

# How has Japan been contributing promotion of creating freedom of association and collective bargaining in Asian countries ?

Kozo Kagawa

日本はアジア諸国の結社の自由と団体交渉の促進に貢献しうるか？

香 川 孝 三

## Abstract

This article has a purpose to judge whether Japan can contribute to promote freedom of association and collective bargaining in Asian countries from 3 viewpoints: role of government, labour unions and employers. Government role can be researched through ODA. Activities of Japan Labour Foundation (JILAF), industrial-level labour unions and individual enterprise-wise unions are examined as example of labour side. Nippon Keidanren International Cooperation Center (NICC) and individual multinational companies are checked to judge their roles. As a result, Japanese ODA does not directly to promote freedom of association, but to educate public officers, union leaders and managers to make policy to promote freedom of association. Projects of JILAF and NICC have possibility to promote cooperative industrial relations which would lead not only to promote freedom of association, but also to attain Japanese national interests. Nevertheless individual enterprise-wise unions have played small role to promote freedom of association because they have little contact to workers in Asian subcontract companies. It will be hoped that industrial unions and national labour center has continued to promote freedom of association in the future.

**Key words:** freedom of association, collective bargaining, Japanese ODA, JILAF, NICC

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## 抄 録

日本のODAによって政府、労働組合、使用者団体や個別企業がアジア諸国において結社の自由を促進することに貢献しているかを検証している。その貢献はまだ不十分であるが、その努力を続けており、それが同時に日本の海外進出企業において良好な労使関係を生み出すきっかけとなっており、それは日本の国益を拡大することにつながる。

**キーワード：** 結社の自由、団体交渉、政府開発援助、国際労働財団、日経連国際協力センター

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## 1 Introduction

Freedom of Association and collective bargaining is one of the most important rights and also one of four core labour standards under ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up adopted in 1998. All members of ILO have an obligation to respect, promote and realize the core labour standards even if they have not ratified the concerned 8 ILO Conventions. Among them freedom of association has received a special treatment in ILO. Even if the State member has not ratified No. 87 and 98 ILO Convention, labor unions and employers association can apply complaints to the Commission on Freedom of Association.

There are many problems on freedom of association in Asian countries. It is not easy to organize a labour union under compulsory registration system introduced in many Asian countries. Union leaders have a possibility to be dismissed by an employer. Union density continues to be low and recently is decreasing as shown at Table.1. But there are many labour disputes and strikes are increasing in number. It is not common to resolve labor disputes by collective bargaining between concerned labour union and employer. Rather the government plays a big role to settle labour disputes. And under political unionism, labour unions are utilized to maintain political leader and party. As a result there are conflicts among some labour unions guided by outside leaders. Namely plural unionism has bad influence to promote stable industrial relations. But union leaders from inside enterprise are not enough educated to organize organizations and promote collective bargaining.

Japan has a policy to contribute to the peace and development of the international community and thereby to help ensure Japanese security and prosperity under ODA Charters approved by Cabinet decision in 2003. Japanese ODA has been utilized to support economic and social infrastructure development, human resources development and institution building in order to contribute to the economic and social development of developing countries. There are four principles of ODA implementation. Among them, full attention should be paid to efforts for promoting democratization and the introduction of a market-oriented economy and the protection of basic human rights and freedom in the recipient country. And the most important principle is to support the self-help efforts of developing countries based on good governance. Accordingly, Japan respects the ownership executed by developing countries and places priorities on their own development strategies. Freedom of association is a symbol of democratization and good governance. So it is relative to ODA principles to respect freedom of association. Japanese ODA started from 1954 and in the field of labour ODA has about 40 years history since 1974 to contribute to promote amicable industrial relations, vocational training and working conditions including safe and sanitary working standards.

ASEAN was organized in 1967 among Thailand, Indonesia, Malaysia, Philippines, and

Singapore. Subsequently Brunei Darussalam joined in 1984, Lao PDR and Myanmar in 1995, Vietnam and Myanmar in 1997, and finally Cambodia in 1999. Recent focal point of ASEAN is regional security and economic and social cooperation. ASEAN has a policy to organize ASEAN Community till 2015 to promote economic cooperation and become a single market through ASEAN's Vision 2020. In addition to China, ASEAN is important counterpart for Japan to achieve economic cooperation. So ASEAN countries are the most important ones for Japanese government to provide ODA to strengthen economic partnership and maintain sustainable growth. About 40% of Japanese ODA is provided to Asia and ASEAN countries receive about 15% of ODA in 2010. <sup>(1)</sup>

Japan has a policy to contribute to promote sound industrial relations. For the purpose, it is important to promote freedom of association. So in this article it will be discussed how Japan contributes to promote freedom of association and collective bargaining in Asian countries from the side of government, labour union, and employer.

## **2 Role of ODA from the government side**

### ***–Technical Assistance provided by Japanese Health, Labour and Welfare and etc.***

Japanese ODA concerning labour has covered mainly 6 fields: labour safety and sanitation, vocational training, employment stability including unemployment remedy, industrial relations, labour standards and labour statistics. This paper will focus only industrial relations relative to freedom of association. It is presumed that stable industrial relations are necessary to achieve economic development in developing countries. So Japanese government has a policy to contribute to build stable industrial relations including freedom of association through technical assistance using Japan's experiences and expertise. For the purpose Ministry of Health, Labor and Welfare has subsidized to Japan International Labour Foundation (JILAF), Nippon-Keidanren International Cooperation Center (NICC), and Association of Overseas Technical Scholarship (AOTS) as mentioned at Sections 3 and 4. And Ministry of Foreign Affairs has participated to promote human resources development of labour through JICA technical assistance.

In 2002 ASEAN-Japan Program on Industrial Relations started under the support of Ministry of Health, Labour and Welfare of Japan. At ASEAN plus 3 Labour Ministers Meeting in May 2001, Japan proposed to provide technical and financial support to implement the program. Under this program three regional workshops were held on framework of industrial relations, wages determination and labour productivity and globalization, regional integration and new technology during 2003-2005.

After these workshops, Ministry of Health Labour and Welfare has initiated ASEAN

Industrial Relations Project from 2008-2011 as multi-bilateral technical cooperation through ILO. Under multi-bilateral cooperation Japan provides only funds to ILO to implement industrial relations project in ASEAN. This project was implemented jointly by the ASEAN Secretariat and ILO to construct sound industrial relations. Regional seminars were held in Bogor, Manila, Kuala Lumpur and Bangkok. The theme of workshop was labour dispute settlement, collective bargaining/tripartite dialogue, and response to financial crisis devoted to draft "Asian Guidelines on Good Industrial Relations". This guideline naturally involves recognition of principle of freedom of association and collective bargaining not only in law but also in practice. Participants are tripartite representatives, from government, trade unions and employers' organizations in ASEAN countries, Republic of Korea, Japan, ILO Regional Office for Asia and the Pacific and ASEAN Secretariats. So this project directly does not target members of labor unions and employers engaged in practical collective bargaining. Rather this project was used to promote training and capacity building for government officers, leaders of employers and workers organizations. There is a problem how to spread good industrial relations practices at the level of companies and factories. <sup>(2)</sup>

Another point shall be discussed on Japanese ODA. Japanese ODA is executed under ODA Charter. Under this Charter, the objectives of Japan's ODA are to contribute to the peace and development of the international community and thereby help ensure Japan's own security and prosperity. Japan has contributed to the economic and social development in developing countries especially in Asia. Such efforts benefit Japan in many ways including promotion of friendly relationship, people to people exchange, strengthening of Japanese stand in international society and support to Japanese companies operating in foreign countries.

This correlation shall assure Japanese security and prosperity and promotion of people welfare because ODA should take into account the domestic economic and fiscal situation as well as the views of Japanese people. ODA focused on labour field has brought national interests to support Japanese companies abroad based on sound industrial relations.

### **3 International Cooperation from Labour Side**

#### ***-Activities of Japan International Labour Foundation (JILAF) and etc.***

##### **(1) Activities of JILAF**

RENGO (Japanese Trade Union Confederation) organized JILAF (Japan International Labour Foundation) to promote international exchange and cooperation in May 1989. JILAF celebrated 20 years anniversary in 2009.

JILAF has developed activities to promote free and democratic labour movement and sound social and economic development in developing countries. JILAF is one of the most

active organizations in international cooperation. So activities of JILAF shall be mentioned as a representative organization from the labour side. JILAF has the invitation programs and field projects contributable to workers in developing countries. These are manpower training course to educate leaders of labour union movement in developing countries. They are planned on the assumption that Japanese industrial relations can be transferred to Asian companies through the participants attending to seminars and workshops. But it is not sure to get successful result on the assumption. It would depend upon free decision of the participants because they are not compelled to transfer Japanese cooperative industrial relations based on collective bargaining and joint consultation to their own countries.

( i ) Invitation Program <sup>(3)</sup>

Invitation programs provide participants to study the labour movement and industrial relations in Japan. Participants are less than 50 years old and have more than 5 years experience as union leaders. They are selected by national labour union federations in developing countries affiliated to ITUC (International Trade Unions Confederation). Therefore union members belonging to extreme leftist labour unions, especially communism-oriented labour unions are excluded from invitation programs with some exceptions. China, Vietnam and Laos are included in the object of invitation program although three countries are socialism market economies countries organizing only one national labour union. Their national labour unions do not belong to ITUC. But Rengo has special connections with their labour unions. There are many Japanese companies operating in China and Vietnam. So JILAF decides to invite union members from China, Vietnam and Laos under the suggestion of ITUC-AP (Asia and Pacific) and Rengo.

Till March 2013, the number of participants are 2,656 (776 women) from 126 countries, 3 territories and 6 international organizations. Among them, there are 1558(488 women) from Asian and Pacific countries. There are no participants from Myanmar (Burma) and Brunei among Southeast Asia. But East Timor has been invited from 2003 under the suggestion of ITUC-AP because Timor Leste Trade Union Confederation is recognized as a quasi-organization affiliated to ITUC. In Myanmar (Burma) there is Federation of Trade Unions of Burma (FTUB) organized in 1991 including workers and students participating in the general strike of August and September of 1987. It was underground trade union till 2013, so many activists were compelled to be refugees to foreign countries like America, Australia, Japan and etc. but it has been recognized as a quasi-organization affiliated to ITUC since 1992. Nevertheless JILAF could not invite union members from Myanmar (Burma) because Japanese government stopped providing ODA since 1987 when democratization movement had been pressured by military powers. But Workers Organizations Act was executed in March 12, 2012 to respect freedom of association under the leadership of Prime Minister although labour unions have been prohibited for about 50 years. This is thought to be one of

symbols of democratization. Some leaders of FTUB are permitted to come back to Myanmar and FTUB is changed into Federation of Trade Unions of Myanmar (FTUM) in 2013.

Japanese government decides to start again ODA to promote capacity building, level up life level of national people and prepare social infrastructure for economic development since 2012. On August 2013 trade union members from Myanmar were invited to this program.

The content of invitation program is the following. One team is composed of about 10 participants. And 12 teams are usually invited to Japan every year. This program has been financed by Ministry of Health, Labor and Welfare. Therefore this program shall be processed under the Japanese ODA policy.

During stay in Japan for two weeks, participating members are expected to understand Japanese industrial relations, labour movement and experience Japanese culture and lifestyle of workers.

- Day 1 Arrival Japan
- Day 2 Orientation, Opening ceremony
- Day 3 Lecture on the Labour Movement in Japan
- Day 4 Visit to the Ministry of Health, Labour and Welfare and RENGO Office
- Day 5 Visit to Japan Productivity Center
- Day 6 Exchange of Views on Labour Situation
- Day 7 Move to Hiroshima
- Day 8 Tour in Hiroshima (Peace Memorial Museum and Atomic Bomb Dome)
- Day 9 Visit to Local RENGO Office and Discussion with Local RENGO
- Day 10 Visit to Company, Discussion with Labour and Management, Visit to Employment Security Office, Visit to Worker's Home
- Day 11 Visit to Industrial Federation and Workplace
- Day 12 Visit to Employers' Association and Workers' Welfare Organization
- Day 13 Exchange of Opinions with the Director of JILAF
- Day 14 Departure from Japan

It is natural for participants to get knowledge on Japanese labour situation and realistic lifestyle of workers. They can get impressive opinions on Japanese labour relations. But how does the program contribute to promote freedom of association in developing countries? It depends upon what participants learn from the program. JILAF hopes that participants can acquire how to establish democratic management in labour union and bargain collectively with employers and that they can know how to get the conditions to promote labour unionization and collective bargaining leading to stable industrial relations. But it is not easy to transfer Japanese situation directly into their own countries. It is sure that there are increasing labour union leaders who know Japanese industrial relations and labour

movement.

( ii ) Field Projects <sup>(4)</sup>

Field Projects have held seminars and workshops initiated by labour unions in developing countries to contribute to economic and social development through the support for free, democratic and independent labour unions. Present projects are targeted to worker education and social development activities. In worker education activities, organizing seminars, collective bargaining and labour agreement seminars, women's seminars and basic trade union seminars are held to foster union leaders and promote capacity building of union members. JILAF has dispatched teachers, provided financial support and supplied know-how and teaching materials. From 1994 to March 2013, seminars have been 2,804 times with total 89,040 participants in 19 countries and 1 territory mainly in Asia. These field projects directly provide supports to union members and leaders in developing countries to promote industrial democracy.

This field project has been financed by Ministry of Foreign Affairs. JILAF can get fund from Grant Assistance for Japanese NGO to carry out economic and social development in developing countries though JILAF is not NGO, but similar to NGO.

How can concrete results be got from this field project?

Some examples of seminars will be taken to answer this problem. From 15 -18 November 2010 JILAF and the Confederation of Indonesian Trade Unions (CITU) held a seminar on labour management relations and productivity (PROGRESS) in Puncak, Indonesia. In this seminar 22 union leaders could learn the role of labour union, better labour management relations and productivity improvement activities (5S and Kaizen). The participants visited Panasonic Manufacturing Indonesia to see how 5S and Kaizen was tackled. PROGRESS aims to strengthen trade unions and establish constructive industrial relations by collective bargaining and labour-management consultations. As participatory training, moot collective bargaining and group discussion is involved in the program.

( iii ) Supporting grassroots activities through international employers and workers network (SGRA) <sup>(5)</sup>

From 2012 new project has started to organize and save vulnerable people, especially people engaged in informal sector in Thailand, Nepal and Bangladesh. This project is financed by Ministry of Health, Labor and Welfare. It is so interesting how to organize people in informal sector. Informal sector in general includes self-employed activities, domestic servants, hawker, barbers, porters, rickshaw pullers and workers in very small enterprises. It is expected to support informal sector workers who are suffering from poverty and to organize them in new project through improvement of socio-economic and livelihood conditions. Then it will improve freedom of association in informal economy.

Capacity building of union leaders is very important to promote freedom of association. But it is difficult to judge how manpower training usually can get fruitful results or not in short period. JILAF think it is available for participants to be promoted into high rank leaders, for example, Minister of Labour, Minister of Finance, Minister of Education or President of National Labour Union. Then they can influence labour movement in their own countries to keep and promote freedom of association. But it is questionable whether they can get promotion to high rank because of JILAF program.

There shall be a long time to review the effect of manpower training program. So continuous training is necessary to attain the purpose of JILAF.

## **(2) Role of enterprise-wise labour union at Multinational Companies**

Next problem is how enterprise-wise labour union (in-house union) at Japanese parent company (multinational company) shall contact with labour union at subcontract company abroad.

In general it is said that Japanese enterprise-wise labour unions have relationship a little with local labour union in Asia. In the other words there is little solidarity between them. And there is little usual communication between them. Union officers of Japanese parent company rarely meet union officers at Japanese-owned company in Asia even when they will visit it in order to take care of Japanese dispatched workers. Japanese parent company in general does not like union officers to meet with union officers at subcontract company abroad.

In 1970s IMF initiated labour union of multinational company to contact with labour union at subcontract company abroad. Under the guidance, enterprise-wise labour union in big companies, namely Toyota, Panasonic (Matsushita), Nissan, Honda, Mitsubishi, Mazda held international conference to exchange information and experience among labour unions of subcontract companies in developing countries. In case of Toyota, international conference was held 9 times, in September 1973, October 1975, September 1977, January 1980, April 1982, April 1984, May 1992 and 1999 to assist to educate Toyota production system and exchange information with union officers of subcontract company. After 1999, Toyota Labour Union continues to exchange information and experience with labour unions at abroad Toyota company. But in the Philippines there were conflicts which labour union should be a party of collective bargaining mentioned later in this article. Toyota labour union was reluctant to support the Toyota Motor Philippine Corporation Workers Association (TMPWCA) which is thought to be a militant labour union.

And there is another reason to stop international conferences in 1990s because they had troubles in what union labour would be invited especially when there were plural labour unions at subcontract company. Members of left group were excluded from the participants,



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but they coercively entered into the conference. So the conference fell into disorder. Labour union officers at Japanese large companies have tendency to make friends with cooperative labour unions with the employer. But they want to be far from militant and left-wing labour unions. Then labor union officers in multinational companies had little channel to communicate with union leaders at subcontract companies in Asian countries.

### **(3) Role of industrial -level labour union**

It is crucial how to have relationship with labour union in Asia especially when there is a strike and labour conflict between labour union and employer at Japanese-owned company in Asia. Enterprise-wise union in Japan feels it difficult to contact with the labour union at abroad company. Therefore industrial-level union federations has played important role to settle labour disputes at abroad company. For example, IMF-JC (at present, JOM) has been asked to resolve labour disputes at individual Japanese transnational corporation. IMF-JC has provided labour union leader with the proper support to resolve issues in cooperation with overseas labour unions as well as Japanese industry-based unions. And IMF-JC initiates seminars and workshops to prevent overseas labour-management disputes and also to encourage constructive industrial relations at Japanese transnational corporations. The first seminar was held at West Java, Indonesia, in June 2010 to emphasize the importance of joint consultation and collective bargaining. This seminar is hoped to promote freedom of association based on collective bargaining and joint consultation.

### **(4) Role of national center of labour unions**

On November 2012, ITUC organized an office in Yangon to contribute to promote freedom of association in Myanmar. Labour Organizations Act was executed from 9 March, 2012 to permit to organize labour unions although right to organize labour unions had been prohibited for about 50 years. Therefore it is necessary for Myanmar workers to learn how to organize labour unions and activities. President of ITUC Office in Yangon is Mr. Shigeru Nakajima, Japanese labour activists and former labour-side member of ILO Governing Body. Of course Japanese Rengo also will help him to promote freedom of association in Myanmar because Rengo has organized Burma Office in Rengo building to promote democratization movement of Burma. It is hoped that this activity of ITUC will be a good example of international cooperation from Japanese labour unions.

## **4 Role of Japanese Companies in Asian Countries**

### ***-strategy from employer side***

There are many Japanese-owned companies investing direct foreign capitals in Asian

countries during about 40 years. The number of Japanese company is shown in the following according to Teikoku Data Bank during 2011-2012.

Indonesia	1,266 (March 2012)
Vietnam	1,542 (February 2012)
Thailand	3,133 (November 2011)
India	672 (February 2011)
China	10,778 (October 2010)

JETRO reported the number of Japanese companies at the following countries.

Malaysia	1407 (January 2011)
Singapore	734 (October 2011)
Cambodia	48 (January 2012)
Philippines	1075 (October 2010)
Myanmar	111 (September 2013)
Bangladesh	130 (February 2012)

There are totally about 4600 companies and about 110,000 Japanese workers entering in ASEAN countries because one company goes to several countries. And it is estimated that in Asia there are more than 20,000 companies doing operations in 2010 according to Toyo Keizai annual survey of foreign direct investments. These companies have employed more than 300,000 workers.

According to the Code of Conduct at Japanese Companies operating abroad made by group of employers' organizations in April 1987, companies shall understand labour practices and labour unions at foreign investment countries to establish good and sound industrial relations and exchange information and opinions among them to get smooth understanding.

There is a problem for these companies how to form good industrial relations with workers, especially how to bargain collectively on working conditions. Do Japanese-owned companies contribute to promote freedom of association and collective bargaining during their operations?

### **(1) Role of NICC and AOTS (HIDA)**

Nippon Keidanren (Japanese Federation of Employers) initiated training program to educate personnel managers at Asian developing countries from 1990 to 2010. For the purpose Nippon- Keidanren International Cooperation Center (NICC) was in 1994 to provide support managers, strengthen employers' organizations and to promote interaction between managers and leaders of employers' organizations mainly in Asian countries. But this Center was abolished because of financial problem. But during these 20 years about 500 young and middle-level managers studied personnel management, vocational training, industrial

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relations, wage management, labour safety management in Japan for about eight months. For 3-4 months they learned Japanese language and then they had on-site training spent in one of large Japanese companies at latter-half program and also experienced the same kind of work-life as Japanese businesspersons including rush-hour train and after hours socializing to learn Japanese culture and society. At the end of program they made one or two hours presentations of final reports on their learning.

This program could provide good chance to Asian middle managers to know Japanese way of management and work including importance of team spirit. Participants are hoped to contribute to development in Asian countries through development of their own companies. And it is intended to support long term stability of business and industrial relations based on collective bargaining and joint consultation. Therefore this program is planned on the assumption that it would be possible to transfer Japanese management to Asian managers. And it is naturally assumed to respect freedom of association of workers.

It is so regrettable for NICC to end the program because of financial problem. But the Association of Overseas Technical Scholarship (AOTS) had started Management Training Course financed by Ministry of Economy, Trade and Industry from 1977. <sup>(6)</sup>

Program on Human Resources Cooperation at Asia and Pacific Area was involved in Management Training Course since 2010. This program has the same purpose with NICC. This program has three parts: seminars for participants invited to Japan, overseas training and workshop in the third countries, and supply to information concerning industrial relations. Middle and top managers from developing countries are invited to Japan to acquire skills and techniques in business or factory management. One of main objectives is to enhance human- and organization-related problem-solving abilities leading to respect freedom of association. (AOTS was merged with Japanese Oversea Development Corporation on March 2012 and then is named as The Oversea Human Resources and Industry Development Association, HIDA). <sup>(7)</sup>

## **(2) Reaction to anti-unionism of government**

These companies have to obey Labour Laws and Regulations. But if labor laws restrict workers to organize and join labour unions, bargain collectively and the right to strike, how do they promote freedom of association under ILO convention?

This problem can be discussed in Malaysian trade unions of electronics industry. <sup>(8)</sup> Malaysian government had a policy to prohibit labour union in electronics industry under compulsory registration system because it wanted to introduce foreign companies into free-duty industrial zone. But this policy was changed to allow only enterprise-wise labour union, as it considered criticism from ILO and international labour union side. Nevertheless the changed policy also violated the freedom to choose freely the type of organization

in electronics industry. Hitachi had suffered from strikes of union members organized by Malaysian Electric Industry Union. So Hitachi dismissed workers participating strikes because illegal strike was led by illegal labour union. Employer of Hitachi insisted to obey Malaysian government policy. This case was compromised by the intervention of IMF-JC and MTUC. But there still is possibility to bring about the same problem.

One answer from labour union side is that multinational companies shall adopt a positive approach towards the activities of labour unions and an open attitude towards their organizational activities even if freedom of association is not guaranteed to some labour unions under labour acts (IMF Model of International Framework Agreement).

This policy comes from ILO Declaration on Fundamental Principles and Rights at Work that the principle of freedom of association shall be kept even if ILO conventions are not ratified by member state. But multinational companies have trouble how to concretely treat the labour union.

### **(3) Role of Japanese staffs**

Japanese employees and staffs are dispatched to Japanese-owned companies in Asia for many reasons, for example, to level up the skill of local workers and to work as managers or president. In general Japanese employees are promoted to managerial posts when they are dispatched to Japanese-owned companies in Asia. So they are excluded from labour union members in Asia, even if they are labor union members in Japan. In China and Vietnam foreign officers have no qualification to enter into labour union. Therefore they cannot assist to organize labour union because they shall take employer's side. If they intervene into labour union management, it shall amount to unfair labour practices.

But from Japanese company side, it is hoped to transfer cooperative industrial relations to Asian companies through dispatched Japanese manager. Many Japanese parent companies have a strategy to introduce cooperative industrial relations based on collective bargaining and joint consultation to Asian subcontract companies. So freedom of association shall be respected in Japanese-owned companies. But it is not sure to achieve freedom of association at enterprise level. Some companies are in serious question on freedom of association and collective bargaining.

A famous case is industrial conflict on union recognition at Toyota Motor Philippine Corporation during 1998-2010.<sup>(9)</sup> Toyota Production System is based on harmonious collaboration among employer, employees and enterprise union. But Toyota Motor Philippine Workes Association (TMPWA) established in 1988 could not gain union recognition to collective bargaining. Instead of TMPCWA, Toyota Philippines negotiates collectively with another labor union, Toyota Motor Philippines Corporation Labour Organization (TMPCLO) certified as sole bargaining agent and signed an agreement with this labour union. As a

result TMPCWA becomes weak, but affiliated with left-wing Kilusang Mayo Uno (May First Movement). There are plural labor unions leading to potentially unstable industrial relations. The reason why Toyota Philippines denied to grant union recognition to TMPCWA was that the company thought the labour union was militant. So the company negotiated another labour union which is cooperative with the company.

Next example is big strikes at Maruti Suzuki in India during 2011-2012.<sup>(10)</sup> Workers employed at Manesar plant organized a labor union named as Maruti Suzuki Employees Union (MSEU) which is different from labour union at Gurgaon plant. At Gurgaon plant the labour union has established sound industrial relations with the company. But workers at Manesar plant think the labour union as yellow union dominated by the employer. Therefore they do not want to form a branch of in-house union of Gurgaon plant, Maruti Udyong Kamgar Union (MUKU). But their labour union is led by AITUC affiliated with Communist Party of India to voice their grievances over working conditions. So the company estimated it as a militant labour union and refused to recognize it as a party of collective bargaining. Maruti Suzuki workers of Manesar plant launched sit-in strike from June 4, 2011 to demand trade union rights. The employer dismissed and suspended the MSEU leaders in June 2011 to put pressure on workers. Manesar plant employed about 3500 workers among which 900 were regular workers, 1500 were trainees and 1100 were contract workers. After 13 days strike, an agreement was reached under Industrial Disputes Act under the leadership of Labour Minister and Secretary of labour Department of Haryana State, stipulating that both the parties admitted to cooperate with each other.

But in spite of the agreement, all workers refused to sign a 'good conduct bond' prohibiting go-slow, stoppage of work, stay-in strike, work to rule, sabotage or otherwise in any activity hampering production. The employer refused to allow them in the factory. The workers went on a strike on 29<sup>th</sup> August outside the plant. On September 30, an agreement was reached that all workers would be taken back. But on 7 October regular workers went on a sit-down strike in support of contract workers who were refused to work by the employer. A settlement was reached providing for taking back all the contract workers and reinstatement of dismissed and suspended workers.

But the grave labour unrest happened on June 2012 because supervisor insulted an employee of scheduled caste, namely dalit (untouchable people). A supervisor belongs to scheduled tribe. They quarreled and resorted to violence with each other. The employee only was suspended as punishment for delinquency without any domestic inquiry demanded by the employee. Labour union sought that the suspension should be revoked. During the negotiation workers entered into the room without permission and raised a fire. Executive manager of Human Resources was found dead and about 100 staffs were injured. Indian police arrested more than 100 workers including union leaders because of murder. They

are now submitted to the court. After these labour unrest the employer tries to build good industrial relations but the labour union almost cannot answer to the employers proposal because of deep distrust between them.

Two cases mentioned above show that big multinational company has a tendency to respect freedom of association at cooperative labour union, but reluctant to admit it at militant and hostile labour union. This shows that it is not easy to transfer cooperative industrial relations based on freedom of association to Asian countries. Japanese multinational companies shall have difficulty to build sound industrial relations at Asian subcontract companies.

## **5 Conclusion**

Japanese ODA does not directly contribute to promote freedom of association in companies, but to educate public officers, union leaders and employers organization officers to make policy how to promote freedom of association.

JILAF, NICC and later AOTS has tried to promote sound industrial relations through union organizations and collective bargaining together with Japanese ODA. They hope that Japanese industrial relations based on collective bargaining and joint consultation would be transferred to Asian companies. But it depends upon the free decision of participants learning Japanese industrial relations at seminar and workshops. And their effect of seminar and workshop is difficult to be reviewed because there shall be long time to judge whether good result can be got from project of human resources development. So these projects shall be continued for a long time. Their projects have possibility to promote cooperative industrial relations based on collective bargaining and joint consultation which would lead not only to promote freedom of association in Asian countries and but also to attain Japanese national interest, namely high productivity and sound industrial relations in Japanese-owned companies in Asian countries.

But individual enterprise-wise labour union of parent company (multinational company) has little contact with labour unions of subcontract company at Asian countries. So Japanese enterprise-wise labour unions have played small role to promote freedom of association in Asian developing countries. Instead of them, industrial-level labour unions, for example, IMF-JC has continued to try to promote freedom of association and collective bargaining. And Japanese parent companies try to transfer sound industrial relations to Asian subcontract companies through dispatched Japanese managers. But it is not sure to attain successful result. Some Japanese multinational companies have tendency to be reluctant to admit freedom of association at militant labour unions. In these companies freedom of association would not be respected as the basic ground to build sound industrial relations.

As a result, Japanese role is limited at present to promote freedom of association and collective bargaining in Asia/ASEA countries. But it would be hopeful if these activities shall be continuing for a long time. In Asian countries labour statistics are not fully available as union membership and density shown at the last page. There are many factors to promote membership and density. So it is so difficult to review the influence of Japanese cooperation.

(This article is based on my presentation at Faculty of Law, Peking University on December, 2012 initiated by Asian Society of Labour Law)

## Notes

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**Table 1 Trade union membership and density in some Asian countries (unit: thousands)**

country	1995	2000	2005	2009	2010
S. Korea Membership density	1,615 13.8	1,526 12.0	1,506 10.3	1,640 10.1	1,643 9.8
Singapore membership density	235 13.8	314 14.5	450 19.4	526 17.6	550 17.7
Malaysia Membership density	707 9.2	734 7.9	761 7.6	807 7.4	803 7.2
Philippines Membership Density	3,587 30.2	3,778 27.2	1,910 11.7	1,985 10.6	1,714 8.7
Thailand Membership Density	243 2.1	2.0	328 2.0	334 2.0	378 2.1
China Membership Density	103,996 90.8	103,615 91.9	90.3		239,000 74.7
Hong Kong Membership Density	18.8	21.1	21.5		

(Source) Labour statistics in each country.

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