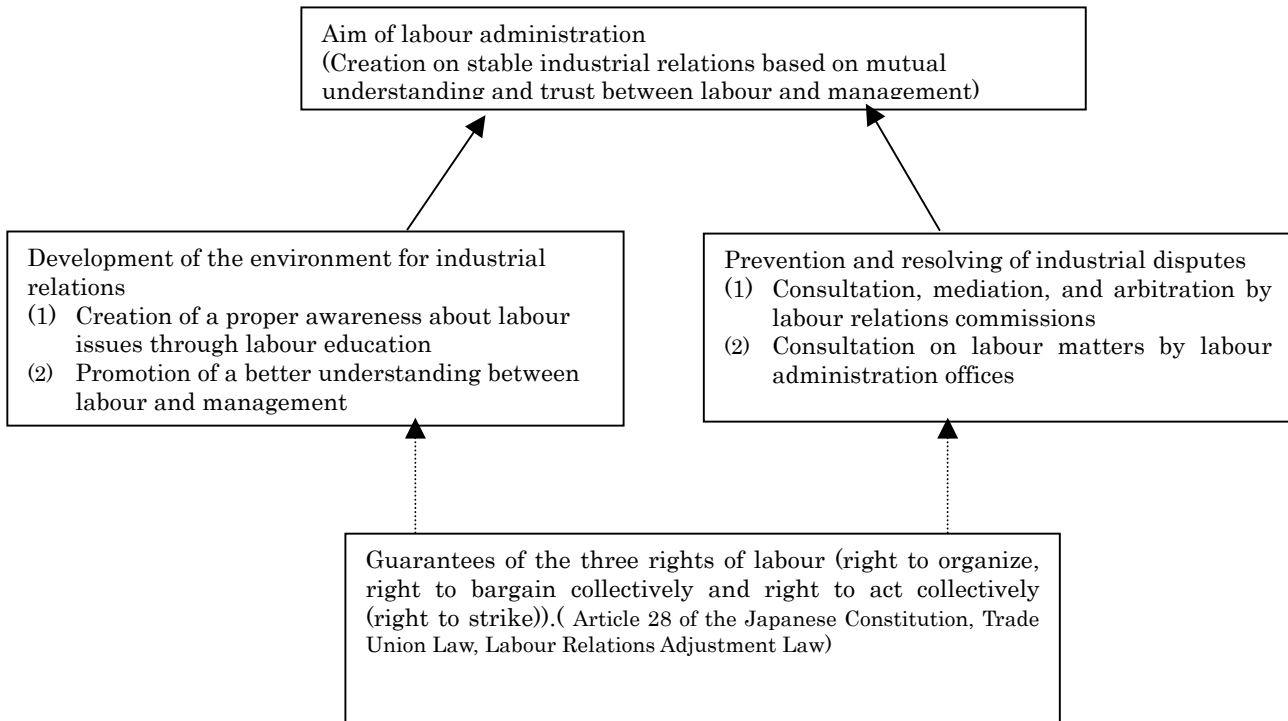


# **Administration of Labour Relations**

# I. Labour Administration

The basic aim of labour administration is to create stable industrial relations based on mutual understanding and trust between labour and management. The following are the kinds of policies being implemented to achieve that aim.

## (Reference 1) Schematic Diagram of Labour Administration Policy



# [1] Japanese Labour-Management Relations Laws

## 1. Guarantee of Labour Rights

Article 28 of the Japanese Constitution guarantees the right of workers to organize a trade union, to engage in collective bargaining and to strike (the three basic rights of labour).

(Reference)

Number of trade unions	27,226(2007)
Number of members of trade unions	10.080 million (2007)
Organized labour as a proportion of the total	18.1 % (2007)

## 2. Trade Union Law

### (1) Criteria for trade unions

#### a) Positive criteria

Trade unions are organizations for the purpose of enabling workers to independently improve their working conditions.

#### b) Negative criteria

If any of the following conditions apply to an organization, it is not a trade union.

- i. An organization that allows participation of management personnel
- ii. An organization that accepts financial assistance from the employer
- iii. An organization whose main aim is to conduct a political campaign or form a social movement

### (2) Unfair labour practices

In order to guarantee the three basic rights of labour, employers are prohibited from the following:

- a) To treat a worker detrimentally (including dismissal) due to the fact that the worker is a member of a trade union, was intending to organize a trade union or undertook the reasonable actions of a trade union
- b) To refuse collective bargaining with the representatives of a trade union
- c) To control or intervene in the formation and operation of a trade union, or to provide assistance towards the operating expenses of a trade union
- d) To treat a worker detrimentally (including dismissal) due to the fact that the worker had made claims to the labour relations commission.

### (3) Labour Agreement

Parts of a labour contract that contravene a labour agreement between a trade union and an employee are deemed null and void. Inapplicable parts should be settled through a labour agreement.

(4) Labour Relations Commission

- a) The Central Labour Relations Commission comes under the Ministry of Health, Labour and Welfare and the Local Labour Relations Commission comes under each prefectural government.
- b) The labour relations commissions consist of an equal number of representatives of employers, employees and public interests.
- c) The Local Labour Relations Commission conducts the following administrative work.
  - i. Examination of claims of unfair labour practices and the issuance of orders to support employees
  - ii. Conciliation, mediation and arbitration in relation to labour disputes is based on the Labour Relations Adjustment Law
- d) The Central Labour Relations Commission reexamines orders concerning unfair labour practices from the Local Labour Relations Commission and coordinates labour disputes extensively.

**3. Labour Relations Adjustment Law**

There are three types of arrangement ①mediation ②arbitration and ③conciliation in relation to labour disputes taken place by the adjustment Labour Committee.

(1) Conciliation

Conciliator will be nominated by the chairman among the men of learning and experience. He will listen to the complaints of the both sides, confirm the point of problem. The conciliator tries to deepen the understanding of both groups concept and situation by informing each other the point of problem when necessary.

(2) Mediation

Mediation Commission consisted by public interests, labourers, and employers, will listen to the opinion of the concerned parties and inform them the idea of mediation. Though he will recommend both parties to admit the mediation plan, the concerned parties have no obligation to accept the mediation plan.

The Labour Relations Commission mediates if one or both parties apply for mediation.

(3) Arbitration

Arbitration Commission formed only by members representing the public interests, will listen to the opinion of the concerned parties. The commission proposes them the idea of Judgment Arbitration for the solution of the dispute. (The Judgment Conciliation has the same effect as the Labour agreement.)

## [ 2 ] Labour Relations Commission

### 1. Outline of the Labour Relations Commission

Labour Relations Commission is an administrative commission based on the Trade Union Law, and consisting of representatives of the public interests, employees and employers for the settlement of collective labour management disputes and guarantee of labour rights.

It has the following independent authority in relation to the Minister of Health, Labour and Welfare or prefectural governors.

### 2. Types of Labour Relations Commissions

#### (1) Central Labour Relations Commission

External organ of the Ministry of Health, Labour and Welfare

Commissions (Public, Employee, Employer each has 15 members)

#### (2) Local Labour Relations Commission (47)(Public, Employee, Employer each has members 5 to 13)

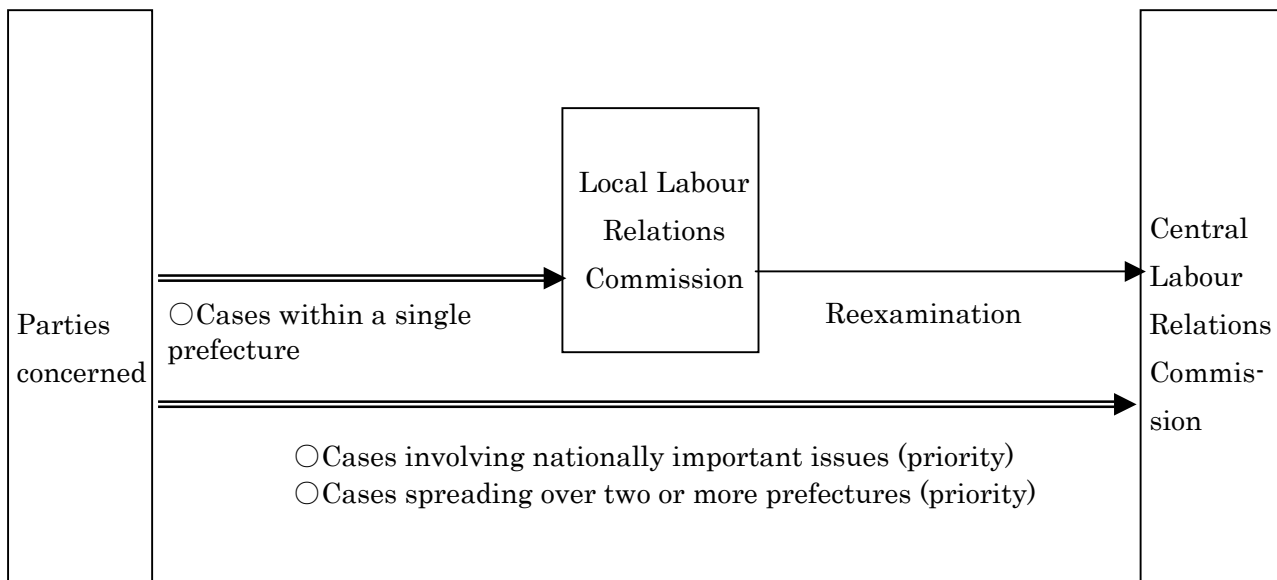
### 3. Main affairs of the Labour Relations Commission

#### (1) Judgments of unfair labour practices (questioning and investigation)

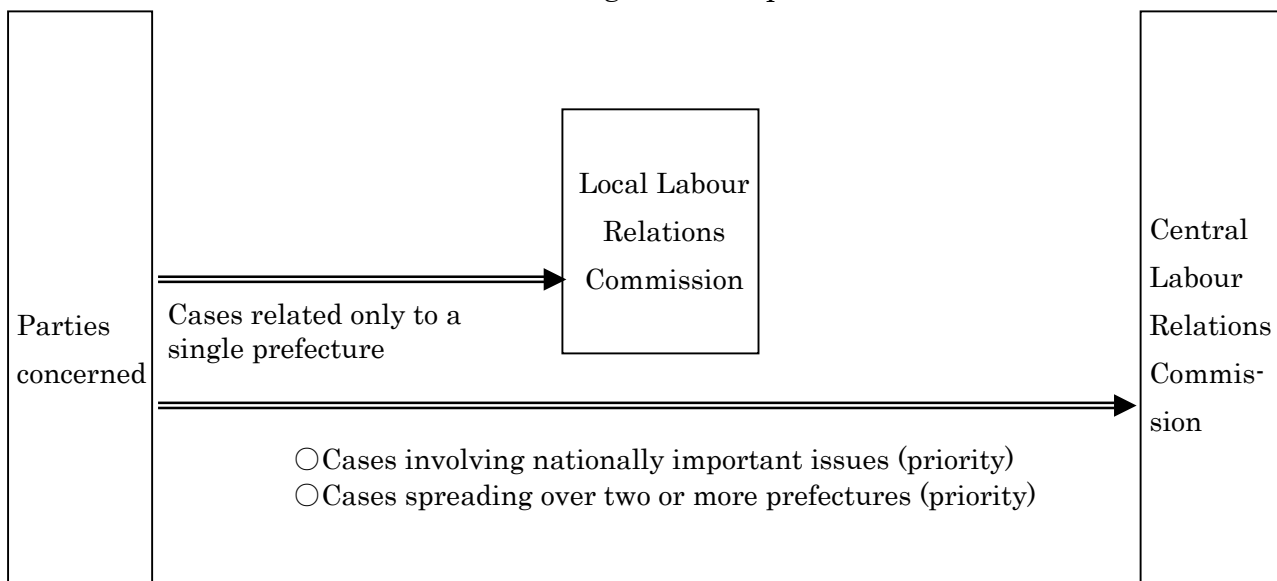
#### (2) Coordination of collective labour-management disputes (conciliation, mediation and arbitration)

**【Process of the procedures】**

○Examination of unfair labour practices



○Coordination of collective labour-management disputes



## Trend in the Number of Cases of Unfair Labour Practices Handled

(1) Local Labour Relations Commission

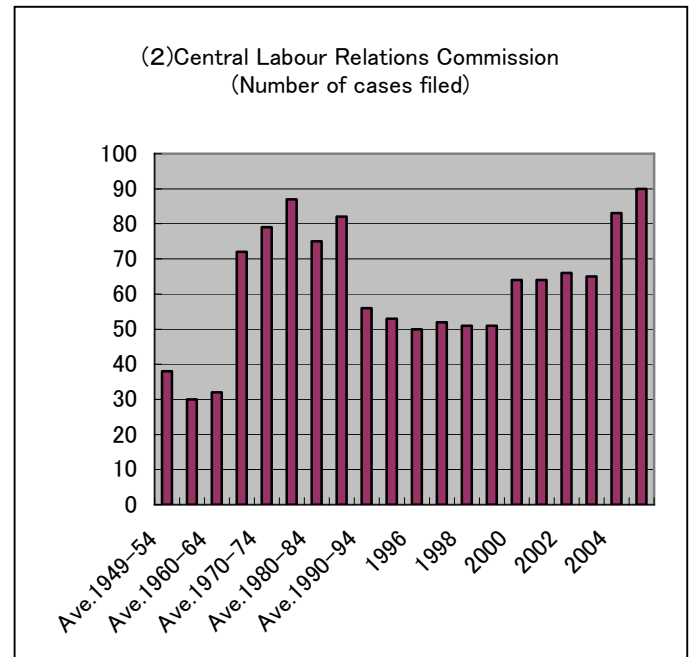
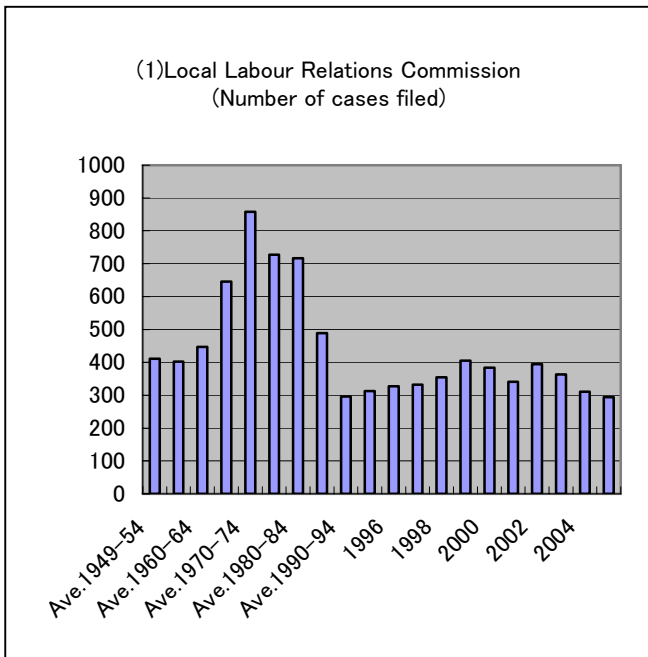
Years	Number of cases filed
Average of 1949-54	411
Average of 1955-59	402
Average of 1960-64	447
Average of 1965-69	646
Average of 1970-74	858
Average of 1975-79	727
Average of 1980-84	717
Average of 1985-89	489
Average of 1990-94	296
1995	313
1996	327
1997	332
1998	354
1999	405
2000	384
2001	341
2002	394
2003	363
2004	311
2005	294
2006	331

Source: Central Labour Relations Commission office (Annual report of the Labour Relations Commission)

(2) Central Labour Relations Commission

Years	Number of cases filed
Average of 1949-54	38
Average of 1955-59	30
Average of 1960-64	32
Average of 1965-69	72
Average of 1970-74	79
Average of 1975-79	87
Average of 1980-84	75
Average of 1985-89	82
Average of 1990-94	56
1995	53
1996	50
1997	52
1998	51
1999	51
2000	64
2001	64
2002	66
2003	65
2004	83
2005	90
2006	77

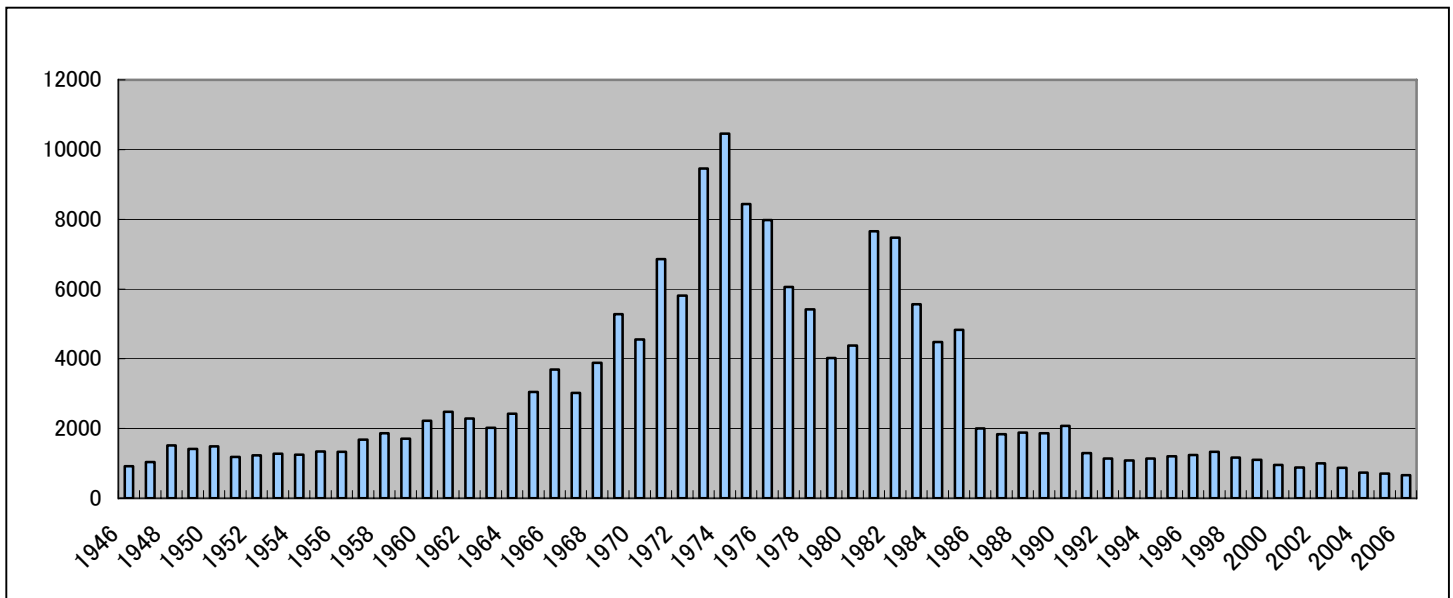
Source: Central Labour Relations Commission office (Annual report of the Labour Relations Commission)



## Trend in the Number of Disputes

Years	Number of disputes	Years	Number of disputes
1945	259	1976	7,974
1946	920	1977	6,060
1947	1,035	1978	5,416
1948	1,517	1979	4,026
1949	1,414	1980	4,376
1950	1,487	1981	7,660
1951	1,186	1982	7,477
1952	1,233	1983	5,562
1953	1,277	1984	4,480
1954	1,247	1985	4,826
1955	1,345	1986	2,002
1956	1,330	1987	1,839
1957	1,680	1988	1,879
1958	1,864	1989	1,868
1959	1,709	1990	2,071
1960	2,222	1991	1,292
1961	2,483	1992	1,138
1962	2,287	1993	1,084
1963	2,016	1994	1,136
1964	2,422	1995	1,200
1965	3,051	1996	1,240
1966	3,687	1997	1,334
1967	3,024	1998	1,164
1968	3,882	1999	1,102
1969	5,283	2000	958
1970	4,551	2001	884
1971	6,861	2002	1,002
1972	5,808	2003	872
1973	9,459	2004	737
1974	10,462	2005	708
1975	8,435	2006	662

Source: Central Labour Relations Commission office (Annual report of the Labour Relations Commission)



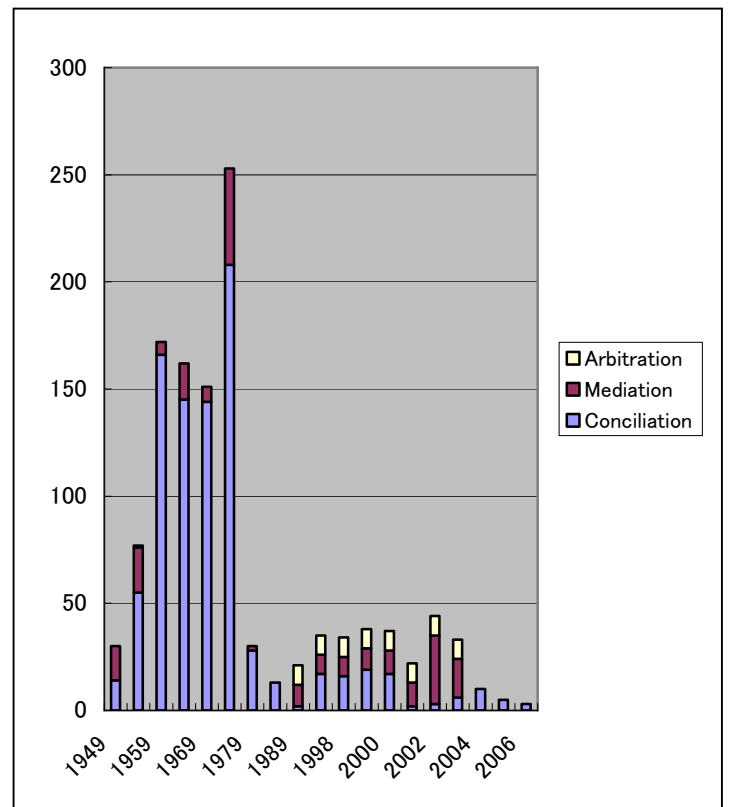
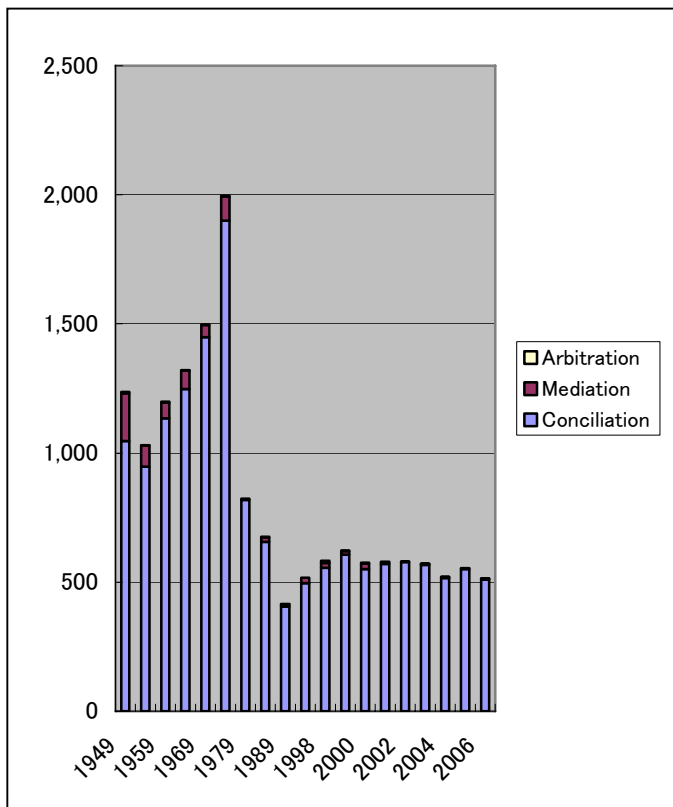


### Trend in the Number of Labour Disputes Coordinated

	Continued coordination in the Local Labour Relations Commission			
	Conciliation	Mediation	Arbitration	Total
1949	1,047	185	4	1,236
1954	948	81	2	1,031
1959	1,135	60	4	1,199
1964	1,247	72	2	1,321
1969	1,449	46	2	1,497
1974	1,900	93	3	1,996
1979	819	5	0	824
1984	656	17	3	676
1989	405	9	2	416
1993	496	21	0	517
1998	555	19	9	583
1999	606	14	3	623
2000	550	22	4	576
2001	571	8	0	579
2002	578	2	0	580
2003	567	3	2	572
2004	516	4	1	521
2005	550	4	0	554
2006	510	4	1	515

	Continued coordination in the Central Labour Relations Commission			
	Conciliation	Mediation	Arbitration	Total
1949	14	16	0	30
1954	55	21	1	77
1959	166	6	0	172
1964	145	17	0	162
1969	144	7	0	151
1974	208	45	0	253
1979	28	2	0	30
1984	13	0	0	13
1989	2	10	9	21
1993	17	9	9	35
1998	16	9	9	34
1999	19	10	9	38
2000	17	11	9	37
2001	2	11	9	22
2002	3	32	9	44
2003	6	18	9	33
2004	10	0	0	10
2005	5	0	0	5
2006	3	0	0	3

Source: Central Labour Relations Commission office (Annual report of the Labour Relations Commission)



## **II. Present Status of Labour and Management Relations in Japan**

### **1. Present organizational situations of unions in Japan**

#### **(1) Present situation**

(2)

The number of union members in Japan totaled approximately 10.08 million persons at the end of June 2007, which accounted for an estimated 18.1 percent of the total employees. Organized labour by percentage in Japan is lower than can be found in the U.K. or Germany, but is higher than that of the U.S. The estimated ratio of organized labour has been decreasing in recent years. The main reason for this decline seems to be the growing number of workers in the tertiary industry, in which the ratio of organized labour is low (refer to tables 1-5).

#### **(2) The organizational format**

While studying how labour unions are organized, it becomes clear that the majority of unions are enterprise based. Enterprise based unions are characterized by their autonomy for their management and business affairs within their union. These unions are also financially independent in principle. In other words, although many enterprise-based unions belong to one of the federations classified by a specific industry or area, they receive very few restriction or challenges for control from the upper level labour organizations, compared to union in the United States and European countries. Therefore, their decision making and activities are seldom restricted by the upper levels of labour organizations.

#### **(3) Function**

The relationship between enterprise-based unions on the one hand, and the upper levels of labour organizations (such as industrial unions), and centralized labour organization on the other hand, in term of their functional role, is quite extensive. It can be said that the upper levels of labour organizations first of all address problems which enterprise based unions have difficulty to solve, such as policy or systemic problems.

**Table 1 Recent Number of Individual Labour Unions and the Number of Members**

Year	Number of Unions	Number of Members
2000	31,185	11,538,557
2001	30,773	11,212,108
2002	30,177	10,800,608
2003	29,745	10,531,329
2004	29,320	10,309,413
2005	28,279	10,138,150
2006	27,507	10,040,580
2007	27,226	10,079,614

Source: “Basic Survey of Labour Unions” by MHLW

Notes: Numbers are those of 2007.

**Table 2 Changes of the Number of Employees, Union Members and the Percentage of Organized Labour**

Year	Total number of employees; in 10,000 persons *1	Total number of union members; in 1,000 persons *2	Estimated percentage of organized labour *3
1947	1,256	5,692	45.3
1948	1,259	5,677	53.0
1949	1,193	5,655	55.8
1950	1,251	5,774	46.2
1951	1,336	5,687	42.6
1952	1,421	5,720	40.3
1953	1,631	5,927	36.3
1954	1,712	6,076	35.5
1955	1,764	6,286	35.6
1956	1,931	6,463	33.5
1957	2,014	6,763	33.6
1958	2,134	6,984	32.7
1959	2,248	7,221	32.1
1960	2,382	7,662	32.2
1961	2,422	8,360	34.5
1962	2,582	8,971	34.7
1963	2,693	8,357	34.7
1964	2,803	9,800	35.0
1965	2,914	10,147	34.8
1966	3,042	10,404	34.2
1967	3,100	10,566	34.1
1968	3,159	10,863	34.4
1969	3,196	11,249	35.2
1970	3,277	11,605	35.4
1971	3,388	11,798	34.8
1972	3,469	11,889	34.3
1973	3,659	12,098	33.1
1974	3,676	12,462	33.9
1975	3,662	12,590	34.4
1976	3,710	12,509	22.7
1977	3,746	12,437	33.2
1978	3,796	12,383	32.6
1979	3,899	12,309	31.6
1980	4,012	12,369	30.8
1981	4,055	12,471	30.8
1982	4,102	12,526	30.5
1983	4,209	12,520	29.7
1984	4,282	12,464	29.1
1985	4,301	12,418	28.9
1986	4,383	12,343	28.2
1987	4,448	12,272	27.6
1988	4,565	12,227	26.8
1989	4,721	12,227	25.9
1990	4,875	12,265	25.2
1991	5,062	12,397	24.5
1992	5,137	12,541	24.4
1993	5,233	12,663	24.2
1994	5,279	12,699	24.1
1995	5,309	12,614	23.8
1996	5,367	12,451	23.2
1997	5,435	12,285	22.6
1998	5,391	12,093	22.4
1999	5,321	11,824	22.2
2000	5,379	11,539	21.5
2001	5,413	11,212	20.7
2002	5,348	10,801	20.2
2003	5,373	10,531	19.61
2004	5,371	10,309	19.2
2005	5,416	10,138	18.7
2006	5,517	10,041	18.2
2007	5,565	10,080	18.1

Source:(\*1) Total number of employees' is in "Labour Force Survey" by MCA

(\*2) (\*3) "Basic Survey of Trade Unions" by MHLW

**Table 3 Percentage of Organized Labour**

Name of Industry	Estimated percentage of organized labour (2007)
Average (All Industries)	18.1
Agriculture, Forestry, and Fisheries	2.7
Mining	12.2
Construction	21.3
Manufacturing	25.2
Electric, Gas, Heating Supply and Water Service	59.4
Communication Services	20.1
Transportation	26.8
Wholesale, Retail Sales	10.2
Banking, Financial and Insurance Services	50.3
Realtors	2.8
Restaurants and hotels	4.1
Medical services and Welfare	8.5
Educational services	23.1
Compounding services	40.7
Service Industry	6.2
Government	44.0

Source: "Basic Survey of Labour Unions" by MHLW (as of the end of June 2007)

Notes: Estimated percentage of organized labour was calculated by dividing the total number of union members by the total number of employed workers.

**Table 4 Estimated Percentage of Organized Labour Classified by the Size of Firms in the Private Sector**

Size of firms	Estimated percentage of organized labour (2007)
Total	16.2
1,000 and more employees	47.5
100 to 999 employees	14.3
99 and less employees	1.1

Source: "Basic Survey of Labour Unions" by MHLW (as of the end of June 2007)

Notes: Estimated percentage of organized labour was calculated by dividing the total number of union members by the total number of employed workers.

**Table 5 Number of Employees, Union Members and the Ratio of Organized Labour in Selected Countries**

Name of Country	Year	Total number of Employees	Total number of union members	Estimated ratio of organized labour	(Remarks) National labour organization
		(1,000 persons)	(1,000 persons)	%	(10 Thousand persons)
Japan	2007	55,650	10,080	18.1	JTUC 660
USA	2005	125,889	15,685	12.5	AFL-CIO 884
UK	2005	24,848	6,390	29.0	TUC 700
Germany	2005	34,320	8,360	24.4	DGB 678 DBB 128 CGB 30
France	2003	24,692	1,845	8.2	CGT 65 CFDT 77 CGT-FO 30 CFTC 22 CFE=CGC 19

JTUC : Japanese Trade Union Confederation

AFL-CIO : American Federation of Labor and Congress of Industrial Organizations

TUC : Trades Union Congress

DGB : German Confederation of Trade Unions

DBB : German Federation of Civil Servants

CGB : The Christian Trade Union Federation of Germany

CGT : The General Confederation of Labour

CFDT : French Democratic Confederation of Labour

CGT-FO : General Confederation of Labour "Force-ouvrière"

CFTC : French Confederation of Christian Workers

CFE=CGC : French Confederation of Management - General Confederation of Executives CFE-CGC )

Source: Japan - "Labour Force Survey" by MCA for the total number of workers employed; "Basic Survey of Labour Unions" by MHLW for the number of union members; and "Annual Report on Health, Labour and Welfare Report of Overseas Situation(2005~2006)" by MHLW

U.S.A - "Employment and Earnings" by the Department of Labour

U.K. - "Labour Market Trends" by National Statistical Office

Germany - "Statistisches Jahrbuch" by Statistisches Bundesamt for the number of union members; and "WOCHENBERICHT" by DEUTSCHES INSTITUT FÜR WIRTSCHAFTS-FORSCHUNG for the total number of workers employed

## **2. Special factors in labour-management relations in Japan**

Following are three items which are general features of labour-management relations in Japan which receive international attention.

### **(1) Enterprise-based unions**

The unions in Japan are generally organized by individual enterprises. Collective bargaining between management and its enterprise-based union used to negotiate issues such as working conditions, wages, etc. (refer to Table 1). Enterprise-based unions have been common due in large part to the practice of life-long employment based on the seniority system.

Enterprise-based unions join forces to form industrial unions and centralized national organizations. These larger organizations deal especially with policy problems and system improvement which are difficult to be solved by enterprise union alone.

### **(2) “Spring Offensive”**

Every year between March and May (most active during the period from late March to mid-April), each enterprise-based union initiates negotiations with management in the so called “Spring Offensive”. These negotiations are carried out under the direction and coordination of the industrial unions and centralized national labour organizations. Items discussed include wages and other working conditions. The “Spring Offensive” is the biggest event of the year for labour movements and labour-management relations in Japan as most workers in organized labor unions participate in wage negotiations at that time.

Since nowadays, the ratio of private negotiation of each companies focusing their achievements are rising, the former structure of same kinds of base up negotiations from different companies collapsed.

### **(3) Stable labour-management relations**

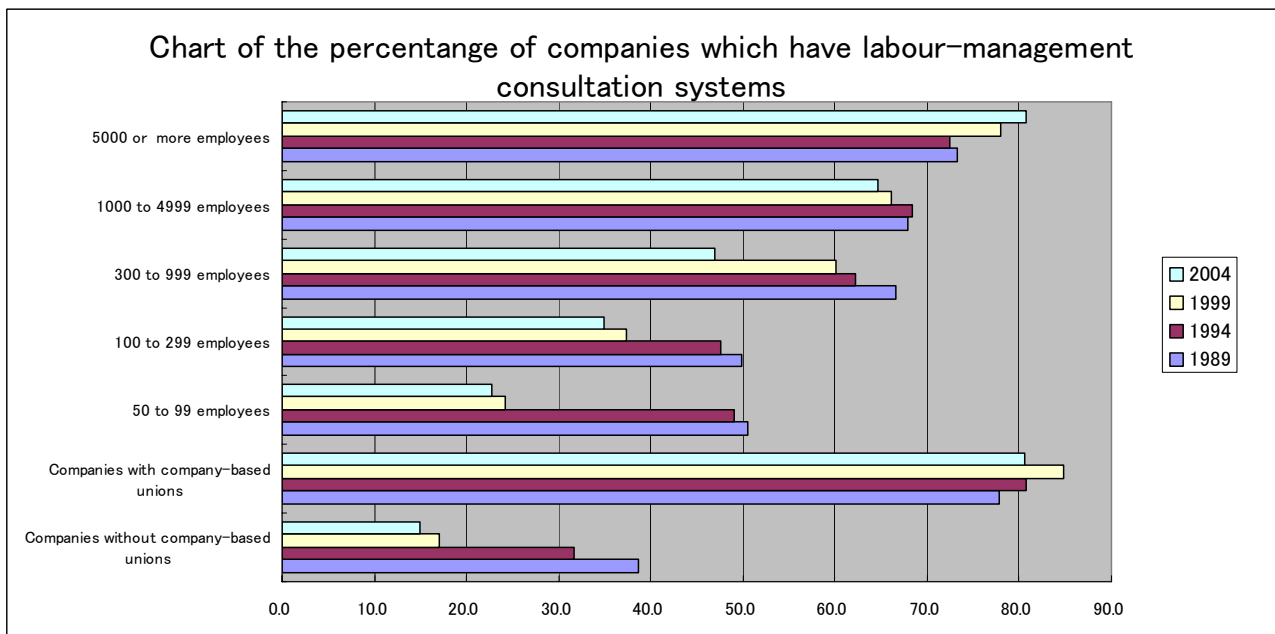
The relationship between labour and management in Japan has been stable in the past due to conditions of steady employment, improvement in working conditions, salary increase, and the high rate of growth in the economy. The occurrence of labour disputes such as long term strikes has been low in recent years as the permeation of a viable labour-management consultation system contributes to their mutual understanding (refer to Table 6, Figure 1 ).

**Table 6 Lost Working Days Due to Labour Disputes of Each Countries**

	Japan	USA	UK	Germany	France
<b>Total Number of Working days lost (thousand days)</b>	6 (2005)	1,736 (2005)	157 (2005)	19 (2005)	691 (2001)

Source: “Annual Report on Health, Labour and Welfare Report of Overseas Situation(2005~2006)” by MHLW , “Yearbook of Labour Statistics” published by ILO and materials from each country  
 Notes: Because the definitions and methods of surveys are different in each country, it is impossible to compare them.

**Figure 1 Companies which have Labour-Management Consultation Systems**



Source: “Survey on Labour-Management Communications” by MHLW