The Impact of Globalization on Trade Unions: The situation in Japan

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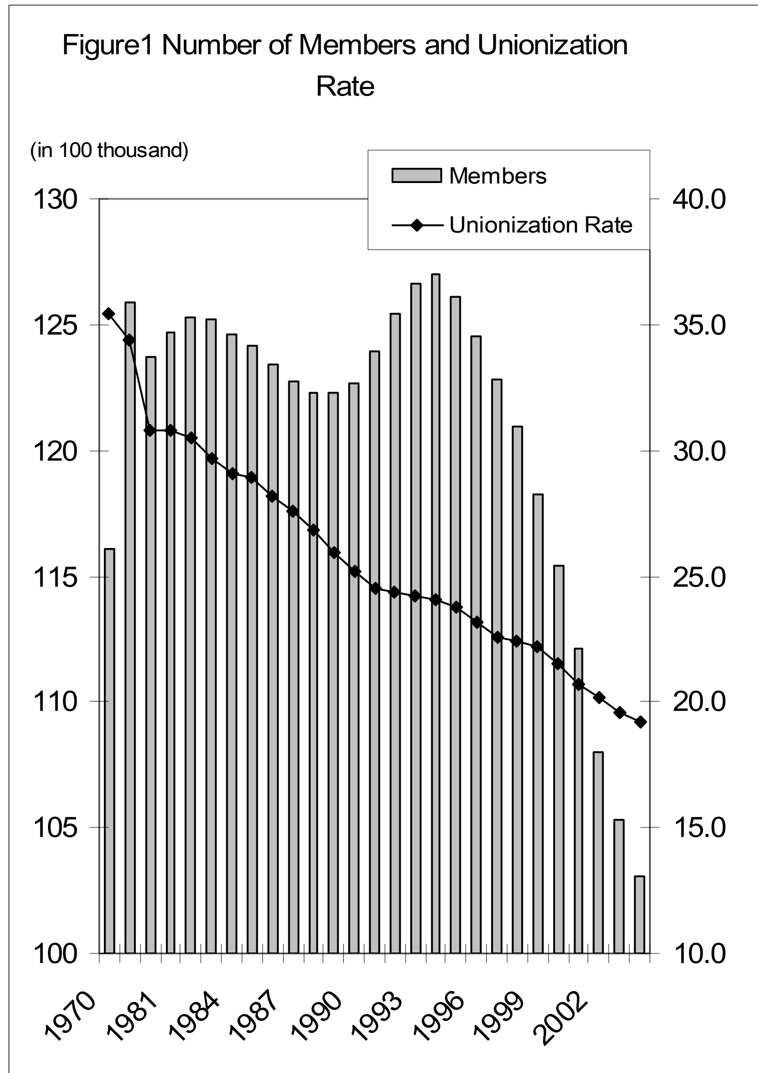
--INTRODUCTION--

This article examines the impact of globalization upon both the Japanese working class and the trade union movement. We will begin with an explanation of the specific characteristics of the conventional employment system of Japan. The Japanese employment system is specifically known for its characteristic lifetime employment, seniority wage system, and enterprise unions. Indeed, shortly after graduation from school, many young workers typically begin working for a company with which they will remain employed for the majority of their working lives. Stable employment coincided with an unemployment rate which held to just 2 -3 percent for the greater part of the post-war period (Table1). It has also been argued that long term growth of the Japanese economy has been in part sustained by companies that were willing to provide continuous job training to their employees, and until recently it has been assumed that long-term employment, and the high level of labourers' skill brought about as a result, supported the sustained economic growth experienced in Japan until the late 1980s. Indeed, employee skill levels were also thought to be improved by seniority-based wages, characterized by wage increases being linked to worker age, and trade unions, assured of one of their primary goals of employment security, did not regret their cooperation with management. Japan's trade unions (commonly known as enterprise unions, which are typified by their concession to the primacy of company profitability), took for granted the era's economic growth and stability, which made possible their cooperation with company managers. Most unions did not strike after the 1980s.

Moreover, it is significant that in the conventional employment system in Japan, men and women adopt different types of employment. Lifetime employment and a seniority wage systems are mainly available to male workers only. Many women are short-term, continuous service employees, and their wage and skill levels have been held low as a result of being excluded from the levels of job training available to men. As a percentage of men's, wages for women in Japan are remarkably high when compared to many industrialized nations -- to the extent that female labour force participation rate still demonstrates the characteristic 'M' curve – many women still leave the labour market upon marriage and childbirth. Many women in middle or advanced age are engaged in irregular employment, such as part-time work. Although men and women are generally

segmented into corporate and domestic spheres, Japan has nevertheless attained an economically stable and relatively equal society within the family unit.

Today, the Japanese employment system is undergoing a significant transformation. During the 1990s, the long-term employment previously understood to be a pillar of the Japanese employment system was deeply shaken by the significant restructuring Japanese firms were forced to undergo in order to accommodate intensified international competition characteristic of the trend toward economic globalization. Moreover, "the U.S. styled global standard," based on neo-liberal ideology and introduced to Japan during the 1990s, forced the government to ease labour regulations sharply. Under such circumstances, trade unions would generally represent the interests of their members and act to protect worker's incomes. However, the importance of unions has diminished considerably since the 1990s. By 2005, the percentage of workers belonging to unions had fallen to just 18.7 percent (Figure1). The number of union members continued to fall, bordering on 12,700,000 in 1994, and fell lower still, to 10,310,000 as of 2004 – an average annual reduction of 2 percent. The main reason is that the number of enterprise union members also continues to decrease with the reduction in fulltime employees (Nakamura, 2005, p.27-44). This essay will focus on the years from 1995 to 2005 in order to assess the impact of globalization and neo-liberal policies on the status of labour, and will discuss the changing conditions for labour as well as the response to these changes by the labour movement.



Source: MHLW "Basic Survey on Labour Unions".

1. Intensified Global Competition and Changes in the Work Environment

(1) Decline in Working Conditions

The Japanese economy can be characterized by a long growth trend up to the end of the 1980s followed by a rush into economic depression after the burst of the economic bubble in 1992. By the middle of the 1990s, intense competition from the rapidly expanding Chinese manufacturing sector forced Japanese firms to further reduce expenditures by instigating wide-scale layoffs. As a result, the unemployment rate rose from 2.1 percent in 1990, to 3.2 percent in 1995, 4.7 percent in 2000, and 5.4 percent in 2002, an all-time high during the post-war period. Even corporations that had maintained their lifetime employment systems

all through the 1990s were forced into wave after wave of lay-offs.

The manufacturing sector was most notably impacted by global competition. Setting the number of regular full time employees (regular workers) in 1995 as a base of 100, the number of regular workers in manufacturing was by 2005 only 76.4 -- relative to 92.8 across all industries, the manufacturing sector bore the brunt of job decline. Most manufacturing concerns moved the base of their production to Asian countries, such as China, where labour costs were significantly lower. Domestic labour costs were cut by reducing the rate of new workers and increasing the number of irregular employees.

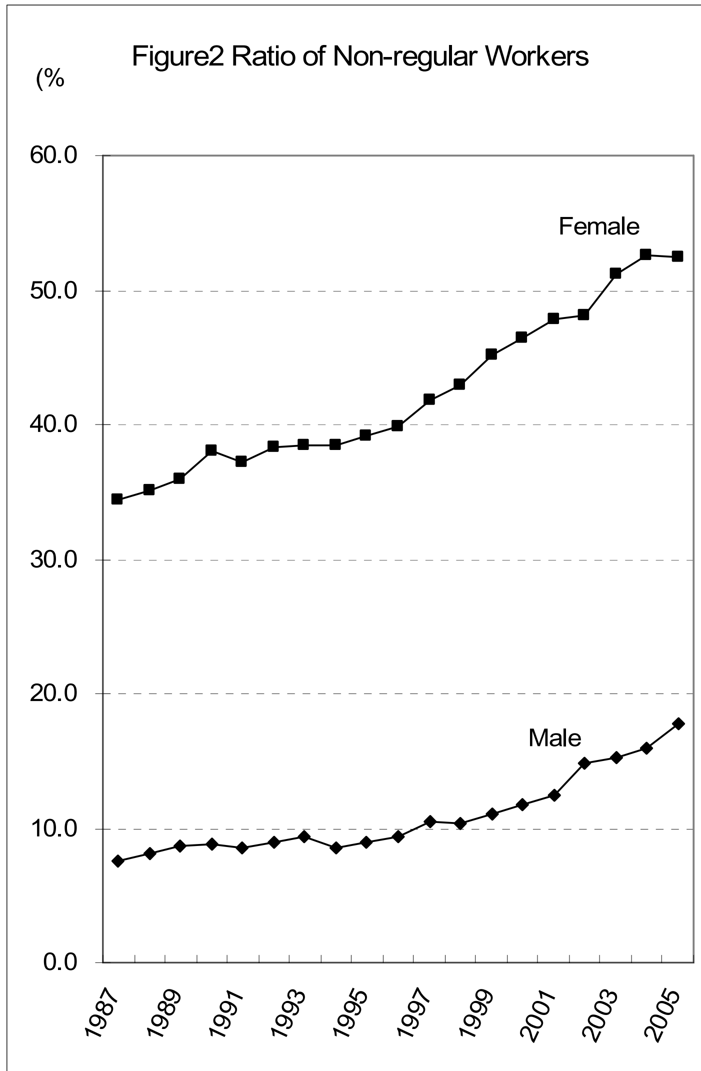
First, trade unions sought to preserve employment, and second to maintain wages – not to increase them. Yet, it is difficult to say whether they have achieved their aim. For example, although increased global competition forced Nissan (Nissan Motor Co., Ltd.) and Panasonic (Matsushita Electric Industrial Co., Ltd) to close their primary domestic production facilities, the representative unions agreed to mass-dismissals and personnel restructuring as well as significant adjustments to retirement allowances.

Although it has been demonstrated that trade unions can effect controls of the rate of unemployment, recent empirical studies have shown the assertion to be false (Tsuru, 2002).

Reductions in employees also led to a lengthening of working hours – workers left behind had to complete the regular workload with the reduced number of total workers on the job. Overtime hours for regular workers have increased by 1.3 times in the past decade.[2] In many cases, the union has tolerated longer working hours because the company has paid overtime pay to supplement wage reductions.

(2) Increase in Atypical Workers

After the second half of the 1990s, companies have carefully controlled the total number of fulltime employees and rapidly increased their hiring of non-fulltime (atypical) employees. During, the past decade the number of fulltime employees has declined by nearly 4.5 million while the number of atypical employees has increased by 5.9 million. The percentage of atypical workers increased from 20.9 percent (39.1 percent of women) in 1995 to 32.6 percent (52.5 percent women) in 2005 (Figure2). In the last ten years the rate of atypical employment has increased from one in five to one in three.



Source: SB-MIAC "Labour Force Survey".

Part-time Workers

For the purpose of international comparison it is important to define 'atypical employment.' In this paper, an employee is considered an 'atypical worker' if either employed for a contractually limited period of time or working less than full-time hours. The form of atypical work varies. For example, he/she might be a one day part-time office worker for one day or for an extended period of time shorter than fulltime; or an employee, although directly employed by the company, for whom the period of employment is defined (direct-hire temporary); or temporary agency workers who are contracted through an employment agency, which dispatches

suitably skilled workers to the other company. [3]

In Japan, about 70 percent of atypical workers are part-timers, and it can be said that the atypical problem is a part-timer problem. However, the length of working hours can not solely determine whether a worker is atypical – there can be significant differences in how the worker is classified in terms of overtime and job transfer status. While engaged in the same work as regular employees, so-called 'part-time workers' (those who are not fulltime) are about a third (MHLM, 2002a). Generally, these employees are called "fulltime part-timers", however, even if working hours are comparable to fulltime regular employees, the atypical employee is paid lower wages and has no opportunity for promotion.

In comparison with the status of workers in Europe, the gap between regular fulltime and atypical employees in Japan is large (Osawa and Houseman, 2003). Unlike Europe, there is no law in Japan requiring equal treatment. For example, a male part-timer makes 39.1 percent of his counterpart. For women, the differential is 53.2 percent[4]. This gap has expanded every year after 1990. Needless to say, fulltime and part-time employees may do different kinds of work, and the wage differential might be the result of this fact.

However, according to the latest government investigation of cases where fulltime employees and part-time workers are doing the same work, only 14.5 percent of responding companies replied that they paid the same wages per hour. However, 12.8 percent said they paid 90 percent, 24.4 percent said the paid 80 percent, and 28.4 percent said they paid only 70 percent of fulltime wages to their part-time employees (*Asahi Shimbun*, 20 February 2006: 3). Similarly, in many cases only fulltime workers qualify for employee welfare and benefits programs. For example, the twice yearly system of bonus payment comprises a significant portion of the salary for 79.3 percent of fulltime workers, but only 37.4 percent of part-time workers, while only 7.3 percent of part-time workers (to 66.1 percent of fulltime workers) qualify for their company's retirement plan[5]. Furthermore, short-term employees are also exempt from protections afforded under the Law Concerning the Welfare of Workers Who Take Care of Children or other Family Members, including provisions for Child Care and Family Care Leave. They are further exempt from social security and unemployment compensation protections. It is an important incentive for employers to be able to avoid paying social insurance premiums and welfare expenses for their atypical workers. Since the atypical worker is given disadvantageous labour conditions compared to regular employees, the difference between an atypical worker and a regular employee constitutes a significant difference in status.

For a long time now, unions have tolerated these sorts of discriminatory treatment. Various problems in the present system of industrial relations have emerged as the base number of atypical workers increased. [6] Moreover, the systemization of atypical employment was promoted when the fulltime number of employees, who belonged to existing trade unions, decreased along with the ratio of organized workers. Considering that an increase in the number of employers, who welcome union organisation, is unlikely in the future, there appears no path other than the advance of unorganized worker's organisation. The largest national trade unions, which dominate the national federation, RENGO, targeted the 'part-time problem' as early as 2000. Although the percentage of organized part-time workers was only 3 percent in 2003, the rate is rising[7]. Indeed, while the number of full-time employees belonging to unions has continued to decrease, the total number of part-time employees belonging to their representative union has increased on average 9.99% per year for the past ten years (Nakamura, 2005, p.10).

Unions have generally devised two plans for accommodating atypical workers: [8] First, non-fulltime employees attempt integration into a fulltime employees union, as typified by the AEON Trade Unions (with 30,000 members, it is the largest trade union in the supermarket industry), which is planning to add 44,000 part-timers to its membership base. The AEON union has been working towards this goal since 2004, and expects to have in place the necessary bargaining agreement by the end of the summer of 2006. As a result, 80 percent of part-timers are expected to have union representation. Similar plans have been proposed in the wholesale and retail industries (such as supermarkets and department stores), which have many atypical employees.

The second trend is the increasing tendency towards the reclassification of non-fulltime employees. Japan's post-war 'baby boom generation' is expected to begin retiring by the year 2007, and many anticipate a subsequent labour shortage. The manufacturing industry, including automobile manufacturers, has begun to move to reclassify their large non-regular workers as regular workers. [9]

RENGO has called for a re-examination of the legal system and made the attainment of stronger legislation protecting part-time workers the primary goal of the labour movement today. Extant laws regulating part-time workers only specify the state of employment, but do not sufficiently regulate working conditions. RENGO's call for legislative revision requiring equal working conditions for full and part-time employees incorporates extending rights to long-term employees.

Youth Employment

Although formerly atypical employment was the domain of middle to advanced aged women, today the number of young people engaged in atypical employment is rapidly increasing. As of 2006, the number of 15-20 year olds engaged in atypical employment had increased by 48 percent. [10] Previously in Japan, upon graduation it was common for young people to immediately join a company as a fulltime regular employee, and work for that company for the rest of their working lives. However, during the second half of the 1990s the number of young people receiving tentative offers of employment upon graduation decreased rapidly, and many graduates have taken part-time or contract work in lieu of fulltime employment. These young men and women have come to be called "*fûrîtâ*" (freelance worker), and are a reflection of the more serious social problems in Japan today. [11] Men under the age of 29 comprise 40 percent of the young people working as atypical employees in the wholesale, retail and restaurant trades (service sector). Although 50 percent are working the same number of hours as fulltime employees, they are only making 60 to 70 percent of the wages of fulltime regular employees (Koshugi, 2004, p.46). The wage gap between fulltime regular and atypical employees increases even as the employees grow older. Many can not even attain the minimum national living standard (welfare level). Many working poor are able to avoid poverty because they live with their parents. Because of the difficulties involved in living an independent life, the marriage rate of atypical employees, in comparison with fulltime regular employees, is remarkably low. Moreover, there is a tendency to continue in a cycle of unstable employment. In Japan, once a young person has started the cycle of atypical employment, it becomes very difficult to make the transition to regular employment. For this reason, the trend towards unstable employment is spreading from young to middle-age and the elderly.[12]

While it is commonly asserted in Japan that changes in youth consciousness are the causal factor for the significant shift in employment patterns, the more significant factor is a fundamental change in the way employers view personnel management. Since the 1990s, similar limitations on fulltime employment accompanied by an expansion of atypical employment have emerged throughout the industrial world. Trade unions in Japan have called on the government to improve working conditions for young people, and the government has discharged a substantive public policy for worker education training intended to reduce the number of *fûrîtâ* 80 percent by 2010.

2. Neo-liberalism and the Withdrawal of Worker Protections

Working conditions have changed considerably over the past ten years, partly as a result of intensified economic depression caused by global competition, but partly also as a result of a global trend of neo-liberal deregulation of labour markets (Americanization). Of course, the deregulation did not have an entirely negative influence on workers. For example, the prohibition of the late-night shift work and rules limiting holiday and overtime work for women were abolished in 1998. Although these specific protections for women were lost, the subsequent equal treatment under the law did advance the status of women. Despite this instance of benefit, deregulation as a whole has had a significant negative impact on the status of the working-class. To emphasize this point, we will examine a significant change in the laws regulating working hours.

(1) Management of Flexible Working hours

In Japan presently, legislation concerning working hours sets the statutory work week at 40 hours (one day being 8 hours), and requires working hours in excess of this to be agreed upon by a worker representative or union. One consequence is that there is no clear legal regulation of overtime work, which has led to long working hours becoming a serious social problem. [13]

Since the mid-1990s, deregulation has enabled considerable loosening of legislation concerning working hours (white collar workers excluded), and will likely foster even fewer constraints for managers seeking more flexibility in regards to assigning working hours. Thus far, even white collar employees have experienced changes in the way their companies manage discretionary labour and *de facto* working hour systems. [14] Unions have opposed the introduction of the flexible work hour system on the grounds that it would result in longer working hours for no extra pay, and consequently cause real wages to fall. As a result, the introduction of flexible working hours was at the beginning strictly regulated. However, introductory requirements were eased in 2004.

Although only 4.5 percent of companies had adopted flexible working hours by 1990, the number of companies that had successfully adopted flexible work hour policies had increased by more than double to 9.8% in 2004, and is expected to continue to rise.[15] The discretionary spread in working hours also indicates that the criteria for the payment of wages have shifted from ‘time’ to ‘result’. According to one government report, companies "which in the past three years expanded the

extent to which wages corresponded to achievements and result" reached 20 percent, and companies which introduced performance-based wage systems continue to increase in number.[16]

In the 1990s, the Japanese Federation of Economic Organizations (Nippon Keidanren), Japan's central organization for large businesses, strongly questioned the applicability of working hours, holiday and late-shift work rules for white collar employees (the white-collar exception of the U.S. labour system). The government also questions the applicability, proposing in a January 2006 report to introduce a new system of autonomous working hours. It is expected that in the future white-collar workers will also be exempted from working hours legislation.

(2) Elasticity of Employment Forms

The 2004 Temporary Staff Services law was revised in 2004, and recommended the categorization of atypical work. One category proposed was for workers who contracted their employment agreement with an employment agency that then dispatched them to work for another company, which creates considerable difference in employment conditions for workers within the same company, for which they actually work. Until recently, the employment of temporary workers was restricted to short-term emergency situations in order to prevent substitution of regular employees with temporary workers, and the employment period was limited to one year, with the provision that when the period of employment reaches one year there is the possibility of converting the position to a regular full-time. However, the law was revised in 2004 to allow for a three year extension.

Moreover, in the last 10 years the types of industry to which temporary employees can be dispatched was also expanded. Although the type of industry to which dispatch of temporary workers was limited to 16, focusing on professionals and paraprofessionals, such as interpreters and secretaries, the law was revised in 1996 to expand the number to 26. Liberalization was carried out in principle in 1999, except for the manufacturing industry. However, to prevent the destabilization of employment in the manufacturing industry, a key industry in Japan, the employment of temporary workers was still forbidden. Nevertheless, further revisions to the law in 2004 removed that ban.

Employers have strongly requested further diversification of such employment forms. In its 1995 publication, "The New Japanese Management of Time," the Japanese Federation of Economic Organizations (Nippon Keidanren) proposed that

to break the lifetime employment system workers should be divided into three categories: 1) core jobs would continue to be regular fulltime employment, 2) specialist personnel would be employed on fixed-term employment contracts, and 3) all unskilled workers would be in a temporary category (Nippon Keidanren, 1995). These new systems of personnel management are steadily being put into effect and are undermining the framework of the legal system intended to balance it.

(3) Establishment of a Legal System for Discrete Industrial Relations

Thus, deregulation has produced flexible employment, wages, and flexible working hours. The number of people engaged in greater varieties of work are on the rise, and it is becoming difficult to apply uniform criteria. Diversification in employment has led to an increase in the number of workers who have had to negotiate their working conditions with employers. As the employment economy shifts from collective to individual industrial relations, the possibility for an individual worker to be involuntarily pushed aside will continue to be quite high. Beginning in 2004, the Japanese government began to consider the establishment of new legislation on condition of individual industrial relations.

Although the Labour Standards Law was enacted in 1946, the law defined only minimum criteria, and left it to the representative trade union (the right to unionize was guaranteed under the 1947 Constitution) to negotiate the actual working conditions. The law, which specified the right and duties of employee and employer if a labour contract did not exist, relied on the precedent of judicial adjudication in cases where the parties could not resolve their dispute on their own. While the number of unionized workers continues to rise, the number of individual worker disputes is on the rise, and labour leaders have petitioned the government for the establishment of a clear set of rules. The contents of any new legislation is still unclear.

(4) Case study; effects of deregulation in road transport industries

Koun Rokyo, the Japanese Council of Transport Workers' Unions, conducted a major survey on working conditions of truck, bus and taxi drivers in 2005. The organization represents 18 national transport workers' unions, gathering more than 700,000 members. This was the first attempt by the Council to identify the effects of deregulation on working environment, safety, workers' fatigue and wages since the changes came to the road transport industries; from 1990 in trucking, 2000 in coaches and 2002 in buses and taxis respectively. More than 10,000 road transport

workers through their respective trade unions replied to the questionnaire.

In a nutshell, the survey revealed that "the competition that deregulation created has led to reduction in income, longer working hours and increased fatigue, thus putting safety of transport in jeopardy". Let us observe some of its findings.

57% of those surveyed replied that they have an experience where they felt momentarily drowsy whilst driving on duty. Likewise 41% said they were alarmed by their own driving when they realized that they were paying less attention (multiple answers permitted). Furthermore, nearly 40% of taxi drivers said that they have an experience where they decided to take a break due to tiredness rather than driving to look for a passenger.

The vast majority of the taxi drivers said the time they spend on behind the steering wheel has increased over the past five years. 63.44% of bus drivers and 41.98% of truck drivers have also felt the same. 52.79% of taxi and 45.16% of bus drivers said that they are seeing more road accidents at their workplace whereas only 16.75% of truck drivers felt the same. As for earnings, 63.01% of truck and 56.15% of bus drivers said their income has declined after deregulation. Only 2.79% of the taxi drivers did not agree (or did not reply) that deregulation had some negative effect to their earning. It is unsurprising, therefore, that 83.49% do not wish to see their child to become a taxi driver.

In Tokyo on average, a taxi driver aged 53.8 years with ten years of work experience would have earned 4,060,800 yen in 2005, according to a statistics released by Zenjiko Roren, the Japanese taxi unions' federation. That is a reduction of 148,700 yen from the previous year and 2,664,000 yen less than the average income of all workers in Tokyo.

Hiroaki Shibano had an annual earning of a little over 5,000,000 yen nine years ago when he joined the industry. Since then, due to deregulation, the number of taxis has increased while the number of customers has not. His annual income is now around 3,000,000 yen. Setsuo Shirai's monthly income is 100,000 yen after tax. He has been a taxi driver for twenty years. He now earns less than the starting salary of a college graduate. Conditions are much worse outside of the capital and particularly in the rural areas. There are cases where the income is so low that the drivers can earn more by subscribing to welfare benefit.

Shibano and Shirai are amongst the 24 plaintiffs who filed a lawsuit against the "9.16 Notice" which came into effect on 16 September 2004. They are demanding a symbolic financial compensation of 500,000 yen from the government. They argue that the 9.16 Notice is illegal since it promotes unfair competition and the dumping of taxi fares. The Notice was yet another push to deregulate the taxi industry further.

A bus driver employed by a large private firm in Yokohama wrote to the Manichi Shinbun, a major daily Japanese newspaper, about his conditions. His story was featured anonymously on 27 February 2006. The man is 41 years old with a wife and three children. He would normally wake up around 4.30am and starts driving after 6am. Then he is constantly behind the steering wheel. He has 3 – 4 hours rest period in the afternoon but says it is not easy to relax in his depot as the place is so restless. Then back on his duty, he drives until midnight with little time for a break. Just in case, he wears an adults' disposal diaper. At home, he may sleep for 3 – 4 hours. He takes 2 – 3 days on leave in a month. He served in the Marine Self-Defence Forces but says it is much tougher to be a bus driver. Recently, he felt dizzy on his way to work and could not walk. At hospital, he was diagnosed as autonomic ataxia and has been out of work for two weeks.

Historically, many regional commuter railways had their own section to run bus services with the same accounting system. According to Shitetsu Soren which represents the majority of the Japanese public transport workers' unions, a large number of these companies are branching off their bus operation into a separate entity. This is their response to the cut-throat competition created by deregulation. New entries to the bus market are reducing the fares substantially. The traditional operators are forced to refine their business and save every penny to meet the new challenges. The bus industry has never been highly profitable to begin with. The burden and the hardship, therefore, rest on the workers. Where the bus section is separated, 20 – 30% reduction in wages is a norm. Bus workers who were transferred from the parent company may be better off in their wages than the new recruits and continue to enjoy the status of full-time employees. That is a deal that their union negotiated with management. The survey conducted by Koun Rokyo confirms this trend. 51.62% said their companies have separated the bus services and 92.84% said there are atypical workers such as temporary staff at their workplaces.

The anonymous driver in Yokohama joined the company last year. His annual income was foreseen to be around 4,000,000 yen. His senior colleagues who moved from the parent company earn 8,000,000 yen. The Ministry of Land, Infrastructure and Transport says that in 2004, there were 27 cases where a bus driver felt so badly ill on duty that he had to stop driving. Cardiac infarction and cerebral thrombosis were identified with some of these workers. At least in one case, the driver lost his life as a result of the sudden sickness. Three years ago, there were only four such cases, according to the Ministry.

(5) Redefining the safety culture

It is not surprising that road accidents are on the increase under these circumstances. The Ministry accepts that the situation is serious. More than 700 people are killed in traffic accidents that were primarily caused by professional drivers. That is 1.4 times more than a decade ago. The Ministry also admits that deregulation had led to many new entries to the market and that the safety measures which exist in the road transport industry need to be revised.

The road transport workers' unions correctly argue that the cost must not be the yardstick to measure safety by management. Their view is shared with the other members of Koun Rokyo in the railway, aviation and maritime sectors. The privatized Japanese railways saw its worst accident in 40 years when a commuter train jumped the tracks and smashed into an apartment in Amagasaki City on 25 April 2005. The 23-year old driver from JR West Company was speeding, trying to make-up for the loss of 90 seconds. He knew that he'd be punished and humiliated by the managers if his train was confirmed to be late. As a result, 107 passengers died and some 500 were injuries.

The unions' call for "safety first before profit" earns many mileages with the travelling public and should form a wide common denominator that will bring on board the different stakeholders in the industry. Fostering a "no-blame safety culture" is indeed a valid point to emphasis when the industry is privatized. Instead of finding a culprit who caused the accident and blaming him, investigating the cause of the accident for the future prevention should be the priority of the company and the union.

In debating these innovative arguments, however, one must be reminded that the vast majority of the Japanese unions are formed on enterprise basis. Can they overcome such demarcation and formulate an industry-wide policy on safety issue and beyond?

3. International Labour Movement Cooperation

(1) Organizing the Inflow of Foreign Workers

This section will introduce the issue of increased employment of foreign workers and the actual working conditions experienced by foreign workers. [17] As of 2003, according to government estimates, approximately 800,000 foreign workers resided in Japan, including illegal aliens (legal resident workers are 570,000), and the number is increasing every year (MHLW, 2003).

It is said that immigration to Japan has been increasing since the second half of

the 1980s (Yorimitsu, 2005, p.46-47). During the 1980s, the Japanese economy had seethed with prosperity, and the subsequent demand for labour suited its very tight situation. At that time, small and medium size businesses experienced an extreme labour shortage and managers began to use illegal foreign workers to alleviate the labour shortage. Although the increased employment of illegal foreign workers was generally accepted in a very limited form, in 1989 the government, at the request of private industry, revised the Immigration Control and Refugee Recognition Act with the intent of stemming the trend. The revised law classified workers into technical workers and manual labourers, allowing the employment of the former while forbidding employment of the latter. However, the government simultaneously eased restrictions on immigration by people of Japanese descent (from first to third generation heritage). The revised law did not restrict immigrants of Japanese descent from engaging in unskilled labour. Employers took advantage of the loosened restrictions and the rate of immigration of foreigners of Japanese descent quickly increased. As of 2005, there were about 270,000 foreigners of Japanese descent registered as "permanent residents," half of Brazil nationality. [18]

70 percent of foreign workers are employed by the automobile, electrical and electrical machinery industries. Half are employed by small and medium sized companies, many with fewer than 100 employees, concentrated in local industrial cities outside Japan's major urban centres. In many cases, foreign workers are not directly employed by the company at which they work, but are supplied by outside companies in the form of contract temporary workers. This form of indirect employment is short-term and in most cases extremely unstable (Okubo, 2005; Yorimitsu, 2005). Moreover, many foreign workers (including illegal immigrant workers) do not meet the minimum qualifications for protections afforded by the Labour Standards Law, such as industrial accident compensation, unemployment, and social security insurance, and are often subject to unfair dismissal and high rates of on-the-job accident (Yorimitsu, 2005, p.77-87, 93) .

Until recently, Japanese trade unions have not been developing a positive policy for accommodating the issues faced by immigrant workers. Since most workplaces where foreign workers are employed do not have union representation, it can hardly be said that foreign workers have been integrated into the labour movement. In cases where there are representative unions, unions have not been able to organize foreign workers since most unions are most vested in the interests of fulltime, directly employed workers and not strongly interested in those of foreign workers (Saka, 2001, p.29). In fact, organizing new, foreign workers has not increased even at the national centres of the labour movement (RENGO). Although continuing to

take a prudent posture with regard to organizing manual workers, the Japanese labour movement has focused on securing employment for Japanese workers and is currently not proposing to organize foreign workers.

However, foreign workers involved in the labour movement are not unknown. Indeed, unions tackling the problem are neither enterprise or industry oriented, but locally based community unions. The membership of community unions is defined by the locality in which the member lives and works, not the type of business or industry in which he/she is employed. While still not a recognized union from the standpoint of the employer, community unions offer some support for workers facing dismissal or bankruptcy. [19] In communities with high populations of foreign workers, community unions have tackled the issue of organizing by opening consultation windows.

(2) International Solidarity of the Labour Movement

Economic globalization is a force for internationalization of the labour movement as well as companies. Economic globalization might have been expected to be the force that precipitated international solidarity in the labour movement. Trade unions have generally fought for the interest of workers within a particular country, but the present situation would seem to prompt the creation of a global labour movement. However, the prospects for international alliances do not appear favourable. According to interview research by JAW (Japan Automobile Workers' Union), even in cases where a Japanese company does expand overseas, since unions tend to be enterprise-oriented, union leaders with the parent company have little relationship with the the representative trade union for a subsidiary company. The JAW does not see the need to build international solidarity as it is necessary for a labour movement to take hold within the laws and customs of a particular country. In the case of Japanese automobile manufacturers, where the company has many overseas production facilities, it is rare for the Japan-based union to become involved in an overseas labour dispute. Moreover, there is even a limit on the exchange of information between the Japan-based union and those representing overseas production workers. Today, the JAW is hardly progressing towards internationalization. Not only is the internationalization of the Japanese labour movement behind schedule, it can be said that there is not even a schedule for internationalization.

Criticism of the slow pace at which Japanese labour movement has moved to build international alliances is quite strong. In its quarterly magazine *Metal World*,

the International Metal Workers Federation (IMF) recently criticized Japanese multinational companies for cooperating with the labour movement at home while suppressing unions abroad (Malentacchi, 2005), pointing to not only Japanese companies in Asia, but also similar corporate activity in the United States.

Because it is home to many multinational companies, Japan is likely to play a pivotal role in the formation of an international labour movement. Although not yet organizing outside their representative companies, or beyond the borders of Japan, the trade unions of Japan are becoming a possible force for workers worldwide by building cooperation with labour movements in emerging Asian nations such as South Korea and China. Such a move will also be indispensable for the saving of jobs and improvement of working conditions in Japan.

--CONCLUSION--

The progression of globalization has drastically changed the form of working conditions in Japan, and this paper has examined the ways, in which Japan's trade unions have attempted to accommodate the trend. Over the past ten years, labour market fluidity and flexible labour management systems have radically altered the work environment in Japan.

From the second half of the 1990s, the number of atypical employees increased, and the number of fulltime employees dropped sharply, under the influence of the changes wrought by globalization. In Japan, the gap in working conditions between atypical and fulltime employment is excessive, and a legal system where equal treatment is guaranteed under the law has yet to be secured. Moreover, the increase in atypical employment among young workers is another phenomenon never seen in Japan before the drastic changes of the 1990s. Consequently, the traditional employment system in Japan, which featured lifetime employment upon graduation from school, is much diminished.

On the other hand, these changes have also led to a harsher work environment for fulltime employees. Reductions in the number of fulltime employees have significantly increased total working hours, and changed the system by which wages are paid. The management trends toward work hour flexibility and wage differentials have also significantly impacted upon fulltime employees.

These trends have even stretched to include significant revision of Japan's Labour Law. Laws regulating working hours have been revised several times in the past ten years, increasing the flexibility by which employers can assign working hours to their employees. Legal reforms have also extended the time period and types of

work for which employers may retain temporary workers. This has significantly increased the fluidity of the labour market.

Various ripples, caused by the changes in working conditions, have reached Japanese society. For example, income differentials have widened. According to one government report, the GINI Coefficient (the degree to which incomes reflect the distribution of wealth) between men and women aged 30 to 40 has increased by 30 percent in the past 15 years (MHLW, 2002b).

The introduction of performance-based wages combined with the lower wages paid to atypical employees has widened the wage gap, and it is expected that the wage gap will continue to increase for the foreseeable future.

It would be difficult to say that Japan's labour movement has responded to the challenges of changes in the workplace caused by globalization. With the waves of dismissals that unfolded during the economic depression of the 1990s, Japan's trade unions did not seem to have any affect. The inferior working conditions experienced by non-full-time employees has been left to stand for quite some time, and the labour movement has not moved to organize the increasing number of foreign workers in Japan. Indeed, the prospects for the emergence of an international labour movement do not seem good.

However, Japan's trade unions have undergone gradual changes. Although the number of full-time employees belonging to unions is decreasing, the number of part-time employees belonging to unions is on the rise. Recently, there has been a re-examination of the significant difference in treatment of full-time and part-time employees. Although enterprise unions have fallen behind, new labour activity by community unions organizing foreign workers can be noted.

The hope of the labour movement is still alive in society. Recent research has found that about 70 percent of unorganized workers consider a union necessary (Nakamura, 2005, p.47-70). It is thought that the necessity of a labour movement is being emphasized by the impact of globalization, and we can expect continued union activism in the future.

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[1] The views expressed here are his own and do not necessarily reflect union policies.
[2] MHLW (1995-2005) *Monthly Labour Survey.*
[3] In addition, sub-groups of atypical workers are not included in these statistics. For example, contract company workers, who are employed fulltime, but do not enjoy the element of stable employment and may be discharged after the completion of their contract. Transferred workers, transfer to another part of the same company or a subsidiary, are also not considered. Given the types of employment not considered in the statistics, the actual ration of atypical workers is likely higher.
[4] MHLM (2002) *Basic Survey on Wage Structure*.
[5] MHLW (2003) *General Survey on Diversified Types of Employment.*
[6] Since only fulltime employees are represented by the union, if the number of non-fulltime employees comes to exceed the number of fulltime employees it becomes impossible for a union to serve as a subject of labour-management consultation. Moreover, while the ratio of non-fulltime employees is increasing, without any systematic inclusion of their numbers into the labour movement there is a corresponding acceleration in the rate of unorganized workers.
[7] MHLW (1999-2003) *Basic Survey on Labour Unions.*
[8] However, it would be remiss to say that the movement as a whole as begun to address the issue. According to a national Rengo (Federation of Japanese Trade unions) study from 2004, only 16.6 percent of affiliated unions had developed a systematic strategy for attacking the ‘part-timer issue’, while 52.5 percent had said they were planning to 16.9 percent said they were not then making any plans to develop a system for atypical workers (Rengo, 2005).
[9] The trend is not necessarily the result union activities, but is more the result of supply-side adjustments in the labour-force.
[10] MHLW (2005) *Labour Force Survey.*
[11] Japan’s 2.2 million *furîtâ* are generally 15-34 years of age, high school graduates, women limited to unmarried women, considered those who are employed other than as fulltime with a high number of unemployed (MHLW (2005) *Labour Force Survey*).
[12] The ration for those receiving welfare payments has increased drastically during the last ten years. According to government reports, the rate of those receiving welfare payments increased from 1995 to 2004 by 11.1 percent. The factor being increasing numbers of elderly, jobless persons, and those with unstable employment.
[13] On the other hand, strong union representation would enable considerable control over work hours under this system. One additional problem is “overtime work without pay,” which until the 1980s was one cause for the call to create legal criteria for the shortening of working hours, "death from overwork ," or "suicide caused by overwork." This problem is not yet resolved.
[14] Actual time commitments are not requested, instead it is the system of managing working hours in the labour agreement.
[15] MHLW (2004) *General Survey on Working Conditions*.
[16] Ibid.
[17] There are both ‘new comers’ and ‘old timers’ among foreign workers in Japan. During the Second World War, the Japanese government imported many Chinese and Koreans to do forced labour in Japan. Because of the split between North and

South Korea, many were not repatriated at the end of the war and their descendents still live in Japan today. However, discussions on the recent phenomena of globalization have tended to focus on new comers rather than these earlier populations.

[18] However, the Japanese government is showing signs of converting to an open immigration policy. In 2005, the government announced tentative plans to abolish the qualification of requiring Japanese descent (*Asahi Shinbun* 31 May 2006: 2).

[19] The membership of community unions does not tend to increase easily. When faced with wage cuts or dismissals, membership rises, but once these issues are resolved, many members leave the union.

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