should be, and revise the present legislations/regulations as necessary, in order to grant us a clearer legal status.

(Sato)

Somebody talked about LRCs carrying fewer labour disputes, but they also make full efforts with limited human resources. I really would like you to understand that.

In my opinion, the number of collective labour disputes will not decrease so much for the following reasons: some local civil servants will serve for local independent administrative institutions; workers of Japan Post will lose their status as national civil servants because Japan Post will be privatized; and the number of "asylum" appeals to joint trade unions will not decrease.

In addition, LRCs should attach a high value to its adjusting function. Some people call for stricter ULP procedures, but I really oppose it because stricter ULP procedures will surely damage its user-friendliness.

(Sugeno)

I also attach a high value to the adjusting function, in other words, a process leading to settlement. The current amendment to the Trade Union Law is also intended to enhance the adjusting function. LRCs should seek for settlement if it is necessary to do so.

After the employment tribunal program starts, the employment tribunals will be mainly in charge of individual labour disputes, while LRCs will be responsible for collective labour disputes. However, there would be some overlap between these two, I guess. However, I don't think they would bring their cases to the employment tribunals, if these cases are difficult, large-scale, or reflect longstanding antagonism between employers and employees. It is also difficult to settle these cases through civil procedures, based on legal rights and duties. In these cases, LRCs members, representing employees and employers, should act as go-betweens and settle the cases. In addition, it is an idea that LRCs settle disputes (including individual labour disputes) in a more user-friendly manner than other organs.

### 3. Conclusion

(Nakayama)

For employers, who are the contesting party, a speedy dispute resolution process is highly attractive. I would like LRCs to engage in meaningful discussions so that they can provide speedier conclusions.

(Miyazato)

As analysts will surely compare LRCs and the newly-established employment tribunal program, a very important factor is whether or not LRCs will provide better services in a tangible manner because of the current amendment to the Trade Union Law.

(Kezuka)

The amended Trade Union Law reflects a wide variety of debates among stakeholders. I hope that it would bring about positive impact in a visible manner.

(Sugiyama)

From my own experiences to serve for LRC, I really feel the positive aspects in the LRC system. I hope that LRCs will take advantage of these positive aspects, improve the framework and operate it in a more adequate manner.

(Sato)

LRCs are facing the challenge of coping with the vast majority of workers who do not join trade unions.

(Sugeno)

As the employment tribunal's panel members (lay members) should be neutral, they should have neutrality, morality and powers as court judges. The story is totally different for LRC's participant members representing employers or employees, however. They play useful roles because they carefully listen to and try to persuade the contesting parties. Their opinions include viewpoints of public interests and also reflect their own longstanding valuable experiences. This is the positive aspect of the LRC scheme.

After the amended Trade Union Law takes root, an overhaul might be necessary for the LRC scheme someday. We should consider a adequate framework or functions for intra-company labour disputes as well as LRC's proper involvement.

(Fujita)

Panelists have generally expressed positive opinions on LRCs because they contribute to restoring labour-management relations. On the other hand, LRCs face problems of their slow process. Further efforts are necessary for a speedy process and improved credibility is also necessary. LRCs naturally have a different attitude from the judiciary because the former creates better labour-management relations for the future, while the latter identifies applicable rights and duties. However, an excessive gaps between these two processes will pose negative impacts on the credibility of the LRC system.

As for future visions, some panelists argue that LRC should concentrate on collective labour disputes, while others called for more commitment to individual labour disputes. In addition, some panelists put a higher value to the adjusting function, while others, while not denying the importance of settlement, argued that the adjudicating function

would also encourage the adjusting function.

As for the amended Trade Union Law, LRCs must earn trust from employers as well as from employees. We need to carefully listen to various criticisms.

Thank you very much for your valuable suggestions today. Based on your suggestions, we will make further efforts to improve the LRC scheme for the future.

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