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General Survey

Single Men Increasing

The number of men who remain unmarried at the age of 50 is larger than the number of unmarried women. One in every 10 men in Tokyo and one of every five in Osaka remain single, showing the tendency for both males and females to marry in later years, according to a survey conducted in July by Ministry of Health and Welfare's Population Problem Institute. A national survey on marriage and birth, carried out every five years, incorporated views on marriage, the family and children and covered wider age groups than before. The survey covered approximately 2,000 married couples, wives of whom are under 50, and about 13,000 single men and women aged 18-50 in 490 regions across the nation. France and Sweden witnessed the proportion of single men in their late 40s top 10 percent, 10 years ago. Japan, however, saw single men aged 50 reach 10 percent by prefecture for the first time this year.

In population statistics, the rate of unmarried men and women aged 50-with a small percentage having a child-(excluding separations from spouses by death or divorce) is called the "rate of those going unmarried throughout their life." Calculations of the ratio of going unmarried for those in the 45-54 age group, based on a 1990 Census, showed that the national average rate stood at 5.6 percent for men and 4.3 percent for women. Thus, these figures indicate a higher ratio for men than for women. In 1980 the national average rate was 2.6 percent for males and 4.4 percent for females. This indicates that in the past 10 years the rate of going permanently unmarried for women has changed little while it has doubled for men. By prefecture the rate for both sexes was the highest in Tokyo. Big cities where an overwhelming number of single youths reside and local areas where the graying is progressing cannot be directly compared with each other. Accordingly, in this year's analysis the rate of those going unmarried was statistically adjusted and standardized for the age makeup in individual prefectures.

The Institute concludes that the rising percentage of single men is ascribable to the fact that one-room condominiums and convenience stores have enabled single city dwellers to live with ease and that views on marriage have changed. According to a *1991 Report Survey of Socioeconomic Aspects on Vital Events*, compiled on July 23 by the Ministry, compared with levels of 10 years ago, arranged marriages have decreased considerably and those living together with parents have dropped markedly. Furthermore, two out of every three newlyweds continue to work and have a double income after marriage.

With women's growing demands along with the tendency to go unmarried, higher educational attainment and career orientedness, the picture is not promising for men wishing

to marry. The Institute predicts that "10 years from now the average percentage of men who remain unmarried age 50 will reach 10 percent."

Public Policy

Foreign Trainee Program

The number of illegal foreign workers has been constantly rising, thus posing a social problem. Behind the influx of such workers lie the problem of redundant labor in developing nations on the one hand and the issue of the worker shortage at smaller-scale firms in Japan on the other. In the wake of this situation, there has emerged a debate over whether or not to allow foreigners residing in Japan with trainee status to work for a certain period of time. Trainees from abroad have not so far been allowed to work for the duration of their training period. As part of this trend, Ministry of Labour has set forth a plan to implement a new "work-type training" program next year. The program would provide foreign trainees with the opportunity to work for about one year and three months after completing a 9-month training period. Recognizing the work as vocational training, the Ministry defines it as "a skills training period under formal employment contracts."

The trainees will receive wages, will come under the application of labor laws and will be able to enjoy the same treatment as their Japanese coworkers. However, they will not be allowed to undergo unlimited vocational training. Furthermore, only those deemed to have reached a certain proficiency by the evaluation of their technical ability would continue on-the-job training. The former foreign trainee system was a one-year program of lectures, including language study, plus practical training involving actual operations. The new system, on the other hand, has shortened the duration of the training period to 9 months and has added a one-year-and-three-month vocational training period under formal employment contracts. The new system represents a vast departure from the traditional definition of the trainee program: the trainee program should be implemented irrelevant to employment relations."

Under the new program, trainees will be given a skills test after they complete a 9-month long program consisting of three-months of lecture, including study of the Japanese language, and a six-month period of practical training. Those deemed to have reached a certain proficiency will be allowed to continue training for one year and three months. Those trainees who have completed lectures in their home countries will be able to shorten their training period to a minimum of six months. The training period is two years and cannot be extended. The system applies to those job categories which can be publicly evaluated: 133 jobs subject to technical ability tests and 16 subject to authorized technical ability examinations.

The new system is aimed at encouraging smaller firms in particular to accept foreign trainees. Currently, the number of trainees to be accepted is restricted to one twentieth of regular staff members at a firm, and thus the new system aims to relax these restrictions.

Ministry of Justice has incorporated a similar idea into its basic plans for immigration control. However, the two ministries do not allow acceptance of unskilled foreign workers. In business circles, Keizaidoyukai (Japan Committee for Economic Development; Head: Masaru Hayami) has unveiled a "new trainee program" to accept foreign workers.

7th Basic Employment Measures Plan

In the Japanese labor market, it is expected that growth in the working population will slacken and that the absolute number of the labor force will decrease in the 21st century. Also, it is predicted that individuals' perception of living will be further changed away from emphasis on the workplace to an emphasis on realizing a life in which the workplace, the family and the rural community are well balanced. To respond properly to these changes, the Cabinet decided on July 10 upon the 7th Basic Employment Measures Plan. In step with a five-year economic plan for 1992-96, recommended by the Economic Council, the plan for the next five years aims to map out mid- and long-term employment measures.

The plan incorporates realization of 1,800 annual work hours through revision of the Labour Standards Law (LSL), spread of the home-care leave system, continued employment of the elderly and consolidation of an employment environment for women. The plan stresses the following three specific measures to attain the goal of 1,800 hours: first, switching to the 40-workweek through revision of the LSL; second, spreading and encouraging the five-day workweek and annual paid leave; and third, raising the rate of increase in wages for nonscheduled work.

To cope with the full-fledged graying of society, the plan calls for the 60-year-age limit to take firm root by 1993. Furthermore, the plan envisions establishment of an employment system which allows those elderly people wishing to work to continue to do so until age 65 and to this end, it calls for further diffusion of the continuous employment system. In addition, the plan seeks to strengthen the counseling system regarding enterprises' wages and personnel management adapted to employment of older persons. The plan also proposes active utilization of aid systems relevant to employment of the elderly. To assist elderly people in their efforts to find early reemployment, the plan calls for helping the employer hire older persons while also seeking to substantiate job placement and counseling functions to enable

diversified forms of employment, such as short-time work.

Regarding female workers, the plan calls for study of treating both men and women workers equally under the LSL, particularly under those articles referring to general protective measures for women, with the exception of maternity protection measures. The plan proposes that special protective measures for women be reduced in coordination with women's shouldering of domestic burdens such as housekeeping and childcare and progress in improved conditions to enable women to combine a job with a family. What is more, the plan asks for implementation of public vocational training and service projects for preparing women for reemployment in response to their diversifying needs.

Special Topic

Enterprise-Based Labor Unions and Collective Agreements

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1. Introduction

As of 1991 there were 71,685 labor unions in Japan, organizing 12,390,592 workers⁽¹⁾. The greater part of these unions are enterprise-based, accounting for 99.4 percent of all unions and claiming 91.3 percent of all union members. The average number of members per union is only 171. Every year small unions emerge and then disappear. In 1991 1,638 unions came into being while 2,333 became defunct, with the number of members averaging 136 and 89, respectively.

The estimated unionization rate stood at only 6.9 percent in the prewar peak year of 1935, but under the policy of labor union promotion immediately after WW II it reached 55.8 percent in 1949. The rate, however, fell rapidly during the cold war era, remaining around the level of 30-35 percent from the 1950s to the 1970s. Thereafter, it slipped below the level of 30 percent in the 1980s. The latest figure, for 1991 of 24.5 percent, represents a moderate downtrend.

Enterprise-based unions are comprised of many segmented, small-sized entities and with the unionization rate in decline, what is the sphere of influence of these unions in industrial relations?

This paper examines the influence of enterprise-based labor unions through a recent survey on the actual situation of collective agreements ⁽²⁾.

2. Percentage of Collective Agreements Concluded

The right of workers of labor unions to bargain collectively is guaranteed, irrespective of size and unionization rate under Article 28 of the Constitution of Japan and Article 7 of the Trade Union Law (hereafter called the Law). Matters agreed upon at the bargaining table are put in writing and are either signed by or names are affixed with seals by both labor and management. The document thus produced constitutes a legally binding collective agreement (Trade Union Law, Articles 14-18, the Law) ⁽³⁾.

Table 1 Collective Agreements Concluded and Percentage of Labor Unions by key Player in Concluding the Agreement (%)

Industry Size of union membership Size of enterprise year of labor unions formed Unionization rate Are there other unions?	Total	Agreement concluded	Key player in concluding the agreement				Agreement not concluded
			Agreement concluded by any low-level union alone	Agreement concluded by upper echelon organization alone	Agreement concluded by both	unclear	
Total	100.0	91.3(100.0)	(61.2)	(14.6)	(18.1)	(6.1)	8.7
(Industries)							
Mining	100.0	95.0(100.0)	(63.3)	(8.9)	(25.2)	(2.6)	5.0
Construction	100.0	91.9(100.0)	(60.6)	(18.5)	(16.0)	(4.9)	8.0
Manufacturing	100.0	91.4(100.0)	(70.6)	(8.3)	(14.5)	(6.6)	8.6
Public utilities	100.0	99.9(100.0)	(38.5)	(46.7)	(14.0)	(0.8)	0.1
Transport and communication	100.0	95.2(100.0)	(46.7)	(26.6)	(21.9)	(4.8)	4.8
Wholesale, retail and eating and drinking places	100.0	92.3(100.0)	(63.1)	(9.4)	(23.3)	(4.2)	7.7
Finance, insurance and real estate	100.0	94.7(100.0)	(62.4)	(19.8)	(16.3)	(1.5)	5.3
Services	100.0	81.9(100.0)	(59.3)	(8.5)	(19.6)	(13.1)	18.1
(Size of union membership)							
5,000 and more members	100.0	100.0(100.0)	(64.9)	(8.9)	(26.3)	(—)	—
1,000-4,999 members	100.0	98.8(100.0)	(71.5)	(10.1)	(17.6)	(0.8)	1.5
500-999 members	100.0	98.0(100.0)	(66.5)	(16.5)	(15.1)	(2.0)	2.0
300-499 members	100.0	97.2(100.0)	(62.7)	(11.2)	(23.8)	(2.3)	2.8
100-299 members	100.0	92.5(100.0)	(64.1)	(15.5)	(14.0)	(6.4)	7.5
30-99 members	100.0	88.3(100.0)	(57.7)	(14.7)	(20.2)	(7.4)	11.7
(Size of enterprise)							
5,000 and more workers	100.0	98.2(100.0)	(40.1)	(35.0)	(22.1)	(2.8)	1.8
1,000-4,999 workers	100.0	98.2(100.0)	(64.0)	(17.6)	(16.1)	(2.3)	1.8
500-999 workers	100.0	95.8(100.0)	(68.0)	(8.7)	(17.8)	(5.5)	4.2
300-499 workers	100.0	90.5(100.0)	(73.2)	(2.1)	(12.8)	(11.8)	9.5
100-299 workers	100.0	85.1(100.0)	(72.7)	(1.9)	(17.9)	(7.5)	14.9
30-99 workers	100.0	80.1(100.0)	(68.5)	(2.4)	(16.9)	(12.2)	19.9
(year of unions formed)							
1960 or before	100.0	95.3(100.0)	(61.9)	(16.9)	(18.0)	(3.3)	4.7
1961-70	100.0	87.0(100.0)	(67.4)	(7.0)	(18.2)	(7.4)	13.0
1971-80	100.0	90.5(100.0)	(64.1)	(8.7)	(16.8)	(10.4)	9.5
Since 1981	100.0	91.2(100.0)	(44.9)	(31.2)	(20.2)	(3.8)	8.8
(Unionization rate)							
less than 10%	100.0	75.5(100.0)	(57.5)	(14.9)	(10.8)	(16.9)	24.1
10-30% (not inclusive)	100.0	92.5(100.0)	(47.4)	(18.6)	(6.9)	(27.1)	7.5
30-50% (not inclusive)	100.0	89.8(100.0)	(72.5)	(7.6)	(15.8)	(4.1)	10.2
50-70% (not inclusive)	100.0	86.3(100.0)	(65.9)	(11.7)	(15.0)	(7.3)	13.7
70-90% (not inclusive)	100.0	90.8(100.0)	(65.2)	(11.5)	(17.9)	(5.4)	9.2
90% and more	100.0	94.0(100.0)	(56.8)	(18.1)	(20.9)	(4.2)	6.0
(Are there other unions?)							
Yes	100.0	93.4(100.0)	(43.2)	(29.1)	(18.1)	(9.6)	6.6
No	100.0	90.8(100.0)	(65.0)	(11.6)	(18.1)	(5.3)	9.2
1986 total	100.0	91.7(100.0)	(52.6)	(18.6)	(21.7)	(7.1)	8.3

Source: Ministry of Labour, *Survey on Realities of Collective Agreements and Others* (1991) (The same shall apply hereafter)

However, reflecting diversified industrial relations by industry, enterprise and establishment, collective bargaining is not necessarily uniformly practiced; nor are collective agreements necessarily concluded as provided for in the Law. Let us examine collective agreements concluded as shown in Table 1 which compiles them from various aspects.

The percentage of collective agreements concluded per se has shown little change from the results surveyed in 1986. Over 90 percent of labor unions have concluded collective agreements. The percentage is higher than the 1960 figure of 64%, the 1972 figure of 77% and

the 1977 figure of 81% ⁽⁴⁾. On the whole, the unionization rate has dropped when compared with that in the 1960s and the 1970s, and yet labor-management relations centering on collective agreements seem to have matured progressively based upon the higher percentage of agreements concluded.

Furthermore, in terms of who is the key player in concluding a collective agreement, a few unions depend solely on collective agreements concluded by upper-echelon organizations. However, the majority of unions indicate that lower-echelon organizations conclude collective agreement independently or together with agreements concluded by upper-level organizations. Enterprise-based unions tend to conclude agreements independently ⁽⁵⁾.

On the other hand, by industry the percentage of unions which concluded collective agreements in the services is notably low at 82 percent. By union size and enterprise size, the larger the organization and company, the higher the percentage of unions with agreements concluded. As the size of enterprises becomes smaller, the percentage of such unions drops as low as 80 percent (at enterprises with 30-99 regular employees). On the other hand, the tendency to try to conclude a collective agreement independently remains largely unchanged ⁽⁶⁾.

By the year in which a labor union was inaugurated, the percentage of unions with agreements tends to be higher for older unions, formed in 1960 or before, while the percentage tends to be lower for those unions created between 1961 and 1970 among which the ratio of labor unions in smaller enterprises is relatively high. In terms of the unionization rate by particular organization, such as enterprise and establishment, the percentage of unions concluding agreements nosedived to 76 percent where the unionization rate is under 10 percent; otherwise, a notable gap is hardly seen in the rate of unions with agreements. Whether there are rival unions within one particular enterprise or establishment does not make a conspicuous difference in the rate of agreements concluded.

From the above facts, several conclusions can be drawn. First, the practice of concluding collective agreements by enterprise-based unions has taken root. Second, this practice has acquired a firm footing, particularly in large enterprises and unions. Third, the practice of concluding collective agreements shows a relatively modest level in the services, smaller-scale enterprises, small-sized unions and unions in enterprises with a low unionization rate.

3. Procedures for Concluding Collective Agreements, Method of Notifying that Collective Agreements have been Concluded and Term of Validity

Collective bargaining and labor-management consultations are widely practised in Japan. Accordingly, only a few, specifically nine percent of labor unions, that conclude a collective

agreement do so solely through collective bargaining without utilizing labor-management consultations. Also, 22 percent of labor unions conclude an agreement directly through labor-management consultations without collective bargaining process. The greater part, or 62 percent, first hold labor-management consultations and then conduct collective bargaining to conclude an agreement. Cases in which labor-management consultations are not held or in which labor-management consultations and collective bargaining are completely separated from each other are rather few; and in many cases it seems that both are functionally mixed or anchored together.

How are union members notified of agreement that has been concluded? Only two percent of the unions questioned did not take any measures to make the agreement known to members (19% in the case of unions with a unionization rate of under 10%). Ninety-one percent take some kind of measures, and of them, 56 percent distribute the agreement to union members. The percentage is relatively low in the services (45%), in unions with 30-99 members (50%), in enterprises with 30-99 regular employees (41%), in unions established since 1981 (43%) and in those unions organizing from 10-30 percent of enterprise employees (not inclusive) (27%).

Regarding the period of validity, 84 percent of comprehensive basic agreements include provisions for a term of validity. Of them, over half, or 53 percent, provide for a term of validity of one year, 25 percent for a term of validity of over one year but less than three years and six percent for a term of validity of three years. Article 15 of the Law provides that the longest possible term of validity is three years, but most agreements stipulate a shorter term than this. In many cases revision of an agreement is discussed at the time of the annual spring labor offensive which culminates in wage negotiations, and as a tendency long-term agreements are avoided.

4. Scope of Collective Agreements

Table 2 shows whether or not there are documented provisions at workplaces with labor unions and the ratio of the provisions stated clearly in collective agreements. Of the substantive contents, excluding the scope of agreement and term of validity, the following are notable subjects stipulated in the agreements. Working conditions: a high percentage of agreements provide for bonus and lump sum allowance (61%), other wage -related items (about 50%) and working-hours-related items (slightly below 50%). Industrial relations: 40-60 percent of agreements provide for union activities, dispute actions and union organizations.

Table 2 Subjects, Provisions, Collective Agreements Concluded and Percentage of Unions by Type (%)

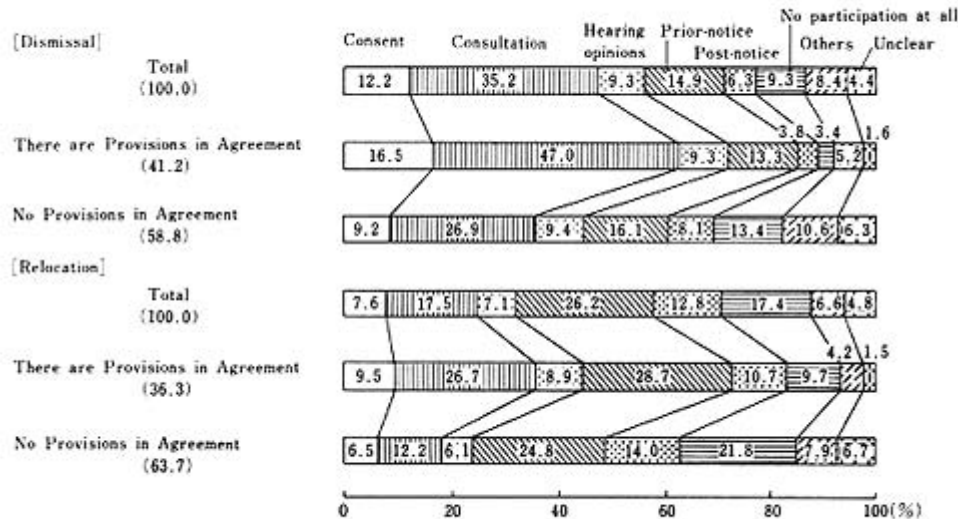
Subjects	Total	There are some provisions	There is a collective agreement	Types of coll. agreements (M.A.)			No provisions	unclear	
				Comprehensive	Separate	Unclear			
Wages	Basic pay { system amount	100.0	90.2	53.8	28.0	26.6	2.4	4.9	4.9
	{ allowance for Shinkansen commuting	100.0	85.5	54.4	18.4	35.6	2.0	9.3	5.2
	{ ki-separate allowance for away-from-home workers	100.0	20.9	13.7	5.9	7.4	0.8	69.7	9.3
	{ other allowances	100.0	51.9	32.3	13.5	18.0	1.4	40.6	7.5
	Allowance amount	100.0	85.2	49.2	21.9	27.5	1.5	7.4	7.4
	{ rate of increase in wages for overtime work	100.0	86.4	49.8	18.6	30.6	1.6	7.1	6.5
	Bonus & lump sum pay	100.0	90.2	49.6	24.5	25.6	1.4	4.8	5.0
	Minimum wages	100.0	88.6	61.2	21.1	40.3	2.3	6.2	5.2
	Starting pay	100.0	66.6	42.1	15.7	25.2	1.7	26.5	7.0
	Retirement allowance-pension { lump sum allowance	100.0	77.7	48.3	17.2	29.4	2.2	16.3	6.0
	{ pension system	100.0	91.9	55.3	24.4	31.3	1.7	2.5	5.5
	Wage increase	100.0	72.8	43.5	18.9	24.2	1.7	21.1	6.1
	Scheduled daily working hours	100.0	86.3	53.2	23.0	30.4	1.8	7.7	6.0
	Scheduled weekly or annual working hours	100.0	94.4	50.2	33.6	16.4	1.7	1.4	4.2
Overtime work	100.0	83.9	47.7	28.5	19.1	1.3	10.3	5.8	
5-day workweek	100.0	85.3	51.2	26.6	25.2	1.2	8.4	6.3	
Consecutive holidays	100.0	67.3	37.7	21.5	15.3	1.7	26.6	6.2	
Annual holidays excluding weekly holidays	100.0	61.4	34.4	15.1	18.5	1.4	31.7	6.9	
Annual paid leave	100.0	85.6	48.0	25.7	21.3	2.1	8.6	5.8	
Consecutive holidays for education & training	100.0	94.1	47.5	32.3	14.7	2.1	1.6	4.3	
Personnel matters	Promotion	100.0	21.6	10.6	5.1	4.3	1.4	70.2	8.2
	Dismissal	100.0	72.1	33.9	20.4	12.3	1.9	21.1	6.8
	Disciplinary action	100.0	91.0	41.2	33.1	6.9	1.9	4.1	5.0
	Relocation	100.0	91.3	40.0	31.6	7.2	1.8	3.7	5.0
	Transfer & farming-out	100.0	73.2	36.3	27.3	8.2	1.6	20.2	6.6
	Compulsory age limit system	100.0	69.1	36.6	23.6	12.7	1.5	24.6	6.2
	Reemployment & extended employment	100.0	93.2	48.7	33.4	14.2	1.9	2.3	4.5
	Nonstatutory compensation for industrial injuries	100.0	58.5	28.4	15.2	12.5	1.6	34.8	6.7
	Contributions to private insurance scheme	100.0	77.3	45.7	24.7	21.1	1.7	16.8	5.8
	Loan to housing fund	100.0	28.2	13.3	6.2	6.6	0.7	63.1	8.8
	Housing management system	100.0	58.5	28.4	11.8	15.8	1.3	35.1	6.4
	Nursing leave system	100.0	41.4	20.6	8.6	10.9	1.4	50.5	8.1
	Child-care leave system	100.0	20.7	12.2	6.1	6.0	0.5	70.6	8.8
	Physical checkup	100.0	39.2	20.9	12.3	8.6	0.9	53.1	7.7
Safety and hygiene education	100.0	88.9	37.4	26.4	9.9	1.9	6.4	4.7	
Other kinds of safety and hygiene	100.0	69.9	30.8	21.2	8.6	1.5	23.5	6.6	
Union organization	Scope of non-union members	100.0	68.3	31.8	22.2	9.3	1.4	24.5	7.2
	Union shop	100.0	70.2	61.6	47.7	13.7	0.9	20.6	9.1
	Sole negotiating union	100.0	57.4	53.7	45.4	7.4	1.2	34.9	7.7
	Collective bargaining-related matters	100.0	55.8	51.5	43.3	7.5	0.8	35.2	8.9
Collective bargaining	Procedures for and operation of collective bargaining	100.0	71.3	66.5	54.3	11.8	0.9	21.6	7.1
	Prohibition of commission of negotiations	100.0	71.0	66.2	54.0	11.8	0.7	21.5	7.5
	Coordination of disputes	100.0	38.0	34.5	28.1	5.6	0.9	52.5	9.6
	Prior notice of dispute actions	100.0	54.4	50.4	41.9	8.1	0.7	36.8	8.8
Disputes	Non-participants in dispute actions	100.0	63.4	58.5	48.0	10.1	0.8	28.7	7.9
	Observance matters for dispute actions (prohibition of scap, etc.)	100.0	53.1	48.9	38.8	9.7	0.7	38.1	8.8
	Union activities of members while on duty	100.0	49.7	46.1	37.5	8.1	0.6	40.6	9.7
	Utilization by unions of company facilities	100.0	72.0	65.9	51.4	13.9	1.0	21.3	6.7
Scope of collective agreement	Full-time union official as employee	100.0	70.5	63.6	49.7	13.4	0.8	22.8	6.7
	Term of validity for collective agreement	100.0	52.5	49.6	38.3	11.1	0.8	38.9	8.6
Introduction of new technologies & related matters	Prior consultations	100.0	★	65.1	53.7	11.1	1.0	25.7	9.2
	Relocation	100.0	★	71.5	64.9	12.3	0.6	23.9	4.6
	Education and training	100.0	34.9	27.1	18.8	7.9	0.8	55.9	9.2
	Employment security	100.0	33.5	23.9	15.2	7.9	0.9	57.2	9.3
	Working hours	100.0	32.0	21.5	13.2	7.6	0.9	58.6	9.3
	Safety and hygiene	100.0	32.5	22.8	15.4	6.6	1.0	58.0	9.4
Overseas service	Working hours	100.0	36.5	24.8	15.5	8.4	1.0	54.3	9.2
	Safety and hygiene	100.0	35.2	24.1	15.5	8.0	1.0	55.3	9.5
Others	100.0	37.2	21.8	7.9	10.0	4.2	54.7	8.1	
Others	100.0	33.1	22.3	13.3	9.4	0.9	46.5	20.4	

By industry, 30-40 percent of the agreements concluded in the services provide for wage-related items, 20-30 percent for work-hours items and 20-40 percent for labor-management relations. Thus, the percentage of agreements which provide for these subjects slips more than 10 percent from the average total. By enterprise size, the larger a company, the more clearly it states provisions in the agreement. Smaller enterprises, particularly those with 30-99 regular workers, state provisions less clearly in the agreement than do enterprises in the services.

Enterprise-based labor unions in Japan pay enormous attention to the adequate operation of their internal labor market. Also, the degree of their attention to dismissal and relocation issues is said to be high. Often the right to bargain and act collectively prompts the

unions to participate in decisions about these issues. Fig.1 shows the degree of labor unions' participation in the two cases, one in which there are related provisions in an agreement, the other in which there are no such provisions.

Fig.1 Whether there are Provisions concerning Dismissal and Relocation in collective Agreements and Percentage of Labor Unions by Degree of Participation (Regular Union Members)



On the whole, only a few unions fail to participate in dismissal and relocation bargaining at all (9% for the former and 17 percent for the latter), and the majority participate to a certain extent in management's decision-making. This suggests that even without provisions in an agreement, collective bargaining and labor-management consultations offer an opportunity for participation in managerial decision-making. When the provisions are given in an agreement, however, labor tends to participate more strongly in managerial decision-making (7). By industry, labor unions of companies in the services show a lower degree of participation (6% for consent and 22% for consultations). Likewise, smaller unions, smaller enterprises and unions with a low unionization rate tend to represent a lower degree of participation. Furthermore, when there are several unions in one particular firm they tend to show a lower degree of participation.

Various measures are more adequately taken for union activities of members while on duty and for utilization of company facilities for union activities when an agreement gives related provisions for such measures. These measures taken tend to be somewhat confined to labor unions of firms in the services, smaller unions and enterprises, unions with a low unionization rate, recently created unions and where several unions exist in one particular enterprise or establishment.

5. Labor-Management Disputes over Negotiations on Agreement

Table 3 indicates the percentage of labor unions which confronted management with their views and opinions in the process of concluding a collective agreement by subject of the

dispute. A very large percentage of unions opposed management over the amount of basic pay in wage negotiations, followed by bonus and lump sum pay. Otherwise, there are few subjects over which labor and management show an outright opposition to each other. One in every 20 unions found itself confronting management over working hours, holidays and vacations as these issues have been vigorously debated in recent years, as is the case with the compulsory retirement age limit, reemployment and extended employment. Industrial relations subjects have resulted in less eminent confrontation between labor and management in recent years⁽⁸⁾.

Table 3 Subjects-wise Percentage of Labor Unions Confronting Management during the Process of Concluding Collective Agreements in the Past 3 Years (%)

Subjects		Total	Subjects		Total
Wages	Basic pay { system amount	9.6	Safety & hygiene	Physical checkup	0.3
		61.1		Safety and hygiene education	0.1
	Allowance { allowance for Shinkansen commuting	2.3		Other kinds of safety and hygiene	0.3
		2.0	Union organization	Scope of non-union members	2.3
	Allowance { separate allowance for away-from-home workers	6.1		Union shop	0.9
		3.9		Sole negotiating union	0.3
	Allowance { other allowances	4.3	Collective bargaining	Collective bargaining-related matters	1.3
	Allowance { rate of increase in wages for overtime work	4.3		Procedures for and operation of collective bargaining	0.3
	Bonus & lump sum pay	19.6		Prohibition of commission of negotiations	0.2
	Minimum wages	1.9		Coordination of disputes	0.3
	Starting pay	3.6	Disputes	Prior notice of dispute tactics	0.3
	Retirement allowance-pension { lump sum allowance	6.6		Non-participants in dispute tactics	0.3
		2.9		Observance matters for dispute tactics (prohibition of scap, etc.)	0.2
	Wage increase	6.8	Union activities	Union activities of members while on duty	1.5
Work hours holidays vacations	Scheduled daily working hours	5.5		Utilization by unions of company facilities	1.1
	Scheduled weekly or annual working hours	6.6		Full-time union official as employee	0.9
	Overtime work	3.7		Scope of collective agreement	0.3
	5-day workweek	7.7		Term of validity for collective agreement	0.3
	Consecutive holidays	3.3		Prior consultations	0.8
	Annual holidays excluding weekly holidays	5.2	Introduction of new technologies & related matters	Relocation	0.8
	Annual paid leave	3.8		Education and training	0.0
	Consecutive holidays for education & training	0.1		Employment security	0.5
	Promotion	1.5		Working hours	0.2
	Dismissal	1.0	Overseas service	Safety and hygiene	0.1
Personnel matters	Disciplinary action	0.8	Others		0.3
	Relocation	2.6			0.3
	Transfer & farming-out	2.8			
	Compulsory age limit system	5.5			
	Reemployment & extended employment	1.3			
	Nonstatutory compensation for industrial injuries	2.0			
	Contributions to private insurance scheme	0.2			
	Loan to housing fund	2.2			
	Housing management system	1.0			
	Nursing leave system	0.9			
Welfare	Child-care leave system	2.3			

6. Conclusions

In Japan there are virtually no industry-based or vocation-based collective agreements. Region-wide collective agreements are also exceptional. The widely recognized collective agreements are enterprise-based. Many segmented enterprise-based or establishment-based labor unions have the legal right to bargain collectively and negotiate with the management or hold labor-management consultations to conclude a collective agreement. Japanese labor unions are active in a variety of areas through industry-wide or region-wide upper-echelon organizations of enterprise-based unions and national centers; but their primary area of activity is related to the workplace.

The latest survey on the realities of collective agreements shows a tendency for conclusion of collective agreements to have taken root, but with what appear to be wide gaps in the details of the agreement mirroring the characteristics of industries, enterprises, establishments and particular unions. The survey also appears to reveal substantial differences in the regulating power of labor unions in workplaces. Particularly the relatively

weak tendency to conclude collective agreements in the services industry and in smaller-scale enterprises (despite the fact that unions have taken great pains to organize these sectors) clearly suggests the fact that labor-management problems may exist there.

Notes:

- (1) Figures here are based on Ministry of labor's *Basic Survey on Trade Unions* (issued each year) and others. The average number of union members is calculated based only on the unit number of union members and is 173 if based on the total number of union members.
- (2) Based on a *1991 Survey on the Realities of Collective Agreements* compiled by Ministry of Labor. The Ministry conducts the survey once every five years. Of the unions stratified according to industry and unionization rate, about 5,000 labor unions were selected by random sampling and were questioned through on-site visits.
- (3) The collective agreement takes effect as a contract between labor and management; but it also has a normative effect over individual labor contracts. Application is extended to the remaining one-quarter of workers of the same category when it applies to three-fourths or more of those employed in establishments and has general binding power when it applies to the majority of workers employed in a locality.
- (4) Cf. Y. Suwa, "Recent Trends in Collective Bargaining Agreements in Japan", *Japan Labor Bulletin*, Vol.18-No.7, 1978, P.8.
- (5) Of the unions which fail to conclude collective agreements, 12 percent said that the results of collective bargaining are not needed to be synthesized into a collective agreement since they are observed (24% replied there is no need for concluding a collective agreement since they have comprehensive work rules). Eighty-four percent, however, opted for the necessity to conclude a collective agreement.
- (6) The percentage of upper-echelon organizations in which a collective agreement is concluded is high among large enterprises with 5,000 and more employees because in many cases a federation of intrafirm unions conclude one major central collective agreement.
- (7) Participation in the case of union official's job security is the highest. Unions' concern in disciplinary actions was slightly weaker than in dismissal actions, but tended to be stronger in relocation issues.
- (8) According to Ministry of Labor's Survey on *Labor Dispute Statistics*, in 1990 the number of labor-management disputes, that of labor disputes which led to strikes or lockouts continuing more than half a day, that of workers involved and that of working days lost dropped sharply to 20, 5, 2 and 2, respectively on a scale constructed with the numbers in 1974 (when these actions peaked) equal to 100.

White Paper on Labour-1992

The 1992 White Paper on Labour analyzes trends in the labor economy for 1991 in Part I while Part II deals with the "labour shortage, vigorous labor mobility and enterprises' adequate response to these factors." Here the white paper specifically analyzes a phenomenon which occurred in the labor market in the current phase of economic expansion while attention remains focused on the labor shortage and increased labor mobility. Next, it examines the ongoing corporate response to the phenomenon in the context of employment administration, thereby probing issues regarding labor policy under the condition that potential labour force will be limited.

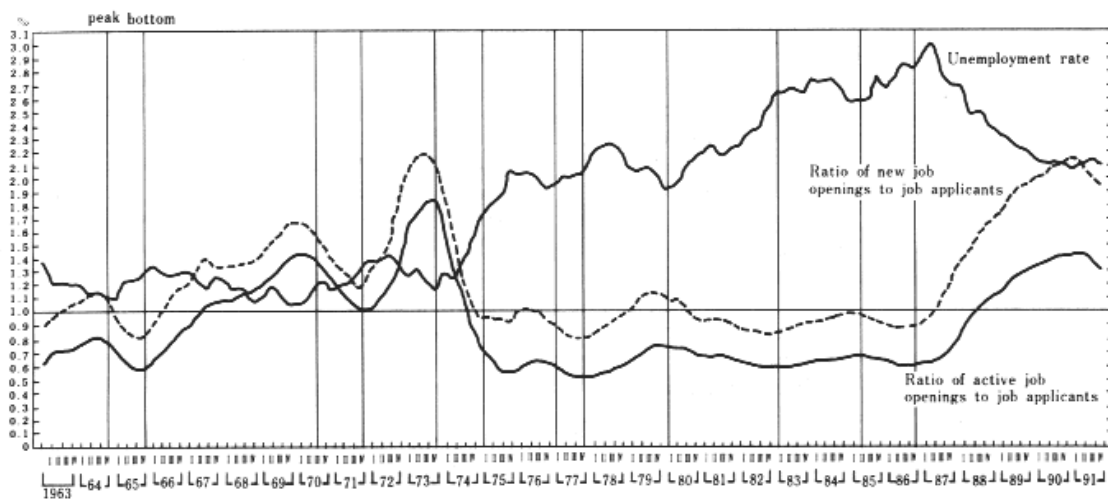
Part II Labor shortage, Vigorous Labor Mobility and Enterprises Response to Them

I . Labor Shortage in the Current phase of Economic Expansion and its Background

1. Details of Tight Labor Supply and Demand

The Japanese labor market trended to be tight from the mid-1960s and then continued to ease following 1975. It again tightened during the economic boom which lasted into early 1991. Comparing the current economic expansion with the so-called Izanagi Boom which spanned the period between October 1965 and July 1971, the ratio of active job openings to job applicants and enterprises' outlook on surplus or shortage of employees showed similar trends; the level of unemployment rate, however, was higher in the current phase of economic expansion than during the Izanagi Boom (Fig.1).

Fig.1 Trends in Unemployment Rate and Ratio of Job Openings to Job Applicants (Seasonally Adjusted)



Source: Ministry of Labour, Report on Employment Service Statistics Bureau, Management and Coordination Agency, Labor Force Survey

2. Features of Increased Employment and Background

The current phase of economic expansion witnessed an increase in labor supply which exceeded that of the Izanagi Boom. In addition, the most recent period of economic expansion was characterized by the rise in number of women and elderly workers. Behind this lies a rising labor force participation rate for women and older persons.

The background factors that caused demand for employment and the rising vacancy rate to expand in the current phase of economic expansion are thought to be the following. First, was the continued long expansion in the period of stable growth and domestic demand-oriented growth resulting in expanded employment. Second, greater employment demand surfaced due to a higher growth rate after the implementation of drastic employment adjustment in the past period of recession. Third, the need for securing talented workers arising from enterprises' advance into new business areas. Fourth, the growing share of the service sector in the industry and employment structure. Fifth, shorter working hours and rising numbers of part-time workers likely to result in expanding demand for employment.

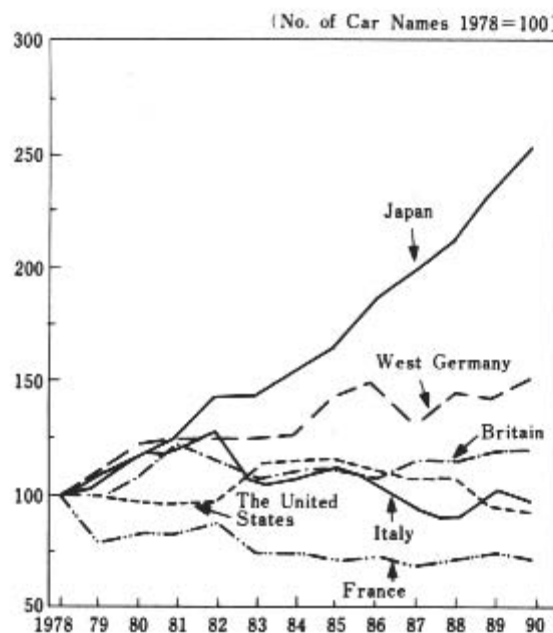
Sixth, increasing job openings to supplement those who quit work. Seventh and lastly, enterprises' expected strong desire to hire school graduates and enterprises' efforts to actively utilize women and elderly people.

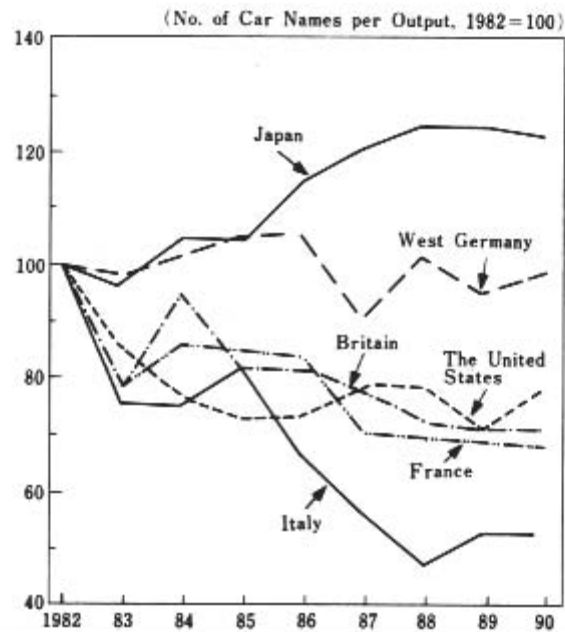
3. Changes in Consumers' Preference and Their Effects on Labor

The services for Catering to the growing consumer preference to the pursuit of convenience often requires much labor. Take convenience stores, for instance. The longer the business hours, the larger the number of workers per store. The value of sales per store does not increase as the number of employees grows. What is more, along with the frequent delivery of articles in small quantity brought on by responses to the pursuit of convenience, the paucity of workers is worsening in the road freight transport. Such labor shortage triggered long hours of work in road freight transport, which then led to a further lack of workers.

Consumers' preferences for individualized goods and services is also growing. This, too, is likely to hamper higher labor productivity and exacerbate the labor shortage. For example, a wide choice of models and frequent model changes as typified by cars and electrical appliances, it is considered, were brought on by corporate behavior which always gives top priority to increased market share. Such corporate behavior will likely bring about constraint on working conditions, such as labor time, as a result of severe inter-corporate competition and also bring about competition without satisfying inter-corporate consumer essentially (Fig 2).

Fig.2 International Comparison of Trends in No. of Car Names





Source : Japan Automobile Manufacturers Association' inc.
Statistics on Automobiles in Major Countries

II Vigorous labor Mobility

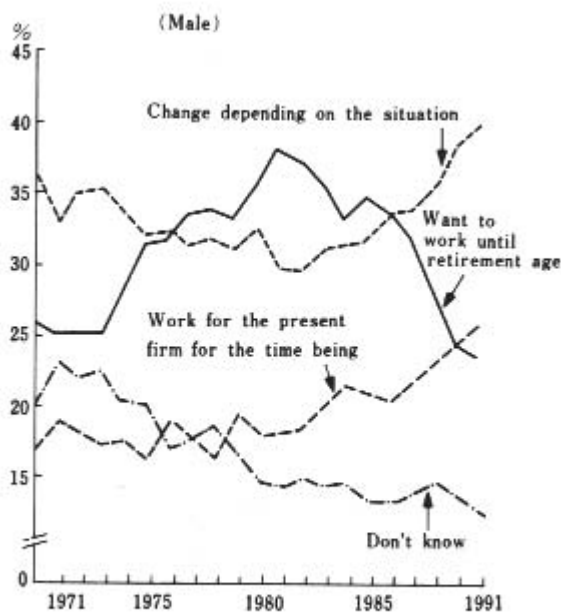
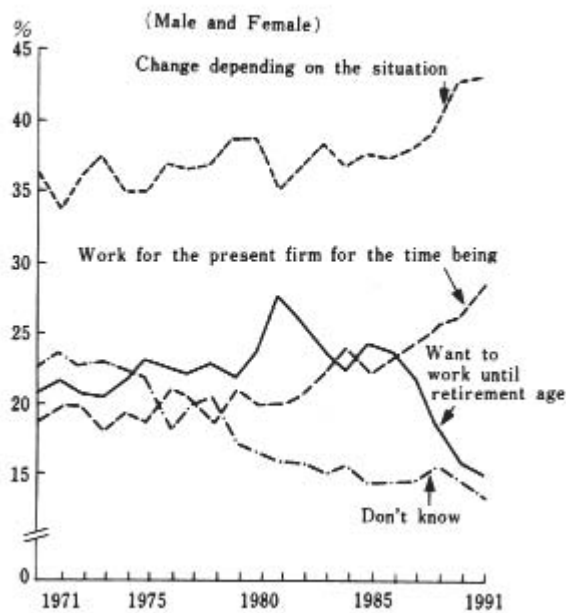
1. Trends in and Features of Labor Mobility

The rate of job turnover is largely comparable to that of the mid-1960s. The recent characteristic trend is that the rate of job turnover has been rising notably among workers at large-scale establishments which have previously witnessed few workers change their jobs, and that it has become quite common among various groups, not just among specific groups.

2. Background of Vigorous Labor Mobility

The rate of those wishing to turnover jobs has followed a substantially consistent upward trend over the long term. It is thought that the growing rate of those who want to change jobs is influenced by the demand-supply situation of the labor market in the short run. However, the long-term upward tendency in the rate of those who wish to change jobs is becoming so strong as to offset the effects of the demand-supply situation of the labor market. The diversifying demand for jobs and diminishing sense of belonging to the company, particularly among the younger generation, seem to be partly responsible for the trend (Fig.3).

Fig.3 Trends in Commitment to Company



Source: Japan Productivity Center and Junior Executive Council of Japan,
Report of Freshmen's Sense to Business

The percentage of establishments which implemented midcareer workers, grew dramatically in the current business boom. What is more, 32 percent of the establishments hired "*daini-shinsotsu*" (literally "second new graduates"), or "another class of new graduates." Thus, enterprises have come to employ midcareer persons in an active manner.

3. Changes in the Industry-wise Composition of Workers and the Effects of Labor Mobility

Much change in the industry-wise composition of workers has been engendered by job turnover. The relationship between job turnover and working conditions shows that the

higher the wage levels for midcareer persons, the higher the rate of job turnover. Moreover, the longer hours the industries require of their workers, the higher the rate of job separations. It is thus considered that workers, on the whole, tend to take jobs with better working conditions.

The possibility is high, it appears, that labor mobility will tend to continue to be vigorous in the years to come. One reason is future restraint on labor supply. Another reason is a great possibility that the worker composition, workers' consciousness on labor and a job turnover environment will continue to undergo changes in the coming years. Easygoing job separations and job turnover fail to pose no problems, but vigorous labor mobility will constitute a factor to improve working conditions and will also provide workers themselves with an opportunity to demonstrate their potential abilities.

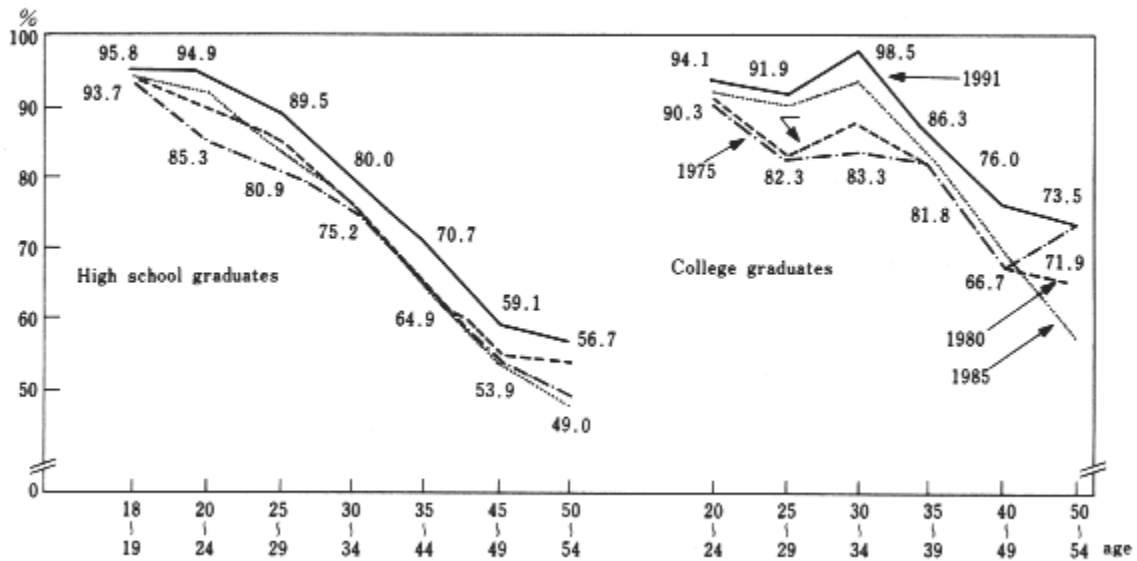
III Changes in the Labor Market and Corporate Response

1. Changes Occurring in Wage Structure and Wage System

In the current economic expansion, starting pay increased and this led to a higher rate of increase in wages for young workers. Thanks to this, relative wage levels of male middle-aged and older workers declined, causing the wage disparity between the ages of male standard workers to narrow down. In the wake of this situation, variations in wages for standard workers of the same age group expanded among the middle-aged and elderly. In this aspect of the wage system, the concept of the wage system with an emphasis on an individual's ability has been winning wider acceptance. It incorporates "promotion and pay hikes based on merit" and "an increase in job skill-related elements of basic pay."

In the midst of the tight labor supply and demand situation and vigorous midcareer employment against the backdrop of an acute sense of workers shortages, enterprises tend to largely equate treatment tied to wages for midcareer persons before and after hiring with that for workers on the payroll. This suggests that enterprises try to respond properly to employment of more midcareer persons in the context of the wage system. Comparing initial wages for those hired in midcareer with those for standard workers of the same age, the overall disparity is narrowing, particularly among young workers. Thus, the conditions which work against wages for midcareer persons under the seniority-based wage system are gradually disappearing (Fig.4).

Fig.4 Wage Differentials between Midcareer Persons and standard Workers by Educational Background and Age (Industries, size of enterprises covered, Standard workers=100)



Source: Ministry of Labour, *Basic Survey on Wage Structure*

2. The Present State and Problems of the Reduction of Working Hours

From the mid-1970s to the late-1980s total hours worked moved sideways, hovering around 2,100. They again decreased in and after 1989 and fell to 2,016 in 1991. The long-term decrease in total hours worked is due in major part to a dip in scheduled hours stemming from the expanded five-day workweek scheme. Declining non-scheduled hours in recent years are due in major part to a greater degree the product of implementation of the 1988 revision of the Labour Standards Law.

Reduction of working hours in Japan has been steadily progressing in recent years. However, Japanese workers still put in longer hours than their counterparts in Western countries. Causes of this are the delayed adoption of a complete five-day workweek and the gap in the number of annual paid holidays taken (Table 1).

Table 1 International Comparison of Working Hours (Production Workers in Manufacturing, 1990)

(unit, hour, day)

	Japan	the U.S.	Britain	Germany	France
hours actually worked	2,124	1,948 (-176)	1,953 (-171)	1,598 (-526)	1,683 (-441)
Scheduled Working hours	1,905	1,756 (-149)	1,766 (-139)	1,499 (-406)	—
Non scheduled hours	219	192 (-27)	187 (-32)	99 (-120)	—
No of annual holidays	118	139 (-181)	147 (-255)	157 (-317)	154 (-298)
Weekly day-off	85	104 (-164)	104 (-167)	104 (-155)	104 (-157)
Holidays except weekly day-off	21	9 (-103)	8 (-114)	12 (-73)	8 (-108)
Annual paid holidays	9	19 (-86)	24 (-132)	29 (-163)	26 (-141)
No. of absences	3	7 (-34)	11 (-70)	12 (-73)	16 (-108)
Working hours per day	8.60	8.62 (4.80)	8.96 (83.59)	7.67 (-208.50)	7.98 (-142.64)
Scheduled working hours per day	7.71	7.77 (13.57)	8.10 (90.30)	7.21 (-115.07)	—
Non scheduled working hours per day	0.89	0.85 (-8.77)	0.86 (-6.71)	0.48 (-93.43)	—

Source: Data available from EC and individual countries
Estimated by Working Hours Division, Wages and Working Hours
Department, Ministry of Labour

- Notes: 1) Figures in parentheses denote contributions to a gap in hours actually worked by nation.
2) Scheduled and non-scheduled working hours for France are unknown.
3) Establishments surveyed are those with 5 and more employees for Japan, those of all sizes for the U.S. and those with 10 and more employees for other nations.
4) Includes regular part-time workers.

In 1990, whereas the full-fledged five-day workweek has widely diffused in large enterprises, it was slow to diffuse in smaller enterprises. The spread of a five-day workweek is a special contributing factor to the cuts in the number of working days. It is safe to say that reduction of working hours contributed less to annual paid holidays taken.

3. Changes in Workers' Consciousness on Labor and Progress in Corporate Employment Management

(1) Progress in Female Employment Management

The country has been experiencing a scarcity of Labor force in recent years. Amidst this situation, enterprises are actively utilizing female workers. On the other hand, with their attitudes toward work diversifying, more and more women advance into a variety of jobs, thus expanding their employment fields. Furthermore, firms are increasingly adopting personnel management policies which allow for diversification as well as flexible career tracking. They are also adopting reemployment plans for women and childcare leave and domestic-care leave systems. Thus, it is clear that an increasing number of enterprises are conducting flexible female employment administration to secure and actively utilize the female Labor force.

(2) Progress of Employment of the Aged

The employment environment surrounding elderly people has improved as enterprises

have turned to older persons to meet their employment needs. Mandatory retirement system with uniform age limit 60 has made progress significantly in the recent period of economic boom. Furthermore, spread of the employment extension system and re-hiring system has accelerated continuous employment up until 65. Enterprises have tackled employment management of older persons in a variety of manners-for instance, the introduction of diversified and flexible employment and work patterns, such as short-time work, working every other day and home-duty work.

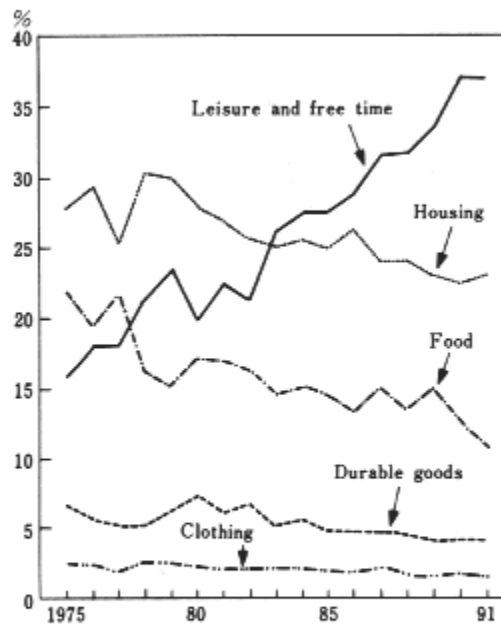
(3) New Progress in Working Hours and Vacation Schemes

Responding to workers' growing tendency to emphasize private life away from a corporate-oriented life, increasing numbers of enterprises, and large ones in particular, is launching flexible work schedules. The forms of the schedules adopted by a large proportion of enterprises are "the variable working hours system on a monthly basis" and "flextime system." Also, it is predicted that in the years ahead more and more enterprises will introduce flexible employment administration practices, such as the 'counted-for-hours worked system', vacation plans which take special care for individual workers' personal matters, satellite office system, the home-duty work system and the system of restricting places of employment.

(4) Changes in Workers' Consciousness on Labor

Changing attitudes toward work are major factors underlying change in enterprises' employment management. Let us observe changing attitude toward work from the answers to the question of "What aspect of your life will you stress in coming years?" Whereas emphasis on clothing, food and housing as well as durable goods has somewhat lost importance, stress on leisure has gained importance dramatically (Fig.5, 6).

Fig.5 Trends in Where to Stress in Future Life

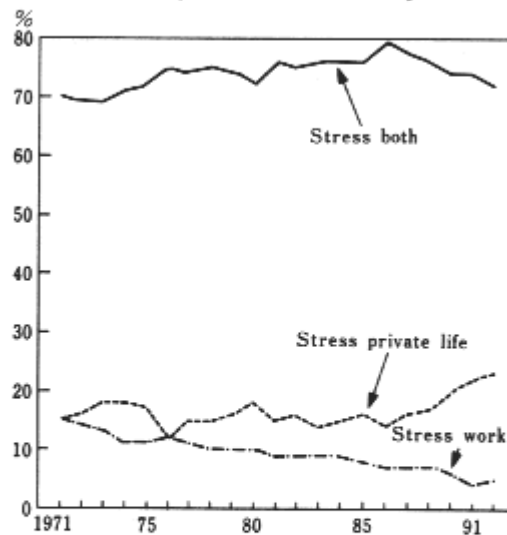


Source: Prime Minister's Office, *Poll on National Life*

Note: 1) Surveyed in May of each year

2) Represents the percentage of replies to the question "What aspect of your life do you wish to stress in the years ahead?"

**Fig.6 Trends in Consciousness on Labor—
"Which do you stress, work or private life?"**



Source: Japan Productivity Center and Junior Executive Counsel of Japan, *Report of Freshmen's Sense to Business*

Notes: 1) Surveyed in March-April of each year.

2) The survey was conducted among enterprises' new recruits.

3) Represents the percentage of replies to the question "Which do you stress, work or private life?"

Concluding Remarks

In future years, the Japanese economy will be confronted labor supply constraints and aging, both of which will progress simultaneously. In this situation, to cope with these problems in the mid and long term, the following seven areas are fundamental and constitute underlying tasks the government should tackle.

First should come realization of a society in which virtually every one of those willing to work can work as they desire. Toward this end, it is necessary to further expand job opportunities for women and encourage employment of the handicapped.

Second, is realization of a comfortable and affluent working life. To achieve this, continued efforts should be made to steadily promote reduction of working hours and inaugurate flexible working-hour schedules so that workers can shift their priorities to value family life, rather than corporate-oriented life, thus realizing a more harmonized working life.

Third, should come the building of an employment system which has respect for individuality and which gives one freedom to choose one's own pattern of employment from many options.

Fourth, should come improved vocational ability of each worker which will further grow in importance during the future period of workers shortages.

Fifth, should come smooth adjustment of labor supply and demand to resolve the mismatch in labor supply and demand.

Sixth should come realization of greater labor productivity. To this end, it is essential to further promote labor-saving and efficiency efforts to assure more labor-saving-oriented economic structure and to consolidate an environment which encourages smooth labor mobility.

The seventh and last task the government should tackle involves international considerations. From the viewpoint of international division of labor, creation of job opportunities overseas should be sought through promotion of overseas direct investment and expanded imports. This will support human resources development and contribute to development of an international community.

Thus, in order to sustain the vitality of Japanese society under the condition that potential labor force will be limited, it is necessary to review traditional ways of providing and enjoying goods and services and to realize a working life with emphasis placed equally on the

enterprise, the family and the rural community, while moving away from a corporate-oriented life.

Statistical Aspects

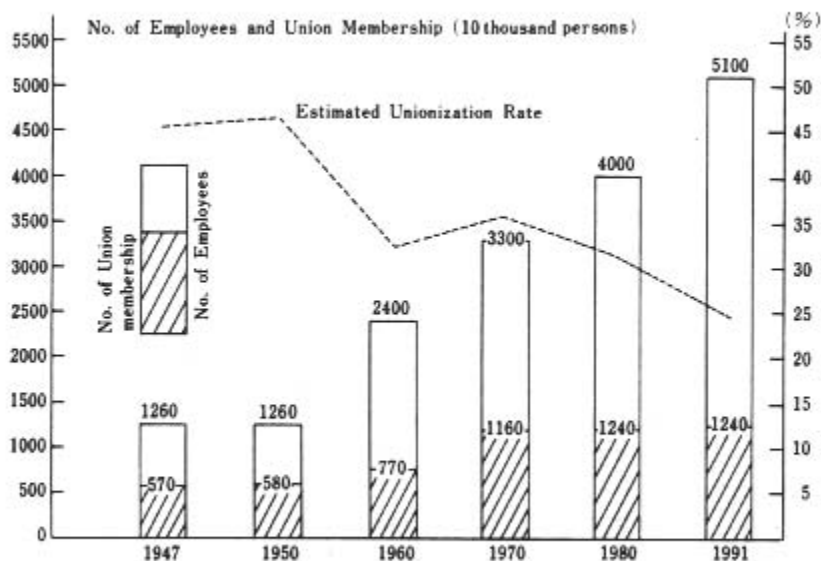
Recent Labor Economy Indices

	May 1992	April 1992	Change from previous year
Labor force	6,653 (10 thousand)	6,583 (10 thousand)	70 (10 thousand)
Employed	6,511	6,441	64
Employees	5,134	5,077	117
Unemployed	140	132	6
Unemployment rate	2.1 %	2.0 %	0.0
Active opening rate	1.14	1.17	- 0.28
Total hours worked	159.2 (hours)	173.0 (hours)	- 2.5*
Total wages of regular employees	267.2 (¥thousand)	269.3 (¥thousand)	3.0*

Source: Management and Coordination Agency, Ministry of Labour.

Notes: 1. * denotes annual percent change.
2. From January 1991, data of "Total hours worked" and "Total wages of regular employees" are for firms with from 5 to 30 employees.

Trends in No. of Employees, Union Membership and Estimated Unionization Rate



Source: Ministry of Labour, 1992 *Basic Survey on Labor Unions* (revised)

Note: The estimated unionization rate represents the percentage of union members in the number of employees.

Table Union Memberships by Major Labor Organizations (Individual Labor Union)

Major Labor Organizations	(thousand persons)
Total	12,397 (100.0)
Japanese Trade Union Confederation	7,615 (61.4)
National Confederation of Trade Union	840 (6.8)
National Trade Union Council	299 (2.4)
Others	2,758 (22.2)
Unaffiliated	1,114 (9.0)

Source: Ministry of Labour, 1992 Basic Survey on Labor Unions (Revised)

- Notes: 1. The number of labor unions affiliated with more than two major organizations overlaps that of labor unions counted by major organizations. Therefore, the total number of labor unions by major organizations does not necessarily agree with the total.
2. "Others" indicates those unions which are not affiliated with Rengo (Japanese Trade Union Confederation), Zenruren (National Confederation of Trade Union) and Zenrokyo (National Trade Union Council). "Unaffiliated" means those unions which are not affiliated with the above-mentioned unions.
3. Figures in parentheses indicate the percentage in the total number of union members.