

## Key topic

# Thirty Years since JTUC-Rengo's Foundation: Challenges and Prospects for Japan's Labor Movement

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The Japanese Trade Union Confederation (JTUC-Rengo), Japan's largest national confederation of trade unions, was founded on November 21, 1989. Until then, for many years following the Second World War, the central labor organization of Japan's labor unions had been split into four national centers: Sohyo (formed in 1950), Domei (formed in 1954 and changed its name in 1964), Churitsu Roren (formed in 1956), and Shin-sanbetsu (formed in 1949). Meanwhile, as a national center opposing JTUC-Rengo, forces critical of this movement as a right-wing reorganization started the National Confederation of Trade Unions (Zenroren) on the same day. Besides these two organizations, the National Trade Union Council (Zenrokyo; 100,000 members) also exists as a moderate consultative body.

Japan's labor movement was greatly reorganized when JTUC-Rengo was formed through the consolidation of a labor union associated with public-sector unions (Government and Public Workers Union) and industrial-specific unions of the private sector (Japanese Private-Sector Trade Union Confederation; so-called Minkan Rengo). Additionally, the post-war labor movement had composed of opposing left and right wings in part due to the influence of the Cold War, but this too came to an end with JTUC-Rengo's inauguration.

Looking back at the 30 years that have passed since this labor front reorganization, the memberships of both JTUC-Rengo and Zenroren have decreased; improvements in terms of labor conditions, such as wages and work hours, have continued to stagnate, being affected by long-term

deflation and other factors. Facing these facts and challenges, Japan's labor movement is attempting to rebuild its organization and actions by formulating a new vision and organization strategy.

## **A falling unionization rate with no sign of stopping**

Japanese labor unions have a three-layer structure comprised of enterprise unions (unit unions, composed of individuals only), industrial unions, and national centers. The member units of national centers are, in principle, industrial unions. In 1989, JTUC-Rengo started with 74 industrial unions bringing 7.92 million members and Zenroren started with 27 industrial unions bringing 1.4 million members. The memberships of JTUC-Rengo and Zenroren fell to 7 million members (48 industrial unions) and 764,000 (18 industrial unions), respectively, as of October, 2019.

The labor front was reorganized during the height of Japan's "bubble economy" years. However, a look at the unionization rate reveals that the rate has continued to fall until the present day. According to a survey by the Ministry of Health, Labour and Welfare (MHLW), the unionization rate was 25.9% (12.22 million people) in 1989 and fell to 16.7% (10.08 million) in 2019.

Looking at memberships of JTUC-Rengo affiliated industrial unions, the All Japan Prefectural and Municipal Workers' Union (Jichiro, organization comprised of local public servants' unions), which was originally the largest affiliate with 1.25 million workers, has lowered its membership to 770,000 partly due to the administrative reform

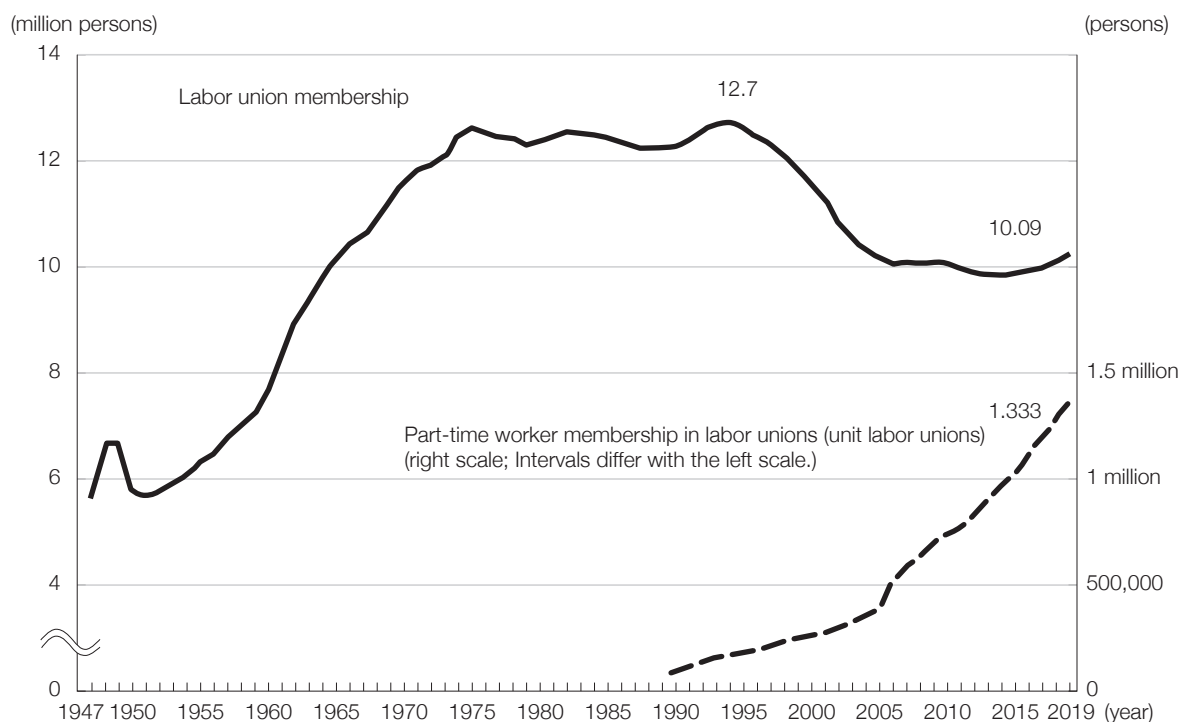
for government-affiliated corporations. In contrast, the Japanese Federation of Textile, Chemical, Food, Commercial, Service and General Workers' Union (UA Zensen), an industrial union primarily associated with logistical services and currently JTUC-Rengo's largest affiliate, has increased its membership by promoting organizational integration and actively organizing part-timers, to 1.77 million, almost three times compared to that of its predecessor (Zensen Domei, 510,000 members at the time of JTUC-Rengo's birth). As for Zenroren, the membership has decreased dramatically during this time in part because it was built primarily around the Government and Public Workers Union whose members are national and regional public servants.

Looking at overall trends and the number of union members, the pace at which unionization rates falling in Japan has slowed somewhat as more and more part-timers and contract workers become organized despite a continuing decrease in regularly employed union members due to the effects of administrative reform and private companies'

restructuring.

### JTUC-Rengo strives toward membership of 10 million, and Zenroren toward 1.5 million

Amid the reduction in membership by JTUC-Rengo and Zenroren, both organizations devised organization strategies in 2012 to stop the decrease and shift toward an increase. JTUC-Rengo approved a major organizational expansion program called "Rengo with 10 million members" that will continue until 2020. In 2007, JTUC-Rengo's membership fell to 6.65 million, which was partially attributable to a simultaneous decrease in regular employees and increase of non-regular workers. Because of this, the Department of Non-regular Employment was established in its headquarters in the same year to strengthen its activities vis-à-vis part-timers, fixed-term contract workers, and dispatched workers. In 2013, a team dedicated to the organization was set up in its headquarters as a step toward achieving the membership goal. Since then, JTUC-Rengo's



Source: MHLW, "Basic Survey on Labour Unions."

Figure 1. Changes in number of labor union members (1947 to 2019)

headquarters, component of the organization as well as regional councils worked toward organizational expansion, and their efforts paid off with a subsequent increase in membership.

Meanwhile, Zenroren strengthened its movement based on its medium-term plan for organizational expansion and reinforcement beginning in fiscal year 2012. Organizational expansion has been positioned as the top priority with the objective of realizing growing membership by the time of its 2020 convention. Although Zenroren faces tough hurdles in reaching its goals, it is promoting movements aiming at “promoting new membership,” “expanding membership within the organization,” and “achieving a 100% unionization rate for non-regular workers.”

To improve the unionization rate, it is essential to promote the organization of unions at companies with fewer than 100 employees, whose unionization rate is around 1%. Moreover, shoring up the organization of non-regular workers will become an important challenge for both organizations. According to *Labour Force Survey* (Ministry of Internal Affairs and Communications, MIC), non-regular employment has grown 2.5 times, from 8.17 million people in 1989 to 20.36 million in 2017.

### **Wages stagnating, long work hours enduring**

Japanese economy fell into a long-term period of deflation from the mid-1990s. Looking at long-term trends in consumer prices, prices had a year-on-year change of -0.3% in 1995 and then entered a state of deflation as negative growth continued for the seven years between 1999 and 2005. Meanwhile, the rate of wage increase was falling. As the economy stagnated, passive economic behavior became the norm among companies and households. As a result, poor demand caused the economy to shrink even more and enter a deflationary spiral in which price decreases and wage decreases occurred reciprocally. In part because of such economic circumstances, the words “across-the-board pay increase” (called “base-up” in Japanese) disappeared from unions’ wage demands in the early 2000s, and demands for a regular pay raise system (maintenance of wage

curves) continued for years. Consequently, wage levels have continued to lack growth over the past 30 years.

The hours worked decreased in the early 1990s. This was partially due to efforts to shorten scheduled working hours in labor-management agreements. However, from 2000, non-regular employment increased while the non-scheduled working hours of regular employees remained high, and thus working hours remained largely unchanged.

Ever since a government-labor-management agreement was reached to realize a positive economic cycle in 2013, wages—including across-the-board pay increases—have risen an average of more than 2% for six consecutive years. Additionally, discussions and negotiations between labor and management at companies toward reducing working hours are progressing following the enactment of the Work Style Reform Act in 2018. It is anticipated that the fruits of these efforts will appear in the years ahead.

### **Initiatives to realize policy**

JTUC-Rengo declared the organizational objective in the mission statement approved at its inaugural convention in November 1989. “We will cooperate in the creation of a new political force capable of assuming governmental power and realize a sound parliamentary democracy that allows for a change of government.” This specified that the aim was to change the tide of the Liberal Democratic Party (LDP) regime that had continued since 1955, and that JTUC-Rengo has the “responsibility to be triggering factor toward this end.” A major goal of JTUC-Rengo’s foundation was to serve as a catalyst for political reorganization and bring about a “regime change” by leading the labor world’s unification.

Later, in 1993, the Hosokawa administration was born from a coalition of eight parties that were unaffiliated with the LDP or Communist Party, bringing the collapse of the LDP’s one-party rule, which JTUC-Rengo had sought to achieve. And in the 2009 general election, a regime change occurred and JTUC-Rengo’s supporting party, Democratic Party of Japan (DPJ) led the new regime. However,

DPJ (then known as the Democratic Party) split up in 2017. In the House of Councilors election held in the summer of 2019, candidates endorsed by JTUC-Rengo's member industrial federations were divided into those from two parties, namely, the Constitutional Democratic Party of Japan (CDPJ) and Democratic Party for the People (DPP) for the campaign. Among those endorsed candidates, five candidates affiliated with the CDPJ were all elected. As for the endorsed candidates affiliated with the DPP, three were won, and two were defeated.

Faced with the split in the political parties it supported, JTUC-Rengo established the Forum on Promotion of Policy and Systems (Rengo Forum) in February 2018. The forum is joined by individual Diet members with the premise that they will support JTUC-Rengo's policies. At the present time, some 150 Diet members from opposition parties are said to have enrolled. One of the forum's aims is to encourage reunite the three parties from the former Democratic Party that split up.

### **New vision for society**

As JTUC-Rengo celebrated its 30th anniversary, its 16th Biennial Convention held on October 10 and 11, 2019 reported and approved a new vision of society toward 2035 —“A Secure Society based on Work — Protecting, Connecting and Creating”—as a view based on the convention's slogan “We Will Change the Future.” The new action policies for the coming two years based on this vision includes of legislation of worker representation systems as well as legal revisions that will permit the extended application of labor agreements, with an eye to building collective labor-management relations in all workplaces.

The new action policies bring to the forefront a posture as a concrete direction for rebuilding its movement. At a time when work-related difficulties are diversifying, “Rengo must take the lead in taking action to realize ‘true diversity’ and ‘fair work’ with the ideal of ‘social inclusion’ whereby no one is left behind.”

In addition to bolstering its policy aspects, JTUC-Rengo made the decision to strengthen

movement aspects that “generate social waves” so as to earn empathy from not only union members but also the public at large. This is why it is committed to rebuilding its movement into a new vision, “Protecting, Connecting and Creating.” It is a movement that puts “protecting” the dignity and living of each and every worker, including workers who face various difficulties, at its very foundation. It is a movement that “connects” the cycle of participation in workers' labor union activities to affiliated organization and JTUC-Rengo's activities and, furthermore, to community activities. And it is a movement that “creates” new social and economic vitality through dialogue and cooperation with various stakeholders.

### **New network to include diversified workers and platform for local based general unions**

Until October of 2020, JTUC-Rengo plans to address organizational expansion based on the Rengo with 10 Million Members Program of 2012. It will then put forth new goals provisional called Rengo with 10 Million Members NEXT starting in November 2020. At the top priority of the action policies will be “reinforcement of the work rules that protect workers, including promoting legal protections for diverse workers.” Specifically, with an eye to building collective labor-management relations in all workplaces, JTUC-Rengo will make sure that majority representation systems are operated appropriately and will study the legislation of worker representation systems in a way that strengthens the roles of labor unions. Additionally, JTUC-Rengo will study the building of mechanisms that include legal revisions permitting the extended application of labor agreements so as to spread the fruits of collective employee-employer relations to even more workers.

Moreover, JTUC-Rengo will summarize the attitude towards legal protections, including extension of the concept of “worker,” for people engaged in “ambiguous employment” such as crowd work. It will also discuss the creation of network membership as a mechanism in which people who are in diversified forms of employment and working

styles could join JTUC-Rengo. Additionally, it has planned “Regional General Rengo” (provisional name) as a platform for the local based general unions.

On top of the above, JTUC-Rengo will establish a fair work promotion center to replace its current Department of Non-regular Employment. The new center will strengthen problem-solving and social influence for diversified forms of employment,

including non-regular employment, ambiguous employment, young labor, and foreign labor. At the same time, JTUC-Rengo will review its consultation service for diversified employment forms, through building its labor consultation framework by, for example, integrating consultation functions, applying multilingual approaches and utilizing databases, and collaborating with the existing one-stop service called Life Support Centers.

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