
Introduction

Labor Unions in Japan Today and Challenges in Labor Relations

Labor unions in Japan have shown an overall decline. The unionization rate has continuously fallen for 30 years since 1975, reaching 18.7 percent in 2005. A characteristic of Japanese labor unions is that they are organized for each corporation. After Japan lost the war in 1945, the Allied Forces promoted the introduction of labor unions to Japan as part of the democratization effort. As a result, corporate labor unions sprouted. Presently, 90 percent or more of approximately 10 million union members belong to corporate unions. Although the unionization rate has been decreasing for 30 years, the number of union members had been increasing until 1994, and then it began to decline from 1995. As one can see, not only the unionization rate, but also the number of members has dropped notably.

The purpose of this issue of the Japan Labor Review is to examine the role of labor unions in Japanese corporations and to identify the function of labor unions in the future. These five reports discuss the challenges which labor unions are facing, their solutions, and how to re-invigorate labor unions in future.

Report by Nakamura: Identifying Issues of Labor Unions in Japan and Examining the Possibility of a Solution

Nakamura discusses how Japanese labor unions have lost their influence in society and corporations by using statistical data and existing studies; he also examines the possibility of the revival of labor unions. The author points out a decrease in the absolute number of union members and in the voice of labor unions in government decision-making process on policies, and the collapse of *Shunto* (the annual spring labor offensive) which is used to set the wage market. He then asserts that Japanese labor unions are on the decline. There is, though, still the possibility of the revival of unions and the author examines this possibility using a survey conducted by the Research Institute for the Advancement of Living Standards.

Out of non-unionized workers in the survey, 67.9 percent believed that

unions are important, which is twice as many as those who responded that labor unions are not necessary (32.1 percent). When the former group was asked if they want to join a union, 14.1 percent responded yes, and 18.4 percent said they might join if they were asked to do so. This totals only 32.5 percent. In short, many non-unionized workers feel close to labor unions, but the number of people who want to join unions and actively participate in them remains small.

Nakamura contends that existing labor unions need to improve their system of unionization. The main target of unionization is the older generation, employees for middle and larger size corporations, workers who have a strong understanding of workers' rights, and those who work in a low and unstable labor conditions. Nakamura's report gives direction for labor unions in Japan.

Report by Noda: Long-term Recessions Clarify Effect of Labor Unions

This report examines the effect of Japanese labor unions regarding wage and employment adjustments. Much research conducted in the 1990s was questionable regarding the effect of labor unions on wage increases. However, after Noda analyzed the survey results by the Research Institute for Advancement of Living Standards, it became clear that unlike the 1990s unions are effective in increasing the wages for men. From the mid-1990s to 2003, business conditions for Japanese corporations worsened, causing many to reduce labor conditions. The author points out that unions resisted these cuts and the effect presumably influenced the above results.

Furthermore, by analyzing employment adjustments, Noda discovered a gap in the adjustment speed between corporations with unions and those without unions and that the gap has widened following the financial crisis in 1997. Since the gap in middle size corporations is remarkable, the author concluded that the effect of unions on providing job security is particularly strong when employment conditions worsen.

Noda also points out that comparing the effect of labor unions using simple indicators cause issues. For example, to examine their influence on employment adjustments, one must consider how much they achieved to understand member satisfaction and understanding, such as conditions of voluntary retirement and re-employment support. It is not sufficient to evaluate the effect only by the

speed of their adjustment. It is important to note the author's point that this should be looked at from multiple perspectives.

Report by Honda: The Effect and Importance of Unionizing Part-time Workers

In order to vitalize labor unions, what we need to tackle immediately is the unionization of part-time workers. Existing studies suggest that the reasons why unionization of part-time workers is delayed are: (a) difficulties in adjusting interests between regular workers and part-time workers; (b) corporate resistance against unionization; (c) part-time workers' reluctance toward union activities; and (d) lack of effort in providing information and promoting interests. Honda examines these points by using survey results from the JILPT. He discovered that unionizing part-time workers is difficult not because of corporate opposition or resistance, but because unions do not side with part-time workers. The author points out that difficulties in adjusting the interests of regular workers and part-time workers prevent unionization.

Honda also suggests that the effect of unionization of part-time workers would be: (a) negotiation ability for the employee becomes stronger; (b) improved relationships between regular and part-time workers; (c) improvement of labor conditions of part-time workers; and (d) development of a wage system for part time workers. The author learned that these effects are more remarkable when the responsibilities of part-time workers become closer to those of full-time workers. His paper is most appropriate for understanding the issues and effects of unionization of part-time workers in Japan.

Report by Fujimura: Labor and Management Communication in Japanese Corporations Seem Good, but Issues Remain

Fujimura discusses how labor and management communication is conducted in Japanese corporations and identifies related issues using the results of the "Survey on Labour-management Communications" conducted by the Ministry of Health, Labour and Welfare. The issues are: (a) there is a gap between corporations and their employees regarding the perception of communications in the office; (b) the number of group communication methods such as informal

gatherings the at the workplace and labor management negotiation systems have decreased, while the number of individual methods such as employee surveys or self-reports have increased; and (c) the presence of labor unions is less visible in communications between labor unions and management.

Communication between labor and management in Japanese corporations seems to be good at present. It is doubtful, though, if management understands the reality of workers. The author introduces two examples of how labor unions play a significant role in communicating with management and he contends that the revival of labor unions is important for closer communication between labor and management. For labor unions to gain power, not only efforts by the unions are needed, but organizations and people related to the unions should also cooperate. Labor unions in Japan are established on corporate-based unions. The author points out that if top-level people are included in the corporate union, and if they take a stand against management in regards to the company's mid-to long-term vision, it will lead to the stronger competitiveness of Japanese corporations and the healthier development of Japanese society.

Report by Mabuchi: Labor Unions Must Engage in Activities that Enlighten Workers on the Effect of Labor Unions

Mabuchi's report introduces how Japanese have become dissociated from labor unions and examines the reasons why. First, it discusses how Japanese have become reluctant to participate in labor unions and examines the reasons. The most important reason is that their opinions of labor unions has fallen in regards to union effectiveness, reliability, presence, and necessity. As a result, many Japanese feel unions do not provide what workers need and therefore they are no longer necessary. On the other hand, research on the effect of labor unions shows that unions are, in fact, effective. The author concludes that Japanese labor unions should re-examine the current contents and methods of education and public relations with workers and strive to make it easier for workers to understand that unions are helpful in maintaining and improving worker employment and daily life, and therefore that they are necessary.

The author further discusses that Japanese labor unions should not consider the solution for union detachment to be the revival of a pseudo-community by

forming closer relationships between workers or union members. Instead, they must make workers and union members feel that they have mutual interests and that labor unions are reliable, useful mediums for protecting workers' rights and for pursuing their interests. The author's point is significant when considering the future of labor unions in Japan.

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