

## 1 Labor-management Relations in Japan

### **In-House Labor-management Relations Play a Key Role**

In Japan, there persisted an employment practice where dismissal of regular employees was kept to a minimum, and these employees were nurtured and utilized in the internal labor market over a long term. The various systems of employment relations have developed to adjust to this internal labor market. This phenomenon had been reflected in the characteristic of individual labor-management relations, in particular at large corporations, with (1) periodic recruitment of new graduates with the assumption of job security until retirement, (2) education and training through flexible reassignment of regular employees and on-the-job-training (OJT), and (3) personnel management by seniority for remuneration and promotion in accordance with accumulation of work performance.

The labor-management relations between employee groups and companies have also developed into enterprise labor-management relations, whereby in tandem with the long-term employment practice, enterprise unions of mainly large corporations allow their regular employees to be an union member. Typically, one enterprise union is organized per company and the union officials are also employees. Since the managers and executives that represent the employers had once been ordinary employers as well before being promoted to their position, they share common interests with the union members.

In corporations where labor unions exist, collective bargaining takes place between the labor union and corporation, and working conditions such as annual wage increases, lump-sum benefits, working hours, welfare issues and others are

determined. At corporations, in addition to collective bargaining, labor-management consultation systems exist in diverse formats at voluntary bases. This system is widely seen also at corporations which are not unionized and the system is used to discuss such issues as management policy and the formulation of production plans, among others. This labor-management consultation system is said to contribute to the establishment of stable labor-management relations.

### **Labor-management Relations at Industry and National Levels**

Nevertheless, there is a limit to the bargaining powers of Japanese enterprise unions, in contrast to the labor unions which are organized cross-corporate organizations as seen in Europe. It could be said that the Shunto (spring labor offensive) developed as a means of supplementing the limitations of enterprise unions. Under Shunto system industrial organization unions of the labor unions organize a unified, cross-corporate struggle, and national centers perform such tasks as strategic coordination between industrial trade unions and arousal of public sentiments. The Shunto system has resulted in the creation of a social ripple-effect system whereby a pattern-setting labor-management grouping determines the wage increase rate, which is in turn used as a reference by other labor-management groups in their negotiations.

Rengo (Japanese Trade Union Confederation), which is the national center, and management organizations such as Nippon Keidanren (Japan Business Federation) have established a venue for regular discussions, and for issues on which they share the same opinion, a joint policy proposal is duly

submitted to the central government.

A second point of importance is the role in governmental councils on the formation of labor and social policy. Representatives of labor organizations and management organizations and management organizations participate in these councils and endeavor to ensure that in the process of consensus building on policy, the position of workers and employers is duly reflected.

### **Shortcoming of the Conventional Modality**

The long-term employment practice is faltering due to changes in the labor market structure such as decreasing birth rate and rapidly aging society as well as long-term economic stagnation since the 1990s, and revision of the seniority-based wage system is being advanced.

A rapid increase in atypical workers such as part-time workers has imposed tremendous influence on the modality of collective labor-management relations.

The unionization rate fell below 20% in 2003 and has remained unstable since then, falling to 17.9% in 2012. If we look at the situation in the private sector alone, the figure is 16.7%. Labor unions focused on regular employees are definitely lagging behind the unionization of atypical workers, but the unionization rate among part-time workers is rising gradually, from 2.7% in 2001 to 6.3% in 2012 (see Table IV-1). In addition, looking at the situation by scale of

corporation reveals stark differences in organization of labor unions. In other words, in 2012, the unionization rate among corporations with more than 1,000 employees was 45.8%, but among corporations with between 100 and 999 employees this figure was 13.3%, and for corporations with less than 99 employees, the figure was 1.0%. This demonstrates that labor unions in small, medium and micro enterprises have diminished even further in presence.

Shortcomings can also be seen in the Shunto method. With international intensifying competition, management have taken such measures as flexible personnel management reflecting corporate results as a modality for wage increases, rationalization of wage standards that enable the maintenance of international competitiveness, establishment of a wage system that recognizes abilities, results and contributions, and as well as the multi-streaming of wage management. It is becoming clear that cross-industry wage increases are increasingly difficult in such an environment.

In contrast to the period when wage hikes could be guaranteed thanks to high-speed growth, international corporate competition has intensified, and in the increasingly severe corporate management environment we have entered a period in which labor conditions could be lowered. Japan's labor unions is tested whether they can regain their power and influence and demonstrate their presence in the labor market.

**Table IV-1 Changes in the Number of Union Members and the Estimated Unionization Rate for Part-time Workers (Unit Labor Union)**

Year	Number of labor union members among part-time workers			Ratio to all union members (%)	Number of short-time workers (in 10,000)	Estimated unionization rate (%)
	(in 1,0000)	Year-on-year difference (in 1,0000)	Year-on-year difference ratio (%)			
2001	28.0	2.0	7.8	2.5	1,042	2.7
2002	29.2	1.3	4.5	2.7	1,097	2.7
2003	33.1	3.8	13.1	3.2	1,098	3.0
2004	36.3	3.1	9.5	3.6	1,107	3.3
2005	38.9	2.6	7.3	3.9	1,172	3.3
2006	51.5	12.6	32.4	5.2	1,187	4.3
2007	58.8	7.3	14.2	5.9	1,218	4.8
2008	61.6	2.8	4.7	6.2	1,232	5.0
2009	70.0	8.4	13.7	7.0	1,317	5.3
2010	72.6	2.6	3.7	7.3	1,291	5.6
2011	77.6	5.0	6.8	7.8	-	-
2012	83.7	6.1	7.9	8.5	1,332	6.3

Source: Ministry of Health, Labour and Welfare, *Survey of Labour Unions, 2012*

Notes: 1) "Part-time workers" are those who work fewer hours than regular workers at the same business operation, or work regular working hours with a shorter workweek, and referred to as "part-time workers" at the workplace.

2) The number of short-time workers is the number of those who are classified as "employed" in the Labour Force Survey with less than 35 working hours per week.

3) Estimated unionization rate is calculated by the following formula: Number of union members among part-time workers ÷ Number of short-time workers.

## 2 State of Unionization and Labor Union Structure

### Unionization Rate of 17.9%

According to the “Survey of Labor Unions” issued by the Ministry of Health, Labour and Welfare, as of June 30, 2012, there were 54,773 unit labor unions in Japan. The estimated unionization rate is 17.9%, with about 9.892 million out of a total of around 55.28 million employed workers belonging to unions.

The organizational structure of Japan’s labor unions is overwhelmingly dominated by enterprise unions. Craft unions and industry trade unions also exist —though in small numbers— but in Japan where long-term employment is common, over 90 percent of unions are enterprise unions.

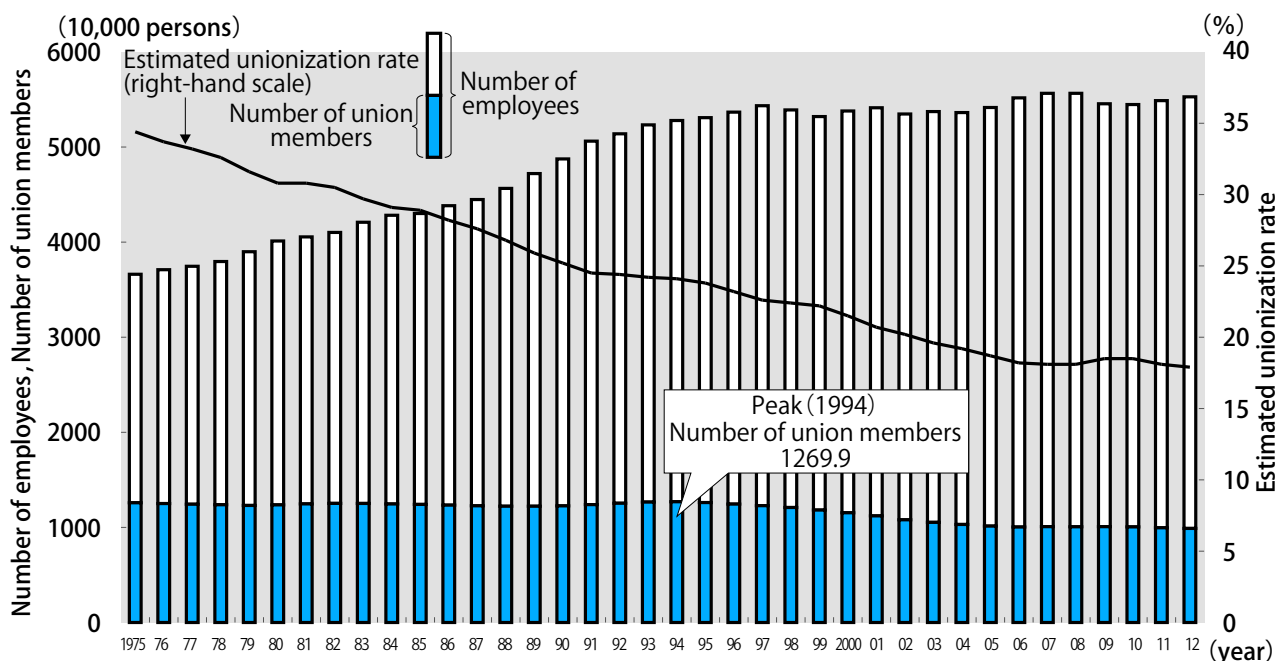
### The Unionization Rate Has Been Declining Since its Peak in 1949, But Has Held Steady or Risen in Recent Years

Since its peak in 1949, the estimated unionization

rate has continuously declined because the growth in the number of union members has not kept up with the growth in numbers of employees. In addition, the number of union members in 1994 peaked at around 12.62 million, before going into steady decline (see Figure IV-2).

Broken down by industry, unionization rates are high in compound services (57.4%), electricity, gas, heat, and water supply (50.5%), government service (39.5%), and finance and insurance (48.0%). In contrast, rates are low in industries such as agriculture, forestry, and fisheries (2.2%), real estate and rental and leasing of goods (2.8%), accommodations and eating and drinking places (4.6%), services (miscellaneous) (4.4%), and living-related/personal services and amusement (5.9%). The industry with the largest number of union members is the manufacturing industry (27.3%) (see Table IV-4).

**Figure IV-2 Changes in the Number of Employees and Union Members, and the Estimated Unionization Rate (Unit Labor Union)**



Note: Because of the Great East Japan Earthquake, average figures in 2011 are estimated figures for reference purpose.

**Table IV-3 Unionization Rate by Size of Enterprise**

(10,000 persons, %)

Size of enterprise	The number of union members	The number of employees	Estimated unionization rate
Total	828.9	4,961	16.7
More than 1,000 workers	519.8	1,135	45.8
300-999 workers	119.9	1,389	13.3
100-299 workers	64.7		
30-99 workers	21.4	2,385	1.0
Fewer than 29 workers	3.2		
Others	99.9	—	—

Source: Ministry of Health, Labour and Welfare, *Survey of Labour Unions (2010)*

Notes: 1) The total number of unit unions

2) "Others" includes members of unions that embrace more than one industry (excluding group enterprises) and unions whose size is not known.

3) "Number of employees" represents workers employed by private enterprises, excluding agriculture and forestry.

**Table IV-4 Unionization by Industry**

Industry	Number of union members (1,000 persons)		Number of employees (10,000 persons)	Estimated unionization rate (2012) (%)
		Percentage (%)		
All industries	9,831 [2,984]	100.0	5,528	—
Agriculture, forestry, and fisheries	13 [1]	0.1	60	2.2
Mining	5 [1]	0.1	3	17.0
Construction	831 [59]	8.4	419	19.8
Manufacturing	2,695 [434]	27.4	988	27.3
Electricity, gas, heat supply and water	187 [25]	1.9	37	50.5
Information and communications	389 [77]	4.0	177	22.0
Transport	873 [82]	8.9	329	26.5
Wholesale and retail trade	1,210 [609]	12.3	926	13.1
Finance and insurance	734 [363]	7.5	153	48.0
Real estate	29 [8]	0.3	102	2.8
Scientific research, professional and technical services	146 [27]	1.5	154	9.5
Eating and drinking place, accommodations	143 [73]	1.5	313	4.6
Living-related and personal services and amusement services	112 [51]	1.1	188	5.9
Education and learning support	543 [293]	5.5	271	20.0
Medical health care and welfare	480 [370]	4.9	673	7.1
Combined services	270 [71]	2.7	47	57.4
Services	181 [37]	1.8	412	4.4
Public service	929 [385]	9.4	235	39.5
Other industries	62 [19]	0.6	42	—

Source: Ministry of Health, Labour and Welfare, *Survey of Labour Unions (2010)*

Notes: 1) The total number of unit labor unions

2) The "other industries" category covers members of unions that embrace more than one industry (excluding group enterprises) or whose industrial classification is unclear

3) Figures in brackets represent female union members

### **Primary Reasons for the Falling Unionization Rate are the Growth of the Service Sector and Increases in Part-time Workers**

There are two factors behind the falling unionization rate. Firstly, the burgeoning of development in the service economy has increased the proportion of the commerce and service among overall industries, in which the unionization rate have historically been low. Secondly, the diversification of employment has resulted in increasing numbers of part-time workers who are difficult to organize. Another factor is attrition of numbers due to retirement of people who used to be union members and who are not being replaced by new members.

### **Labor Union Structure**

Japanese labor unions basically have a “triplicate structure”. That is, (1) enterprise labor unions organized at each business, (2) industrial trade unions organized as loose federations of enterprise union members gathered by industry, and (3) national centers (a typical example being the Japanese Trade Union Confederation) made up of the industry trade unions gathered at the national level.

### **Enterprise Labor Unions: Asserting Labor’s Basic Rights**

Enterprise labor unions are Japan’s dominant form of labor organization because each enterprise union exercises labor’s three primary rights: the rights to organize, bargain collectively, and strike. Each enterprise union has most of the staff, funding, and other materials necessary to exercise labor’s three primary rights. Labor unions play the role of maintaining and improving workers’ quality of life and working conditions. In order to do so, they engage in three primary activities: activities with management, activities within the unions, and activities outside the organization. First of all, as individual unions, enterprise unions maintain and improve working conditions as in Figure IV-5 and participate in management through collective bargaining and consultation with the management. Next, as for activities within the unions, enterprise

unions not only deal with organizational operations but also provide their members with services through various kinds of mutual aid activities.

Finally, when it comes to activities outside the organization, enterprise unions individually seek to provide benefits to their members by using their influence for various policies on the regional, industrial, and national levels concerning employment and working conditions as well as quality of life of their members. In addition, recently, more and more labor unions are getting involved with community and volunteer activities in order to improve their public relations.

Incidentally, the enterprise unions are only intended for regular staff employed at the concerned companies, and non-regular staffs are generally not included. The enterprise union is a mixed union organized as a single trade union for all regular staffs, without distinction between white-collar and blue-collar. A recent trend has been for progressive unionization of non-regular workers, mainly part-timers.

### **Industrial Trade Unions: The Mechanism and Roles**

Enterprise unions are limited by their own resources to engage in the above-mentioned three activities. In order to expand their effectiveness, they have established industrial trade unions. Industrial trade unions support their member unions’ actions against business owners by consolidating requests concerning chief working conditions such as wages and working hours on the industrial level, collecting and providing information and basic materials, and coordinating negotiation strategies. In terms of activities within the organization, industrial trade unions provide their members with a variety of services through mutual aid activities, including life insurance, pension, medical insurance and so on. In addition, industrial trade unions participate in the formation and decision-making processes of national industrial policies, consult with economic organizations and develop international cooperation among labor unions.

## **National Centers: The Mechanism and Roles**

National centers (mainly Rengo-the Japanese Trade Union Confederation) provide members with support for actions against business owners by, for example, deciding comprehensive standards for requests regarding working condition issues such as wages and working hours. However, the most important role of the national centers is their participation in national politics. Rengo, the largest of the national centers, maintains and improves workers' quality of life by sending its members to various advisory bodies in the government, participating in the decision making processes of government policy making, and concluding and maintaining cooperative relations with political parties.

## **Acts of Labor Dispute Take Place at the Company Level**

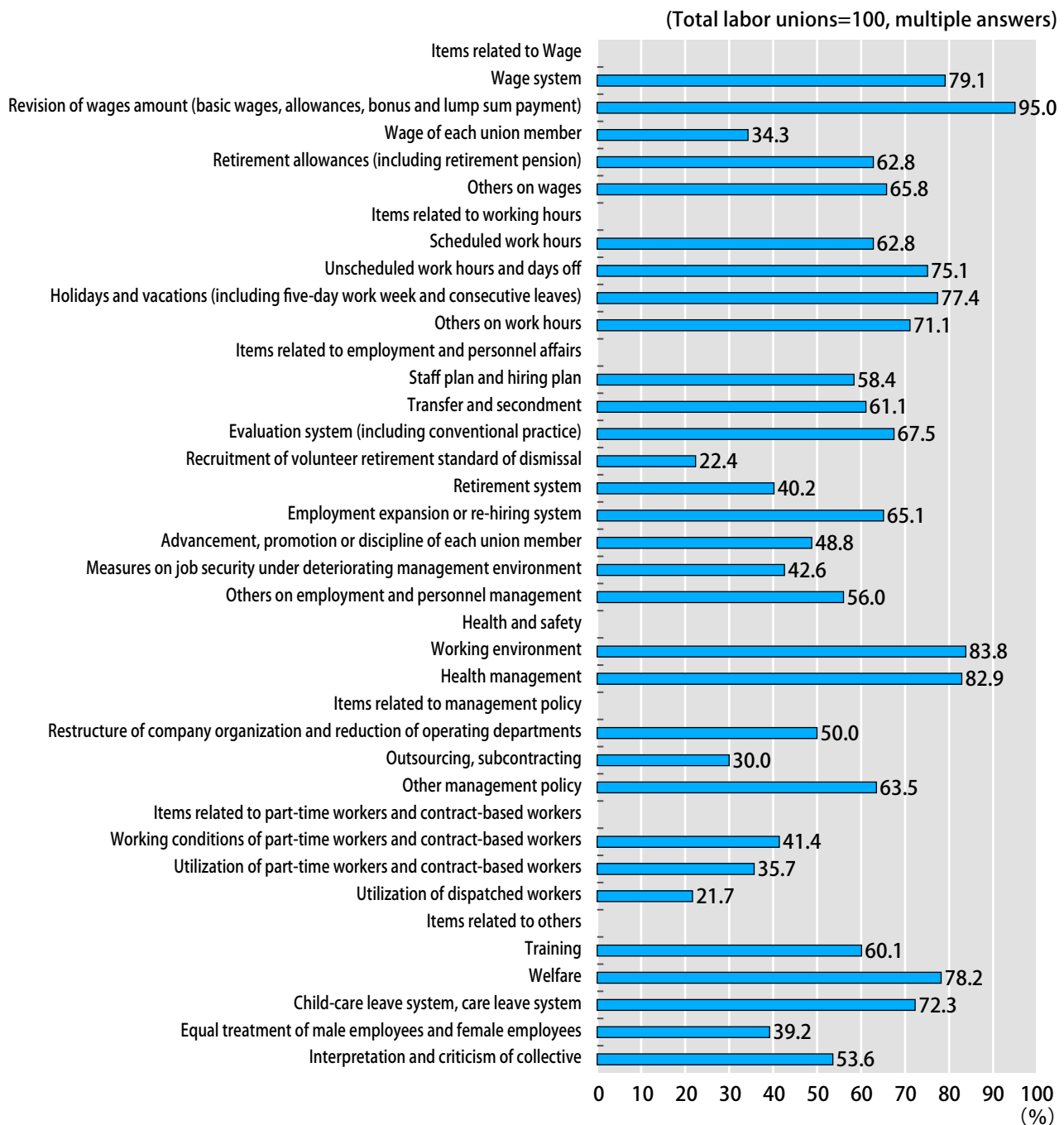
Although Japan's industrial relations are harmonious, that is not to say that labor disputes never arise. Over the three years up to 2012, the ratio of labor unions that "Had labor disputes" with employers was 3.7%, lower than in the previous

survey (2009, 5.4%). Labor disputes mostly occur on an individual company basis.

Above we examined the structure and function of Japan's labor unions, and labor disputes, but enterprise unions are most familiar to their members and play the most immediate role in maintaining and improving their quality of life. Furthermore, enterprise unions serve as the foundation for relations with industrial unions and national centers. For example, staff and financial resources move from individual enterprise unions to industrial unions in the form of dispatches and financial contributions, and then flow further from industrial unions to national centers.

Accordingly, most board members of industrial trade unions and national centers are dispatched from enterprise unions, and hold positions at those enterprises. Moreover, union dues of major enterprise unions often exceed those of their affiliated industrial trade unions. Labor disputes occur almost exclusively at the enterprise level. However, there are also cases in which there is a reverse flow of information and policies from national centers, through industrial trade unions, to the individual enterprise unions.

**Figure IV-5 Ratio of Labor Unions by Items regarding Subject between Labor and Management, Whether or Not Negotiation Was Held and Session through Which Negotiation Was Held (in the Past 3 Years)**



Source: Ministry of Health, Labour and Welfare, *Survey Results on Collective Bargaining and Labour Disputes, Policy Planning and Research Department (2012)*

Note: The last 3 years means from July 1, 2009 to June 30, 2012.



## 3 Shunto: Spring Wage Offensive

### What Is Shunto?

Shunto - the spring wage offensive - is a united campaign by the labor unions, led by Industrial Unions. It is launched every year between March and April, the main aim of negotiations being higher wages. Beginning in 1955, Shunto has become a platform for wage rise demands throughout Japan. By establishing a schedule for strike action and unified demands in each industry, Shunto provided a framework that surpassed internal individual corporate negotiations, instead creating a bargaining method whereby wage increases could be secured throughout the entire industry. The aim of Shunto when it was initially launched was, “the realization of wage increases to put wages on a par with Europe and the US”.

The results of these negotiations did not merely affect the industrial sector. Their influence fanned out in the late 1950s to form what became known as the “spring wage settlement” throughout Japan as a whole, including small and medium enterprises and the public sector. From the 1960s and the period of rapid economic growth, the driving force behind Shunto - the so-called pattern setter - was the labor-management negotiations in the steel industry, which was representative of the bullish manufacturing sector as a whole. In addition, in 1964, the Japan Council of Metalworkers’ Unions (IMF-JC) was formed as the result of the merger of labor unions in the following four metals industry sectors: steel, ship-building and engineering, electric, and automobiles. This private sector metalworkers’ organization took the lead in the Shunto wage increase negotiations each year.

### An End to Rapid Growth and a Shift in Shunto Policy

The period of rapid growth came to an end with the first oil shock in 1973. Commodity prices jumped 20% bringing confusion to the market and for the first time in the post-war period real GDP recorded negative figures. It was in 1975 that the “theory of economic conformance” first appeared in the Shunto, which was

essentially a self-imposed limit on wage increase demands with the aim of achieving price stability. Ever since, Shunto has come to be dominated by this concept. As a result, the initial direction of Shunto’s achievement, “large scale wage increases” to realize wage that is equivalent to Europe and the US, was abandoned and an end was brought to the era of two-digit annual wage increases.

After rapid growth ground to a halt, the “theory of economic conformance” espoused by IMF-JC, which took the lead in negotiations resulted in inflation being controlled and made a significant contribution to the macro-economy and the achievement of moderate growth in the 4-5% range. This theory of economic conformance functioned as a kind of “social income distribution mechanism” built in to the Japanese economy. However, following the collapse of the bubble economy, Shunto demands, which had been premised on the theory of economic conformance, were faced with a deflationary economy from the late 1990s, bringing Shunto to a second point of transition in its history.

### Shunto in the Post-bubble Era

The collapse of the bubble economy resulted in Japan falling into a recession which has become known as the “lost decade.” From the latter half of the 1990s deflationary tendencies intensified, and the labor-side’s demand structure of “annual pay increases + commodity price increases + improvements in living standards” at Shunto lost effectiveness, due to the fact that they had been premised on continuous economic growth. The wage increase rate accordingly slumped (see Figure IV-6).

Entering the 21st century, Shunto found it difficult even to maintain the so-called annual pay increases (equivalent to 2%), impacted by the long recession, permeation of performance-based pay system, the persistent deflationary economy, and the hollowing out of industry, among other factors. From 2002 the IMF-JC ceased to make a unified request for hikes in base

pay, and the phenomenon of Shunto ceasing to seek wage hikes continued. Therefore, management has thus declared that “Shunto is dead” in that industry-wide settlements for hikes in base pay have come to an end.

Since being written off for a second time, however, a new role is being sought for Shunto as a means of correcting disparities. One new initiative for remedying disparities between enterprises is the determination of wages based on occupational rates. IMF-JC is exploring migrating to an occupational wage-based method of determining wage levels, while the Japanese Electrical, Electronic and Information Union moved to an occupational wage-based demand system, beginning from the 2007 Shunto, to demand wages commensurate with the value of work according to occupation. Moreover, based on the fact that there are pronounced wage gaps depending on the scale of the company (between large companies and small and medium-sized enterprises) and also depending on the form of employment (between regular and irregular employment,) the Japanese Trade Union Confederation (JTUC-RENGO) launched the “joint offensive for small and medium-sized enterprises” and the “joint offensive for part-time workers.” Both joint offensives aim to redress the gap by raising the overall level of wages and working conditions.

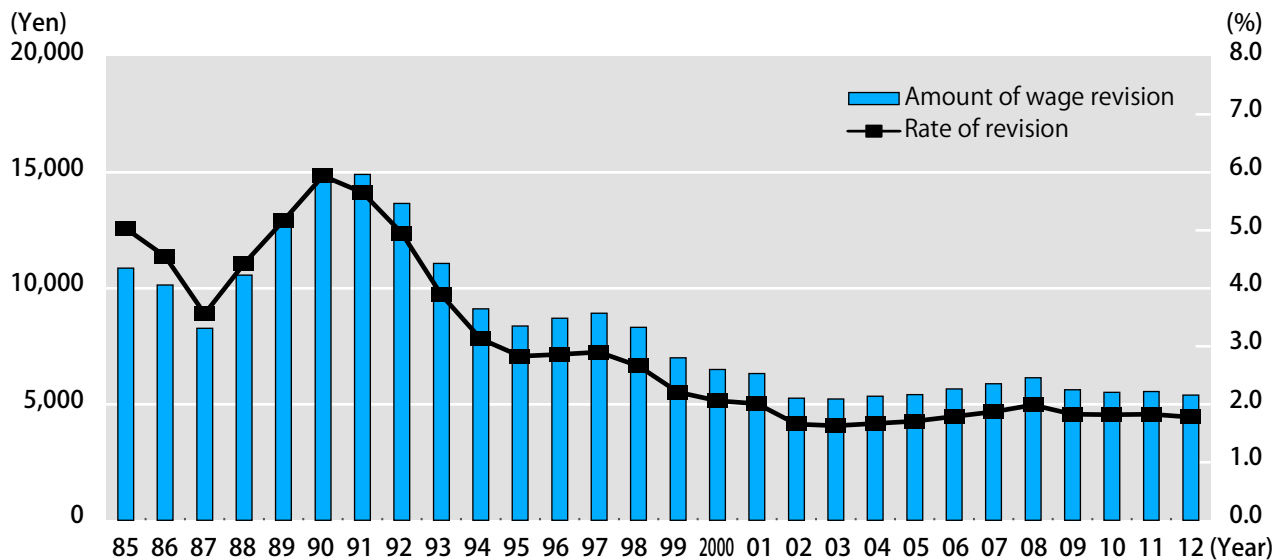
### **The Biggest Policy Challenge for Government, Labor and Management Is to Break Away from Deflation**

Wage levels in Japan as a whole peaked in 1997, and have been in a downward trend ever since. To

make matters worse, under the impact of the global economic crisis of autumn 2008, the following year saw the largest fall in wages since the Second World War. In light of this, the unions embarked on a strategy of negotiation targeting a return to wage levels at their peak, starting with the 2011 Shunto. But just as the Shunto was reaching its climax, the Great East Japan Earthquake struck. The disaster was followed by the Fukushima nuclear power accident, and this in turn by flooding in Thailand that autumn, causing a sudden fall in corporate performance. The impact of this extended to the 2012 Shunto, when bonuses fell sharply.

Both labor and management agreed with the government that deflation is responsible for the protracted stagnation in Japan's economy, and that breaking away from deflation is the biggest policy challenge. Then, at the end of 2012, the Democratic Party suffered a crushing defeat and the LDP-Komeito coalition was revived. This signalled a second term of office for Shinzo Abe and the start of what is now called “Abenomics”. Now, in a bid to break free of deflation, the new administration urged businesses to increase remunerations during Shunto negotiations. But although some companies agreed and the mood of the 2012 Shunto pointed strongly toward wage hikes, it still led to no overall increase. Meanwhile, in the “Growth Strategy” drafted by the new administration, opportunities are to be created with a view to achieving a common understanding between government, labor and management on issues such as how to distribute the fruits of growth. All eyes are now on how these three sectors will reach a social consensus in a bid to break free of deflation.

**Figure IV-6 Fluctuations in Revisions to Average per Capita Wage and Rate of Revision (Weighted Average)**



Source: Ministry of Health, Labour and Welfare, *Results of Spring Wage Negotiations by major private companies*

Note: In principle up to 2003, companies surveyed are those with a capital of over 2 billions and whose labor union is comprised of over 1,000 workers, among member enterprises in the first section of Tokyo Stock Exchange or Osaka Stock Exchange (before 1979: simple average, after 1980: weighted average). Meanwhile in principle after 2004, they are those with a capital of over 1 billion and whose labor union is comprised of over 1,000 workers (weighted average).

## 4 Labor Disputes and Resolution Systems

### Decline in Collective Disputes and Increase in Individual Disputes

Due to the impact of the diversification of forms of employment resulting from changes in Japan's socioeconomic structure, the unionization rate is demonstrating a downward trend (standing at an estimated 17.9% as of the end of June 2012, according to the summarized findings of the 2012 Basic Survey on Labor Unions published by the Ministry of Health, Labour and Welfare on December 18, 2012), and the dispute settlement and collective industrial dispute resolution functions of unions (measured in terms of the number of unfair labor practice relief and dispute adjustment cases) are weakening. At the same time, the diversification of forms of employment and consequent increase in individualized employment management are pushing up the number of individual labor disputes.

After providing an overview of the collective and individual dispute resolution systems, this section examines the operational status of each and provides an introduction to recent trends in collective and individual disputes.

### Collective Labor Disputes

#### 1. Resolution systems

The Trade Union Law (TUL) provides for a system of relief against unfair labor practices, with a view to protecting and promoting labor union activity by providing relief when certain acts have been committed by employers against labor unions and their members (Article 7). It also establishes a system of labour relations commissions designed to provide said relief (Article 19 onwards), among others.

Meanwhile, the Labor Relations Adjustment Act (LRAA) focuses on voluntary adjustments by parties involved in labor relations (Articles 2 and 4), and provides for government assistance in adjusting labor disputes (Article 3).

#### (1) Unfair labor practice relief system

The unfair labor practice relief system in the Labor Union Act prohibits prejudicial treatment, refusal of collective bargaining, and dominance and intervention by employers against labor unions and union members, and provides for corrective measures in the event of such acts in order to normalize future relations between labor and management and ensure the functioning of the right to organize, the right of collective bargaining, and right of collective action as guaranteed in Article 28 of the Constitution of Japan.

The bodies involved in providing relief are labour relations commissions (both prefectural and central), which are independent tripartite administrative bodies made up of representatives of the public interest, employees, and employers.

The procedure for examination in cases of unfair labor practices follows the sequence of (i) filing a motion for relief (the motion principle), (ii) investigation (claims of the parties, gathering evidence, organizing issues), (iii) hearings (examining witnesses, etc.), (iv) meeting of public members (fact finding, deciding content of orders), and (v) orders (TUL Article 27 onwards).

In the final stage of the process, labour relations commissions issue administrative dispositions in the form of orders for relief or rejection of the motion. The content of relief orders depends on the circumstances of each individual case, and labour relations commissions are permitted broad discretion on the content of relief orders (Supreme Court Full Bench Decision on the 1977 Dai-Ni Hato Taxi Case).

Anyone wishing to contest an initial ruling by a prefectural labour relations commission may continue the dispute either by filing an appeal for reexamination by the Central Labour Relations Commission (CLRC) (TUL Article 27-15), or by filing an action for rescission of the order (administrative disposition) with a court of law (TUL Article 27-19).

Labour relations commissions may recommend settlement to the parties when an opportunity arises

for negotiated settlement between the parties during the course of investigation and hearings (TUL Article 27-14 para.1). If a settlement is successfully reached, the case is concluded (para. 2 of the same).

## **(2) Labor disputes adjustment system**

The methods of adjustment of labor disputes stipulated in the Labor Relations Adjustment Act are conciliation, mediation, and arbitration. Labour relations commissions are involved in adjustment. As well as situations where dispute tactics have already taken place, labor disputes subject to adjustment also include situations where there is concern that dispute tactics might take place (Article 6). Moreover, in the Labor Relations Adjustment Act, dispute tactics refer to actions that hinder the normal duties carried out by the parties concerned on both the labor and the management side, such as slowdowns and lockouts, as well as strikes (Article 7). The following provides an outline of the adjustment methods by type.

**[Conciliation]** Conciliation (Article 10 onwards) commences following an application by one or both parties concerned. Conciliators appointed by the labour relations commission chairperson from among a register of conciliators (often consisting of a mix of representatives of the public interest, employees, and employers) ascertain the assertions of each party and produce a conciliation proposal. However, the decision on whether to accept this proposal is left up to the parties themselves.

**[Mediation]** Mediation (Article 17 onwards) commences following either: (1) an application from both parties, (2) an application based on the provisions of a collective agreement by one or both parties, or (3) in cases involving public services, an application from one interested party, the decision of the labour relations commission, and the request of the Minister of Health, Labour and Welfare or the prefectural governor. Mediation is carried out by a tripartite mediation committee formed of representatives of the public interest, employees, and employers, which is appointed by the labour relations commission chairperson and on which employees and employers are equally represented. Both parties present their opinions, and the mediation committee drafts a mediation proposal that it advises them to

accept. Acceptance of this proposal is left up to the parties themselves.

**[Arbitration]** Arbitration (Article 29 onwards) takes place in the event of an application either by both parties, or by one or both parties in accordance with the provisions of a collective agreement. The chairperson of the labour relations commission appoints three people agreed to by the parties concerned from among public interest members to form an arbitration committee. This committee meets after hearing about the circumstances from the parties concerned, and determines the details of an award by means of a majority vote of the arbitration members. The arbitration award is prepared in writing (Article 33) and has the same force as a collective agreement (Article 34).

However, in the case of dispute tactics being undertaken by parties involved in public services (Article 8: transportation, postal and telecommunications services, water, electricity and gas supply, or medical and public health services), the labour relations commission and the Minister of Health, Labour and Welfare or prefectural governor must be informed at least 10 days in advance (Article 37, paragraph (1)). Moreover, in the event of dispute tactics relating to any kind of business, the parties must immediately notify the labour relations commission or prefectural governor (Article 9).

## **2. Operational status and trends relating to cases**

### **(1) Unfair labor practice cases**

The number of unfair labor practice cases handled over the past eight years is shown in Table IV-7 and Table IV-8. Judging from these, “Cases pending (Total)” could be said to be in a generally decreasing trend for both “First examinations” and “Reexaminations”, although the number has slightly increased over the last two or three years in both cases. The same is true for cases pending “Carried over from previous year”. However, cases of reexamination “Carried over from previous year” are in a decreasing trend.

In terms of “Cases concluded”, cases of reexamination (see Table IV-8) generally tend to be settled more frequently by “Orders / decisions” than

by “Withdrawals/settlements”. Conversely, significantly larger numbers of “First examinations” (see Table IV-7) are concluded by “Withdrawals/settlements” than by “Orders/decisions”. In “First examinations”, “Cases concluded (Total)” generally remain on a par, although some inconsistency can be seen depending on the year. By contrast, “Cases concluded (Total)” in “Reexaminations” turned downwards after peaking in 2006, and either decreased or remained level thereafter. After a huge decrease to 53 cases in 2009, however, they returned to an increase in 2010 and 2011.

Incidentally, the unfair labor practice relief system was revised by means of an amendment to the Labor Union Act in 2004, in order to expedite examinations and increase their accuracy by improving examination procedures and systems. The main revisions were as follows: (1) systematic examination (formulation of examination plans and establishment of targets for examination periods); (2) swifter and more accurate fact-finding (through ordering the appearance of witnesses and submission of articles, and by limiting the submission of evidence in annulment actions relating to articles subject to submission orders); (3) upgrading of the CLRC’s examination system (to enable the issuance of orders through consultations by a subcommittee consisting of five public interest members, and the provision of training and assistance to prefectural labour relations commissions by the CLRC); and (4) promotion of settlements (by allowing labour relations commissions to advise the parties to reach a settlement, and by deeming the execution of written statements of settlement to be a debt).

Of these institutional developments, in the case of the establishment of targets for examination periods mentioned in (1) above, the target set is “to conclude new cases within as short a period as possible within one year and six months” (moreover, as of December 2010, the same target was set for cases submitted for reexamination by the CLRC during the three years from 2011 to 2013). Viewing the “Conclusion Status” of 172 cases pending in 2012 (the total of new motions and cases carried over from the previous year) according to the “Examination Period Target Attainment Status (Dec. 31, 2012)” published on the

CLRC website, 92 cases were concluded in total, and cases took 385 days on average to process. Of all cases concluded, 80 were concluded within the target period of one year and six months, and the rate of target attainment was 87.0%. On the other hand, 12 cases took longer than one year and six months to conclude.

Meanwhile, the “Examination Period Targets (2011-2013)” published by CLRC in December 2010 included a note to the effect that “These targets do not include cases in which significant numbers of cases between the same parties were pending and it was deemed difficult to proceed immediately after a motion was brought, or cases that were pending from before the effectuation of the 2004 amendment to the Trade Union Law and are extremely difficult to process. For these cases, individual efforts are to be taken in accordance with the respective circumstances of each”. Thus, realistic aims have been set out with a view to resolving disputes.

## (2) Labor dispute adjustment cases

Numbers of labor dispute adjustment cases and their conclusion status are shown in Table IV-9. According to the data, cases “Carried over from the previous year” are tending to alternate between increases and decreases. Meanwhile, “Cases pending” and the “Total” are generally trending on a par, with the exception of 2009.

In terms of different adjustment methods, “Conciliations” are overwhelmingly in the majority. This is thought to be due to the simplicity of procedures, and the fact that conciliation serves as a means of arbitration, in that, in practice, it brings out problem points between the parties.

In terms of “Cases concluded”, the “Total” and cases concluded by “Settlement” are trending more or less on a par. However, although cases concluded by “Withdrawal” temporarily increased in 2009 and 2010, they may be regarded as being in a decreasing trend in the medium term. Conversely, cases concluded as “Abandoned” are in an increasing trend.

If we look at the conclusion status, we can see that the resolution rate has been demonstrating a downward trend each year (see Table IV-10). One of the reasons for this would seem to be the decline in

the number of cases being withdrawn.

Regarding the grievances leading to labor dispute adjustment, we can see that, in general, financial grievances have accounted for approximately 36% and non-financial grievances for approximately 63% in all years (see Table IV-11). A breakdown of the financial grievances shows that the proportion accounted for by “lump-sum payments” is somewhat higher than all other categories except “other.” The most common non-financial grievance is “pursuit of collective bargaining,” with just under 30%, followed by “management/personnel,” at around 22%.

Looking at trends in the resolution rate, we can see that it has been on the decline year-on-year (see Table IV-12). Until 2008, the figures for the number of cases concluded and the number of cases resolved were both mostly holding steady, but there was a rise in 2009 compared with the previous year, in cases handled by prefectural labour relations commissions and all labour relations commissions, with the number of cases concluded increasing by 200 and the number of cases listed as resolved increasing by 100. It is thought that this might be one of the reasons for the decline in the resolution rate. Since then, however, the resolution rate has declined even though the number of cases has decreased. Deteriorating labor relations due to the worsening economic situation are thought to be partly to blame for this.

If we look at the average time required for adjustment, we can see that there is considerable variation according to the form of adjustment and the year (see Table IV-13). If one were compelled to list the characteristics in recent years, one would have to say that in 2009, in the case of conciliation by all labour relations commissions, the number of cases concluded increased by more than 100, and we can see that the total number for all labour relations commissions consequently increased in the same way. This, probably, is why the average number of days required for adjustment is growing. The number of cases concluded since 2010 has either increased or decreased, depending on the type of adjustment. Here again, deteriorating labor relations may have had an impact on increasing the number of days required for adjustment.

According to data published by CLRC, joint union

cases and last-minute cases in collective industrial dispute adjustment (except specified incorporated administrative agencies, etc.) are in an increasing trend. In particular, the ratio to “all cases” has increased (see Table IV-14).

In 2011, the number of joint union cases was 380, approximately 70% of all cases; among these, 184 were last-minute cases, accounting for approximately 48.4% of the total number of joint union cases, and even as a proportion of all cases, these cases account for approximately 33.9%. This is just conjecture, but the main reasons for this are thought to be the decline in the unionization rate, the rise in the number of irregular employees, and the increase in the number of non-unionized staff in managerial positions.

On the state of occurrence of labor disputes, the Ministry of Health, Labour and Welfare’s “Summary of the 2012 Survey on Collective Bargaining and Labour Disputes” (published June 18, 2013) shows that only 3.7% of individual labor unions had experienced a strike or other labor dispute in the previous three years as of June 30, 2012 (in 2007, the ratio was 5.4%; 4,891 subjects surveyed, 3,147 valid responses, valid response rate 64.3%).

## Individual Labor Disputes

Japan has two systems for resolving individual labor disputes: one administrative and one judicial.

### 1. Administrative system

#### (1) Resolution system

The administrative system for the resolution of individual labor disputes is based on the Act on Promoting the Resolution of Individual Labor Disputes. Put simply, the resolution system prescribed by this act is focused on voluntary resolution between the parties concerned (Article 2) and consists of the following three steps: “information provision and consultation” for the parties concerned at a consultation service (Article 3), followed by “advice and guidance” by the head of the labour bureau in question, in the event that a voluntary resolution cannot be achieved between employee and employer (Article 4), and finally “conciliation” by the Dispute Resolution Council (Article 5) (see Figure IV-15).

A wide range of disputes concerning the initiation,

conduct, and termination of employment are eligible for resolution by this system, including problems at the time of hiring, withdrawal of job conditional offers of employment, redeployments, temporary secondments, job transfers, worsened working conditions, discrimination such as sexual harassment in the workplace, and dismissals (including dismissals due to economic reasons and termination of fixed-term contract) (Article 1 and Concerning the Enforcement of the Act on Promoting the Resolution of Individual Labor-Related Disputes, September 19, 2001, Ministry of Health, Labour and Welfare Notification No.129, (2) Individual Labor-Related Disputes, 1. Purpose).

## (2) Operational status and trends relating to cases

Data on the operation of this dispute resolution system in FY2012 are as follows (Ministry of Health, Labour and Welfare, “Status on the implementation of individual labour dispute resolution in FY2012”, published May 31, 2013).

**Consultation** In FY2012, there were around 1,067,000 cases of consultation. Of these, consultation on civil individual labor disputes (e.g. dismissal not involving violation of labor laws, worsened working conditions, etc.) accounted for about 255,000 cases (see Figure IV-16).

In the main breakdown of consultation on civil individual labor disputes, “bullying / harassment” accounted for the largest proportion with 17.0% (51,670 cases), followed by “dismissal” with 16.9% (51,515 cases), “worsened working conditions” with 11.2% (33,955 cases), “voluntary retirement” with 9.8% (29,763 cases), and “encouragement to retire” with 8.5% (25,838 cases) (see Table IV-17).

By employment format, “regular employees” accounted for 39.8% of those seeking consultation (101,472), followed by “part-time and arubaito workers” with 16.6% (42,309) and “fixed-term contract employees” with 10.6% (27,094). These trends in consultation are also reflected among workers seeking “advice and guidance” and “conciliation”. To highlight a specific characteristic, however, the ratios of applications or requests for consultation, advice, guidance and conciliation have

gradually been increasing among “fixed-term contract employees”.

**Advice and guidance** Trends in requests or applications for advice, guidance and conciliation are shown in Figure IV-18. This reveals that advice and guidance are in an increasing trend, while conciliation is conversely decreasing.

There were 11,089 requests for advice and guidance in FY2012, taking account of overlapping in the case content. In descending order of frequency, “dismissal” accounted for the largest proportion with 16.3% (1,811 cases), followed by “bullying / harassment” with 15.6% (1,753 cases), “worsened working conditions” with 9.8% (1,084 cases), “encouragement to retire” with 8.1% (900 cases), and “voluntary retirement” with 7.6% (843 cases) (see Table IV-19 for main details).

Altogether, 10,290 requests for advice and guidance were processed during FY2012, and 10,019 (97.4%) of these were processed within one month (see Table IV-20). Of these, advice and guidance were given in 9,979 cases (97.0%), the request was withdrawn in 249 cases (2.4%), and the procedure was discontinued in 43 cases (0.4%).

**Conciliation** In FY2012, there were 6,059 applications for conciliation, taking account of overlapping in the case content. In descending order of frequency, “dismissal” accounted for the largest proportion with 29.7% (1,904 cases), followed by “bullying / harassment” with 20.2% (1,297 cases), “encouragement to retire” with 8.9% (574 cases), and “termination of employment” and “worsened working conditions”, both with 8.0% (515 cases) (see Table IV-21).

Of cases for which conciliation was requested, 6,059 were processed during FY2012. Of these, agreement was reached between the parties in 2,272 cases (37.5%), the request was withdrawn at the convenience of the applicant in 363 cases (6.0%), and conciliation was discontinued in 3,403 cases (56.2%), for reasons such as failure of one of the parties to take part in the process.

The period needed for processing conciliation was “within 1 month” in 3,381 cases (55.8%) and “between 1 and 2 months” in 2,302 cases (38.0%). Thus, 5,683 cases or approximately 94% of cases



requested were processed within 2 months (see Table IV-22).

### **(3) Resolution of individual labor disputes by prefectural labour relations commissions**

Since 2003, prefectural labour relations commissions have also been providing consultation or conciliation in connection with individual labor disputes.

According to data published by CLRC on its website, 44 prefectures provided conciliation for 393 individual labor disputes in FY2011, with a resolution rate of 57.8%. The processing time was “within 1 month” in 52.9% of cases and “between 1 and 2 months” in 37.1%. Thus, in total, 90% of cases were processed within 2 months.

Meanwhile, cases of guidance, advice and conciliation undertaken by 14 prefectural labour relations commissions are in a generally increasing trend year on year, with 2,287 cases of “guidance and advice”, 423 cases of “conciliation” pending and 406 cases concluded in FY2011. On average, 36.0 days were taken to process conciliation.

## **2. Judicial system**

### **(1) Resolution system**

Two methods of the judicial resolution of individual labor disputes are available: civil litigation and the labor tribunal system, which began operating in April 2006. As the former is conducted in accordance with the procedure for civil actions, in the same way as other civil cases, it is the latter that is explained below.

To put it simply, the labor tribunal system is aimed at disputes concerning rights and obligations in individual contractual labor relations (individual civil disputes in labor relations) (Article 1); in contrast to ordinary civil litigation cases, procedures for dispute resolution take place at district courts (main branch) and are accelerated by a tribunal composed of a judge (labor tribunal judge) and persons involved in industrial relations who have expert knowledge and experience in this field (labor tribunal lay members) (Articles 7, 9 and 15). This tribunal panel attempts a resolution by mediation where possible (Labor

Tribunal Ordinance Article 22), but if this ends in failure, then a ruling is handed down (Article 20. This takes place within three sessions, as a rule: Article 15, paragraph (2)). If there is any objection to a decision, the parties can make a submission to this effect (Article 21), in which situation, the case proceeds to become an ordinary civil lawsuit, with the institution of action deemed to have taken place from the date of the initial submission to the labor tribunal (Article 22, paragraph (1)) (see Figure IV-23).

The following first of all provides an overview of civil litigation relating to labor relations and then looks at the labor tribunal system.

### **(2) Operational status of ordinary civil litigation concerning labor relations and trends relating to cases**

Firstly, if we look at trends in changes over time, we can see that the number of new cases of ordinary civil litigation concerning labor relations that were received by district courts demonstrated a downward trend until 2006, but there has been an upturn over the last few years, with a major increase to approximately 3,200 cases up to 2009 (see Figure IV-24). However, while the number of cases disposed of fell slightly in 2010 and 2011, the number of cases not yet disposed of reached a record high of 3,250.

The most recent statistical figure is for the number of new ordinary civil litigation cases concerning labor relations received by district courts in 2011, which was 3,170 (see Table IV-25).

Of these, there were 3,028 cases of “Plaintiff: Employee, Defendant: Employer”. In descending order of frequency, these break down into claims in connection with “wage, etc.” with a record high of 1,718 cases, followed by claims for “confirmation of existence of employment contract, etc.” in connection with retirement and dismissal, with 893 cases, and “Other” including claims for compensation, with 417 cases.

On the other hand, the total number of cases handled at district courts that were disposed of in 2011 was 2,959 (see Table IV-26). Of these, whereas the number dealt with by means of a “judicial decision” was 933, the number dealt with by means of a “settlement” was 1,599, so we can see that the

number of settlements was greater than the number of judicial decisions. This trend remains unchanged even when we look at the figures for at least the last seven years.

In terms of the deliberation period for cases disposed of in 2011, the “average deliberation period” was 11.9 months. This is longer than in 2009, when the period was 10.8 months, the shortest in the last five years (see Table IV-27). The breakdown for 2011, in ascending order of ratio, was “within 6 months” with 831 cases (28.1%), “within 1 year” with 875 cases (29.6%), and “within 2 years” with 1,016 cases (34.3%). Thus, 92% of all cases were processed within two years. Moreover, this trend has remained more or less unchanged for the last nine years.

### (3) Operational status of the labor tribunal system and trends relating to cases

With regard to labor tribunals, the number of new cases filed at district courts in 2011 was 3,586, a figure that has increased considerably since the system began operating (see Table IV-28).

The breakdown of applications in 2011 can be broadly classified into “cases with non-pecuniary objectives,” at 1,814 cases, and “cases with pecuniary objectives,” at 1,772 cases, so there were over 100 cases more of the former type than of the latter. If we look at a more detailed breakdown, the most common of the former were “confirmation of status” (under employment contracts relating to retirements/dismissals and personnel transfer cases) at 1,747 cases, followed by “wages and benefits,” which fall into the latter category, at 1,179 cases. In addition, the wages and benefits category would seem to include cases involving petitions for payment for overtime hours worked and pay in lieu of notice of dismissal. Moreover, 431 of the pecuniary cases were classified as “others,” which in many instances are likely to be claims for compensation for various reasons.

The number of “cases disposed of” in 2011 was 3,513, approximately over 70% (2,502 cases, or

71.2%) of which were concluded by means of “successful mediation” (see IV-29). In addition, including mediation, the trends in the reasons for conclusion have remained the same since the system began operating. The next most common reason for conclusion after “successful mediation” was “labor tribunal judgment,” at 641 cases (18.2%). However, of the cases in which a labor tribunal judgment was made, what catches the eye is the fact that objections were filed in 391 cases, or more than 60% (61.0% of 18.2%). (In addition, the “Article 24 conclusion” referred to in Table IV-29 is a situation in which the members of the labor tribunal conclude procedures on the basis of their own authority in light of the nature of the case, based on Article 24 of the Labor Tribunal Act.)

If we look at 3,513 cases of the “average deliberation period” in regard to the cases that were disposed of in 2011, a little less than 80% of all cases were concluded in three months or less; with regard to the detailed breakdown, 3.4% (120 cases) were dealt within a month or less, 37.3% (1,325 cases) were dealt within two months or less, 36.2% (1,270 cases) were dealt within three months or less, and 22.0% (772 cases) were dealt within six months or less (see Table IV-30). Moreover, the average deliberation period in 2011 was 2.4 months; there has been no change in this trend since the system first began operating and, compared with the situation concerning ordinary civil litigation, which we looked at previously, we can say that cases are resolved fairly swiftly under the labor tribunal system.

Looking at the situation by the number of tribunal sessions held in 2011, approximately 97% of 3,513 cases of “cases disposed of” were concluded within three sessions; with regard to the breakdown, 4.6% (161 cases) involved “no sessions,” 26.1% (917 cases) involved “one session,” 39.9% (1,400 cases) involved “two sessions,” and 26.6% (933 cases) involved “three sessions,” so we can say that the system is being operated in line with the principles of the Labor Tribunal Act (see Table IV-31).

**Table IV-7 Number of Unfair Labor Practice Cases (First Examinations)**

Year	Cases pending			Cases concluded		
	Carried over from previous year	New cases	Total pending	Withdrawals/ settlements	Orders/ decisions	Total concluded
2003	856 (1)	363	1,219 (1)	280	116	396
2004	823 (1)	311	1,134 (1)	240	135	375
2005	759 (1)	294	1,053 (1)	273	135 (1)	408 (1)
2006	645	331 (2)	976 (2)	247	108	357 (2)
2007	619	330 (1)	949 (1)	314 (1)	147	461 (1)
2008	488	355	843	210	98	308
2009	535	395 (1)	930 (1)	273	103	377 (1)
2010	553	381	934	240	111	351
2011	583	376	959	258	134	392
2012	567	354	921	236	117	353

Sources: Central Labour Relations Commission website (compiled by the author from statistical tables published for multiple years) and Secretariat of the Central Labour Relations Commission, eds. *66th Annual Report on Labour Relations Commissions 2011* (2012) p.3, Table 1

Note: Figures in parentheses denote the number of first examinations conducted by the CLRC included in the main figure. The total number of cases concluded in 2006 includes two cases that were transferred. The total number of cases concluded in 2009 includes one case that was transferred.

**Table IV-8 Number of Unfair Labor Practice Cases (Reexaminations)**

Year	Cases pending			Cases concluded		
	Carried over from previous year	New cases	Total pending	Withdrawals/ settlements	Orders/ decisions	Total concluded
2004	270	83	353	47	25	72
2005	281	90	371	57	65	122
2006	249	77	326	79	69	148
2007	178	76	254	37	59	96
2008	158	51	209	38	57	95
2009	114	54	168	19	34	53
2010	115	68	183	26	48	74
2011	109	89	198	35	36	71
2012	127	75	202	56	46	102

Sources: Central Labour Relations Commission website (compiled by the author from statistical tables published for multiple years) and Secretariat of the Central Labour Relations Commission, eds. *66th Annual Report on Labour Relations Commissions 2011* (2012) p.13, Table 10-1

**Table IV-9 Number of Pending and Concluded Adjustment Cases**

Year	Cases pending						Cases concluded				Carrying over to next year
	Carried over from previous year	New cases pending				Total	Withdrawal	Settlement	Abandoned	Total	
		Conciliations	Mediations	Arbitrations	Total						
2004	130 (10)	526 (8)	4	1	531 (8)	661 (18)	147	279 (4)	133 (2)	559 ( 6)	102 (12)
2005	102 (12)	560 (5)	4	0	564 (5)	666 (17)	139	270 (4)	130 (1)	539 ( 5)	127 (12)
2006	127 (12)	515 (2)	5 (1)	1	521 (3)	648 (15)	108	289 (3)	173 (2)	570 ( 5)	78 (10)
2007	78 (10)	467 (3)	5 (1)	0	472 (4)	550 (14)	103 (12)	219 (2)	149	471 (14)	79
2008	79	546 (4)	6 (2)	0	552 (6)	631 ( 6)	85	264 (4)	181 (2)	530 ( 6)	101
2009	101	707 (1)	26 (2)	0	733 (3)	834 ( 3)	121	343 (3)	237	701 ( 3)	133
2010	133	556 (1)	10 (2)	0	566 (3)	699 ( 3)	110	293 (2)	204 (1)	608 ( 3)	91
2011	91	535	8	0	543	634	80	240	200	520	114
2012	114	459	4	0	463	577	73	254	176	503	74

Source: Central Labour Relations Commission website

Notes: 1) Figures in parentheses denote the number of cases relating to specified independent administrative institutions included in the main figure.

2) Figures for withdrawals include cases that did not get underway.

**Table IV-10 Adjustment Case Resolution Rate**

Year	Number of cases concluded (a)	Number of cases withdrawn (b)	Number of cases resolved (c)	Resolution rate
2004	559 ( 6)	147	279 (4)	67.7%
2005	539 ( 5)	139	270 (4)	67.5%
2006	570 ( 5)	108	289 (3)	62.6%
2007	471 (14)	103 (12)	219 (2)	59.5%
2008	530 ( 6)	85	264	59.3%
2009	701 ( 3)	121	343 (3)	59.1%
2010	607 ( 3)	110	293 (2)	58.8%
2011	520	80	240	54.5%
2012	503	73	254	59.1%

Source: Central Labour Relations Commission website

$$\text{Resolution rate} = \frac{\text{Resolution (c)}}{\text{Number of cases concluded (a) - Number of cases withdrawn (b)}} \times 100$$

Notes: 1) Figures in parentheses denote the number of cases relating to specified independent administrative institutions included in the main figure.

2) Figures for withdrawals include cases that did not get underway.

**Table IV-11 Grievances Giving Rise to New Pending Labor Dispute Adjustment Cases (All Labour Relations Commission)**

(Number of cases and percentage of total)

	2007		2008		2009		2010		2011	
Total	851(6)	100.0	1,014(13)	100.0	1,324(8)	100.0	1,007(13)	100.0	973(9)	100.0
Financial	306	36.0	332(4)	32.7	451(7)	34.1	390(1)	38.7	347(5)	35.7
Wage increases	27	3.2	34(2)	3.4	41(7)	3.1	21(2)	2.1	20	2.1
Lump-sum payments	54	6.3	49	4.8	76	5.7	56(4)	5.6	47(5)	4.8
Working hours and holiday leave	35	4.1	31	3.1	44	3.3	36	3.6	31	3.2
Other	190	22.3	218(2)	21.5	290	21.9	277(5)	27.5	249	25.6
Non-financial	531(6)	62.4	667(9)	65.8	855	64.6	607(2)	60.3	610(4)	62.7
Management/personnel	191	22.4	222(1)	21.9	313	23.6	225	22.3	189(2)	19.4
Pursuit of collective bargaining	246(4)	28.9	294(3)	29.0	380(4)	28.7	276(2)	27.4	290(2)	29.8
Union approval/activities	21(1)	2.5	42(5)	4.1	68	5.1	33	3.3	31	3.2
Other	73(1)	8.6	109	10.7	94	7.1	73	7.2	100	10.3
Conclusion or complete revision of agreement	15	1.8	15	1.5	18	1.4	10	1.0	16	1.6
Total number of cases	472		522		733		566		543	
Average number of grievances (per case)	1.80		1.84		1.81		1.78		1.79	

Source: Secretariat of the Central Labour Relations Commission, eds. *66th Annual Report on Labour Relations Commissions 2011* (2012) p.153, Table 29-2  
 Note: Totals do not match the total number of cases due to the inclusion of multiple grievances per case. Figures in parentheses indicate the number of cases handled by the CLRC, and are included in the totals to their left.

**Table IV-12 Labor Dispute Adjustment Cases Resolution Rate (excluding Specified Independent Administrative Institutions) (All Labour Relations Commission)**

(Number of cases and percentage of total)

Labour Relations Commission	Case	Year							
		2005	2006	2007	2008	2009	2010	2011	
Prefectural Labour Relations Commission	No. of cases concluded excluding withdrawals and transfers	350	368	316	377	571	388	363	
	No. of resolutions	237	226	187	222	335	212	191	
	Resolution rate	67.7	61.4	59.2	58.9	58.7	54.6	52.6	
Central Labour Relations Commission	No. of cases concluded excluding withdrawals and transfers	3	2	2	6	6	6	6	
	No. of resolutions	2	0	2	6	5	5	6	
	Resolution rate	66.7	0.0	100.0	100.0	83.3	83.3	100.0	
All Labour Relations Commission	No. of cases concluded excluding withdrawals and transfers	353	370	318	383	577	394	369	
	No. of resolutions	239	226	189	228	341	217	197	
	Resolution rate	67.7	61.1	59.4	59.5	59.1	55.1	53.4	

Sources: Secretariat of the Central Labour Relations Commission, *64th Annual Report on Labour Relations Commissions 2009*, (2010) p.146, and the same institution's *66th Annual Report on Labour Relations Commissions 2011*, (2012) p.161 Table 34-2  
 Note: Resolution rate = number of resolutions / number of cases concluded excluding withdrawals and transfers

**Table IV-13 Average Length of Labor Dispute Adjustment Cases  
(All Labour Relations Commission)**

(Number of cases and days)

Year	Conciliations				Mediations				Total			
	All Labour Relations Commission		Central Labour Relations Commission		All Labour Relations Commission		Central Labour Relations Commission		All Labour Relations Commission		Central Labour Relations Commission	
	Cases concluded excluding withdrawals and transfers		Cases concluded excluding withdrawals		Cases concluded excluding withdrawals		Cases concluded excluding withdrawals		Cases concluded excluding withdrawals and transfers		Cases concluded excluding withdrawals and transfers	
2005	393	47.9 (34.3)	8	39.8 (32.5)	3	48.0 (30.7)	—	— (—)	396	47.9 (34.3)	8	39.8 (32.5)
2006	452	47.1 (34.2)	7	34.4 (28.0)	4	27.5 (27.5)	1	8.0 (8.0)	456	47.0 (34.2)	8	31.1 (25.5)
2007	361	42.8 (36.6)	4	56.3 (43.5)	4	52.8 (32.5)	—	— (—)	365	42.9 (36.6)	4	56.3 (43.5)
2008	442	43.7 (33.6)	10	28.1 (20.1)	3	19.3 (19.3)	2	9.5 (9.5)	445	43.6 (33.5)	12	25.0 (18.3)
2009	560	51.5 (36.8)	2	117.5 (61.0)	24	12.2 (12.2)	7	33.4 (33.4)	584	49.9 (40.2)	9	52.4 (39.6)
2010	488	55.3 (37.5)	7	13.1 (13.1)	10	34.7 (34.7)	2	9.5 (9.5)	498	54.9 (37.4)	9	12.0 (12.0)
2011	431	50.7 (35.1)	1	19.0 (19.0)	9	46.0 (39.1)	5	28.0 (28.0)	440	50.6 (35.2)	6	26.5 (26.5)

Sources: Secretariat of the Central Labour Relations Commission, *64th Annual Report on Labour Relations Commissions 2009*, (2010) p.147, and the same institution's *66th Annual Report on Labour Relations Commissions 2011*, (2012) p.162 Table 36-2

Note: Number of cases concluded, excluding withdrawals and transfers, pending for less than one year. Figures in parentheses indicate the number of days treating periods in excess of two months as 61 days.

Author's note: There are no statistical data for arbitration, so this has been omitted.

**Table IV-14 Trends relating to Joint Labor Union Cases and Last-minute Cases among Adjustment Cases (Collective Labor Disputes) (excluding Specified Independent Administrative Institutions)**

Year	cases	All cases	Joint labor union cases	Last-minute cases	
2004		523	300 (57.4%)	134	<44.7%> (25.6%)
2005		559	333 (59.6%)	165	<49.5%> (29.5%)
2006		518	305 (58.9%)	131	<43.0%> (25.3%)
2007		468	305 (65.2%)	143	<46.9%> (30.6%)
2008		546	375 (68.7%)	181	<48.3%> (33.2%)
2009		730	487 (66.7%)	269	<55.2%> (36.8%)
2010		563	393 (69.8%)	207	<52.7%> (36.8%)
2011		543	380 (70.0%)	184	<48.4%> (33.9%)

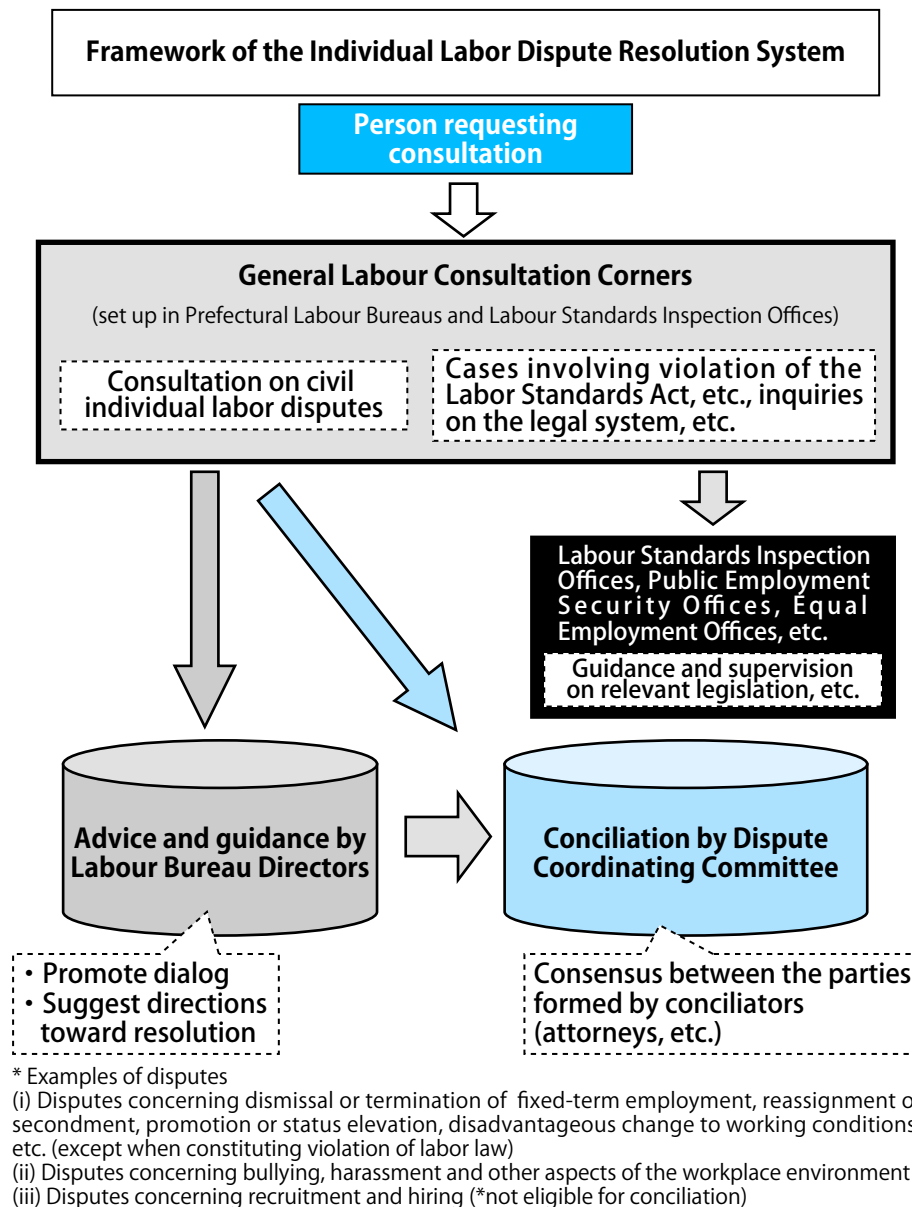
Sources: Central Labour Relations Commission, *2010 Summary of the Total Number of Labor Disputes Handled Nationwide* (released on May 20, 2011), Table 3, and Secretariat of the Central Labour Relations Commission, *66th Annual Report on Labour Relations Commissions 2011*, (2012) p.150 Table 26

Notes: Figures in round brackets denote the share of all cases. Figures in angle brackets denote the share of joint labor union cases.

"Joint labor union" refers to labor unions organized by workers as a regional unit that transcend the boundaries of a single company; these are characterized by the fact that their members are mainly individuals who work at small or medium-sized enterprises. More specifically, they are called "joint labor unions," "general unions," or "regional unions".

"Last-minute cases" refers to cases where the worker joins the joint labor union after being dismissed and the union in question applies for conciliation in regard to the dismissal.

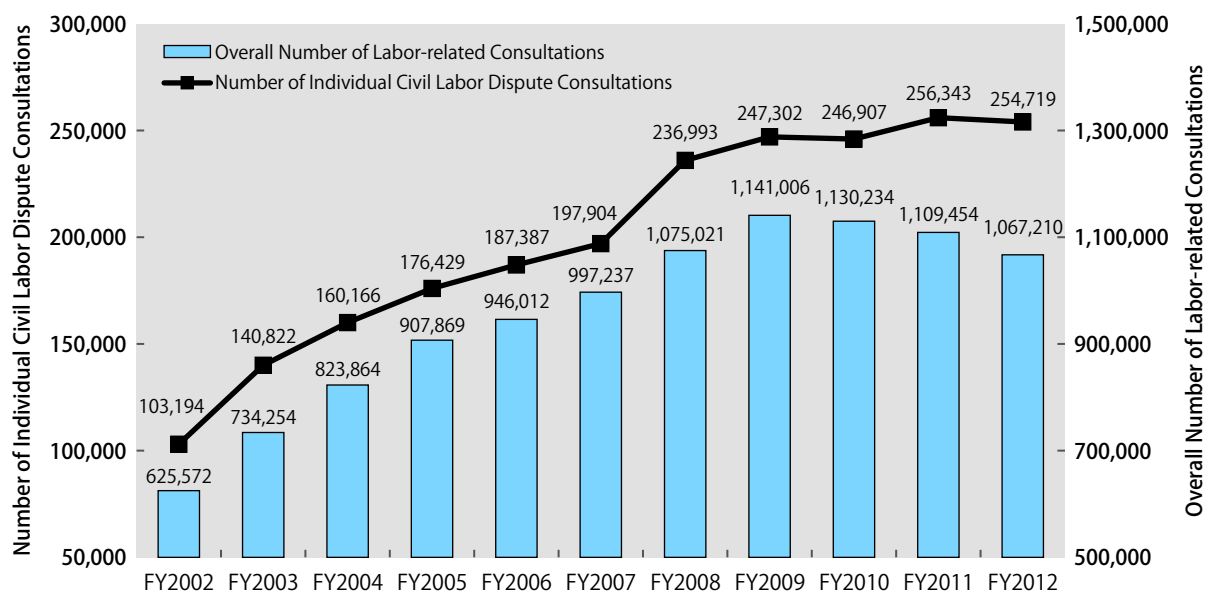
**Figure IV-15 Framework of the Individual Labor Dispute Resolution System**



Source: Ministry of Health, Labour and Welfare, *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013)



**Figure IV-16 Trends in the Number of Cases of General Labor Consultations (FY 2002-2012)**



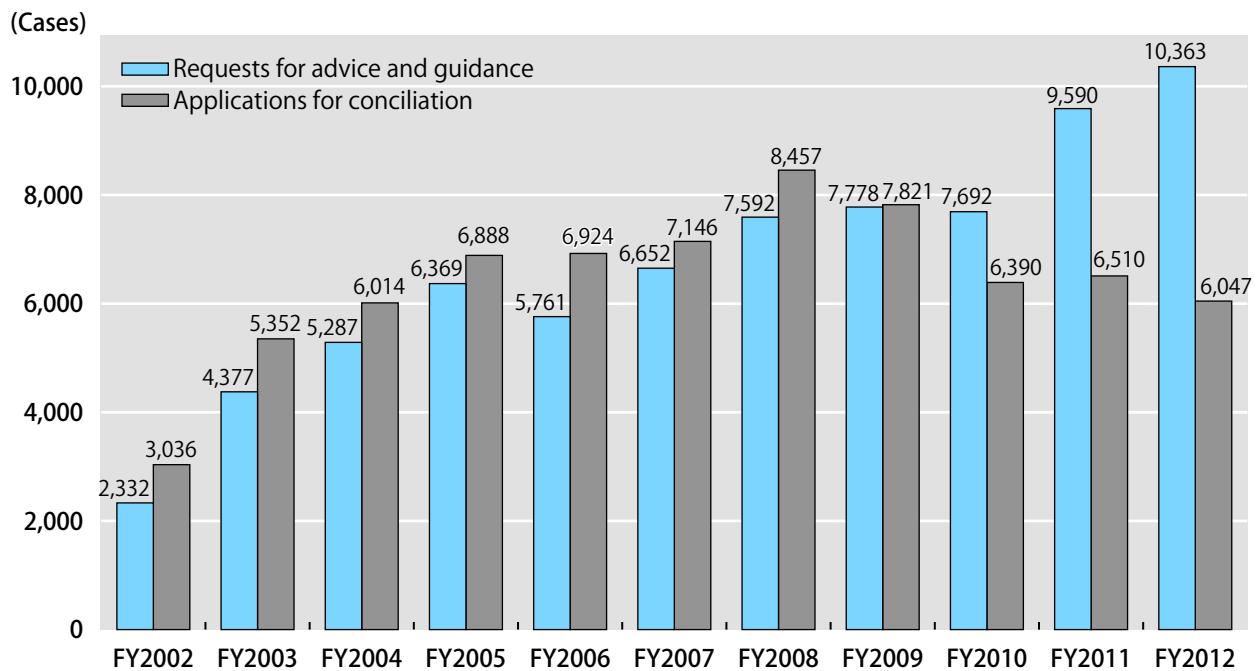
Source: Ministry of Health, Labour and Welfare *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013), Figure 1

**Table IV-17 Trends in Main Disputes over the Last Three Fiscal Years (Cases of Consultation concerning Civil Individual Labor Disputes)**

	2010	2011	2012
Bullying / harassment	39,405 (+10.2%)	45,939 (+16.6%)	51,670 (+12.5%)
Dismissal	60,118 (-13.0%)	57,785 (-3.9%)	51,515 (-10.9%)
Worsened working conditions	37,210 (-2.4%)	36,849 (-1.0%)	33,955 (-7.9%)
Encouragement to retire	25,902 (-2.3%)	26,828 (+3.6%)	25,838 (-3.7%)

Source: Ministry of Health, Labour and Welfare, *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013), Table 1

Note: Figures in parentheses denote the year-on-year change.

**Figure IV-18 Trends in Requests for Advice & Guidance and Applications for Conciliation (FY2002-2012)**

Source: Ministry of Health, Labour and Welfare, *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013) Fig. 2

**Table IV-19 Trends in Main Disputes over the Last Three Fiscal Years (Applications for Advice and Guidance)**

	2010	2011	2012
Bullying / harassment	1,072 (+7.2%)	1,466 (+36.8%)	1,735 (+18.3%)
Dismissal	1,710 (-13.9%)	2,006 (+17.3%)	1,811 (-9.7%)
Worsened working conditions	840 (-8.5%)	988 (+17.6%)	1,084 (+9.7%)
Encouragement to retire	696 (-3.2%)	890 (+27.9%)	900 (+1.1%)

Source: Ministry of Health, Labour and Welfare *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013) Table 4

Note: Figures in parentheses denote the year-on-year change.

**Table IV-20 Trends in Applications for Advice and Guidance Processed within 1 Month**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cases	3,909	4,957	6,063	5,372	6,295	7,250	7,405	7,490	9,270	10,019
Ratio to total	90.1%	93.9%	95.6%	93.4%	95.5%	96.1%	95.6%	97.6%	96.8%	97.4%

Source: Ministry of Health, Labour and Welfare, *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013)

**Table IV-21 Trends in Main Disputes over the Last Three Fiscal Years (Requests for Conciliation)**

	2010	2011	2012
Bullying / harassment	965 (-7.7%)	1,121 (+16.2%)	1,297 (+15.7%)
Dismissal	2,510 (-26.3%)	2,415 (-3.8%)	1,904 (-21.2%)
Worsened working conditions	554 (-21.9%)	597 (+7.8%)	515 (-13.7%)
Encouragement to retire	507 (-16.5%)	523 (+3.2%)	574 (+9.8%)

Source: Ministry of Health, Labour and Welfare, *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013) Table 7

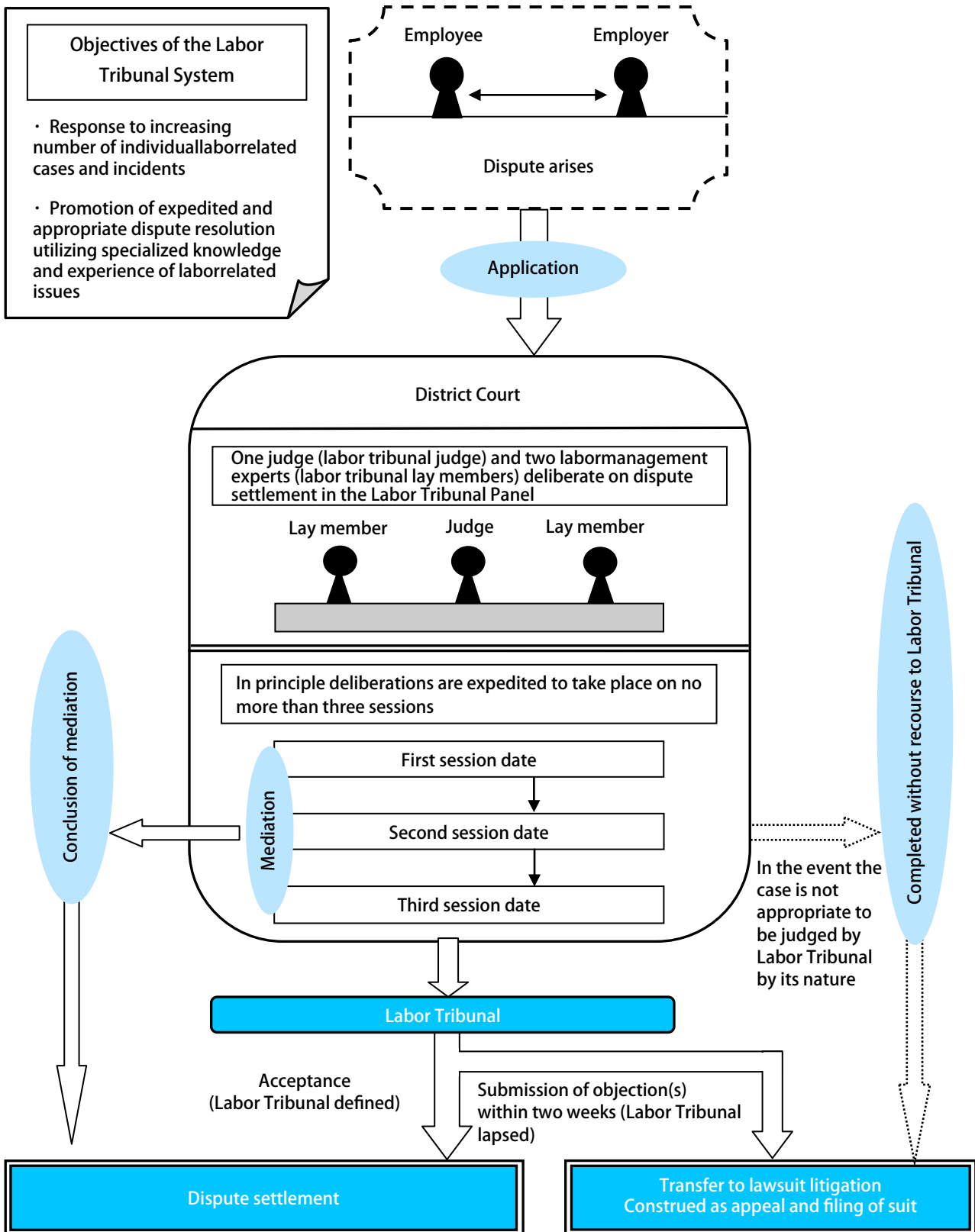
Note: Figures in parentheses denote the year-on-year change.

**Table IV-22 Trends in Requests for Conciliation Processed within 2 Months**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cases	4,706	5,462	6,270	6,396	6,484	7,299	7,325	6,005	6,014	5,683
Ratio to total	92.3%	92.9%	91.4%	94.2%	92.2%	92.2%	90.5%	93.6%	94.5%	93.8%

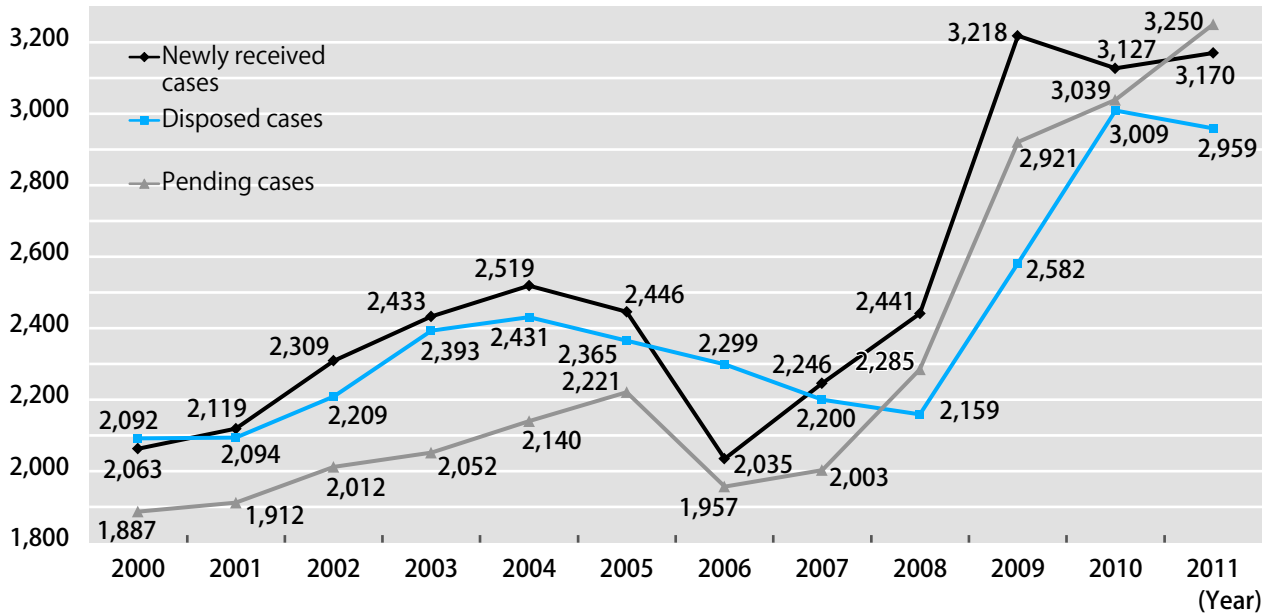
Source: Ministry of Health, Labour and Welfare, *Status on the Implementation of Individual Labour Dispute Resolution in FY2012* (released on May 31, 2013)

**Figure IV-23 Overview of the Labor Tribunal System**



**Figure IV-24 Number of Newly Received, Disposed, and Pending Ordinary Civil Litigation Cases concerning Labor Relations (District Courts, 2000-2011)**

(Cases)



Source: Compiled by the author from General Secretariat of the Supreme Court, *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosono Jiho (Lawyers Association Journal), Vol.64, No.8, p.47 (2012)

**Table IV-25 Number of Newly Received Ordinary Civil Litigation Cases concerning Labor Relations by Party and Type of Claim (District Courts, 2003-2011)**

Year	Newly received	Total	Plaintiff: Employee Defendant: Employer			Plaintiff: Employee Defendant: Employer	Other
			Confirmation of existence of employment contract, etc.	Wage, etc.	Other	Confirmation of absence of employment contract, compensation, etc.	Confirmation of invalidation of resolution of exclusion etc.
2003	2,433	2,319	530	1,473	316	103	11
2004	2,519	2,309	573	1,427	309	186	24
2005	2,446	2,303	507	1,437	359	135	8
2006	2,035	1,900	456	1,130	314	124	11
2007	2,246	2,105	537	1,246	322	121	20
2008	2,441	2,300	638	1,249	413	126	15
2009	3,218	3,068	956	1,633	479	138	12
2010	3,127	2,951	951	1,650	350	145	31
2011	3,170	3,028	893	1,718	417	133	9

Source: Compiled by the author from General Secretariat of the Supreme Court, *2007 Overview of Civil and Administrative Labor Relations Cases*, Hosono Jiho (Lawyers Association Journal) Vol.60 No.8 p.50 (2008), id. *2009 Overview of Civil and Administrative Labor Relations Cases*, Hosono Jiho (Lawyers Association Journal) Vol.62 No.8 p.49 (2010) and id. *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosono Jiho (Lawyers Association Journal) Vol.64 No.8 p.54 (2012)

**Table IV-26 Ordinary Civil Litigation Cases concerning Labor Relations by Party – Number of Cases Disposed of and Outstanding (District Courts, 2005-2011)**

Year	Plaintiff	Disposed Cases							Outstanding
		Total	Judicial decision			Decision/ order	Settlement	Withdrawal/ other	
			Total	Petition accepted (including partial acceptance)	Petition dismissed with prejudice, petition dismissed without prejudice				
2005	Total	2,365	884	539	345	26	1,185	270	2,221
	Employee	2,170	819	498	321	22	1,090	239	2,104
	Employer	186	59	38	21	4	94	29	96
	Other	9	6	3	3	0	1	2	21
2006	Total	2,299	844	518	326	28	1,139	288	1,957
	Employee	2,168	792	487	305	26	1,089	261	1,836
	Employer	117	44	27	17	2	44	27	103
	Other	14	8	4	4	0	6	0	18
2007	Total	2,200	767	475	292	24	1,092	317	2,003
	Employee	2,044	698	437	261	19	1,043	284	1,897
	Employer	135	57	31	26	5	47	26	89
	Other	21	12	7	5	0	2	7	17
2008	Total	2,159	750	443	307	26	1,115	268	2,285
	Employee	2,025	710	420	290	24	1,061	230	2,172
	Employer	116	32	19	13	2	47	35	99
	Other	18	8	4	4	0	7	3	14
2009	Total	2,582	914	554	360	23	1,314	331	2,921
	Employee	2,430	856	522	334	22	1,248	304	2,810
	Employer	136	46	24	22	1	63	26	101
	Other	16	12	8	4	0	3	1	10
2010	Total	3,009	916	580	336	33	1,668	392	3,039
	Employee	2,856	865	545	320	32	1,602	357	2,905
	Employer	137	45	31	14	1	60	31	109
	Other	16	6	4	2	0	6	4	25
2011	Total	2,959	933	594	339	24	1,599	403	3,250
	Employee	2,823	887	565	322	22	1,542	372	3,110
	Employer	119	37	23	14	2	52	28	123
	Other	17	9	6	3	0	5	3	17

Source: General Secretariat of the Supreme Court, *2009 Overview of Civil and Administrative Labor Relations Cases*, Hosojihō (Lawyers Association Journal) Vol.62 No.8 p.50 (2010), and the same institute's *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosojihō (Lawyers Association Journal) Vol.64 No.8 p.55 (2012)

Notes: 1) Cases in which the plaintiff is the employee refer only to cases where the defendant in the case is the employer; cases in which both the plaintiff and the defendant are employees are included in "Other".

2) In this table, cases where the petition was dismissed with or without prejudice also include the number of cases of judgments for other reasons.

**Table IV-27 Ordinary Civil Litigation Cases concerning Labor Relations: Number of Cases Disposed of by Deliberation Period – Average Deliberation Period (District Courts, 2005-2011)**

Year	Number of cases disposed of	Within 6 months	Within a year	Within 2 years	Within 3 years	Within 5 years	More than 5 years	Average deliberation period (months)
2005	2,365	786 (33.2)	699 (29.6)	708 (29.9)	113 (4.8)	52 (2.2)	7 (0.3)	11.2
2006	2,299	709 (30.8)	685 (29.8)	680 (29.6)	157 (6.8)	55 (2.4)	13 (0.6)	12.0
2007	2,200	701 (31.9)	639 (29.0)	649 (29.5)	156 (7.1)	52 (2.4)	3 (0.1)	11.7
2008	2,159	671 (31.1)	633 (29.3)	673 (31.2)	135 (6.3)	41 (1.9)	6 (0.3)	11.6
2009	2,582	886 (34.3)	763 (29.6)	754 (29.2)	144 (5.6)	33 (1.3)	2 (0.1)	10.8
2010	3,009	908 (30.2)	918 (30.5)	944 (31.4)	189 (6.3)	46 (1.5)	4 (0.1)	11.5
2011	2,959	831 (28.1)	875 (29.6)	1,016 (34.3)	195 (6.6)	37 (1.3)	5 (0.2)	11.9

Source: General Secretariat of the Supreme Court, *2009 Overview of Civil and Administrative Labor Relations Cases*, Hosoi Jiho (Lawyers Association Journal) Vol.62 No.8 p.51 (2010), and the same institution's *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosoi Jiho (Lawyers Association Journal) Vol.64 No.8 p.56 (2012)

Note: Figures in brackets denote percentages of the total, with figures rounded to one decimal place. Consequently, the totals may not necessarily add up to 100.

**Table IV-28 Number of Newly Received Labor Tribunal Cases by Type of Case (District Courts, 2006-2011)**

Year	Newly received	Non-pecuniary			Pecuniary			
			Confirmation of status	Other		Wages and benefits	Retirement allowances	Other
2006	877	463	418	45	414	266	66	82
2007	1,494	780	719	61	714	441	126	147
2008	2,052	1,078	1,022	56	974	620	114	240
2009	3,468	1,793	1,701	92	1,675	1,059	205	411
2010	3,375	1,693	1,633	60	1,682	1,100	161	421
2011	3,586	1,814	1,747	67	1,772	1,179	162	431

Source: Compiled by the author from General Secretariat of the Supreme Court, *2007 Overview of Civil and Administrative Labor Relations Cases*, Hosoi Jiho (Lawyers Association Journal) Vol.60 No.8 p.56 (2008), and the same institution's *2009 Overview of Civil and Administrative Labor Relations Cases*, Hosoi Jiho (Lawyers Association Journal) Vol.62 No.8 p.55 (2010), and the same institution's *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosoi Jiho (Lawyers Association Journal) Vol.64 No.8 p.60 (2012)

Note: The figures for 2006 indicate the number of disposed cases from April to December of that year.

**Table IV-29 Number of Disposed Labor Tribunal Cases by Reason for Conclusion (District Courts, 2006-2011)**

(Cases, figures in brackets are percentages)

Year	Number of cases disposed of	Labor tribunal judgment		Successful mediation	Article 24 conclusion	Withdrawn	Rejected or transferred, etc.
			Objection filed				
2006	606	107 (17.7)	74 [69.2]	427 (70.5)	19 (3.1)	50 (8.3)	3 (0.5)
2007	1,450	306 (21.1)	178 [58.2]	997 (68.8)	47 (3.2)	93 (6.4)	7 (0.5)
2008	1,911	347 (18.2)	228 [65.7]	1,327 (69.4)	59 (3.1)	169 (8.8)	9 (0.5)
2009	3,226	600 (18.6)	388 [64.7]	2,200 (68.2)	107 (3.3)	294 (9.1)	25 (0.8)
2010	3,436	612 (17.8)	364 [59.5]	2,433 (70.8)	121 (3.5)	240 (7.0)	30 (0.9)
2011	3,513	641 (18.2)	391 [61.0]	2,502 (71.2)	119 (3.4)	227 (6.5)	24 (0.7)

Source: Compiled by the author from General Secretariat of the Supreme Court, *2007 Overview of Civil and Administrative Labor Relations Cases*, Hosojihō (Lawyers Association Journal) Vol.60 No.8 p.56 (2008), and the same institution's *2009 Overview of Civil and Administrative Labor Relations Cases*, Hosojihō (Lawyers Association Journal) Vol.62 No.8 p.55 (2010), and the same institution's *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosojihō (Lawyers Association Journal) Vol.64 No.8 p.60 (2012)

Note: The figures for 2006 indicate the number of disposed cases from April to December of that year. Proportions given in the "objection filed" column indicate the proportion of cases for which objections were filed to the number of cases concluded by labor tribunal.

**Table IV-30 Labor Tribunal Cases: Number of Cases Disposed of by Deliberation Period – Average Deliberation Period (District Courts, 2006-2011)**

(Cases, figures in brackets are percentages)

Year	Number of cases disposed of	Within a month	Within 2 months	Within 3 months	Within 6 months	Within 1 year	Average deliberation period (months)
2006	606	36 (5.9)	192 (31.7)	207 (34.2)	171 (28.2)	0	2.4
2007	1,450	59 (4.1)	428 (29.5)	545 (37.6)	408 (28.1)	10 (0.7)	2.5
2008	1,911	64 (3.3)	598 (31.3)	718 (37.6)	517 (27.1)	14 (0.7)	2.5
2009	3,226	119 (3.7)	1,096 (34.0)	1,170 (36.3)	827 (25.6)	14 (0.4)	2.5
2010	3,436	141 (4.1)	1,240 (36.1)	1,237 (36.0)	799 (23.3)	19 (0.6)	2.4
2011	3,513	120 (3.4)	1,325 (37.3)	1,270 (36.2)	772 (22.0)	26 (0.7)	2.4

Source: General Secretariat of the Supreme Court, *2009 Overview of Civil and Administrative Labor Relations Cases*, Hosojihō (Lawyers Association Journal) Vol.62 No.8 p.56 (2010), and the same institution's *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosojihō (Lawyers Association Journal) Vol.64 No.8 p.61 (2012)



**Table IV-31 Labor Tribunal Cases: by Number of Tribunal Sessions – Number of Cases Disposed of (District Courts, 2006-2011)**

(Cases, figures in brackets are percentages)

Year	Number of cases disposed of	No session	1 session	2 sessions	3 sessions	4 sessions	More than 5 sessions
2006	606	32 (5.3)	101 (16.7)	215 (35.5)	245 (40.4)	13 (2.1)	0
2007	1,450	67 (4.6)	235 (16.2)	542 (37.4)	563 (38.8)	42 (2.9)	1 (0.1)
2008	1,911	101 (5.3)	370 (19.4)	717 (37.5)	671 (35.1)	49 (2.6)	3 (0.2)
2009	3,226	199 (6.2)	687 (21.3)	1,168 (36.2)	1,079 (33.4)	87 (2.7)	6 (0.2)
2010	3,436	171 (5.0)	910 (26.5)	1,289 (37.5)	996 (29.0)	67 (1.9)	3 (0.1)
2011	3,513	161 (4.6)	917 (26.1)	1,400 (39.9)	933 (26.6)	94 (2.7)	8 (0.2)

Source: General Secretariat of the Supreme Court, *2009 Overview of Civil and Administrative Labor Relations Cases*, Hosō Jiho (Lawyers Association Journal) Vol.62 No.8 p.56 (2010), and the same institution's *2011 Overview of Civil and Administrative Labor Relations Cases*, Hosō Jiho (Lawyers Association Journal) Vol.64 No.8 p.61 (2012)