



# Sound and Harmonious Industrial Relationship; In Changing forms of Employment and New Employment Relationships

2009. 2. 27

International Affairs Division  
Ministry of Health, Labour and Welfare, Japan



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## Topics

- General Overview of Industrial Relations in Japan
- Report of Good Practices;
  - Actions for Part-time Workers in Distribution Retailers Industry & Food and Service Industry

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## Characteristics of Japanese Trade Unions

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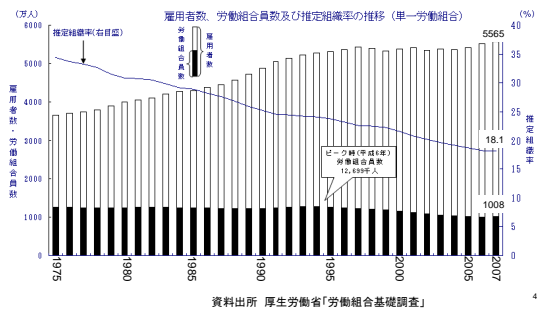


- Mainly depends on Enterprise-based Unions
  - Enterprise-based Unions
  - Industry-based Unions
  - National Centers: JTUC "Rengo"
- "Shunto": Spring Wages Offensive
- Issues
  - Declining unionization rate
  - Low unionization rate in part-time workers

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## Unionization Rate, the number of Union members

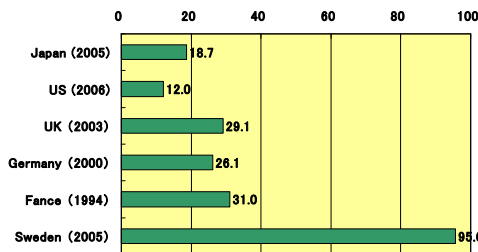
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## International Comparison of Unionization Rate

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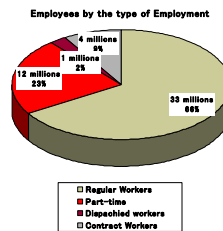


source: ILO Bureau of Statistics

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## Compositions of Japanese Labour Force and Unionization

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- One third employees are atypical workers
- Low unionization rate of atypical workers
  - 0.59 millions Union member in part-time works (4.8%)
  - Most of Dispatched workers are estimated not unionized
- Low unionization rate in SEM
  - Over 1000 wks: 47.5%
  - 100wks or less: 1.1%

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## Labour Policy Making and Trade Unions

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- Tripartite participations in decision-making of important labour issues
  - Labour Policy Councils
- Political influences of opinions of trade unions
  - Industry and Labour Round Table Conference (SanRoKon)

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## Current Topics

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- Re-structure and integration of Unions
  - Integration has particularly progressed in Industry based unions
- Unionization of Atypical Workers
  - Involvement in pre-existing TUs
  - Request for new legislations to protect atypical workers
- Community-Unions
  - Community based unions in which individual workers join
  - Success in unionization of atypical workers
  - Act as "last resort" for individual labour disputes of non-unionized workers

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## Sound and Harmonious Industrial Relationship; In Changing forms of Employment and New Employment Relationships

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### Actions for Part-time Workers in Distribution Retails Industry and Food & Service Industry



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## What we explain

- Problem Analysis:
  - Labour Market Situations
- Activities:
  - Forward-thinking Actions taken by Leading Social Partners
  - New Labour Legislation
  - Actions taken by social partners
- Results:
- Success Factors:
  - Step-by-step strengthening of labour legislation
  - Tripartite participation in decision-making process on labour policy
  - Issues to be resolved:
- Up-scaling:

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## Problem Analysis: Labour Market Situations

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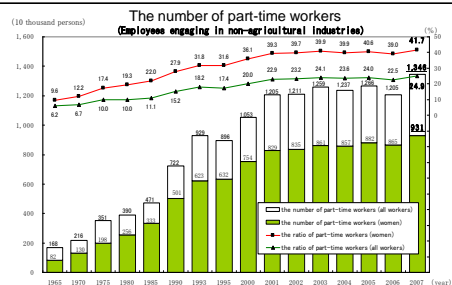


- Japanese labour market is facing a downturn
  - Job Offer Ratio(ERJOA) : 0.72, in December 2008
  - Unemployment rate: 3.6% in July 2007 to 4.4% in December 2008.
- The population; peaked at 127.7 millions in 2004
- In 2055, it is estimated that;
  - the total fertility rate (TFR) drops to 1.26
  - the total population becomes fewer than 90 millions,
  - 40% of the total population will be people over 70 years old,
- Required to realize the labour market in which
  - every youth, women and older people will be able to work in accordance with their capabilities and willingness.

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### Current situation in part-time workers

- The number of part-time workers has strikingly risen.
- The total number of part-time workers has reached almost 14 million in 2007, and occupies a quarter of total number of employees in Japan (54 million).
- Although female part-timers are still dominating the main portion of around 70%, we observe some increase in male part-timers as well.
- 40% of youth (between 15-24 years old) work as non-regular workers.

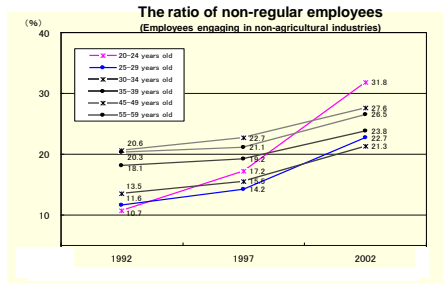


(Note) "Part-time workers" is defined as persons who work less than 35 hours per week (Employees engaging in non-agricultural industries)  
(Source) "Labour Force Survey", Statistics Bureau, Ministry of Internal Affairs and Communications

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## The ratio of non-regulars by age

- Remarkable rise is observed especially in younger ages between 20-30 years old.  
(Indicated in pink and blue lines.)



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## Why we concern?

- **negative social impacts by the expansion of non-regular worker ;**
  - **To grow the portion of untrained and unskilled workers,**
    - because there is a huge gap between regular and non-regular workers in the opportunities of human resource development.
  - **To accelerate the depression of the child birthrate (stems from late marriage or decide not to get married),**
    - because the data shows that the marriage rate of non-regular workers is lower than those of regular workers.

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### Activities:

#### Forward-thinking Actions taken by Leading Social Partners

- **Trade unions in Service Sector**
  - In which large portion of workers are part-timers and contract workers
- **motivated to take actions to ;**
  - Realize the fair treatment of non-regular workers equivalent to regular workers,
  - Unionize part-time workers in cooperation with employers.

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#### Actions taken by the Government: New Labour Legislation

- **Social structural changes have emerged such that**
  - society has been aged,
  - birth rate has declined,
  - economy has been globalized and competitive,
  - diversification of values among people has expanded.
- **GoJ has proposed new labour legislations to ;**
  - Realize the society in which all workers are willingly able to work with their full skills and
  - choose any type of employment convincingly.

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## Amended Part-Time Workers Act\*

Establishment of the common working rule  
corresponding to diversification of type of employment

### 1 Securing the fair treatment.

- 1) Employers shall endeavor to ensure the fair treatment of part-time workers.
- 2) Especially, discriminatory treatment of part-time workers equivalent to regular workers is prohibited.

Realize the fair treatment

### 2 Promoting the transformation to regular worker

- Employers shall take measures to promote part-time workers' transformation to regular workers.

Improve labour productivity

The amended act was enforced on 1<sup>st</sup>, April 2008 (Item 5 was enforced on 1<sup>st</sup> July, 2007)

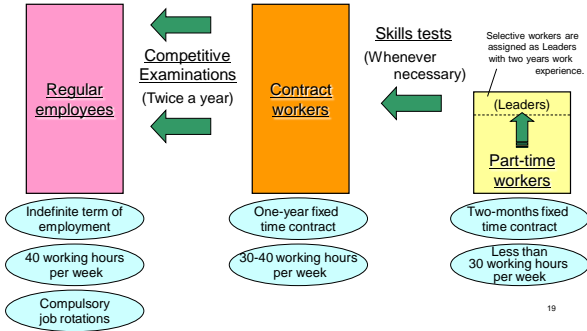
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## Actions taken by social partners; A systematic transfer from non-regular to regular

- **A certain enterprise in food service industry**
  - Integrate and standardize the forms of non-regular workers and
  - Introduced a promotion system in which non-regular workers can be promoted to regular workers according to the results of competitive examinations.
- **The system was first implemented in April 2008,**
  - it succeeded to assign approximately 500 contract workers to regular employees.

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## A systematic transfer from non-regular workers to regular workers

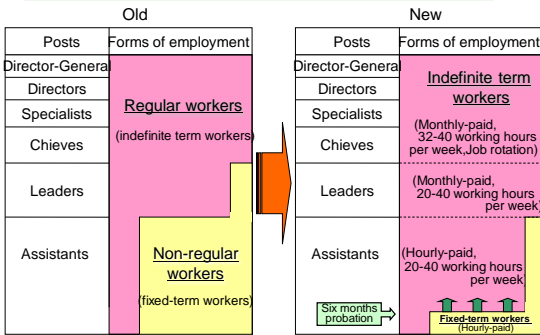


## Actions taken by social partners ; An integrated employment system



- A certain enterprise in retail industry,
  - whose workers used to be categorized as “regular”, “part-time” and “contracted” employees.
- Erased the line between regular and non-regular workers in principle
  - by integrating 93% of fixed-term part-time and contract employees into non-fixed term employees.

## An integrated employment system of non-regular workers and regular workers



## Results:



- Results in the enterprises which introduced the above actions;
  - Statistical data revealed that decline of employment turnover rates.
    - Preserve skilled and trained workers
    - Less cost for recruitment and training
  - Questionnaires shows the rise of satisfaction, morale and motivation
    - Raise productivity
  - Note: not all of wokers want to be a regular.

## Success Factors: Step-by-step strengthening of labour legislation



- Phase 1: Non-Binding Guideline
  - Notification of **Director-General** for female and youth, “Promoting measures on female part-time employment.” (January, 1970)
  - Notification of **Vice-Minister** of Labour, “Guidelines for Part-time Labour Policy.” (December, 1984)
  - “Guideline on treatment and working conditions to be considered for part-time workers.” (1989, Notification No.39 of the **Ministry** of Labour)
- Phase 2: Legislation of Laws (promotional nature, non-compulsory)
  - “Act on improving the employment management for short-time workers”
  - (prescribed in effective use of skills, and promotion of welfare of part-time workers) (Enforced in October, 2003)
- Phase 3: Legislation of laws (partially compulsory)
  - Amendment of the aforementioned Act (Enforced in April 2008)

## Tripartite participation in decision-making process on labour policy



- We have the process of decision-making of labour legislations in sequence in which
  - the **study reports** of labour experts comes first,
  - tripartite discussions is going to be held in **tripartite policy councils** to draft reports to the Minister,
  - the government submits the **amendment** of laws to the Diet.

## Discussions in Tripartite Council

- **Argument over social partners at the council**
  - in December 2006 for the latest amendment of Part-time Workers Act.
- **The worker's representatives argued;**
  - "part-time workers are often treated as dispensable labour and also treated discriminately; this is abuse of basic human rights and rights to have decent work for everyone."
- **As response, the employer's representatives insisted**
  - "Management of personnel systems such as recruitments, overtime wage setting and welfare systems should be operated based on the agreement between employers and workers of each enterprise."

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## Discussions in Tripartite Council(2)

- **Neutral members who represent public interest proposed the settlement**
  - that requests for establishment of new rules to secure the fair treatment of part-time workers who are equivalent to regular workers
  - based on the societal importance of the effective capacity empowerment of part-time workers.
- **Members agreed to adopt the settlement as the decision of the council.**
- **The report, however, attached the statement from employers that requires to,**
  - avoid an excessive burden to particularly in small and medium enterprises,
  - acquire understanding and publicity of its contents by giving a certain period of time prior to its enforcement,
  - enforce it in consideration of actual conditions and practices

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## Issues to be resolved:

- **After 1990s, de-regulation was set as political agenda, and thereby, the upper offices of the cabinet have tended to decide directions of policy.**
- **As results, the regime of Japan**
  - has affected to the tripartite decision-making, and consequently, the function of tripartism has been restricted.
- **Neutral council members which represents public interest have been required more difficult tasks**
  - not only to coordinate the confrontation between social partners,
  - but also need to maintain their neutrality from the political pressure of the regime.

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## Up-scaling:

- **Labour policy**
  - cannot be separated from the political perspectives of the regime.
- **Maintaining tripartism and reaching agreement over thorough discussion has become more essential.**

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Welcome the comment  
from Social Partners.