

# Exploring the Current Situation and Issues of Labor-Management Relations in Japan

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## I. Introduction

The purpose of this paper is to overview the diversification of work styles, major legal systems related to labor-management relations, and the current situation and challenges of labor unions and labor-management relations in Japan. The diversification of work styles is summarized based on statistical data such as labor force and the number of employees by type of employment. As for legal systems involving labor-management relations, the basics are outlined. Regarding the current situation and challenges of labor unions, the paper confirms changes in the unionization rate and presents comments of union officials. Their initiatives and challenges are examined through the way labor and management have responded to Artificial Intelligence (AI) technology in recent years.

## II. Diversification of work styles

Let us first overview the diversification of work styles. The following discusses changes in labor force and in the number of employees by type of employment, and the diversification of regular employees.

### 1. Labor force and other trends

Labor force and other trends indicate that while the “labor force,” “employed persons,” and “employees” have increased, “regular employees” have remained more or less unchanged (Figure 1). The Ministry of Internal Affairs and Communications (MIC)’s *Labour Force Survey* defines these terms, and this paper adheres to these definitions.<sup>1</sup>

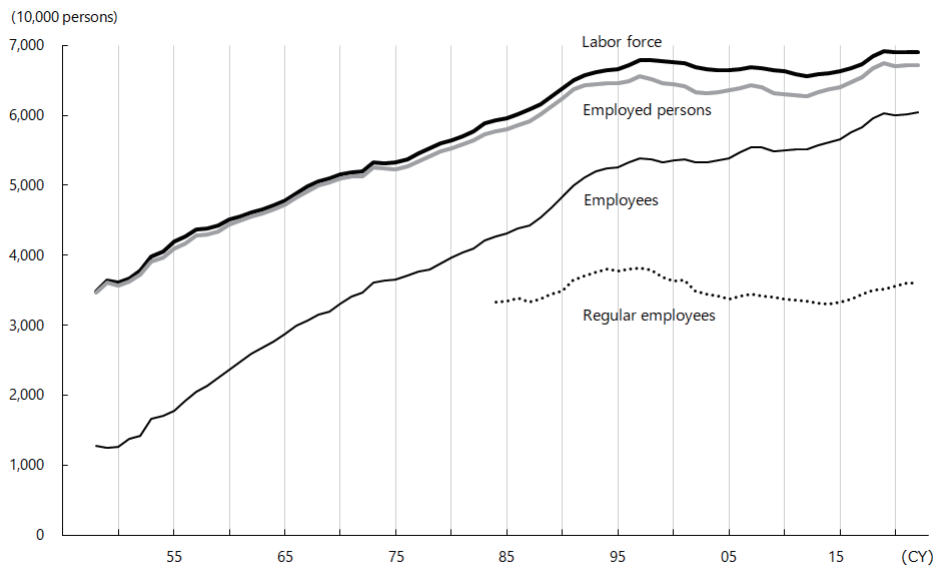
1. “Labor force,” “Employed person,” “Employee,” “Regular employee,” and similar terms used in this paper are based on the definitions provided by the Ministry of Internal Affairs and Communications in *Labour Force Survey* as follows.

Labour force: “Employed person” and “Unemployed person” among population aged 15 years old and over.

Employed person: “Employed person at work” and “Employed person not at work.”

Unemployed person: Person who satisfies the following conditions: i) with no job and did no work at all during the reference week (other than “Employed person”); ii) ready to work if work is available; and iii) did any job seeking activity or was preparing to start a business during the reference week (including waiting on the outcome of job seeking activity done in the past).

Employee: Person who work for wages or salaries as employees of companies, associations, governments or unincorporated enterprises. It is noted that among Employee, “Employees excluding executives of company or corporation” are classified into seven



Source: This figure is based on the Japan Institute for Labour Policy and Training (JILPT 2023b), “Figure 2-1 Labor force, employed persons, employees, permanent employees, regular employees between 1948 and 2022 (annual average).” [https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0202\\_01.html](https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0202_01.html). (Last accessed March 19, 2024). Original source is Statistics Bureau, MIC, *Labour Force Survey*.

Notes: 1. As the term “permanent employees” is no longer used as a survey item, we have excluded it from the figure.  
2. The number of regular employees in each year before 2002 is for February.

**Figure 1. Labor force, employed persons, employees, and regular employees (1948–2022, annual average)**

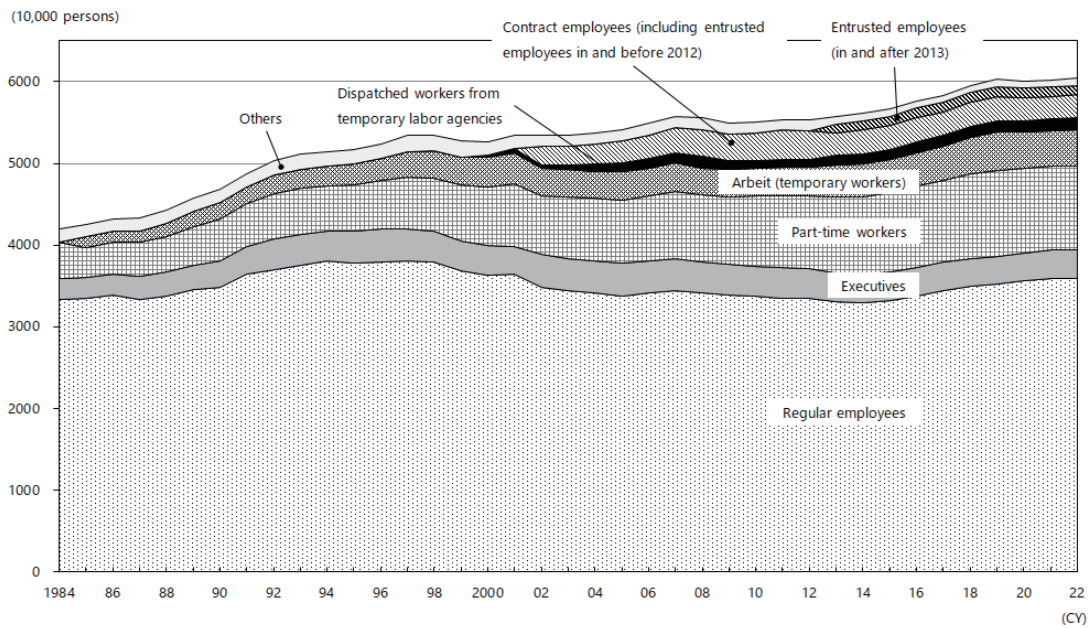
Labor force peaked in 1998, declined moderately until 2004, and remained more or less flat before increasing from 2013. The number of employed persons peaked in 1997, declined moderately until 2003, and then remained more or less flat before increasing from 2013. Employees have continued to increase. However, the number of regular employees (among employees) has remained generally unchanged.

## 2. Employees by type of employment

In order to examine the changes in the breakdown of employees in more detail, let us review the number of employees by type of employment. Figure 2 shows the number of all employees (regular and non-regular employees) and those of “non-regular employees” by type of employment, in total of men and women. It indicates that the number of non-regular employees (covering “part-time worker,” “*arbeit* (temporary worker),” “dispatched worker from temporary labor agency,” “contract employee,” “entrusted employee,” and “others”) has continued to increase. Among non-regular employees, part-time workers have increased conspicuously.

The trends of employees by type of employment among males (Figure 3) show that the number of regular employees has remained generally unchanged although some changes have been observed. That of male non-regular employees has continued to increase moderately.

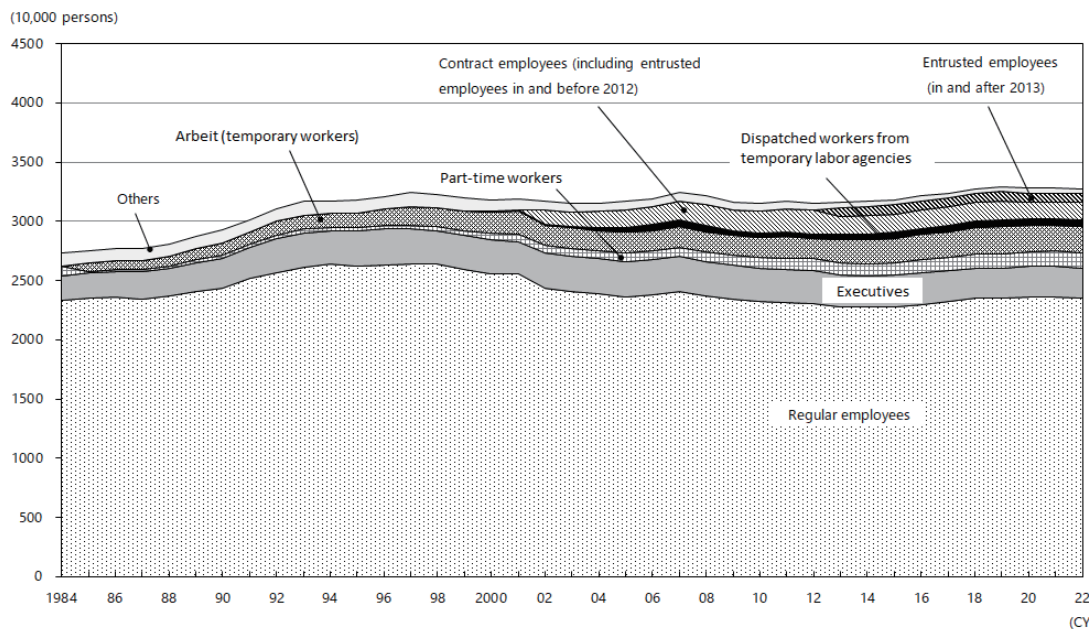
categories: “Regular employee,” “Part-time worker,” “*Arbeit* (temporary worker),” “Dispatched worker from temporary labour agency,” “Contract employee,” “Entrusted employee” and “Other,” according to how they are called at their workplaces. These categories, except “Regular employee,” are classified into “Non-regular employee.” <https://www.stat.go.jp/english/data/roudou/pdf/definite.pdf>. (Last accessed July 13, 2024).



Source: JILPT 2023b, “Figure 8-1 Male and female employees by type of employment between 1984 and 2022,” <https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0208.html> (Last accessed March 19, 2024). Original source is MIC, *Labour Force Survey*.

- Notes: 1. *Labour Force Survey* (basic aggregation, annual average) for data from 2013.  
 2. *Labour Force Survey* (detailed aggregation, annual average) for data between 2002 and 2012.  
 3. *Special Labour Force Survey* (February) for data in and before 2001.

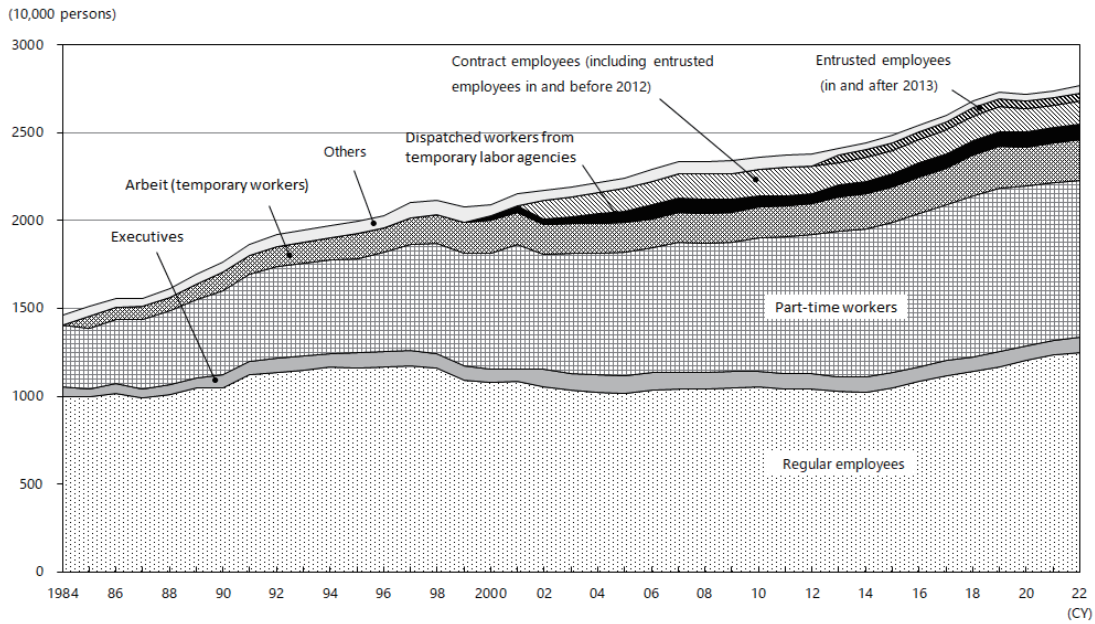
**Figure 2. Male and female employees by type of employment (1984–2022)**



Source: JILPT 2023b, “Figure 8-2 Male employees by type of employment between 1984 and 2022,” <https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0208.html>. (Last accessed March 19, 2024). Original source is MIC, *Labour Force Survey*.

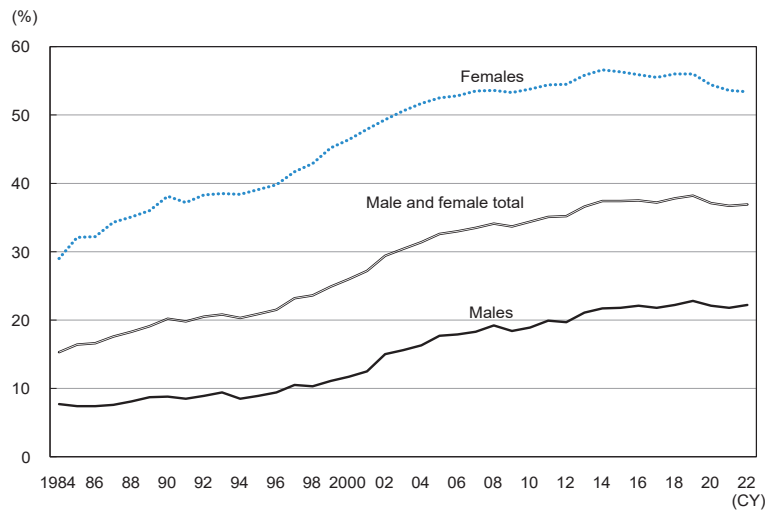
Note: Same as Figure 2.

**Figure 3. Male employees by type of employment (1984–2022)**



Source: JILPT 2023b, “Figure 8-3 Female employees by type of employment (1984–2022).” <https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0208.html>. (Last accessed March 19, 2024). Original source is MIC, *Labour Force Survey*.  
 Note: Same as Figure 2.

**Figure 4. Female employees by type of employment (1984–2022)**



Source: JILPT 2023b, “Figure 8-4 Employees by type of employment: Shares for non-regular employees between 1984 and 2022,” <https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0208.html>. (Last accessed March 19, 2024). Original source is MIC, *Labour Force Survey*.  
 Note: Same as Figure 2.

**Figure 5. Non-regular employees (excluding executives) by gender (1984–2022)**

The trends of employees by type of employment among females (Figure 4) show that the number of female employees in total has continued to increase significantly. While that of female regular employees has

increased since 2015, the remarkable trend is an almost consistent increase in female non-regular employees. By type of employment, part-time workers have increased most significantly among female non-regular employees. Figure 5 looks at the share of non-regular employees among all employees (excluding executives) by gender. It shows that the share for female is remarkable.

### 3. Diverse regular employees

While there has been an increase in the number of non-regular employees, the diversification of regular employees has become controversial. Traditionally, job descriptions, work locations, and working hours had been unlimited for regular employees in Japan. However, there have been researches underway since around 2003 to classify regular employees into “job-limited regular employees,” “location-limited regular employees,” and “time-limited regular employees.”<sup>2</sup>

## III. Legal systems related to labor-management relations

As for legal systems related to labor-management relations, this section discusses Article 28 of the Constitution of Japan, the Labor Union Act, and the role of the majority representative of workers at a workplace without any labor union.

### 1. Article 28 of the Constitution: Three labor rights

In Japan, Article 28 of the Constitution guarantees three labor rights: the right of workers to organize, to bargain collectively, and to act collectively.<sup>3</sup> The right of workers to organize is the right of workers to freely form labor unions. The right of workers to bargain collectively is the right of workers to negotiate collectively with employers through labor unions. Labor unions can collectively bargain wages and working conditions with employers.

The right of workers to act collectively is divided into two: the right to engage in labor disputes (the right to strike) and the right to engage in union activities. Labor disputes include strike, slowdown, picketing<sup>4</sup> and other acts that are used by labor unions to interfere with employers’ normal business operation, and thus to press employers to accept labor demands in collective bargaining (see Article 7 of the Labor Relations Adjustment Act). Union activities are ordinary ones such as distributing and pasting leaflets and union meetings that labor unions carry out without interfering with normal business operations.

### 2. Key points of the Labor Union Act

While the three labor rights are guaranteed by Article 28 of the Constitution as mentioned above, the Labor Union Act gives effectiveness to the guarantee. As key points of the Act, the following discusses the normative effect and general binding force of collective agreements, and the unfair labor practice relief system.

2. Kawaguchi (2023) states that “Hisamoto (2003) is an early study that asserted the importance of diverse regular employees” (Kawaguchi 2023, 29).

3. Referred to Morito (2023, 274) for the right to organize, Morito (2023, 282–283) for the right to bargain collectively, and Morito (2023, 293–294) for the right to act collectively.

4. Picketing literally refers to “picketing, including striking workers’ surveillance, calling, persuasion, and the like at company entrances to urge other workers, business partners, customers, and people on the employer’s side to stop working or doing business in order to maintain and enhance strikes” (Morito 2023, 298).

### **(1) Normative effect and general binding force of collective agreements<sup>5</sup>**

A collective agreement is concluded between a labor union and an employer as a result of their collective bargaining. If a collective agreement satisfies the requirements of Article 14<sup>6</sup> of the Labor Union Act, it has a normative effect under Article 16 of the Labor Union Act. Article 16 of the Labor Union Act stipulates the normative effect as follows: Any part of an individual labor contract that contravenes the standards concerning working conditions and other matters provided in the collective agreement is void and replaced with those standards (Article 16 of the Labor Union Act). This is the normative effect.

The Labor Union Act also provides for a mechanism for the extended application of collective agreements (Articles 17 and 18 of the Labor Union Act). When three-fourths or more of “the workers of the same kind”<sup>7</sup> regularly employed in “a particular factory or workplace”<sup>8</sup> come under application of a particular collective agreement, the agreement also applies to the remaining workers of the same kind employed in the factory or the workplace (Article 17 of the Labor Union Act). Such effect is the general binding force of a collective agreement (on a workplace-by-workplace basis).

### **(2) Unfair labor practice relief system<sup>9</sup>**

The Labor Union Act defines acts that infringe on the rights of labor unions, such as those to organize, bargain collectively, and strike, as unfair labor practices and establishes procedures for their relief through a body called the Prefectural Labour Relations Commission.

Unfair labor practices are not generally defined in law, but are the acts listed in Article 7, Items 1 to 4 of the Labor Union Act, such as disadvantageous treatment, collective bargaining refusal, and control on or interference with the formation or management of a labor union. Disadvantageous treatment is to dismiss or otherwise treat in a disadvantageous manner a worker by reason of the worker (i) being a member of a labor union, (ii) having tried to join or organize a labor union, or (iii) having performed justifiable acts of a labor union (the first half of the text of Article 7, Item 1 of the Labor Union Act). With regard to collective bargaining refusal, it is an unfair labor practice for an employer to refuse to bargain collectively with the representatives of the workers employed by the employer without legitimate grounds (Labor Union Act, Article 7, Item 2). It is also an unfair labor practice for an employer to control on or interfere with the formation or management of a labor union by workers (the first half of the text of Article 7, Item 3 of the Labor Union Act).

Next, let us take a look at the relief procedures for unfair labor practices. A worker or a labor union who believes that a worker or a labor union has been subjected to an unfair labor practice may file a motion for relief with a Prefectural Labour Relations Commission. A Labour Relations Commission is composed of equal numbers of persons representing employers (recommended by employers’ organizations), persons representing workers (recommended by labor unions), and persons representing the public interest (such as scholars and lawyers) (Labor Union Act, Article 19, Item 1). After a worker or labor union files a motion for relief, the Prefectural Labour Relations Commission that receives the motion conducts an investigation

5. Referred to Morito (2023, 289–293) for the normative effect of collective agreements and for the general binding force.

6. Article 14 of the Labor Union Law stipulates that “a collective agreement between a labor union and an employer or an employers’ organization concerning working conditions and other matters becomes effective when the agreement is put in writing and is either signed by or affixed with the names and seals by both of the parties concerned.”

7. “Whether specific workers are of the same kind is determined according to workers subject to a collective agreement. In the case of a collective agreement for pilots, for example, the number of pilots in a workplace is counted. In the case of an agreement for both clerical and technical workers, both are counted.” (Morito 2023, 290).

8. “A particular factory or workplace” means an individual “factory,” “branch,” etc. (Morito 2023, 290).

9. The unfair labor practice remedy system is based on Morito (2023, 305–319).

and hearing (Labor Union Act, Article 27, Item 1). After examinations by the commission's panel of public interest members, the commission issues an order for relief if there is a reason for the motion, or an order to dismiss the motion if there is no reason (Labor Union Act, Article 27-12, Item 1). In fact, many cases end in settlement.<sup>10</sup>

### **(3) Role of the majority representative of workers at a workplace without any labor union**

The unionization rate is declining. Before discussing in the next section, we confirm the role of the majority representatives of workers in a workplace where there is no labor union. There is a mechanism in which the majority representative of these workers is involved in determining and changing working conditions.<sup>11</sup>

The majority representative of workers is defined as a person who represents a majority of workers at a workplace that has no labor union representing the majority (Hamamura, et al. 2023, 30).<sup>12</sup> The majority representative must be elected among workers other than those in a position of supervision or management under Article 41, Item 2 of the Labor Standards Act, through democratic procedures such as voting and a show of hands. Disadvantageous treatment of a worker who attempts to become the majority representative or conduct legitimate acts as majority representative is prohibited (Article 6-2 of the Ordinance for Enforcement of the Labor Standards Act).

The majority representative is typically involved in the conclusion of a labor-management agreement based on Article 36 of the Labor Standards Act (called Article 36 agreement) to lift the statutory upper limit on working hours (8 hours per day or 40 hours per week).<sup>13</sup> Even if an employer leads an employee to work beyond the statutory upper limit on working hours, the employer may not be held as violating the Labor Standards Act as far as the employee's working hours remain under the limit stipulated in the Article 36 agreement. If the employer forces an employee to work overtime or on holidays without concluding the Article 36 agreement or work more than the limit under the Article 36 agreement, however, the employer will be held as violating Article 32 of the Labor Standards Act. Unless the majority representative concludes the Article 36 agreement, the employer cannot lead employees to work beyond the statutory upper limit on working hours.

In this way, the majority representative of workers in a workplace without any labor union is given a certain role that is limited almost to the conclusion of special agreements to lift the minimum standard regulations.<sup>14</sup> The majority representative is temporarily established for the conclusion of the Article 36

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10. Parties who are dissatisfied with a Prefectural Labour Relations Commission's first order can take further procedures. Dissatisfied parties may request the Central Labour Relations Commission to reexamine Prefectural Labour Relations Commission orders (Article 27-15 of the Labor Union Act). The Central Labour Relations Commission has full authority to rescind, approve, or modify Prefectural Labour Relations Commission orders (Labor Union Act, Article 25, Item 2). Given that orders issued by a Prefectural Labour Relations Commission, or the Central Labour Relations Commission are administrative sanctions, parties who are dissatisfied with such orders may file lawsuits for their revocation in accordance with the Administrative Case Litigation Act. They can file such lawsuits without requesting the Central Labour Relations Commission to reexamine Prefectural Labour Relations Commission orders. The district court having jurisdiction over the relevant Prefectural Labour Relations Commission becomes the court of first instance. In some cases, "there may be a full-course 'five-trial system': the Tokyo Metropolitan Government Labour Relations Commission→ the Central Labour Relations Commission→ the Tokyo District Court→ the Tokyo High Court→ the Supreme Court." (Morito 2023, 319).

11. As for majority representatives of workers, referred mainly to Hamamura, et al. (2023).

12. If there is a labor union organized by a majority of workers at a workplace, the union (majority union) will be the majority representative of workers (Hamamura, et al. 2023, 30).

13. For the Article 36 agreement, referred to Hamamura, et al. (2023, 117-118).

14. Hamamura, et al. (2023, 281).

agreement and the expression of specific opinions, differing from any permanent post.<sup>15</sup>

#### IV. Labor unions' current situation and initiatives to address issues

This section examines the unionization rate regarding labor unions' current situation and issues. Based on comments by labor union officials, we analyze the labor unions' initiatives to organize non-regular employees and promote women's participation in union officials.

##### 1. Unionization rate trend

The "unionization rate"<sup>16</sup> has followed a downtrend, hitting a record low of 16.5% in 2022 (Figure 6). In 2023, the unionization rate dropped further to 16.3%. The decline in the unionization rate has been one of the challenges for labor unions. Conceivable factors behind the downtrend of the unionization rate include the increasing number of non-regular employees and the difficulty of organizing them.

Next, let us review the "unionization rate of part-time employees."<sup>17</sup> The rate is as low as less than 10%, indicating another issue for labor unions (Figure 6). However, the rate is rising, showing progress in organizing part-time employees.

##### 2. Comments by labor union officials

Regarding the decline in the unionization rate, let us examine how labor union officials perceive the current situation of labor unions and what initiatives they are taking. This section refers to a forum titled "Discussing the Present and Future of Labor Unions"<sup>18</sup> held with labor union officials and academics, recorded and published in 2023 in a journal, *Japanese Journal of Labour Studies* (Shuto, et al. 2023). The four union officials participated in this forum: two of them (hereinafter "A" and "B") were from industrial unions, one ("C") from a national center of labor unions, and one ("D") from a company-based labor union. In the following, we analyze their comments on their efforts to organize non-regular employees as well as on women's participation in labor unions, and presents implications from the findings.

##### (1) Initiatives to organize non-regular employees

All the union officials participated in the forum states of the need to organize non-regular employees.

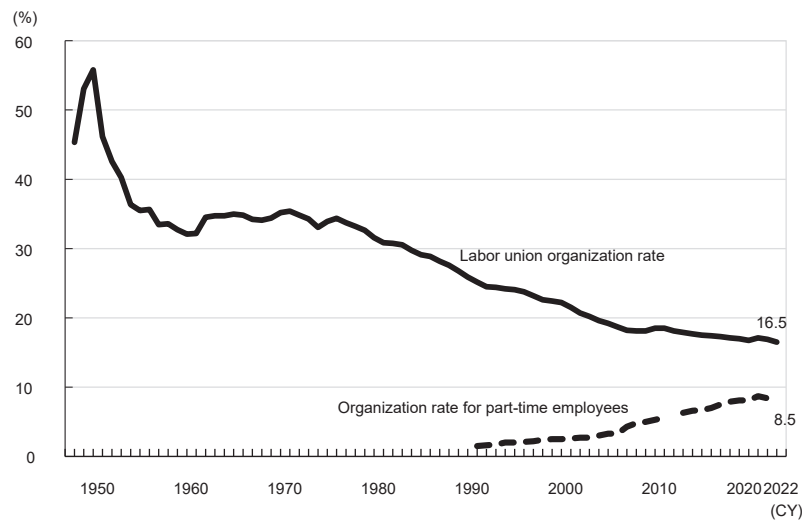
15. Sugeno (2021, 20).

16. "Unionization rate" is based on the definition provided by the MHLW's "Basic Survey on Labour Unions" as follows: "The result derived by dividing the number of union members identified by this survey by the number of employees based on the "Labour Force Survey" which is implemented by the Statistics Bureau of the Ministry of Internal Affairs and Communications." <https://www.mhlw.go.jp/english/database/db-l/dl/2017bslu-definitions.pdf>. (Last accessed July 13, 2024).

17. According to the MHLW's "Basic Survey on Labour Unions," the "unionization rate of part-time employees" is based on as follows. A "part-time employee" is a non-regular staff with reduced working hours, i.e. a person with shorter scheduled daily hours of work or with the same scheduled daily hours of work but shorter scheduled weekly hours of work than an ordinary worker at the same establishment, and a person who is termed a part-time worker, etc. at the establishment. The raw (unadjusted) figures in the *Labour Force Survey* published every June are used for the "numbers of short-time employees." The "numbers of short-time employees" are obtained by subtracting the "numbers of regular employees" from the numbers of employees with working hours of less than 35 hours and adding the "numbers of part-time employees" with working hours of 35 hours or more per week to those numbers. The "unionization rates of part-time employees" are obtained by dividing the numbers of labor union members who are "part-time employees" by the "numbers of short-time employees." <https://www.mhlw.go.jp/english/database/db-l/dl/2017table5.pdf>. (Last accessed July 17, 2024). Additionally, in other words, the "short-time employees" also include executives of companies and organizations who work less than 35 hours per week.

18. Shuto, et al. (2023).





*Source:* This figure is based on data from JILPT 2023b, “Figure 1-1-2 unionization rate trend between 1947 and 2022 (as of June 30 for each year),” [https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0701\\_01.html](https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0701_01.html). (Last accessed March 19, 2024). Original source is the Ministry of Health, Labour and Welfare (MHLW), “Basic Survey on Labour Unions.”

*Notes:* 1. The rates in and before 1951 are based on the number of unit trade union members.  
2. The rate of part-time employees is based on an old definition for years to 2012 and on a new definition for years from 2013. The rate for 2011 has not been computed.

**Figure 6. Unionization rate trend (1947-2022) (as of June 30 for each year)**

Some of their unions have organized them successfully. A and B acknowledge that they will promote the organization of non-regular employees. A: “I think the principle is to organize all who work at the company” (Shuto, et al. 2023, 44). B: “I think we should organize all, including non-regular employees” (Shuto, et al. 2023, 45).

B describes the difficulty of organizing as follows: “Our industry includes some sectors where the organization of workers has failed to progress. Although tourism industry workers have been organized considerably, the unionization rate is very low especially in the accommodation sector. I think this is partly due to the fact that there are many non-regular employees, with labor unions failing to be recognized. Currently, we are making efforts to organize workers, while failing to make much progress...We are well aware that we need to move forward with organization, but the reality is that we are struggling to make progress” (Shuto, et al. 2023, 45).

C recognizes that there are cases where the organization of non-regular employees has progressed and where the progress has been limited. C: “I come from the retail and supermarket industry. ....Our union made proactive efforts to organize part-timers in the 1980s and 1990s. We tried to organize even part-timers who work less than 20 hours per week. As a result, the unionization rate is probably in the 85-90% range. I think labor unions as a whole have lagged behind in organizing non-regular employees. There are only a limited number of industrial unions that have made progress in organizing non-regular employees” (Shuto, et al. 2023, 45).

D is also of the position that all employees should be organized. D: “Our position is that employees who are directly employed by a company should join a single labor union, regardless of whether their employment terms are definite or indefinite” (Shuto, et al. 2023, 46). D’s organization has shifted to a union shop<sup>19</sup> that

19. Morito (2023) describes the union shop as follows: “In an agreement with a labor union, an employer promises to dismiss those who fail to join the labor union and those who are no longer members of the union. This is a union shop agreement (Morito 2023,

covers not only regular employees but also non-regular ones. D: “My organization has a slightly special historical background that may differ from backgrounds of other organizations. It had originally been a union shop for regular employees and became an open shop due to a company merger. After a while, we shifted to the current union shop that covers non-regular employees as well” (Shuto, et al. 2023, 46). Although details of this shift are not given, this case indicates some progress in the organization of non-regular employees.

## (2) Increasing female labor union officials

The forum participants point out that labor union officials are plagued with the issue of how to balance work, family, and union activities, making it difficult for female members to participate in union leadership. On the other hand, they partly note an increase in the number of female labor union officials.

A: “At a member labor union, a woman has become the chair of a branch. The chairwoman began to change practices. First of all, she drastically shortened the length of each executive committee meeting. She also reduced overnight meetings extremely. She abolished banquet parties in principle. When she has no choice but to have some party, she holds a buffet-style party. Through such practice changes, the number of female union officials has increased significantly” (Shuto, et al. 2023, 52). The implication from this case is that when labor union officials including female members are considered, activities of union officials must be reconsidered.

## V. Current situation and issues regarding labor-management relations

Even while the unionization rate is declining, the environment surrounding labor is changing. This section considers the current situation and issues regarding labor-management relations through an analysis of how labor and management have responded to the use of AI technology that has become controversial in recent years.

From 2021 to 2022, the Japan Institute for Labour Policy and Training (JILPT) studied cases for four financial and five manufacturing companies in Japan, of which results are presented in the following (also summarized in research materials: JILPT (2022) for the financial companies and JILPT (2023a) for the manufacturing companies).<sup>20</sup> Labor unions have been organized for these case companies other than Financial Company A. Among companies for which labor unions are organized, Financial Companies B and C, and Manufacturing Company F have been identified as having labor unions that have organized not only indefinite-term regular employees but also other employees.<sup>21</sup>

### 1. Labor-management response to AI technology: Briefings within divisions rather than at collective labor-management consultation

While AI technology introduced at workplaces has had some impacts on the tasks of workers in any cases, no collective labor-management consultations have been held on the development, introduction, and operation of AI technology. The first reason for this is that AI technology is used by workers in a limited scope of sectors rather than all workers. The second reason is that the use of AI technology has not affected working conditions such as employment and wages so far.

275).” However, “there are many companies that fall short of dismissing those who withdraw from labor unions (and many unions tolerate such shortfall) (Morito 2023, 276).”

20. The study does not cover Chat GPT, a generative AI that has developed remarkably in recent years.

21. Referred to JILPT (2022, 34) for Financial Company B, JILPT (2022, 60) for Financial Company C, and JILPT (2023a, 35) for Manufacturing Company F.

Although collective labor-management consultations on the development, introduction, and operation of AI technology have not been conducted, managers of divisions using AI technology and officials in charge of AI technology introduction consult with workers through briefings within such divisions, regardless of whether there are labor unions. Such briefings have been identified as focusing on the purposes of AI technology introduction, and functions and usages of AI technology.

In some cases (Financial Companies B and C, and Manufacturing Company H), however, workers initially expressed concern that their jobs might be taken away or indicated distrust of AI technology. In response to such concern and distrust among workers, officials in charge of AI technology introduction held briefings for workers to alleviate their concern and distrust. As a result, a consensus has been formed on the use of AI technology.<sup>22</sup> At the workplace level, efforts are being made to build consensus among workers affected by AI technology.

## 2. Labor-management relations issue 1: Similarity of labor and management statements

Labor unions' statements on AI technology are similar to those of management, indicating that the similarity is an issue with labor-management relations in Japan. Labor unions are partly concerned about AI technology's future impact on employment. For example, labor unions express concerns about workers who are worried about what will happen to their jobs (Financial Company B<sup>23</sup>), whether workers' employment can be protected (Manufacturing Company E<sup>24</sup>), how to transfer workers while preventing them from leaving their jobs (Manufacturing Company<sup>25</sup>), and how to secure employment for workers (Manufacturing Company I<sup>26</sup>). However, these concerns do not lead to the denial of the use of AI technology.

On the other hand, labor unions welcome AI technology as improving business efficiency and productivity. The following reasons were cited for having a positive view: Providing added value to customers (Financial Company B<sup>27</sup>), improving quality, productivity, and business efficiency (Financial Company C<sup>28</sup>), speeding up work (Manufacturing Company E<sup>29</sup>), improving business efficiency (Manufacturing Company F<sup>30</sup>), increasing profits (Manufacturing Company G<sup>31</sup>), and improving productivity (Manufacturing Company I<sup>32</sup>). These words of labor unions are those stated by management for expressing concerns about profitability, symbolizing the similarity between the words of labor unions and management.

We can imagine the following needs rooted in the daily lives of workers: Wanting to spend time with families, picking up and dropping off children and preparing meals, caring for parents, and enjoying their

22. Referred to JILPT (2022, 38–39) for Financial Company B, JILPT (2022, 64) Financial Company C, and JILPT (2023a, 82) for Manufacturing Company H.

23. Quoted (and translated by the author) from a representative of Labor Union of Financial Company B (JILPT 2022, 53).

24. Quoted (and translated by the author) from General Secretary of Labor Union of Manufacturing Company E (JILPT 2023a, 27).

25. Quoted (and translated by the author) from Executive Committee Chairperson of Labor Union of Manufacturing Company F (JILPT 2023a, 46).

26. Quoted (and translated by the author) from Executive Committee Chairperson of Labor Union of Manufacturing Company I (JILPT 2023a, 105).

27. Quoted (and translated by the author) from a representative of Labor Union of Financial Company B (JILPT 2022, 52).

28. Quoted (and translated by the author) from a representative of Labor Union of Financial Company C (JILPT 2022, 71).

29. Quoted (and translated by the author) from General Secretary of Labor Union of Manufacturing Company E (JILPT 2023a, 27).

30. Quoted (and translated by the author) from Executive Committee Chairperson of Labor Union of Manufacturing Company F (JILPT 2023a, 46).

31. Quoted (and translated by the author) from Vice Executive Committee Chairperson of Labor Union of Manufacturing Company G (JILPT 2023a, 69).

32. Quoted (and translated by the author) from Executive Committee Chairperson of Labor Union of Manufacturing Company I (JILPT 2023a, 105).

spare time. These needs are a long way from the profitability of business. If labor unions are to realize the needs of workers that are rooted in their daily lives, the words spoken by labor unions may be different from those of management. However, this does not appear to be the case. Here may be an issue with labor-management relations in Japan.

Labor unions cannot completely ignore the profitability of business. Unless they place more emphasis on ideas rooted in workers' daily lives, however, it may be difficult for them to realize the needs of diverse workers including non-regular employees, or to organize them.

While further research is needed to determine the extent to which labor unions grasp and reflect the needs rooted in workers' daily lives, the similarity between words spoken by labor unions and management is a matter of concern.

### **3. Labor-management relations issue 2: System of worker representation**

The previous sections have discussed labor-management relations at companies where labor unions have been organized. While labor unions are important for building consensus between labor and management on wages and working conditions, the unionization rate continues to decline, as noted above. Efforts to organize non-regular employees, though being made, have not progressed sufficiently. How labor and management should negotiate and agree on wages and working conditions on an equal basis at companies that have no labor unions is a major issue regarding labor-management relations in Japan.

One way to solve this issue is to continue efforts to increase the unionization rate. In particular, the organization of non-regular employees is an important challenge. Japan has no choice but to promote such efforts steadily. Another way to solve the issue is to seriously consider the roles, powers, and permanent establishment of worker representatives at companies without majority labor unions, instead of waiting for the unionization rate to increase.

In Japan today, the fate of the debate on worker representation in the absence of any majority labor union is worthy of attention. This is because the Japan Trade Union Confederation (hereinafter referred to as "JTUC-Rengo"), a representative organization of the labor side, and the Japan Business Federation (hereinafter referred to as "Keidanren"), a representative organization of the management side, have officially announced recommendations to establish worker representatives and grant them some powers.

On August 26, 2021, JTUC-Rengo released a recommendation for worker representation legislation. It mentions the establishment of worker representatives. "A legal framework should be developed to establish worker representatives for the conclusion of agreements with employers and the presentation of opinions under labor law at workplaces lacking majority labor unions and ensure their independent and democratic operation and their equal footing with employers."<sup>33</sup> In addition, JTUC-Rengo listed "Construction and Strengthening of Collective Industrial Relations that Include Diverse Types of Workers" as one of the priorities of the "FY2024-FY2025 Action Policies" (JTUC-Rengo 2023). It refers to the introduction of legislation for worker representation. "Toward building collective industrial relations in all workplaces, we will act to strengthen organizing and the organization in a way that leads to a strengthening of the base, and to ensure that the majority representation system is appropriately and thoroughly implemented, and the rules tightened in workplaces, with a view to the future introduction of legislation for worker representation."<sup>34</sup>

On January 16, 2024, Keidanren announced its recommendations for labor legislation centered on labor-management autonomy. The recommendations specifically call for revising labor law to establish a labor-

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33. JTUC-Rengo 2021.

34. JTUC-Rengo 2023.

management co-creation consultation system (an optional system) for companies that have no majority labor unions. The system may conditionally grant certain powers to worker representatives at companies that have no majority labor unions. The recommendation states: “Although the specifics need to be further considered in the future, it is conceivable that each company that has no majority labor union may elect multiple representatives from among all workers, including fixed-term employees, through democratic procedures, acquire an administrative agency’s approval on the election, provide necessary and sufficient information to and hold regular talks with the representatives, give the representatives convenience as necessary for their activities, and grant the representatives powers to conclude contracts with the company representative to govern individual workers, such as an agreement to improve working conditions for fixed-term and other employees to meet legislation related to the equal pay for equal work. The worker representatives may also be allowed to estimate the reasonableness of work rules and derogate a working hour system under stricter conditions. .... To ensure the effectiveness of labor-management autonomy, the labor-management co-creation consultation system should be an optional one based on the judgment of labor and management at each company.”<sup>35</sup>

In this way, JTUC-Rengo and Keidanren refer to worker representation at companies that have no majority labor unions. While it is uncertain how their talks on the matter will develop, both labor and management are believed to be in a stage where they cannot ignore the system of worker representation. We should pay attention to the future course of their talks.

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35. Keidanren 2024.

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