

Part 1. Roles of Labour Relations Commissions in Japan's Labour-Management Relations

Labour Relations Commissions (LRCs) in Japan are tripartite independent administrative organizations that consist of members representing public interests, employers and employees. LRCs have two primary missions: reconciling labour disputes, and examining unfair labour practices. The LRC scheme started 60 years ago when Trade Union Law became effective in March 1946. This section explains the historical background, focusing on the roles that LRCs have been playing to date.

I Trend of Labour Relations Adjustment Cases

1 Labour disputes immediately after WWII

When the LRC system started in 1946, Japan saw harsh conflicts between labour and management because the nation suffered economic hardships and political turmoil immediately after WWII. At that time, Japan saw frequent, long-term and antagonistic labour disputes on wage hikes or personnel reduction. LRCs mainly worked on reconciling these labour disputes by acting as the conciliator.

In addition, as LRCs at that time handled labour disputes in both the private and public sectors, LRCs adjusted labour disputes ex officio, or based on applications made by contesting parties, or requests from the Prime Minister, prefectural governor or GHQ. In particular, the Central Labour Relations Commission (CLRC) adjusted and quickly solved many labour disputes in the energy industry (coal and electricity), which was essential for Japan's industrial revival.

Subsequently, the government set up the National Personnel Authority as the central government's personnel coordination agency for central government workers engaged in administrative work (non-industrial civil services), while establishing the Public Corporations Labour Relations Commission for workers of public enterprises (Japan National Railways, Nippon Telegraph and Telephone Public Corporation, and Japan Monopoly Corporation) and government workers engaging in industrial civil services (such as postal services and forest affairs). These organs handled labour disputes in their responsible areas.

In 1959, the "Mitsui Miike Coal Miners' Strike" occurred as a large-scale and serious post-war labour dispute to oppose personnel cutback and continued for almost a year. As a



Central Labour Relations Commission proposed a conciliation plan. (Mitsui Miike Coal Miners' Strike in March 29, 1960)

CLRC ex officio acted as conciliator five times, the strike finally terminated and subsequently, employers and employees started to form rather cooperative relations with each other in Japan, shifting away from antagonistic relations.

2 Wage adjustment through the annual spring labour offensive

With the Japanese economy growing sharply since the mid-1950s, workers started their labour movement, called the "annual spring labour offensive." The annual spring labour offensive had significant impacts on Japan's wage-setting practices until the 1980s and played a role in distributing the fruits of Japan's economic growth.



The annual spring labour offensive (in March 26, 1974) [In Hibiya Park, Tokyo] (Photograph from the Kyodo News)

The annual spring labour offensive is Japan's unique wage adjustment system in which trade unions in each industry concurrently make

their wage hike demands in springtime (February to April), negotiate with their employers with instructions from their superior organizations (such as the National Center), and pull out a response from their employers. Usually, metal, electric and other major industrial sectors of the International Metal worker's Federation-Japan Council (IMF-JC) first gained wage hikes, which then spread out to major private firms and subsequently influenced wage hikes in private railways, and public enterprises such as JNR and postal services. Such wage hikes further influenced the wage hike level for small- and medium-sized enterprises and unorganized workers. In addition, the annual spring labour offensive also influenced the National Personnel Authority's recommendation regarding the salary level for central government workers.

The annual spring labour offensive started in 1955 when eight industrial trade unions started a joint wage hike movement. The movement subsequently expanded in 1956, absorbing JNR and some other public sector trade unions. The wage hike level achieved through the private railway's strike used to serve as a benchmark for the overall wage hike level and in this manner, the CLRC reconciles a private railway's strike almost every year.

In 1964, public corporations' trade unions (such as the National Railway Workers' Union) started a half-day strike in a similar manner to private railway's trade unions. The meeting between Ikeda (Prime Minister) and Ohta (Chairman, General Council of Trade Unions of Japan) confirmed the principle to determine public worker's wage hikes in line with the private sector's wage hike level. Henceforth, the annual spring labour offensive turned into a joint wage-hike movement of the public and private sectors. Private railway trade unions and the JNR union jointly enhanced their

"Transport General Strike" strategy. During the 1974 annual spring labour offensive, Japan suffered post-oil-crisis inflation, while the FPCGE (Federation of Public Corporation and Government Enterprise Workers' Unions, the organization of trade unions in public enterprises) intended to regain their right to strike. In this context, the Transport Strike strategy reached its peak with JNR's 5-day strike (110 hours long) and major private railways' 2-day strike. They employed this strategy until 1976, immediately before the GFPRWJ (General Federation of Private Railway Workers' Unions of Japan) adopted its principle of independent negotiation/settlement.

In response to the Transport Strike that occurred annually, the PCGELRC (Public Corporation and Government Enterprise Labour Relations Commission) and CLRC worked on adjusting wage disputes in public enterprises and private railways and proposed a mediation plan in order to prevent or halt strikes that would have significant impacts on the daily life of Japanese citizens. In this way, these two commissions played important roles in adjusting the wage hike level in Japan.

Due to changes in the industrial structure, industries influential in wage negotiations became new export industries, such as steel, shipbuilding, automobile and electric industries. Consequently, their trade union (IMF-JC) also became more influential, and started employing an independent negotiation approach to determine their wage level without the involvement of LRCs.

3 Recent trend of adjustment cases

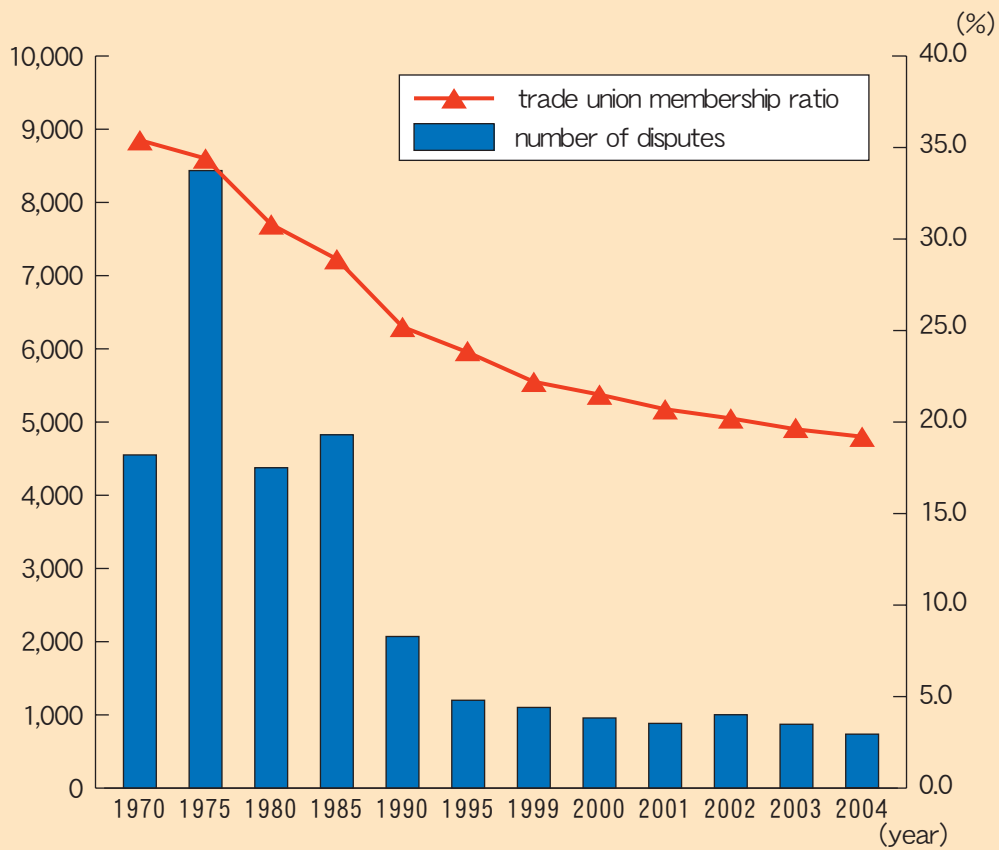
Since the independent negotiation approach took root, LRCs have mainly adjusted labour disputes other than wage or lump-sum payments (e.g. LRCs handle dismissal or personnel reduction cases and encourage collective bargaining) or labour disputes relating to small- and medium-sized enterprises. As part of administrative efforts, the PCLRC was reorganized as the GELRC (Government Enterprise Labour Relations Commission) in 1987 and then merged with the CLRC in 1988.

The number of new requests for adjustment filed for all LRCs decreased to 352 in 1991 after peaking at 2,249 in 1974 and the number of new complaints has stood at around 600 in recent years. As a recent trend, some unorganized workers suffer disadvantageous working conditions imposed by their employer, and then join trade union to ask LRCs to adjust their labour disputes.

As the Diet passed the "Law on Encouraging Resolution of Individual Labour Disputes" in 2001 in order to address individual labour disputes, prefectural LRCs are now able to provide advice or act as a conciliator to prevent or solve individual labour disputes.

After CLRC merged with GELRC, CLRC adjusts wage levels for state-run enterprises every year. In addition, because the government span off some state-run enterprises as independent administrative institutions in 2001, CLRC also adjusts wage levels for these independent administrative agencies. Employees of state-run enterprises (including those that turned into independent administrative institutions) successfully adjusted their wage level in FY2004 and FY2005 through the independent negotiation approach.

Trends in number of disputes and trade union membership ratio

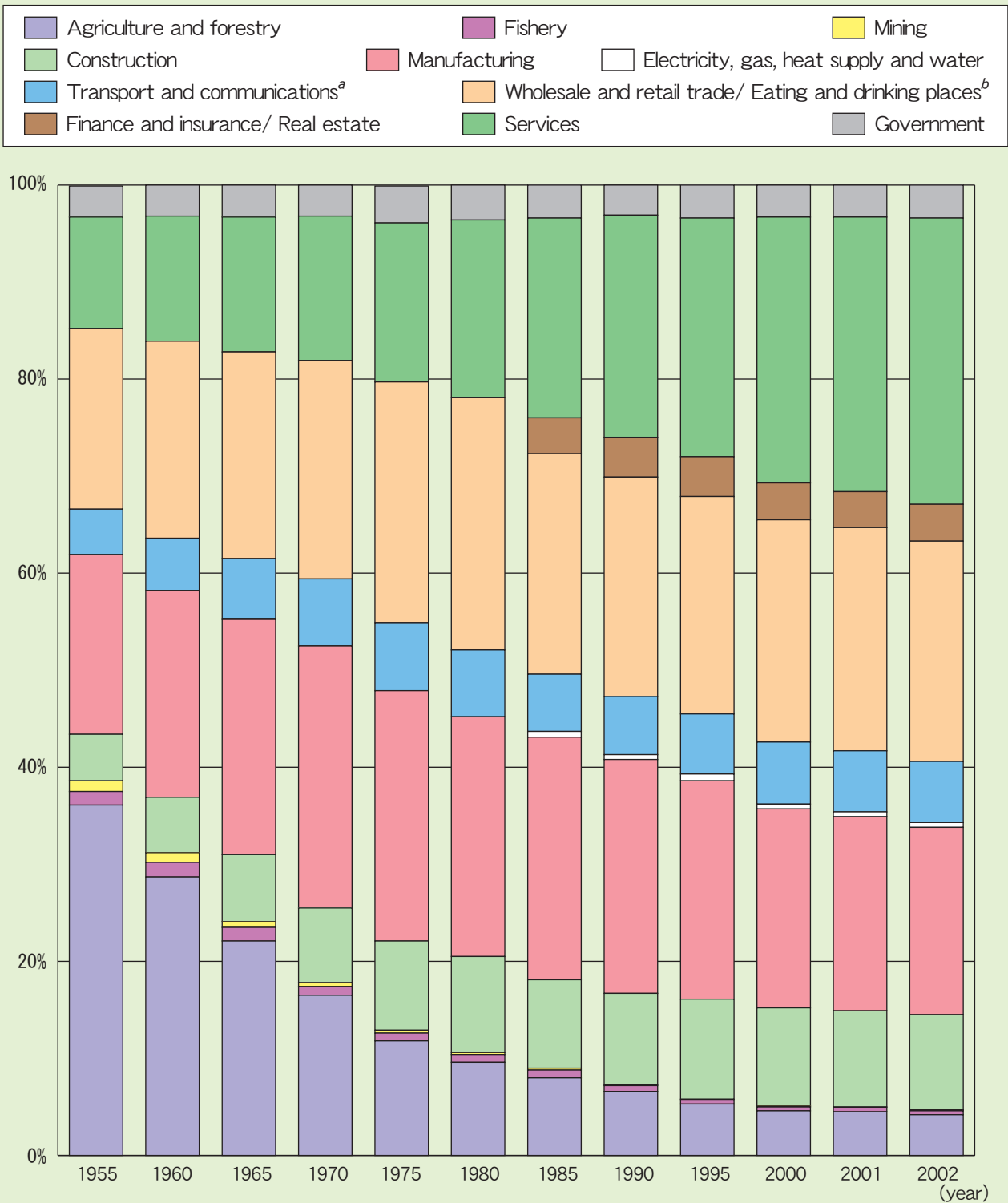


Source : Ministry of Health, Labour and Welfare “Labour Strike Statistics Survey” and “Labour Union Basics Survey”

(Note) a) The number of disputes includes those carried from the previous year. The disputes that occurred in Okinawa before 1972 are not included.

b) The trade union membership ratio is defined as unionized employees as a percentage of all employees. (Ministry of Internal Affairs and Communications Statistics Bureau “Labour Force Survey”)

The change of a number of the employees ratio according to industry



Source : Ministry of Internal Affairs and Communications Statistics Bureau "Labour Force Survey"

(Note) a) Data of Electricity, gas, heat supply and water are included in those of Transport and communications from 1955 to 1980.

b) Data of Finance and insurance/ Real estate are included in those of Wholesale and retail trade/ Eating and drinking places from 1955 to 1980.