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## General Survey

### **The 2000 *White Paper on Working Women***

The Ministry of Health, Labour and Welfare recently released its *White Paper on Working Women*. Known by its subtitle, "Actual Situation of Women at Work," the White Paper focuses on the situation in fiscal 2000. It examines changes in the treatment of female workers and the ways in which female workers have been making use of the Equal Employment Opportunity Law since the implementation in 1986. It makes use of qualitative and quantitative data to compare the current situation affecting female workers with the situation before implementation. It also looks at some of the challenges ahead.

The White Paper reveals that the number of female employees increased by 5.86 million between 1985 and 2000, a substantially larger increase than that recorded for male employees (4.52 million). However, a further breakdown of the figures shows that the number of male employees working 35 hours or more per week increased by 2.94 million whereas the number working less than 35 hours per week increased by 1.60 million. That contrasts with the situation for female employees for whom the numbers grew by 1.52 million and 4.21 million respectively. More than 70 percent of the increase in the number of female employees was accounted for by the increase in the number of those working less than 35 hours per week.

By industry, the growth in employment occurred primarily in the service sector, where an increase of 5.38 million was recorded. In this sector, substantial growth was seen among both male and female employees working 35 hours or longer per week, and among female employees working less than 35 hours. The number of employees in wholesale and retail, and food and drink establishments grew by 2.85 million. More than 60 percent of that figure was accounted for by female employees working less than 35 hours per week.

Where non-regular employees are concerned, the total number grew by 6.12 million, from 6.45 million in 1985 to 12.57 million in 2000. The number of female workers, 4.58 million, accounted for 75 percent of that growth. As for employment patterns among non-regular employees, the number of female employees working on a part-time basis increased considerably in every industry between 1993 and 1999. As a result, the proportion of part-timers who were female increased by 10.4 percentage points from 70.0 to 84.4 percent.

In this connection, wage differences between male and female regular employees have been shrinking over time, whereas the level of wages earned by female non-regular employees

has remained low. This was noted in the White Paper as a problem requiring attention. For that reason the Ministry of Health, Labour and Welfare stipulated that part-time workers engaged in duties identical to those of regular employees should be treated on par with their counterparts in terms of working conditions. It made specific suggestions concerning the provision of information, counselling services, and so forth.

The White Paper stresses that positive action is required if the differentials existing between men and women are to be removed. It notes that the common characteristics of private firms which have solved this issue include the understanding of top-management; the existence within the firm of department or section staff members who are assigned to take the lead in tackling the issue; and a wide consensus within the company about setting and pursuing achievable targets.

## Human Resources Management

### Reassessing Job-ability Qualification Systems

From the latter half of the 1970s until recently, personnel management in major companies has been based largely on a job-ability qualification system, but currently an increasing number of firms have begun to reconsider that approach.

A job-ability qualification system is a scheme for evaluating workers in terms of some assessment of their basic ability to execute and carry out a job. Such ability was not necessarily closely linked to being in a specific position, and a worker might move to a higher classification without being promoted to a higher position. Also, most systems did not incorporate provisions for downgrading. In general, wage systems in large Japanese firms were determined by a basic wage component linked to seniority (i.e., length of tenure) and an ability-based component determined by classification of job-ability. Each component carried a similar weight. It was believed that the wage component based on job-ability reflected merit and could be fine tuned in a more flexible manner to changes in actual duties carried out by each employee. It was seen as being superior to a wage system based on short-term performance and achievement, an important consideration when the long-term training of workers was concerned.

However, the “ability to carry out a job” proved in many cases to be too abstract, and promotion to higher posts on this basis tended to end up being determined in accordance with tenure — the “seniority system.” Thus, with the economy stagnant and the market becoming increasingly competitive, firms employing an aging labor force have begun to reconsider the

existing personnel management system. They have begun to look for new criteria such as performance and achievement which can more closely link the worker's short-term performance to his/her remuneration.

This rethinking has been particularly conspicuous in the treatment of those in managerial posts. Many firms have adopted an approach which allows the annual salary system to be adjusted. This allows short-term achievements to be reflected in wage levels. Surveys have found that about 30 percent of large firms in Japan have adopted this approach for employees in managerial positions

On the other hand, the evaluation and classification of workers not in managerial positions (i.e., those who are union members) have tended to be conceived with an emphasis being placed on long-term personnel training which has been highlighted by the job-ability qualification system. The changes at this level have tended to place more emphasis on the concrete roles and abilities of workers while promoting greater transparency and rationality within the system.

NEC Corporation, one of Japan's giant IT manufacturers, adopted a new system in October 2000. Under the previous wage system, the basic wage consisted of (1) a "duties-qualifications" component based on the grade of the employee's job and the individual's estimated ability and (2) the base component which rose in accordance with job-performance evaluations. However, it was difficult to fix a level of payment based on the nature of the actual work when external conditions were constantly changing. In addition, the criteria for ranking employees under the qualifications-based system were so ambiguous that employees did not know what the company required of them. As a result, NEC has introduced a new wage scheme which has the following features:

(1) Existing job grades have been abandoned, and the level of qualifications have been combined into four categories. The categories are newly specified in accordance with the nature of the work, and new grades of qualification have been established within each category. For those in clerical and technological jobs, employees engaged in planning and comprehensive duties which require high degrees of discretion and judgment are placed in category A; other clerical and technological jobs can be found in group B; manufacturing and inspecting jobs are in group C; and special duties such as patrolling are in group D. The roles of white-collar workers vary, and confining them to Groups A and B has made the situation clearer for many employees. Category A involves jobs for which actual performance and results are seen as important and wage levels vary widely according to the evaluation of each employee. Jobs in Category B are for workers who are expected to produce steady results by

accumulating work skills and know-how.

(2) Job types are set within each job category, and the “practical behavior and skills required for better results” are explicitly defined for each job type and each qualification grade. From this, employees are able to learn concretely the “practice files” — the behavior and skills required of them.

(3) The basic wage component that formerly consisted of the duties-qualifications payment and the component linked to seniority have been combined in one calculation to obtain each employee’s “basic monthly salary.” Wage levels are determined by personnel evaluations and are to fall within a “monthly salary band” fixed within each job category and a qualifications grade. The monthly salary band and “basic pay rise table” are open to all employees for reference. By referring to that material, each employee can learn how the company has evaluated their performance.

(4) The criteria for evaluations are defined in terms of “practice” and “results.” Raises in the basic monthly salary and the qualifications grade are based on the “personnel evaluation,” which varies in accordance with the degree of achievement in practice (the employee’s actual behavior or performance) and the level of skills required. “Practice files” refer to the extent to which performance targets were achieved and actual achievement of targeted performance, whereas bonus payments are based on only the skill levels achieved.

The term “practice” as it is used by NEC refers to something often called “competency” by other Japanese firms which have recently adopted performance-based wage systems (including Fuji Xerox Co. and YKK Co.). In recent years a growing number of firms have become concerned with the notion of “competency.” As job-ability qualification systems come to be reviewed and efforts are made to introduce evaluation systems, a clearer and more reasonable system of setting remuneration for employees will result in the precise roles required of ordinary employees being better specified. In the end, it is believed that this will strengthen the ability of firms to provide motivation for human resource development.

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### **Foreign-affiliated Companies in Japan Work to Attract Experienced Employees with Better Working Conditions**

Results from the *Survey on Present Labour-Management Relations in Foreign-affiliated Companies* were released on March 27 by the Ministry of Health, Labour and Welfare. The results reveal that many foreign-affiliated companies in Japan find it “difficult to secure experienced workers and to train staff” and are thus stepping up their efforts to recruit such employees. In trying to hire workers throughout the year who are immediately competitive in the workplace, many such firms have offered better working conditions than Japanese firms

The survey was sent to some 1,500 foreign-affiliated firms and the branches of foreign firms in Japan for which foreign capital accounted for one-third or more of the total capital. The survey asked about personnel management practices, labor-management relations, and working conditions. This was the seventh such survey, and follows the one conducted in 1996. The number of firms who responded to the survey was 529 (a response rate of 40.1%).

As for recruitment strategies, 55 percent of the firms replied that they recruited experienced workers throughout the year; 17.4 percent indicated that they recruited experienced employees but also focused on hiring new graduates; only 3.2 percent of the firms replied that they mainly recruited only new graduates. The preference for recruiting experienced workers throughout the year is more marked than in the previous survey. As the overwhelming reason for this trend, 85.9 percent of the firms replied that “an experienced worker, because they have already developed the necessary skills, should be able to work immediately.”

As for difficulties in business and personnel management, 58.6 percent of the firms answered that they were having trouble securing and training their labor force; another 26.8 percent answered that the competition with local Japanese firms was severe.

The survey found that the working conditions offered are more generous than those offered by Japanese firms, and are thus attractive to workers joining companies partway through the year. As for working conditions, scheduled working hours per week were less than 40 hours in 69.5 percent of the firms surveyed; 58.2 percent of the firms offered 120 days or more off each year. The average annual paid holiday was 20.3 days, against an average of 17.8 days for Japanese firms. The actual number of days that employees took averaged 12.8 days, as opposed to nine days in Japanese firms (for a leave consumption rate of 62.9 and 50.5 percent respectively).

In addition, 65.2 percent of the firms surveyed set their scheduled working hours per week at less than 38 hours, as compared to 19.2 percent of Japanese firms. Moreover, schemes for special leaves covering “sick leave,” “refresher holidays,” “paid leave for education and training,” and “leave for volunteer activities” are more common than in Japanese firms.

The proportion of firms with labor unions increased slightly from the previous survey to 13.8 percent. The unionization rate was 29.2 percent, higher than the estimated rate of 21.5 percent (as at 2000) for Japanese firms as a whole. Labor disputes have occurred over the preceding two years in 2.6 percent of firms surveyed, an increase over the rate reported in the

previous survey which had shown a drop. The issues in dispute included wages (71.4%) and dismissals (28.6%).

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### **Managers without Subordinates: Survey of Workers in Managerial Posts**

Employees who are classified as managers in charge of management and supervision (of subordinates) as defined by the Labour Standards Law are not subject to the legal regulations concerning working hours, rest periods, and holidays laid down in that law. Their employers are thus exempt from the obligations to pay extra wages to workers who have worked during non-scheduled working hours or holidays. The length of working hours, including overtime, is closely linked with wages actually paid unless the worker is in an essentially managerial post or his salary is determined either by a discretionary work scheme or by a scheme covering time considered to have been spent working outside the workplace. However, when a worker is treated as a manager in name only, a situation can arise where an employer does not pay the worker overtime or other payments for the extra working hours.

In light of this concern, the Tokyo Central Labour Standards Inspection Office has carried out a survey of the actual treatment of workers in managerial posts. The survey was sent to 40 companies whose headquarters are located in three districts in the center of Tokyo. Usable responses were returned by 38 companies. (The survey was administered through interviews carried out from October to December 2000.) The interviewees were staff members in charge of personnel management, and the interviews were conducted with reference to the firm's wage account books. The average number of employees at the companies surveyed was 1,369. Since this survey covered firms within a limited area, its findings cannot be regarded as providing a general trend of companies across the country. Yet, it is believed that they might provide at least some indication as to how today's employees in managerial posts are being treated. The term "employees in managerial posts" as used in this survey is defined as "employees who are not eligible for extra wage payments for overtime work because of their status as managers."

For all firms the proportion of all employees who were in managerial posts averaged 38.6 percent. But only five of the 38 firms had a definition of what a managerial post meant in their employment prospectus. Some companies had no definition at all even though they had in place a wage scheme which distinguished between employees in managerial posts and those who were not in such positions. When a definition did exist, it varied. The term might refer simply to those who have reached a post of a certain level, or to those reaching a certain grade of duties, or to those who had achieved some combination of these posts and grades.

In 32 of the 38 companies, some of the employees in managerial posts had no subordinates. Eighteen companies replied that there was no linkage between promotion to managerial posts and the nature of the work performed. Ten companies replied that, because they promoted employees to managerial posts on the basis of specialization in their jobs, whether or not they had subordinates was irrelevant. Although most of the firms acknowledged the rights of workers in managerial posts to make decisions concerning personnel management and budgetary issues, there were nevertheless many workers in managerial posts with no subordinates. In this regard it seems likely that only those with subordinates are, in fact, granted such rights, whereas those without subordinates are granted only limited rights.

Twenty-eight companies do not know when workers in managerial posts arrive at work or when they leave. While 15 companies keep records of the working hours for these workers, 11 of those 15 firms rely on self-reporting. Thirteen firms deduct wages in proportion to the time missed when employees arrive late, leave early, and or are otherwise absent. Of those 13 firms, 10 treat employees in managerial posts in the same manner as non-managers. On the other hand, 14 companies do not make such deductions for any of their workers who have a good reason, regardless of what their title might be. Eighteen firms required their employees in both managerial and non-managerial posts to be in the office from opening to closing. Fifteen of those firms replied that there was no difference in terms of the treatment managerial and non-managerial staff in that regard.

With regard to determining remuneration, 34 companies implemented a different scheme for determining the wages of managerial and non-managerial employees. Four set the wage levels of managerial posts on a yearly basis. Comparing the annual salaries of workers who had been recently promoted to managerial posts with non-managers in the highest grade engaged in the same job category as the managers, the monthly wages of the former group were higher than those in the latter in 25 firms, whereas the reverse was true in 12 firms. As for annual income, those in the former group received more in 32 firms, and the reverse was true in five firms. The fact that the income of the latter type of employees might exceed that of the former type reflects the fact that overtime payments are made to workers in non-managerial posts. On the other hand, the reverse is also true in firms where the company endeavors to ensure that the difference owing to overtime is more than covered by paying more bonus payments to workers in managerial posts. Half of the companies surveyed did in fact answer that they treated employees in managerial posts more generously than those in non-managerial posts in terms of basic bonus payments and the rate of calculation. Twenty-six companies indicated that they paid special allowances to employees with



managerial responsibilities as part of their remuneration package, the amount varying between ¥5,000 and ¥186,000. Of the 26 companies, five link special allowances for managerial staff to estimated payments for overtime which are not actually paid because of the workers' status as managers.

If the term "managerial post" has no substantive meaning, then an appropriate alternative to seniority-based treatment may be called for. If, on the other hand, managerial positions are established in order to save on overtime payments, then a system needs to be established with appropriate criteria so that such labor is remunerated in some way.

## Public Policy

### **More than 2,000 Labor Disputes: Increase in Individual Labor Disputes**

Last year, the number of civil suits involving labor relations brought to district courts across the country exceeded 2,000 for the first time, with 2,063 such disputes being recorded in preliminary statistics. The figure has increased by more than three times over the past 10 years. (See Statistical Aspects). This increase seems to be attributable to the increase in dismissals and retirements owing to the prolonged recession and restructuring plans, harassment in the workplace, and unpaid wages. Most of the requests for counselling brought to Labour Standards Inspection Offices and to the prefectural Labour Administration Offices across the country concerned dismissals and the non-payment of wages. Therefore, it can be assumed that the nature of the civil suits which followed would be similar. (A breakdown for the number of civil cases since 1995 is also provided in Statistical Aspects.)

While judicial courts play a significant role in labor suits — for example, producing important case laws (e.g., with regard to the legal principles of the abusive exercise of the right to dismiss), they face serious difficulties when a resolution of the dispute is required. Their decisions, by their very nature, establish the rights and obligations of labor and management. Accordingly, the trials tend to be prolonged, and that places a heavy burden on the people concerned. Among recent civil suits concerning work-related issues, the number of collective disputes between labor and management has tended to decrease as the unionization rate and the influence of the unions declined. However, more and more individual workers have tended to file their own cases insisting on their rights vis-a-vis those of their employers. One task now facing the judiciary is how to achieve more effective and efficient means of resolving such disputes for the sake of the people concerned. This will include the development of mechanisms which result in a smoother handling of individual labor-management disputes in Japan's courts. It is worth noting that the reform of the

judicial system in recent years is resulting in a labor-management conciliation scheme being newly established. The new scheme will provide for a mediation committee with representatives of the two parties who will try to resolve individual disputes before cases are actually brought to court.

Meanwhile, the government is also submitting a new bill before the Diet that will authorize local labor bureaus to handle individual disputes. Moreover, the dispute resolution support system provided for in the Labour Standards Law has also become the core of a series of such bodies because of the high demand for such resolution. (See the October 2000 issue of the Japan Labor Bulletin for further information about the dispute resolution support system and the recent debate concerning trends in the area of labor dispute resolution.)

For the time being, the various systems of individual dispute resolution should be carefully watched. At the same time, further consideration is required to improve the operation of these systems. (See the June 1996 issue of *Japan Labor Bulletin* for the procedures for resolution of individual labor-management disputes.)

## Special Topic

### Industrywide Organizations of Labor Unions in the 1990s: Reform and Stagnation

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It is well known that, in principle, labor unions in Japan are organized at the firm or establishment level, in terms of both administration and finances. However, such unions do not act alone, since most belong to industrywide organizations of labor unions, which are in turn affiliates of “national centers.” This article will show how such industrywide organizations of unions changed their administrative roles and functions during the 1990s. Data used in this article have been compiled from the *Survey on the Actual Situation of the Functions of Industrywide Labor Organizations* of the former Rengo (Japanese Private Sector Trade Union Confederation) (1989)<sup>(1)</sup>, and a survey conducted in 2000 by the Research Institute for Advancement of Living Standards (JTUC-RIALS)<sup>(2)</sup>.

## **1.0 Organizational Policy: 'Towards Tomorrow'**

Rengo (Japanese Trade Union Confederation) adopted a policy entitled "Towards Tomorrow" at its 10th Central Committee meeting in November 1992, in which it set forth the roles of industrywide organizations, and how to strengthen their functions.

First, they will attempt to expand their scale by incorporating non-member workers, calling for the participation of enterprise-based unions that are not affiliated with an industrywide organization, and integrating such industrywide organizations.

Second, to improve working conditions, they aim to take responsibility for organizing united actions .

Third, they are to tackle the issue of establishing and raising minimum working conditions, while setting forth their own industrial policies, and exchanging opinions with administrative organizations, employers' associations and other related bodies.

Fourth, to further policies such as expanding organizational scale, unified struggles, and activities involving industrial policies, they are to reinforce their central headquarters, and establish and develop local branches and minor-group industry bodies, especially in terms of manpower, including full-time union officials.

The purpose of this article is to explore how far individual unions affiliated with Rengo have followed the policies they set for themselves, taking advantage of the results of the two surveys concerning industrywide organizations of labor unions.

## **2.0 Classification of Labor Unions**

Before examining how industrywide organizations of labor unions have strengthened their organizational structure and roles in accordance with their policy, this article will briefly explain the classification of labor unions, a fundamental tool of analysis. As in the survey that was conducted 10 years ago, while unions are primarily classified according to the extent of their coverage, other factors, such as their labor market exclusivity and the number of members, are also taken into consideration. As far as extent of coverage is concerned, unions are classified as either medium-group industry, major-group industry or general, the latter type representing unions that are without fixed limits in this respect. Classification is based not on the unions' own reports, but on estimates of their actual coverage.

Medium-group industry unions are classified further according to their size and labor market exclusivity (which means organizing one or more enterprises whose products are

dominant in the relevant market). Those that do have labor market exclusivity are divided into those with more than 100,000 members (medium-group industry type A) and those with less than 100,000 members (medium-group industry type B). Those that do not have labor market exclusivity are classified as medium-group industry type C.

Table 1 lists 42 industrywide organizations of labor unions divided into five types (hereafter, medium-A, medium-B, medium-C, major and general) according to this scheme.

Table 1. Classification of Industry-wide Organizations of Labor Unions

Union type	Name	Coverage policy type	Market share	Membership
<b>Medium-group industry A</b>	Confederation of Japan Automobile Workers' Unions (Jidosha Soren)	Medium	Yes	773,551
	Japanese Electrical, Electronic & Information Unions (Denki Rengo)	Medium	Yes	664,833
	National Federation of Life Insurance Workers' Unions (Seiho Roren)	Medium	Yes	350,660
	Japan Federation of Telecommunications, Electronic Information and Allied Workers (Joho Roren)	Medium	Yes	273,433
	Federation of Electric Power Related Industry Worker's Unions of Japan (Denryoku Soren)	Medium	Yes	251,429
	General Federation of Private Railway & Bus Worker's Union of Japan (Shitetsu Soren)	Various	Yes	160,368
	Japan Federation of Steel Workers' Unions (Tekko Roren)	Various	Yes	156,136
	Japan Confederation of Shipbuilding & Engineering Workers' Unions (Zosen-juki Roren)	Medium	Yes	118,451
	Japan Federation of Foods and Tobacco Workers' Unions (Shokuhin Rengo)	Medium	Yes	101,726
	Japanese Federation of Chemistry Workers' Unions (Kagaku League 21)	Medium	Yes	100,414
<b>Medium-group industry B</b>	Japan Federation of Chemical Workers' Unions (Kagaku Soren)	Medium	Yes	65,429
	Japanese Rubber Workers' Unions Confederation (Gomu Rengo)	Medium	Yes	51,640
	Japanese Federation of Pulp and Paper Workers' Unions (Kamipa Rengo)	Medium	Yes	49,408
	Federation of Non-Life Insurance Workers' Unions of Japan (Sonpo Roren)	Medium	Yes	44,924
	Japan Federation of Leisure-Service Industries Workers' Unions (Leisure-Service Rengo)	Medium	Yes	40,000
	All Japan Seamen's Union (Kaikin)	Medium	Yes	40,000
	Federation of Gas Workers' Unions of Japan (Zenkoku Gas)	Medium	Yes	30,154
	Japanese Confederation of Aviation Labor (Koku Rengo)	Medium	Yes	28,354
	All Japan Federation of Ceramics Industry Workers (Ceramics Rengo)	Medium	Yes	26,539
	Federation of Printing Information Media Workers' Unions (Insatsu Roren)	Medium	Yes	24,245
	Japanese Federation of Industrial Materials and Energy Workers' Unions (Hitetsu Rengo, JME)	Medium	Yes	23,000
	Japan Confederation of Petroleum Industry Workers' Unions (Sekiyu Roren)	Medium	Yes	21,410
	National Federation of Cement Workers' Unions of Japan (Zenkoku Cement)	Medium	Yes	5,649
	<b>Medium-group industry C</b>	Japan Federation of Commercial Workers' Unions (Shogyo Roren)	Medium	No
Japan Railway Trade Unions Confederation (JR Rengo)		Medium	No	81,700
Japan Confederation of Railway Workers' Unions (JR Soren)		General	No	65,933
National Federation of Automobile Transport Workers' Unions (Zenjiko Roren)		Medium	No	46,000
Chain Store Labor Unions Council (Chain Rokyo)		Medium	No	33,986
All Japan Federative Council of Mutual Bank Labors' Unions (Zengin Rengo)		Medium	No	36,422
Japan Food Industry Workers' Union Council (Shokuhin Rokyo)		Medium	No	18,859
Federation of All-NHK Labor Unions (NHK Roren)		Medium	No	12,069
Japan Construction Trade Union Confederation (Kensetsu Rengo)		Major	No	11,022
National Organization of All Chemical Workers (Shinkagaku)		General	No	8,400
Federation of Textile Clothing & Living Goods Workers' Union of Japan (Sen'i-Seikatsu-Roren)		Major	No	3,000
All Japan Shipbuilding and Engineering Union (Zenzosen Kikai)		Medium	No	2,088
National Union of Coal Mine Workers (Zentanko)		General	No	830
Council of Japan Construction Industry Employees' Unions (Nikkenkyo)		Medium	No	61,500
<b>Major-industry</b>		Japanese Federation of Textile, Garment, Chemical, Commercial, Food and Allied Industries Workers' Unions (Zensen Domei)	Various	Yes
	Japanese Association of Metal, Machinery, and Manufacturing Workers (JAM)	Major	Yes	465,960
	Japanese Federation of Chemical, Service and General Trade Unions (CSG Rengo)	Various	Yes	201,339
	Japan Federation of Transport Workers' Unions (Kotsu Roren)	Various	No	80,673
<b>General</b>	National Union of General Workers (Zenkoku Ippan)	General	No	47,994

The features of each type can be summarized as follows.

Medium A type organizations generally consist of a small number of large-sized unions and a large number of small-sized unions. On the other hand, major-type organizations are well balanced in terms of membership and number of affiliates, whereas a general-type organization consists of small-scale affiliates. The number of unions in medium-B and -C type

organizations is relatively small, and their size forms no particular pattern. These differences are reflected in the structure of the organizations, as will be discussed next.

Many medium-A type organizations have supplementary bodies in addition to their headquarters. Some of these are local branches situated in individual prefectures or regions across the country, with full-time union officials and with a leadership devoted to a specific purpose — for example, wage struggles. Others are minor-group industry bodies that have functions similar to those of the local bodies.

In addition to their headquarters, major-type organizations have both local branches and minor-group industry bodies, with full-time union officials. Organizations of this type are managed by headquarters, local branches and minor-group industry bodies, and individual affiliated unions.

The core of a general type organization is a well-functioning local branch situated in each prefecture. On the other hand, only a few medium-B and -C type organizations have local branches with full-time union officials in prefectures or regions across the country. Only three out of 13 medium-B, and three out of 14 medium-C type organizations have such local branches.

The headquarters of major and medium-A type organizations are outstandingly well organized. The number and proportion of full-time union officials are highest among medium-A type organizations. A characteristic of this type is that most of their full-time union officials hold employee status of particular enterprises. Many major-type organizations have quite a few union officials at their headquarters. Although the proportion of union officials engaged exclusively in work at their headquarters is low, these organizations have at their headquarters 10 or more professional full-time union officials without employee status. On the other hand, there are few full-time union officials at the headquarters of medium-B, medium-C, and general type organizations.

Moreover, major and medium-A type organizations have more staff members as a whole, including full-time union officials at their headquarters and union staff. The average number of staff members per organization for the major and medium types are: major, 64.3; medium-A, 38.0; medium-B, 14.5; and medium-C, 8.7

Furthermore, all nine medium-A and three out of four major-type organizations have 20 or more staff members engaged exclusively in union activities, compared with only one out of 13 medium-B, and three out of 14 medium-C type organizations that have the same staff

level.

### **3.0 Organizational Reforms**

Over the last 10 years or so, industrywide organizations of labor unions affiliated with Rengo have made efforts to reform themselves to strengthen their functions. Let us take a closer look at such efforts — first of all, concerning unification, expanding coverage, increasing standards of membership fees, and reinforcing the ability to expand.

#### **3.1 Unification**

Since November 1989, when the new Rengo was formed, new organizations launched by means of mergers, or formed by labor unions that had not previously belonged to any industrywide organization, totaled 11 out of 42 (more than 20%) of the organizations surveyed. Inclusion of the Federation of Printing Information Media Workers' Unions (Insatsu Joho Media Sangyo Rodokumiai Rengokai, Insatsu-roren), which was formed immediately before the formation of the new Rengo, would raise the figure to nearly 30 percent.

Between the end of the 1980s and the early 1990s, six new organizations were established: the Federation of Printing Information Media Workers' Unions (Insatsu Joho Media Sangyo Rodokumiai Rengokai, Insatsu-roren); the Japan Food Industry Workers' Union Council (Shokuhin Sangyo Rodokumiai Kyogikai, Shokuhin-rokyo); the Japan Construction Trade Union Confederation (Kensetsu-rengo); the Japan Federation of Foods and Tobacco Workers' Unions (Nihon Shokuhinkanren Sangyo Rodokumiai Rengokai, Shokuhin-rengo); the Japanese Rubber Workers' Unions Confederation (Nihon Gomu Sangyo Rodokumiai Rengo, Gomu-rengo); and the Japan Federation of Leisure-Service Industries Workers' Unions (Leisure-Service Sangyo Rodokumiai Rengo, Leisure-Service-rengo).

In the late 1990s, another six organizations were formed by mergers between smaller organizations: the Japanese Federation of Industrial Materials and Energy Workers' Unions (Zen-Nihon Hitetsu Sozai Enerugi Rodo Kumiai Rengokai, JME); the Federation of Electric Power Related Industry Workers' Unions of Japan (Zenkoku Denryoku Kanren Sangyo Rodokumiai Sorengo, Denryoku-soren); the Japanese Federation of Chemical, Service and General Trade Unions (Nihon Kagaku Sabisu Ippan Rodokumiai Rengo, CSG Rengo); the Japanese Federation of Chemistry Workers' Unions (Nippon Kagaku Sangyo Rodokumiai Renmei, Kagaku League 21); the Japanese Association of Metal, Machinery, and Manufacturing Workers (Sangyobetsu Rodokumiai JAM); and the Japanese Confederation of Aviation Labor (Koku-rengo).

In 2001, the Japan Federation of Commercial Workers' Unions (Nihon Shogyo

Rodokumiai Rengokai, Shogyo-roren), the Chain Store Labor Unions Council (Chen Sutoa Rodokumiai Kyogikai, Chain-rokyo) and seven department store unions will merge to form the Japanese Federation of Service and Commercial Distribution Industry Unions.

A new industrywide organization of service sector unions is also expected to be established, with the Japan Federation of Leisure-Service Industries Workers' Unions as its core, and incorporating hotel industry unions — some independent and some affiliated with other industry unions (CSG Rengo, the Japan Federation of Commercial Workers' Unions).

The Japanese Federation of Textile, Garment, Chemical, Commercial Food and Allied Industries Workers' Unions (Zensen) and CSG Rengo are considering mergers. Two other groups of unions are also contemplating mergers, one centered on steel, shipbuilding, and industrial materials and energy workers unions, and the second concerned with transportation. The first group comprises the Japan Federation of Steel Workers' Unions (Nihon Tekko Sangyo Rodokumiai Rengokai, Tekko-roren), the Japan Confederation of Shipbuilding & Engineering Workers' Unions (Zenkoku Zosen Jukikai Rodokumiai Rengokai, JSEU) and the Japanese Federation of Industrial Materials and Energy Workers' Unions (Zen Nihon Hitetsu Sozai Enerugi Rodokumiai Rengokai, Hitetsu-rengo). The second group consists of the General Federation of Private Railway & Bus Workers' Unions of Japan (Nihon Shitetsu Rodokumiai Sorengokai, Shitetsu-soren), the All Japan Federation of Transport Workers' Unions (Zen-Nihon Unyu Sangyo Rodokumiai Rengokai, Unyu-roren), the Japan Federation of Transport Workers' Unions (Zenkoku Kotsu Unyu Rodokumiai Sorengo, Kotsu-roren) and the National Federation of Automobile Transport Workers' Unions (Zenkoku Jidosha Kotsu Rodokumiai Rengokai, Zenjiko-roren).

This series of moves suggests that one element of Rengo's "Towards Tomorrow" policy is being steadily put into practice: "the consolidation of individual unions not yet belonging to industrywide organizations and the bringing together and unification of industrywide organizations themselves."

However, this trend does not necessarily mean an expansion of the scale of organizations, or further improvement in their structure. Table 2 shows the following changes in the scale of organizations since 1989, when the previous survey was carried out.



**Table 2. Changes in the Scale of Organizations between the Two Survey Periods**

		Change in membership			Number of organizations
<b>Increased 5% or more</b>	*Shokuhin-rokyo (38.7)	Zensen (15.7)	Shogyo-roren (13.1)	10	
	Sonpo-roren (31.7)	Zenkoku-gas (14.4)	*Denryoku-soren (10.2)		
	Ceramic-rengo (29.6)	*Koku-rengo (13.6)	Jidosha-soren (6.6)		
	*Insatsu-roren (16.6)				
<b>Stagnant within 5%</b>	Nikkenkyo (2.6)	Shitetsu-soren (-1.8)	*CSG-Rengo (-3.1)	7	
	*JAM (2.4)	*Hitetsu-rengo (-2.8)	Denki Rengo (-3.4)		
	Zosen-juki-roren (-0.1)				
<b>Decreased 5% or more</b>	Kamipa-rengo (-7.3)	Tekko-roren (-16.9)	*Kagaku League 21 (-28.1)	23	
	Joho-roren (-8.7)	Zengin-rengo (-17.4)	Sekiyu-roren (-29.9)		
	Sinkagaku (-9.2)	Zenjiko-roren (-18.0)	Zenzosen-kikai (-39.8)		
	Seiho-roren (-9.3)	Kagaku-soren (-19.3)	Zenkoku-ippan (-40.1)		
	Chain-rokyo (-9.5)	*Leisure-Service-Rengo (-20.1)	Zenkoku-Cement (-48.3)		
	*Shokuhin-rengo (-11.9)	Sen'i-seikatsu-roren (-51.2)			
	NHK-roren (-13.0)	*Kensetsu-rengo (-21.9)	Kaiin (-64.3)		
	*Gomu-rengo (-13.3)	Kotsu-roren (-22.8)	Zentanko (-73.1)		
<b>Others</b>	JR-rengo	JR-soren		2	
<b>Total</b>				42	

**Note:** Asterisks indicate organizations that have merged.

There has been a conspicuous decrease in union membership overall. More than half of the industrywide organizations — 23 out of 42 — had a decrease of five percent or more in union membership. There has also been a decrease in membership of medium-A type organizations, such as the National Federation of Life Insurance Workers' Unions (Zenkoku Seimeihoken Rodokumiai Rengokai, Seiho-roren), the Japan Federation of Telecommunications, Electronic Information and Allied Workers (Joho Sangyo Rodokumiai Rengokai, Joho-roren), and the Japan Federation of Steel Workers' Unions.

Furthermore, some organizations had a drastic decrease in their membership — for example, membership of the All Japan Seamen's Union (Zen-Nippon Kaiin Kumiai, Kaiin) dropped by 64.3 percent from 112,000 to 40,000. However, there was little change — less than five percent — in the membership of seven organizations, including some large-scale medium-A type organizations.

On the other hand, 10 organizations had an increase of five percent or more in their membership since the previous survey. Of these, it is noteworthy that large-scale organizations with 500,000 or more members, such as Zensen and the Confederation of Japan Automobile Workers' Unions (Zen-Nihon Jidosha Sangyo Rodokumiai Sorengokai, Jidosha-soren) had a certain increase in membership. The membership of the Federation of Electric Power Related Industry Workers' Unions of Japan, which already had more than 200,000 members, increased by more than five percent

There was either a decrease or little change in the membership of 12 organizations that were involved in mergers. There was an increase of five percent or more in the membership of the Federation of Electric Power Related Industry Workers' Unions of Japan, the Japanese

Confederation of Aviation Labor, the Federation of Printing Information Media Workers' Unions, and the Japan Food Industry Workers' Union Council, whereas there was little change in the membership of JAM, CSG Rengo, and the Japanese Federation of Industrial Materials and Energy Workers' Unions.

There was a decrease of five percent or more in the membership of the Japan Federation of Foods and Tobacco Workers' Unions, Kagaku League 21, the Japanese Rubber Workers' Unions Confederation, the Japan Federation of Leisure-Service Industries Workers' Unions, and the Japan Construction Trade Union Confederation

Of these recently merged organizations, those that had an increase in membership, all have around 20,000 members, except the Federation of Electric Power Related Industry Workers' Unions of Japan which has over 250,000 members.

On the other hand, organizations with a membership of around 400,000, such as JAM and CSG Rengo, and those with a membership of around 200,000 are stagnant in terms of membership growth, while organizations with a membership of around 100,000, such as Kagaku League 21, have had substantial decreases.

These trends give the impression that the unification of organizations in some cases facilitated their expansion, especially among small organizations. However, in many cases industrywide organizations that were failing to increase their union membership, unification was a means to prevent a decline in, to maintain, or to increase, their power in negotiations and struggles. The motives behind some mergers may therefore have been somewhat different from that of the positive reinforcement of power, as promoted by the "Towards Tomorrow" policy.

### **3.2 Expanding Coverage**

The "Coverage policy type" column in Table 1 shows how the industrywide organizations see themselves. Of 42 organizations, 30 stated that they covered medium-group industries, three stated that they covered major-group industries, five stated that they covered various types of industry (that is, several major group industries), and four stated that they covered regardless of industry. Some interesting facts emerge when this result is compared with that of the previous survey.

First, there are now five organizations aiming to cover various types of industry, whereas in the previous survey only Zensen did this. This time, CSG Rengo, the General Federation of Private Railway & Bus Worker's Union of Japan, the Japan Federation of Steel Workers'

Unions, and the Japan Federation of Transport Workers' Unions have adopted the new policy.

Second, the number of organizations aiming to cover major-group industry decreased from four to three. In this group, the previous survey included the following four organizations, the first two of which have since merged and been reborn as JAM: the Japanese Federation of Metal Industry Unions (Zenkin-rengo), the National Union of Metal Workers (Zenkoku-kinzoku Rodokumiai, Zenkoku-kinzoku); the Japanese Federation of Chemical and General Trade Unions (Zenkoku Kagaku Ippan Rodokumiai Domei, Zenka-domei); and the Japan Federation of Transport Workers' Unions

The Japanese Federation of Chemical and General Trade Unions has merged with the National Federation of General Workers' Unions (Ippan-domei) to become CSG Rengo, which now aims to cover various types of industry. The Japan Federation of Transport Workers' Unions also changed their policy to cover various types of industry.

Two organizations have changed to cover major-group industry: the Japan Construction Trade Union Confederation and the Federation of Textile Clothing & Living Goods Workers' Unions of Japan (Nihon Sen'i Seikatsu Sangyo Rodokumiai Rengokai, Sen'i-seikatsu-roren).

Third, two more organizations have started to cover regardless of industry so that there are now four such organizations. In the previous survey, the National Union of General Workers (Zenkoku Ippan Rodokumiai, Zenkoku-ippan) and the National Federation of General Workers' Unions had this policy. The latter has now merged with the Japanese Federation of Chemical and General Trade Unions to become CSG Rengo. This means that three organizations have a newly adopted policy: Japan Confederation of Railway Workers' Unions (Zen-Nihon Tetsudo Rodokumiai Sorengokai, JR-soren), the National Organization of All Chemical Workers (Zen Kagaku Sangyo Rodokumiai Rengo, Shinkagaku), and the National Union of Coal Mine Workers (Zenkoku Sekitankogyo Rodokumiai, Zentanko).

To sum up, some 70 percent of industrywide organizations of labor unions in Japan are organized as medium-group industry unions, but in the last 10 years, there have been some signs of change. Four organizations have adopted a policy of covering various types of industry: two to cover major-group industry, and three to cover regardless of industry. Whatever their actual situation, what is important here is the determination of these industry-wide organizations to expand their base.

### **3.3 Increasing Membership Fees**

There were changes in the membership fees of 34 organizations whose data are given

both in the recent survey and the previous one. (The National Federation of Life Insurance Workers' Unions was included in the previous survey, but its fees were unknown and thus excluded from this analysis.)

First, 27 out of 34 organizations (80%) increased their fees to pay for their headquarters.

Second, the number of organizations that raised their fees cannot be classified in terms of any particular type: eight out of nine medium-A, eight out of 11 medium-B, six out of nine medium-C, all four major, and one general type organization have raised their fees.

The fact that many organizations raised their fees implies that their affiliates wished to stabilize their financial basis, and that this had the approval of the entire organization.

### **3.4 Reinforcing the Ability to Expand**

Let us now examine 35 organizations for which comparable data is available, to see whether in the last 10 years there has been any change in their schemes for expanding their organizations.

If an organization assigns an organizer for the purpose of expanding the organization, increases the number of staff members concerned, or makes a new financial allocation, then the organization's ability to expand is considered to be strengthened. If such personnel or financial changes are not made, then the ability to expand is considered to remain unchanged; and if no personnel or financial measures are taken, then the ability to expand is considered to be weakened

Applying these criteria to the 35 organizations, the ability to expand has been strengthened in 10, unchanged in six, and weakened in five. The remaining 14 organizations did not take any personnel or financial measures towards expansion during the past 10 years. Therefore, a relatively large number of organizations have strengthened their ability to expand.

The organizations that have strengthened their ability to expand include three out of 10 medium-A, three out of 11 medium-B, two out of nine medium-C, and two out of four major types. Those whose ability to expand remained unchanged include three medium-A, two major, and one general type. Those that weakened their ability to expand include one medium-A, and two each medium-B and -C types.

### 3.5 Efforts toward Reform

In the light of the above analysis, one can conclude that industrywide organizations of labor unions have tackled reform positively. It is not difficult to find signs of the efforts that many organizations have made towards reforming themselves, including unification, expanding industry coverage, increasing membership fees, and reinforcing their ability to expand. The question is whether or not these efforts actually produce results

### 4.0 Achievements

- strengthening of the central leadership in industry-based unified struggle,
- moves of industrywide unions to have minimum working conditions specified,
- moves to deal with the effects of restructuring,
- moves to systematize discussion of industrial policies between labor and management,
- results achieved by efforts to expand, and
- the number of members elected to governmental bodies.

Table 3 shows changes in the functions of industrywide unions affecting 35 organizations whose data are available from the previous survey. The various factors are classified according to whether they have been strengthened, unchanged, or weakened during the period between the surveys. (Note that organizations which are as positive now as they were 10 years ago are not included.)

**Table 3. Changes in the Functions of Organizations between the Two Survey Periods**

Union type	Total	Leadership of unified struggle			Specification of minimum levels of working conditions			Guideline on restructuring of enterprises			Systematization of labor-management consultation on industrial policies		
		Weaker	Stagnant	Stronger	Weaker	Stagnant	Stronger	Weaker	Stagnant	Stronger	Weaker	Stagnant	Stronger
Total	35	5	9	6	5	9	2	4	9	3	5	18	4
Medium-industry A	10	1	2	1	0	1	1	0	1	1	1	4	2
Medium-industry B	11	1	2	3	2	4	1	4	3	1	1	7	0
Medium-industry C	9	2	5	0	2	4	0	0	5	1	1	7	1
Major-industry	4	1	0	2	1	0	0	0	0	0	2	0	1
General	1	0	0	0	0	0	0	0	0	0	0	0	0

Note: "Remains strong" is not included in this comparison.

First, concerning leadership, only six out of 35 organizations have strengthened their leadership, while five have weakened it, and nine have remained weak. Thus, weak leadership (14) is much more evident than strong leadership (6), particularly in medium-C type organizations

Second, concerning efforts to specify minimum levels of working conditions at enterprises, two out of 35 organizations have made a greater effort than they did 10 years before, whereas nine have made a lesser effort, and five have given up. Thus, weak efforts of this kind (14)

greatly outnumber strong ones (2), particularly in many medium-B and -C type organizations.

Third, concerning guidelines on the restructuring of enterprises, three out of 35 organizations have recently issued guidelines, whereas nine have issued none, and four have given up issuing guidelines. Once again, weak efforts of this kind (13) greatly outnumber strong ones (3), again particularly in medium-B and -C type organizations.

Fourth, concerning systematization of consultation of industrial policies between labor and management, four organizations have recently set up such systems with the relevant employers' associations, whereas 18 have taken no action, and five have given up such consultation. Yet again, weak efforts of this kind (23) greatly outnumber strong ones (4), again particularly in medium-B and -C type organizations.

Fifth, regarding expansion, during fiscal 1999, 59,668 people joined labor unions affiliated with 42 industrywide organizations, representing an average of 1,420.7 new members per organization. This is less than the figure recorded in the previous survey in fiscal 1988, when new members totaled 91,244 for 47 industrywide organizations, representing an average of 1,941.4 per organization. Of the 35 organizations that were included in both surveys and can thus be compared, three increased their membership by 10,000 or more in the previous survey — Zensen, the Japanese Electronic, Electrical & Information Unions (Zen-Nihon Denshi Johokanren Sangyo Rodokumiai Rengokai, Denki Rengo) and the Japanese Federation of Metal Industry Unions — but this time only Zensen achieved a similar figure.

Table 4 shows that seven out of 35 organizations had an increase in the number of new members during the period between the two surveys, whereas 18 had a decrease or no change. Moreover, 10 organizations had no new members in either survey period

Finally, Table 5 shows the number of members elected to a governmental body for the 33 organizations with data for both survey periods.

**Table 4. Changes in Union Membership between the Two Survey Periods**

Union type	Number of organizations	Change in membership		Unchanged
		Increased	Decreased	
Total	35	7	18	10
Medium-industry A	10	2	7	1
Medium-industry B	11	2	4*	5
Medium-industry C	9	0	5	4
Major-industry	4	3	1	0
General	1	0	1	0

Note: Includes an organization whose membership remained unchanged at 20.

**Table 5. Changes in the Number of Assembly Members within Organizations between the Two Surveys**

Union type	Total assembly members			Lower house			Upper house			Prefectural governments			Municipal governments		
	1989	2000	Change	1989	2000	Change	1989	2000	Change	1989	2000	Change	1989	2000	Change
Total	1,763	1,368	-22.4%	25	15	-40.0%	11	16	45.5%	163	121	-25.8%	1,564	1,216	-22.3%
Medium-industry A	1,113	913	-18.0%	18	9	-50.0%	8	10	25.0%	99	75	-24.2%	988	819	-17.1%
Medium-industry B	148	54	-63.5%	2	0	-100.0%	1	1	0%	15	2	-86.7%	130	51	-60.8%
Medium-industry C	23	13	-43.5%	0	0	0%	0	0	0%	2	0	100.0%	21	13	-38.1%
Major-industry	432	363	-16.0%	4	5	25.0%	2	5	150.0%	41	41	0%	385	312	-19.0%
General	47	25	-46.8%	1	1	0%	0	0	0%	6	3	-50.0%	40	21	-47.5%
Quorum	68,246	65,464	-4.1%	512	500	-2.3%	252	252	0%	2,910	2,940	1.0%	64,572	61,772	-4.3%

The table indicates that the total number of assembly members supported by industrywide organizations decreased substantially at every level — from 1,763 to 1,368. The rate of decrease greatly exceeds the rate of decrease in the overall number of elected representatives (4.1%). An analysis shows that there was a sharp decrease among prefectural and municipal assembly members, and that the number of upper house members decreased by 40.0%, from 25 to 15. Only the number of lower house members increased, from 11 to 16.

More than half of the organizations — 19 out of 33 — experienced a decrease in the number of assembly members: five out of eight medium-A, eight out of 11 medium-B, three out of nine medium-C, two out of four major, and one general type. Eight organizations had no assembly members in either survey period: one each medium-A and medium-B, and six medium-C types. On the other hand, a mere four organizations had an increase in the number of assembly members, and the margin of increase was small. Two organizations had no change in the number of assembly members.

To sum up, it can hardly be concluded that industrywide organizations have achieved satisfactory results for these activities. Although some organizations made efforts to strengthen their roles, they are the minority, while the majority — mostly medium-B and -C types — either remained weak or gave up their efforts and became weaker.

## 5.0 Challenges

What has become clear is that industrywide organizations of labor unions have made efforts towards reform but have failed to achieve tangible results. How should this be

interpreted?

One interpretation is that they could not achieve their aims because of the unfavorable economic environment, although without such efforts their positions might have been worse.

Another interpretation is that it requires a certain period of time for such efforts to bear fruit. These interpretations imply that as the environment changes or more time passes, their efforts will certainly produce satisfactory results. If so, then it is important for them to continue their efforts.

A third interpretation is that while reform of the organizations may proceed on the basis of internal consensus (which is difficult for democratic organizations like labor unions to achieve), to strengthen the role of industrywide organizations also requires positive pressure on people or bodies outside the organizations themselves — including employers, various ministries, political parties, and workers who do not belong to any union. It is because of insufficient attention to this additional requirement that the organizations have not been able to realize their aims. Seen from this viewpoint, results cannot be expected from the type of effort that has been made so far, even after the economic environment has changed or a certain time has passed. In fact, since the other parties involved — employers and others — will also change, continued efforts are likely to achieve less in the future. In short, what is required is a reform not of the organizations' structures but of their methods.

If the third interpretation is appropriate, then what kind of challenges should be assigned to the various types of industrywide organization?

The majority of organizations that “remained weak” or “became weaker” are medium-B or -C type. Some of these have made efforts to revise their organizational policies, to carry out mergers with other organizations, to increase membership fees, and so forth. Despite all this, marked differences exist among different types of industrywide organizations. If such differences are related largely to membership figures and labor market exclusivity, then the reforms of organizational structure that they have conducted are insufficient. It seems that further efforts towards the unification of organizations and other reforms will be required.

Among the medium-A and major-type organizations are some that do not function well, and, in some cases, have experienced stagnation or retrogression — for example, with respect to their ability to expand, specification of minimum levels for working conditions, and number of members that are elected to government. Medium-A type organizations should also bear in mind that they are organizations of large-sized unions. They therefore face another major



challenge: determining whether and how they can reflect the interests of workers in small and medium-sized unions which will increase further in response to transformation of the industrial structure.

Notes:

- (1) For a summary of this survey, see Nakamura (1991).
- (2) This survey was conducted to examine the achievements of union activities in the 1990s and to explore their future tasks. It was aimed at enterprise-based unions and industrywide organizations of labor unions affiliated with Rengo, and at Rengo itself. The main focuses were the degree of involvement in management by enterprise-based unions, and changes in the organization and function of industrywide organizations. In the case of Rengo, the focus was on unions' participation in policy making.

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## JIL News and Information

### **Survey on Work and Life among Expatriates in Japan**

The *Survey on Work and Life among Expatriates in Japan* was conducted by the Japan Institute of Labour (JIL) in November 2000, with the assistance of Professor Mitsuhide Shiraki (Waseda University), Professor Takashi Umezawa (Kokushikan University), Professor Hirohisa Nagai (University of Tsukuba), and JIL's International Affairs Department. This article is the first in a series of three concerning the above survey.

The survey was in the form of a questionnaire focused on foreign expatriate employees working at foreign business enterprises in Japan. The intention was to clarify the working conditions, living environment, degree of satisfaction, and so on of foreign dispatched employees working at foreign businesses in Japan. Valid responses were received from 310 people representing 23 countries or areas. The exact number of foreign dispatched workers in Japan is unknown, so the number of subjects of this survey is not clear.

#### **1. Characteristics of Samples in the Current Study**

Industry types of the respondents' local employers break down as 37.1 percent manufacturing and 61.9 percent non-manufacturing. The chemical industry employs a large portion of expatriate employees in the manufacturing sector, as do finance/insurance and the service industry in the non-manufacturing sector.

The average size of the workforce at these local companies is 754 employees. While the

average in the manufacturing sector is 630 employees, the non-manufacturing average is 833 employees.

The number of expatriate employees in the participating companies averaged 21.7 per company. This can be further divided as an average of 10.3 expatriate employees at each manufacturing company and 28.9 at each non-manufacturing company. Furthermore, these expatriate employees came from an average of 3.0 nationality groups. As a result, expatriate employees make up 2.9 percent of the total workforce, an average of 1.6 percent in manufacturing and 3.5 percent in non-manufacturing companies.

The nationality of company presidents is as follows: 21.9 percent are Japanese, 58.1 percent are the nationality of the home office country, and 17.1 percent are foreigners from a third country.

Local companies of the expatriate employees have been operating since 1977, on average. The average for manufacturing companies is 1982, while the average for non-manufacturing companies is 1970, about 12 years earlier than manufacturing companies.

For local employers with a portion of capital investment from non-Japanese sources, the distribution is as follows: 29.7 percent are branches or local offices of a non-Japanese organization, 44.2 percent are non-Japanese subsidiaries with 100 percent parent company capitalization, and 5.5 percent are non-Japanese subsidiaries with more than 50 percent and less than 100 percent parent company capitalization. In total, about 80 percent of these organizations receive a majority of their capital from foreign sources.

About 20 percent of local employers in this survey have labor unions, and those without come to about 80 percent.

When we examine the dispatching organizations of the companies which the participants in this study worked at before coming to Japan, 76.1 percent of expatriate employees were loaned by the parent company and 16.1 percent were dispatched by a group company of the parent company. Dispatching organizations are located in the United States (22.9%), the United Kingdom (14.2%), Germany (12.6%) and France (8.7%), to name a few. In many cases, company headquarters were located in the same country as the dispatching organization. When this was not the case, the highest percentage responded that their headquarters were located in Switzerland.

Of the dispatching organizations, 45.8 percent are in manufacturing industries and 51.9

percent are in non-manufacturing industries. The average workforce of all dispatching organizations comes to 28,064 employees, and it is recognized that the majority of this study's participants were dispatched by large European and American organizations. Regarding the presence of a labor union at the dispatching organization, 55.8 percent have them and 38.1 percent do not.

The following is a summary of demographic information provided by the samples of this study. To begin with, 95.8 percent of participants are male and 4.2 percent female, the men taking up an overwhelmingly large proportion. The average age of dispatched employees was 43.0 years, with the early 40's occupying the center of the age distribution. The participants have worked for their dispatching organizations an average of 13.0 years and some of their nationalities are American (20.3%), English (18.4%), German (13.5%) and French (8.7%). The nationalities generally correspond with the location of the dispatching organization.

As far as direct supervisors in Japan are concerned, the largest group (46.1%) responded that they are in charge of the entire local operation and therefore have no direct boss in Japan. Beyond that, 24.8 percent indicated their direct boss is the same nationality as the parent company headquarters, and 19.0 percent have a Japanese direct supervisor

With reference to the household situation in Japan, the entire family accompanied the expatriate employee in 58.1 percent of the cases, while 22.9 percent of employees were joined by only part of the family. Dispatched workers who came alone while family remained in the home country were 3.9 percent of the total, and 12.9 percent of expatriates were single. There was a significant age difference between these groupings. It is also characteristic that, compared with Japanese employees dispatched overseas, the number of foreign workers who came without any family is very small (see Table 1-1)

**Table 1-1: Household Situation**

	Total	Accompanied by family	Accompanied by some family members	Not accompanied by spouse/family	Single	No Answer
Total %	310 100	58.1	22.9	3.9	12.9	2.3
20-29	11 100	36.4	0	0	63.6	0
30-34	56 100	75	7.1	3.6	14.3	0
35-39	53 100	81.1	1.9	0	15.1	1.9
40-44	70 100	75.7	4.3	2.9	14.3	2.9
45-49	38 100	50	28.9	5.3	13.2	2.6
50-54	43 100	16.3	62.8	9.3	4.7	7
55 years and over	38 100	28.9	65.8	5.3	0	0
No Answer	1 100	100	0	0	0	0

The current assignment status of dispatched employees was distributed primarily among three categories: “expatriate assignee to non-Japanese branch or office” (44.2%), “loaned employee from a dispatching organization” (21.0%) and “official transferee” (25.8%) occupy 91 percent of the total. A high percentage (22.9%) of dispatched employees have been working in Japan on their current assignment for more than five years.

Including this assignment, dispatched employees have served an average of 2.2 expatriate assignments. First-time expatriate employees were 44.8 percent of the group, and second-timers were numerous at 23.5 percent; but the survey participants also included 5.2 percent who have served six or more expatriate assignments. The pattern for people who have served two or more expatriate assignments is this: compared to those who specialize in one world region, a greater number of employees are dispatched to various regions of the world. The average amount of time worked overseas during an employee's career was 11.6 years, including the current assignment. In all, 9.7 percent percent of employees have spent at least 20 years at overseas assignments.

## **2. Circumstances Prior to the Assignment in Japan, and Preparatory Training**

This section examines whether or not there was a desire, prior to dispatch, to serve on an overseas assignment; when notice was given; if the dispatching organization has regulations or guidelines regarding the length of such overseas assignments; whether or not there was pre-departure training for the dispatched employee and any accompanying family, and the content of that training; and the circumstances of language ability in the current work situation. The primary characteristics are as follows.

More than 90 percent of survey participants indicated that they had wanted to go on the current assignment to Japan, so we can say that most of the dispatched employees had a desire to serve on their Japan assignment.

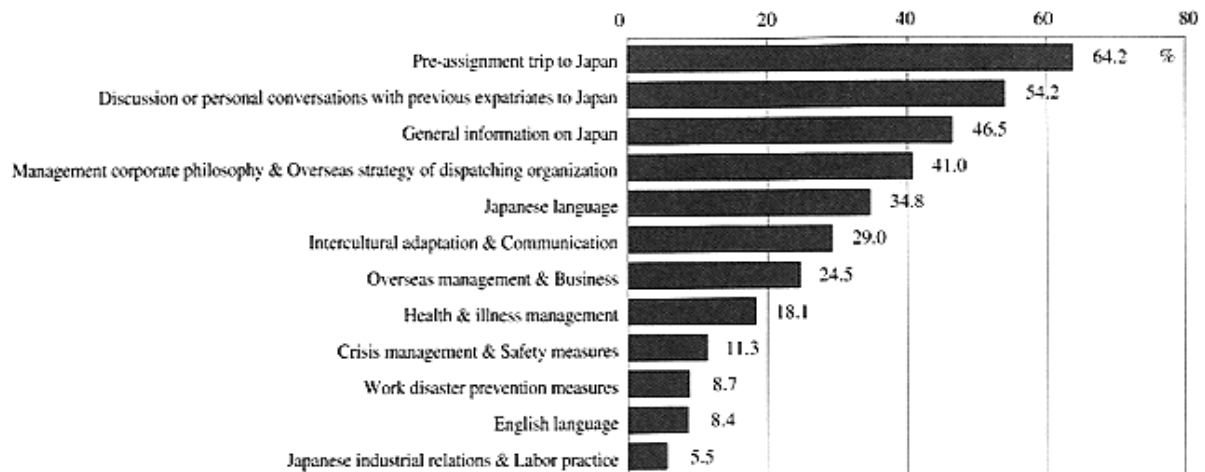
The advance notice given to expatriate workers was, on average, 4.5 months prior to dispatch. Those who received only one month notice before their assignment totaled 11.9 percent, but on the other hand those with six months or more notice reached 32.4 percent in all

With respect to regulations or guidelines regarding the length of overseas assignments, 21.0 percent said their company had regulations and 41.3 percent indicated their company had guidelines, while 33.9 percent responded that their company had neither. The percentage of companies with regulations or guidelines was 62.3 percent. In cases where companies have such regulations or guidelines in place, participants were asked to tell how long assignments generally last. The average term came to 3.5 years

Expatriate employees who are union members at their dispatching organization were asked whether or not expatriate assignment decisions were addressed in union-management discussions, the result being a very small percentage of assignments are discussed in this fashion.

Looking at the pre-departure training given to the expatriate employees themselves, the most common type of training was a pre-assignment trip to Japan, which 64.2 percent of respondents received. Next was discussion or personal conversations with previous expatriates to Japan, and general information on Japan. In all, a high percentage of respondents —about 50 percent — received these; it can be said that these are forms of training most relevant to life in Japan. Between 30 percent and 40 percent of respondents said they received training in the management corporate philosophy and overseas strategy of their dispatching organization; Japanese language; and intercultural adaptation and communication training. Overseas management and business training was given in 24.5 percent of cases. As preparation for the Japan assignment, training in English language, Japanese industrial relations and labor practices, work disaster prevention measures, and so on were not received by even 10 percent of survey participants (see Figure 1-1).

**Fig.1-1: Pre-departure Training for Expatriate Employees**



Of all the pre-departure training methods mentioned above, the one judged to be the most effective was also that with the highest rate of implementation — a pre-assignment trip to Japan. Following that, the types of preparation deemed most effective were English language training and discussion or personal conversations with previous expatriates to Japan.

Beyond that, where pre-departure training for members of the household is concerned, general information on Japan and discussion or personal conversations with previous expatriates were used as training in more than 30 percent of the cases.

If we examine the necessity of language ability at the current work location, 52.3 percent — or just over half — of these dispatched workers said Japanese is necessary. Moreover, the percentage of dispatched workers who consider English necessary is high at 93.9 percent. These expatriates were originally fluent in English, but their Japanese ability increased substantially during their post in Japan.

### OPINIONS REQUESTED

The editor invites readers to send their views and comments on the contents of *JLB* via e-mail to [akuwa@jil.go.jp](mailto:akuwa@jil.go.jp) or via fax to +81-3-5991-5710.

## Statistical Aspects

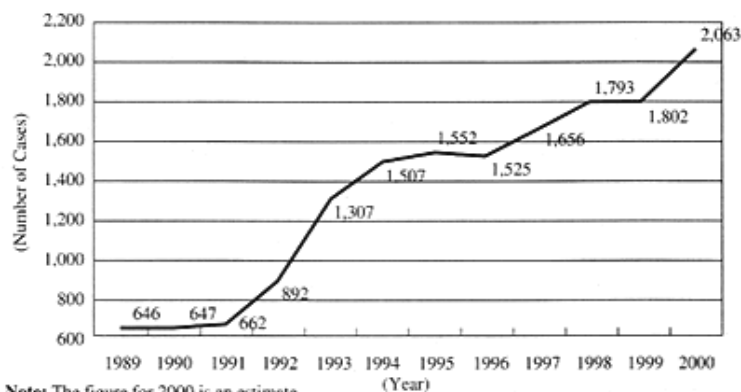
### Recent Labor Economy Indices

	April 2001	March 2001	Change from previous year (April)
Labor force	6,776 (10 thousand)	6,722 (10 thousand)	-10 (10 thousand)
Employed	6,427	6,379	-13
Employees	5,359	5,338	70
Unemployed	348	343	2
Unemployment rate	5.1%	5.1%	0.0
Active opening rate	0.62	0.61	0.01
Total hours worked	158.3 (hours)	152.5 (hours)	-0.9
Total wages of regular employees	(¥ thousand) 266.2	(¥ thousand) 264.0	-0.1

Note: \* Denotes annual percent change.

Source: Ministry of Public Management, Home Affairs, Posts and Telecommunications, *Rōdōryōka Chōsa* (Labour Force Survey); Ministry of Health, Labour and Welfare, *Shokugyō Antei Gyōmu Tōkei* (Report on Employment Service), *Maitsuki Kinrō Tōkei* (Monthly Labour Survey).

### Trends in the Number of Lawsuits Involving Labor Disputes 1989-2000 (District Court Level)



Note: The figure for 2000 is an estimate.

### Trends in the Number of Labor Disputes by Plaintiff-Defendant Relation, and by Nature of Claim (District Court Level)

Year	Total Number of New Lawsuits Filed	Total	Plaintiff: Employee Defendant: Employer			Plaintiff: Employer Defendant: Employee	Others
			Confirmation of the Existence of Employment Contracts, etc.	Wages, etc.	Others	Confirmation of No Employment Contract, Claims for Damage, etc.	Confirmation of the Invalidity of Decisions to Exclude Members, etc.
1995	1,552	1,471	309	997	165	61	20
1996	1,525	1,435	322	1,002	111	71	19
1997	1,656	1,587	336	1,102	149	52	17
1998	1,793	1,714	342	1,224	148	56	23
1999	1,802	1,724	396	1,151	177	55	23
2000	2,063	1,987	410	1,311	266	61	15

Note: The figures for 2000 are estimates.