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Decline of Japanese Unionization Rate and Its Main Causes : Relation to Conversion of the Industrial Structure, Etc.

Ken-ichi Kobayashi

1. Decline of Unionization Rate

Unionization rate has come to decline in many advanced countries. This can be seen as a tendency common to advanced industrial nations. There have already been many discussions on the possible causes of this tendency. In the United States, for example, unionization rate remarkably declined in the private sector, which actually went down as much as about 10 points in the latter half of the 1970's from the level of more than 35 percent in the latter half of the 1950's. As the main causes, the following factors are pointed out: (1) The employment share of female, young or white-collar workers who could hardly be organized has increased during the period. (2) Also in this connection, employment expansion in the South-West has been conspicuous. (3) Anti-union activities of the management side have gained more power particularly in the private sector. (4) Even in the unorganized sectors, the rate of wage increase has been the same as in the organized sectors especially in large firms, while the seniority rule and the grievance procedure have diffused so widely without regard to the existence of unions, so that workers' expectations to the union organization have weakened.¹⁾

Unionization rate has also declined in Japan, though it did not go down over such a long period as in the United States. It remained

at the level of 34-35 percent in the period of high economic growth and reached the peak of 35.4 percent in 1970. Afterwards, however, it went down as a whole. Specifically, it rapidly declined to 33 percent at the time of the first oil crisis, then continued to decline for the next eight years, and finally broke the level of 30 percent according to a survey which was conducted in June, 1983. After all, the wage increase rate of the spring labor offensives in Japan has become the lowest in the history of the spring wage hikes and the unionization rate in Japan has also marked the lowest in the postwar period.

What on earth does this mean? In order to search for the answer, let us first look at the outline of the decline of unionization rate by industry. As shown in Table 1, (1) unionization rate declined

Table 1 Trends in Union Membership, Number of Employees and Estimated Unionization Rate by Industry

Industry	Union Membership		No. of Employees		Estimated Unionization Rate		
	1970	1983	1970	1983	70 (1)	83 (2)	(2)-(1)
	in 1,000	in 1,000	in 10,000	in 10,000	%	%	%
All industries	11,605	12,520	3,277	4,209	35.4	29.7	-5.7
Agriculture, fishery & aquaculture	131	82	53	50	24.7	16.4	-8.3
Mining	116	46	16	11	72.2	41.7	-30.5
Construction	720	780	289	420	24.9	18.6	-6.3
Manufacturing	4,424	4,132	1,142	1,153	38.7	35.8	-2.9
Wholesale & retail	512	851	604	895	8.5	9.5	1.0
Finance, insurance & real estate	779	1,020	114	206	68.3	49.5	-18.8
Transport & telecommunication	2,073	1,983	319	333	65.0	59.6	-5.4
Electricity, gas, water & steam	217	237	28	37	77.5	64.0	-13.5
Services	1,312	1,688	549	899	23.9	18.8	-5.1
Government	1,149	1,499	161	203	71.4	73.8	2.4

Source : Ministry of Labor, *Labor Union Basic Survey*; Bureau of Statistics, Office of the Prime Minister, *Labor Force Survey*.

Note : Those industries which cannot be classified are not shown above.

in most industries, but it increased on the contrary in the public services and the wholesale and retail trades, though it was only a slight increase. Recently, employment growth has been conspicuous in the commerce sector, which has led to an increase in the unionization in this sector. This has an important meaning as a counteraction to the overall decline of unionization rate in Japan. And yet, there was no way of standing against the declining unionization rate in most industries. The decline was particularly drastic in mining, finance, insurance and real estate, and electricity, gas, water and steam supply, where unionization rate dropped by two-digit points during the period of 1970-83. (3) However, in view of the magnitude of the impacts on the overall decline, the most influential was the decline of unionization rate in manufacturing and services, then followed by the decline in construction, transport & telecommunication.

This is clearly indicated by the rate of increase or decrease in Table 2. As is shown there, union membership increased more than 900,000 persons over the period of 1970-83. The number of employees, however, increased more than that. (1) Union membership increased

Table 2 Rate of Contribution to Increase or Decrease in Union Membership and Number of Employees by Industry

Industry	Union Membership	No. of Employees
	in 1,000	in 10,000
All industries	915 (100.0)	932 (100.0)
Agriculture & fishery, etc.	-49 (-5.4)	-3 (-0.3)
Mining	-70 (-7.7)	-5 (-0.5)
Construction	60 (6.6)	131 (14.1)
Manufacturing	-291 (-31.8)	11 (1.2)
Wholesale & retail	339 (37.0)	291 (31.2)
Finance, insurance & real estate	241 (26.3)	92 (9.9)
Transport & telecommunications	-90 (-9.8)	14 (1.5)
Electricity, gas, water, etc.	20 (2.2)	9 (1.0)
Services	376 (41.1)	350 (37.6)
Government	350 (38.3)	42 (4.5)

Note : Same as in Table 1.

particularly in services, government, commerce, and finance, insurance and real estate, which resulted in an increase of more than 1.3 million persons in these industries only. However, since union membership decreased as many as 500,000 persons in the manufacturing industry, etc., the overall increase of union membership remained at the level of 915,000 persons. (2) Thus, union membership increased particularly in the tertiary sector and so did the number of employees. In fact, the total number of employees increased by 932,000 over the period. Of this total, increases in services, commerce and construction occupied a dominant share, accounting for 83 percent of the total increase. (3) Comparing the rates of contribution between the two, the rate of contribution to the increased union membership was higher than the rate of contribution to the increased number of employees, with a difference of 60 percent points, in commerce, finance, insurance and real estate, services, and government. In this sense, the increase rate of union membership in the tertiary sector was more conspicuous.

Furthermore, as already indicated in Table 1, unionization rate in commerce and government increased but this increase was traded off by decreases in services and manufacturing, which finally resulted in a decrease of the overall unionization rate. However, it should be noted that, though unionization rate in the commerce sector increased, it only changed at such a low level that it increased from 8.8 to 9.5 percent. Looking at the level of unionization rate again, it has not reached 20 percent yet in services or construction. Therefore, though union organizations expanded in the tertiary sector quantitatively in a wide sense, they automatically did so, primarily because of employment growth in this sector, and the unionization rate itself came to decline in most service industries including finance, insurance and real estate. This phenomenon must be attributable to the fact that there exist an extremely large number of small-and medium-sized enterprises in such tertiary industries as commerce and services where unionization rate is generally low. This point should be made clear, but it is impossible because the classification methods used in the Labor

Force Survey and the Labor Union Basic Survey do not well fit each other. Instead, therefore, we will see the situation of union membership by size of the firm, based on a survey of residents in Nakano, Ohta, and Edogawa Wards of the Metropolitan Tokyo.

Table 3 shows such data. It should be noted, however, that Tables 1 and 2 indicated the ratios of employees organized in a unit union at the enterprise level, while Table 3 shows the ratios of workers organized not only in such unit union but also in a regional or national federation of general workers. At any rate, as is indicated in Table 3, (1) the ratio of union members to the total employees is less than 10 percent in small firms with 99 employees or less. In contrast, it is more than 50 percent in large firms with 300-999 and 1,000 employees or over. The total employees here include family workers but, even in view of the unionization rate of regular employees only, no one can deny the fact that unionization rate is so low in small-and medium-sized firms. (2) Looking at the composition

Table 3 Ratios of Union Members, Workers by Form of Employment, and White-Collars (%)

Size of Co.	Union Members		Form of Employment				White-Collars
	(1)	(2)	Regular	Temporary	Part-time	Family	
9 persons or less	1.2	2.1	56.8	7.9	14.3	15.5	17.0
10~ 29	4.9	6.6	73.7	6.3	15.5	1.6	24.0
30~ 99	9.2	11.8	78.0	5.2	14.2	0.6	26.4
100~299	34.2	39.9	85.8	7.1	5.0	0.4	39.6
300~999	51.4	62.2	82.7	7.8	4.5	0.6	41.9
1,000 or more	70.9	77.2	91.8	4.1	3.1	—	60.5

Source: Labor Institute of the Tokyo Metropolitan Government, *Kigyo-kibobetsu-Roshikankei-no-Jittai* (Actual Situation of Industrial Relations by Size of the Enterprise), 1981, pp. 43, 48, 52, and 155.

Note: The ratio of union members shown in (1) is the ratio to the total employees, while that indicated in (2) is the ratio to the total regular employees. The total of percentage figures for all forms of employment is 100 percent, but the percentage figures for "others" and "unknown" are not indicated here.

of employees by form of employment, the smaller the size of the firm, the higher tends to be the ratio of non-regular employees such as part-time and temporary workers. Particularly in small companies with 99 employees or less, the ratio of such workers is more than 20 percent. (3) Thus in such small firms, unionization rate is not only low among regular full-time employees but also even lower because a great number of unorganized employees such as part-timers are hired there. Moreover, the share of service industries is expanding in such small firms.

2. Changing Industrial and Employment Structures

As already implied above, one can find the fact that the following factors have had great impacts on the recent decline of unionization rate: (1) The organizing activities of labor unions were inadequate. (2) Employment expanded in service industries in many of which workers have remained unorganized from the outset. (3) The form of employment has been diversified and there has increased the number of part-time and temporary workers who can hardly be organized together with regular full-time employees.

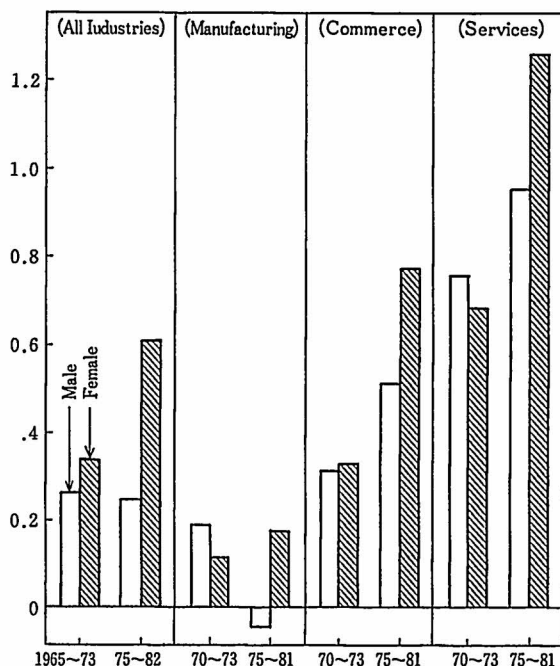
Furthermore, many of these part-time and temporary workers are those older workers who were hired again after they retired at the mandatory retirement age. In other words, the aging of the labor force is one of the factors that come into play. At the same time, there has increased the number of those older workers who were dispatched from the Silver Human Resources Center. In addition, there has also increased the number of dispatched workers of various kinds, coupled with the development of the service economy and the ME revolution.

Finally, the number of unorganized workers is subject to the recent of cyclical or structural unemployment. Under the union shop as widely diffused in Japan, once organized workers become unemployed, they become nonunion members in many cases. However,

since an increase of unemployment is a decrease of employees, it holds down the declining rate of unionization to that extent, because it reduces the figures of both the numerator and the denominator. However, on the basis of the labor force including those unemployed workers, an increase of unemployed nonunion members certainly lowers the unionization rate of the labor force.

Now, let us look at the development of service industries which is the most important factor for lowering the unionization rate. Figure 1 shows the data of elasticity value of employment or an

Figure 1 Elasticity Value of Employment to Real GNP
by Industry and Sex



Source: Bureau of Statistics, Office of the Prime Minister, *Labor Force Survey*; Economic Planning Agency, *National Economic Accounting*; and Ministry of Labor, *Labor White Paper*, 1983 edition.

increment of employment for one percent increase rate of real GNP. Looking at all industries in the first place, the elasticity value of male employment somewhat declined after the first oil crisis, while that of female employment increased from about 0.3 to 0.6. Then, when viewed by industry, the elasticity value is especially small in manufacturing, while it is very large in commerce and services and it increased conspicuously after the first oil crisis. More conspicuous was an increase in the elasticity value of female employment. In particular, the elasticity value of female employment in services went beyond the level of 1.2 in the period of 1975-81.

Thus, it is now clear that employment came to expand after the first oil crisis due to the development of the tertiary sector, particularly the expansion of female employment, though the rate of real economic growth went down. This is clearly indicated by not only the elasticity value of employment but also the actual employment trends as shown in Table 4. The increase rate of female employment had already surpassed that of male employment since the period of high economic growth, once went down far below that of male employment, and then rose up drastically to record more than twice as much as that of male employment since 1975. One cannot overlook the important facts that female self-employed persons are increasing again and that female family workers decreased consistently through-

Table 4 Trends in Increase Rate (Annual) of Employed Persons and Employees

Period	Employed Persons		Persons Employed in Non-Agriculture		Employees		Self-Em- ployed	Family Workers
	Male	Female	Male	Female	Male	Female	Female	Female
1960~65	1.6	0.8	3.2	2.9	3.8	4.3	-0.9	-2.5
65~70	1.6	1.3	2.7	3.3	2.4	3.7	0.9	-2.2
70~75	1.1	-0.5	2.0	0.9	2.3	1.3	-0.4	-4.2
75~83	0.7	1.7	1.0	2.6	1.1	2.8	5.7	-3.6

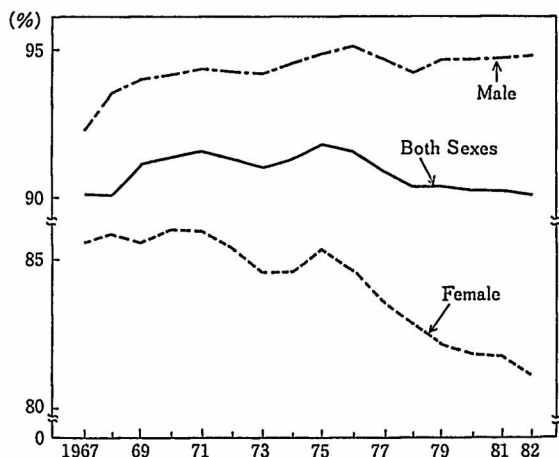
Source: Bureau of Statistics, Office of the Prime Minister, *Labor Force Survey*.

out all the periods, while female employees came to increase rapidly instead. This is not such a phenomenon that can be explained simply by economic factors like the supplement to the household income. It will have to be explained more importantly by socio-cultural factors. The prolonged recession this time has diluted the characteristic of those female workers as a marginal labor force who used to go out of the labor market and return to their family at the time of a recession.

Furthermore, the expansion of female employment is closely related to the diversification of employment forms. Figure 2 indicates the ratio of regular fulltime employees to the total employees by sex. As is shown there, the ratio of male regular employees remained almost stable, standing at the level of about 95 percent, but the ratio of female regular employees declined somewhat rapidly from the level of more than 85 percent down to the level of a little over 80 percent since 1975.

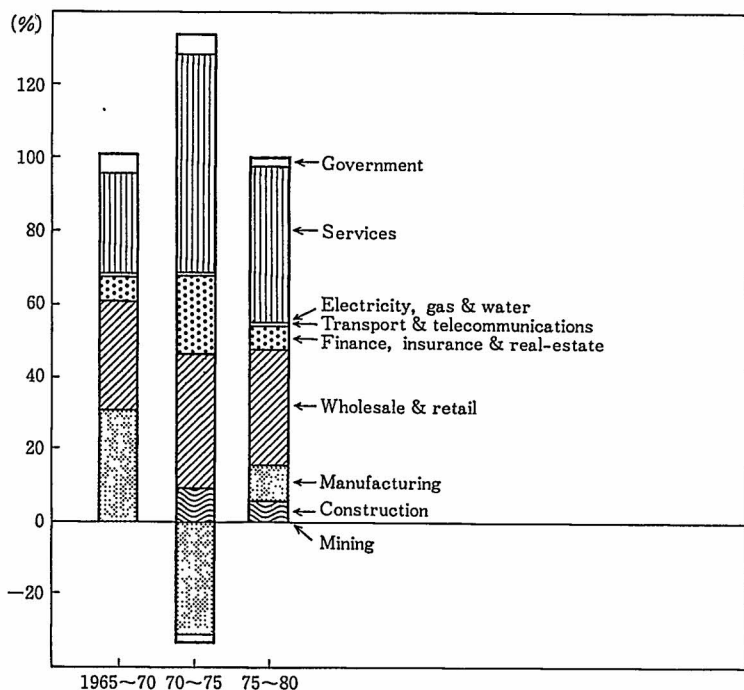
Figure 3 shows the types of industry where female employees

Figure 2 Trend in Ratio of Regular Full-Time Employees



Source: Bureau of Statistics, Office of the Prime Minister, *Labor Force Survey*.

Figure 3 Rate of Contribution to Growth of Female Employment
(Non-agriculture)

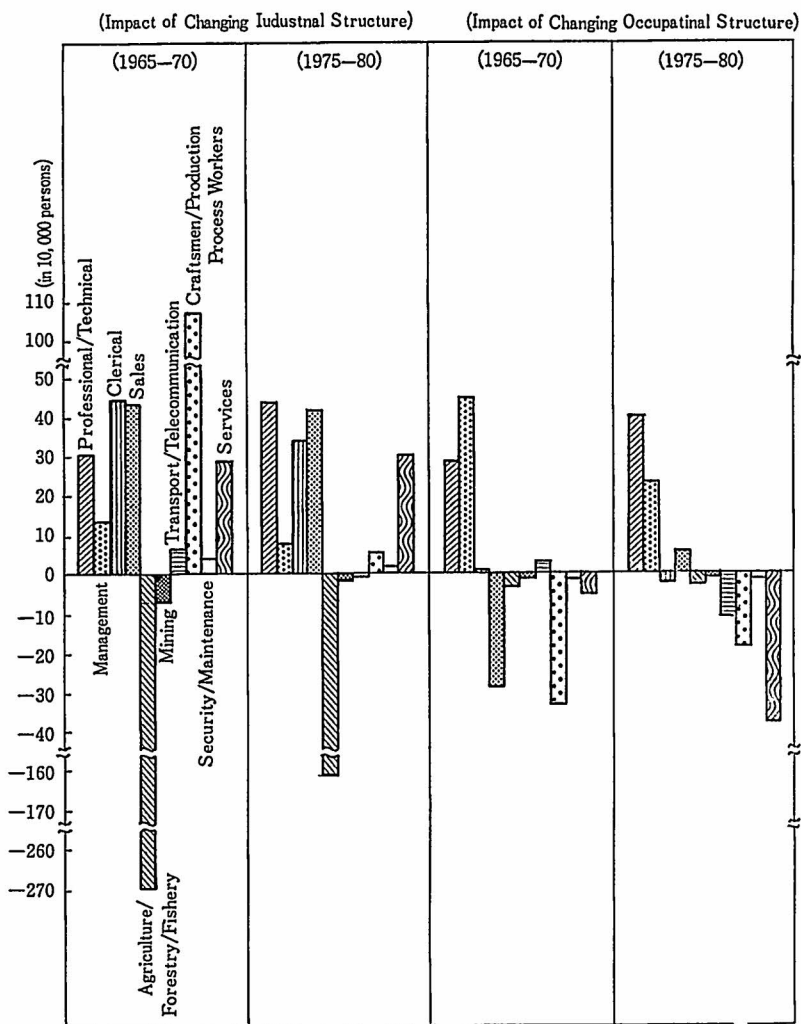


Source : Bureau of Statistics, Office of the Prime Minister,
National Census Survey.

including non-regular employees remarkably increased in particular. As is clearly indicated there, the manufacturing industry occupied a large share in expanding employment during the period of high economic growth, together with commerce and services. The first oil crisis, however, rapidly reduced the volume of female employment in the manufacturing industry, which subsequently withered away completely. Instead, commerce and services greatly increased the rate of contribution to expanding female employment since 1975.²⁾

Thus, the number of female workers remarkably expanded and so did the tertiary sector. Even more remarkable was the development of service-related occupations. Figure 4 shows the results of

Figure 4 Impacts of Changing Industrial or Occupational Structures on Changes in the Number of Employed Persons by Occupation



Note: Based on an estimate made by the Labor Economic Affairs Division, Labor Policy Bureau, Ministry of Labor.

Source: Ministry of Labor, *Labor White Paper*, 1983 edition.

analyses based on a classification of the occupational change caused by the changing industrial structure itself and the one without it. The results have clarified the following points:

- (1) In the period of 1965-70, there continued the process of "industrialization" which is symbolized by a large increase of craftsmen and production process workers and a drastic decrease of those engaged in the primary sector, due to the changing industrial structure.
- (2) In the period of 1975-80, however, the development of the tertiary sector notably slowed down the increase rate of craftsmen and production process workers as well as the decrease rate of those engaged in the primary sector. Instead, it accelerated the increase rate of engineers and service workers more than ever before. Similarly, the number of clerical and sales workers continued to increase by more than 300,000-400,000 persons per year, though their increase rate was not so high as in the previous period.
- (3) On the other hand, even if the industrial structure had remained unchanged, the occupational structure came to change. Already in the previous period, professional and technical workers and particularly managerial personnel increased remarkably, while sales workers and especially production workers decreased drastically.
- (4) In the latter half of the 1970's, the increase rate of managerial people somewhat went down, while that of professional and technical workers went up acceleratedly. In this period, sales workers turned to increase, the decrease rate of production workers slowed down, but service workers and transport and telecommunication workers turned to decrease in number.

Summing up these changes in the occupational structure, one can understand them as follows:

- (1) Production workers not only almost ceased to increase due to the changing industrial structure but also had turned to decrease since long ago even in the same industrial structure. This implies

the following : It can be said that this tendency was primarily the result of introduction of larger-sized production equipment during the period of high economic growth, while it was the result of scaling-down management and the related development of the service economy and the ME technologies after the first oil crisis. Transport and telecommunication workers had similar tendencies, though their changes were not so drastic as production workers.

- (2) In contrast, white-collar workers like clerical and sales workers had already continued to increase mainly due to the changing industrial structure since the latter half of the 1960's. In recent years, however, there has been a tendency that large firms, in particular, strengthened their own sales force but, on the other hand, decreased clerical employees by introducing office automation. As a whole, however, labor demand for clerical and sales workers have increased and their employment has expanded along with the development of service industries in general.
- (3) Meanwhile, professional, technical and managerial workers changed differently. Namely, these workers tend to have been employed increasingly in either of the cases in which the industrial structure changed or remained unchanged. This tendency is particularly true with professional and technical workers, which definitely shows the changing pattern of such occupations that took the lead in the development of service-related occupations and new technological innovations like the ME revolution. On the other hand, managerial personnel have increased on a scale smaller or at a rate lower than before as a result of scaling-down management even when the industrial structure remained unchanged.³⁾

It is necessary to further specify these major changes in the occupational structure on an individual basis and at the same time to elucidate the factors underlying these changes. There must be various changes for the respective industries or enterprises.

A few years ago, we surveyed the types of occupation and the

Table 5 Changes in the Number of Employees by Functional

Function Division Employment Form	Greatly Increased	Somewhat Increased
Total Regular Employees	8.2	22.5
Administrative & Clerical Div.	4.1	14.3
Development & Design Div.	10.2	38.8
Mfg. Div.	2.0	8.2
Sales & Service Div.	2.0	18.4
Ratio of Females in mfg. div.	—	6.1
Ratio of Temporary and Part-time employees	12.2	16.3

Note: Excluding those who responded "Increased and Decreased".

Source: Denkiroren, *Denkisangyo no Chukiteki Koyotenbo* (Mid-term

forms of employment in the electrical machinery industry, though it was not so in detail. We obtained such survey findings as shown in Table 5. This survey was actually based on the responses collected from the union leaders of the respective unit unions affiliated to *Denkiroren* (Japanese Federation of Electrical Machine workers' Unions). After all, it made clear the following facts:

That is to say, there were such trends as follows over the period of 5 years:

- (1) Regular employment decreased in well over 20 percent of the establishments surveyed, while temporary or part-time employment increased its share in 6 percent of them. The share of part-timers, however, did not increase as had been expected, which was largely attributable to the progress of automation in the production lines. The union membership of *Denkiroren* nevertheless has continued to increase even in recent years. However, since regular employment generally tend to have been on the decrease, union members of the unit unions have not increased so greatly as before.
- (2) Though regular full-time workers came to decrease in number as a whole, employment conspicuously expanded in the develop-

Division and Employment Form (Past 5 years)

(%)

Not Changed	Somewhat Decreased	Greatly Decreased	No Answer	Increased and Decreased
10.2	22.5	34.7	2.0	-26.5
34.7	38.8	6.1	2.0	-26.5
18.4	10.2	6.1	16.3	32.7
14.3	26.5	26.5	22.5	-42.8
16.3	10.2	—	53.1	10.2
16.3	28.6	26.5	22.5	-49.0
28.6	8.2	14.3	20.4	6.0

Employment Prospects of the Electrical Machine Industry), 1981.

ment and design divisions of the enterprise. This is because those employed in these divisions shoulder the responsibility of carrying out the ME revolution.

- (3) On the other hand, the work force in the administrative and clerical divisions was also reduced to a remarkable extent. The work force covered here excluded managerial personnel but included those engaged in administrative or clerical work for production control and distribution control. When it comes to the scope of employment reduction, it was the most notable in the manufacturing division, being practiced in more than 40 percent of the establishments. Particularly notable was the decline in the share of female workers in the manufacturing division, which has greatly influenced the relative decline and the qualitative change in union membership. This is because the manufacturing process of microelectronic products has changed in such a way that they are manufactured exactly by microelectronic technologies or industrial robots themselves.
- (4) Another fact that cannot be overlooked is that the number of sales and service workers increased, though not so greatly as the

number of engineers or researchers in the development or design division. As regards sales and service workers, however, more than half of the establishments did not answer to the survey questionnaires, so that the tendency was not made so clear as in the other functional divisions. This may be not only because the actual situation of their employment was not clear but also because the core of the union organization used to be production workers so far, so that the situation of sales and service divisions was not adequately grasped up to this point.

At any rate, these major changes in the occupational structure must have great impacts on the decline of unionization rate and the qualitative change of the union organization.

- (1) First of all, one must point out the decrease of production workers who used to be the core of union organizations centering around large enterprises. It is thus assumed that the so-called old-fashioned struggle power of labor unions with a stance isolated from administration, information or promotion will inevitably decline.
- (2) Meanwhile, one should watch the possible increase of managerial personnel. It should be noted, however, that there are many cases in which Japanese labor unions not only organize managers or supervisors at the lower managerial ranks of *Kakaricho* (sub-section chief) class or below but also make them the key leaders of the union organization. If managers at the ranks of *Kacho* (section chief) or above who are nonunion members increase in number, the relative share of union members will decline to that extent. On the other hand, if managers at the ranks of *Kakaricho* or below increase, it will make industrial relations within each enterprise more cooperative.
- (3) Professional and technical workers who have notably increased become an important factor to expand union organizations in Japan, since they have made it a rule to organize all regular employees in the enterprise. Unlike the production division, the divisions in

which they are working cannot increase the output automatically by increasing their working hours. Nevertheless, they must play an important role in causing qualitative changes in the union organizations.

- (4) The increase of clerical, sales and service workers expands the union organizations, coupled with the increase of professional, technical and managerial personnel, and at the same time promotes the expansion of white-collars' unions. When viewed as a whole, however, these workers are increasing with the progress of social division of labor, so that this does not immediately contribute to expanding the existing union organizations. Union organizations will surely expand only if they are organized in new enterprises. Therefore, it is likely that the increase of these workers will rather cause a decrease of unionization rate.

3. Organizational Problems of Labor Unions

The White Paper on Medium and Small Business for 1983 attempted to analyze the factors of wage hikes by making a comparison between large and smaller companies. According to this analysis, wage hikes in smaller enterprises tend to correlate with economic factors such as the labor market, the price trend, and the corporate profits, while those in large firms do not tend to correlate so closely with these economic factors, though they also have high correlation with the labor market factors such as the ratio of job openings to job applications. That is to say, one can interpret that the larger the size of the firm, the more strongly wage hikes may be affected by organizational factors independent of such economic factors.⁴⁾

It is true that the organizational factors are not simply represented by the unionization rate. The recent decline of unionization rate, however, may not remain unrelated to the stagnation of spring wage hikes in recent years. For instance, such employment growth in small-and medium-sized enterprises as described before, centering

around unorganized part-timers and dispatched workers, tend to narrow the job demarcation of organized workers and at the same time must inevitably have a serious impact on the determination of their wages and other working conditions and living conditions. If employment of unorganized workers had not increased and labor demand had been directed to hiring organized workers, it would no doubt have made the supply conditions of organized workers more favorable.

Then, how should labor unions cope with such organizational stagnation? First and foremost, they have no other alternative but to organize the unorganized sectors. As mentioned before, however, the unorganized sectors extend in service-related industries or occupations, in such employment forms as part-time and dispatched workers, and besides in the sectors of small-and medium-sized enterprises. Therefore, it is naturally required of labor unions to develop their organizing activities in response such situations.

According to the Labor Union Basic Survey for 1983, the organizational expansion of *Zensendomei* (Japanese Federation of Textile, Garment, Chemical, Distributive and Allied Industry Workers' Unions), *Zenkensoren* (National Federation of Construction Workers' Unions), and *Jidoshasoren* (Confederation of Japan Automobile Workers' Unions) is particularly notable, though it is only compared with the previous year. This is because (1) *Zensendomei* has successfully expanded its organization in such sectors that are different in nature from the conventional textile industry like supermarkets, or developed separate organizations of part-time workers; (2) *Zenkensoren* has skillfully organized those workers who are working under various forms of employment like one-master contractors, as it had done so since long ago; and (3) *Jidoshasoren* has successfully organized those workers working in subcontracting firms of major automobile manufacturers.

According to the survey for 1983, the number of unions increased slightly, though the number of union members decreased after a four years' interval. This means that union membership per union has

become smaller in scale. As mentioned before, this must be the consequence of organizing activities in smaller firms, as notably shown by the cases in which unionization rate increased in the commercial sector.

Recently, I has also attempted to survey small-and medium-sized enterprises.⁵⁾ According to my survey, workers in these firms cannot afford to have a full-time union officer, so that they have to rely heavily on the existing union organization in the region. This leads to a tendency that they are compelled to follow the regional activities of the union organization without regard to particular circumstances of individual enterprises. Furthermore, entrepreneurs of small firms, in particular, tend to be strongly conscious that the capitalist is a master at the same time, being allergic to the labor union. Under these circumstances, if such workers follow the guidance of the regional organization under compulsion, it will make it more difficult for them to organize their labor union or develop their union activities within the enterprise.

On the other hand, there workers in smaller enterprises increasingly tend to regard the employer as their unrelated person rather than their master. Based on this foothold, therefore, it is necessary to take a flexible approach to organizing their unions in due consideration of the developmental stage of their industrial relations and particular circumstances. Especially in organizing labor unions in smaller enterprises, one must consider very well that such an approach of union federation for each region plays an important role.

As mentioned before, it may be practical to organize separate unions for part-time or temporary workers by applying the rate of union dues which is different from that for regular full-time employees. It may be also practical to organize separate unions for those who were hired again after the mandatory retirement. It is true that the mandatory retirement age has been extended in recent years, but there are many older workers who were hired again after the mandatory retirement by the same company while they ceased to be a union

member at the same time. Many of them were detached from the managerial posts that they used to hold and they are paid much lower than they used to be. Nevertheless, they continue to do the similar type of job as before in the same or related work place under a temporary employment contract which is to be renewed every year. Unless their employment conditions are improved, it will most likely have adverse impacts on the working conditions of regular full-time employees. And yet, it is unreasonable to retain such older workers in the same union as regular full-time employees and uniformly apply the same rate of wage increase. It will be important, therefore, to organize them separately and stabilize their employment more than ever before.

The scaling-down management that prevailed particularly in large firms since the oil crisis is different in nature from the rationalization programs which had been put into practice before that time, and it has a tendency to put out to contract such new types of service functions as already described before. The typical example is the expansion of dispatched workers who perform computer-related jobs. It is said that such workers have already numbered well over 100,000 persons at present and they constitute a large employment area which still remains unorganized. Of course, if workers are employed by a subsidiary of a large firm, there are many cases in which they are organized in the same union as regular full-time employees in the parent company. On the other hand, however, there are more workers who are hired by small firms which have no telephone or office. *Densanro* (Trade Union Council of Computer-Related Workers) has been trying to organize such workers. With much effort, it has managed to have a small office on the back street of Shinjuku, one of the busiest quarters in Tokyo. So far, it has succeeded in organizing about 3,000 workers centering around those related to computer softwares. Among these union members, it includes not only those who are employed by large firms but also those who have joined the union on an individual basis. Now, *Densanro* is going to start its own

labor supply business by dispatching its member workers under the license of the competent authorities.

Looking at the materials of *Densanro*, one can find that there are very few member workers aged 40 or over. This is not only because these workers are working in such a new employment area. It is not because there is an opinion that the span of their occupational life comes to a stop at 35 years old. It is not because they have such a short life as an engineer, but because, if they become older than 35 years of age, they come to be unable to endure such astonishingly long overtime or all night work as often compelled to do, so that many of them choose to change jobs. The reason why they have to do such a great deal of overtime work is not necessarily because they are in short supply. It is because they are in a weak position as a contract worker and the power to order and command what or how they do is in the hands of the client company, so that they are often forced to finish their work assignments with short time allowance and to follow the work methods or specifications changed willfully by the client company. From now on, it is likely that there will be stronger public control over such dispatched workers to firmly establish their position as a contract worker. On the other hand, the labor union in the client company should not look on such dispatched workers with folded arms. It should strictly check the conditions under which the company hires them and at the same time it should check how they are actually working from the union side. If the company capriciously changes the work methods or specifications, it will prove to have no managerial capacity. In this case, therefore, the management methods including those for giving orders or commands should also be put out to contract under certain conditions.

Finally, let us touch upon the issue of occupational categories in the existing union organizations. As already indicated in Table 3, the larger the size of the firm, the larger has been a decrease in the share of production workers and an increase in the share of white-

collars including managerial, professional or technical and clerical workers. It is necessary, therefore, that labor unions themselves break from the conventional pattern of blue-collar unionism and convert themselves to a new pattern of white-collar unionism. Nevertheless, this is rather important as one of the pending issues for advanced Western countries. One can safely say that enterprisewide unions in Japan have already been on the halfway to the white-collar unionism. Furthermore, they are not the unions simply organized for white-collars, but many of them have already experienced in digging out and organizing various needs of the union which collectively organizes both blue-collars and white-collars employed on a regular full-time basis. In Japan, therefore, it is necessary for labor unions to work out a plan so as to coordinate with such separate union organizations for part-time or temporary workers as mentioned before and to correspond to the further development of white-collar unionism for regular full-time employees.

The point in corresponding to the further development of white-collar unionism is to reinforce workers' participation in management. Again, this cannot be said to be a new issue for enterprise-wide unions in Japan. No matter what may be the principle, Japanese blue-collars tend to have a strong intention to participate in management. In fact, they have actually participated in management in many ways. Furthermore, it is necessary for them to strengthen their solidarity with professional or technical workers and to develop their capacity to control the management in more democratic way. Unless labor unions succeed in reinforcing their internal organizations in such a way, it will inevitably make it difficult for them to work upon the external, unorganized sectors on a full scale.

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Notes : 1) Kuwahara, Yasuo, "Rodokumiai-no-Sangyoteki-Kiban (Industrial Bases of Labor Unions," in Japan Institute of Labour (ed.), *80-Nendai-no-Roshikankei* (Industrial Relations in the 1980's), JIL, 1983 ; Freeman, R. B., "The Evolution of American Labor Market, 1948-80," in M. Feldstein (ed.), *The American Economy in Transi-*

tion, The University of Chicago Press, 1980.

- 2) As for such recent changes in the employment structure, see the following my articles: "Nijukozo-Ronso-to-Koyo-Shitsugyo-Mondai (Controversy over the Dual Structure and Employment and Unemployment Problems)," *Keizai-Hyoron*, January 1983 issue and "Fuantei'-Koyo-no-Zodai-ga-Imisurumono (What is Meant by the Increase of 'Unstable' Employment)," *Kikan-Rodoho*, Summer 1981 issue.
- 3) Regarding the changes of white-collars in large firms and their main causes, see my article, "Manpower Policy and Management for White-Collar Employees in Large Corporations," *Keizaishirin*, Vol. 51, No. 2 (1983).
- 4) See my book, *Rodokeizai-no-Kozohenkaku* (Structural Changes of the Labor Economy), Ochanomizu-Shobo, 1979, Chapter III. On this point, there is a controversy with Prof. Naomichi Funahashi of Hosei University. See his book, *Nihonteki-Koyoto-Chingin* (Japanese Style Employment and Wages), Hosei University Press, 1983, Vol. 2, Chapter V.
- 5) See the following my articles: "Iwayuru-Nihonteki-Roshikankei-Karamita-Chushokigyo-no-Koyo-to-Roshikankei (Employment and Industrial Relations in Smaller Firms as Viewed from the so-called Japanese Industrial Relations)," *Nihon-Rodo-Kyokai-Zasshi* (Monthly Journal of the Japan Institute of Labour), June, 1984; "Chushokigyo-no-Koyo-to-Roshikankei (Employment and Industrial Relations in Medium-small Enterprises—A Case Study)," *Keizai-Shirin*, Vol. 52, No. 1 (1984).

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