

2007年6月2日
午前の部 9:30-11:00
労使関係

What Do Unions Do in Japan?

January 18, 2006

Hiromi Hara
Japan Institute for Labour Policy and Training
and
Daiji Kawaguchi
Faculty of Economics, Hitotsubashi University

Abstract

Previous studies point to the lack of bargaining power of Japanese labor union because they are organized at enterprise level. However, detailed examination of institutional setting backed by Labor Standard Law and Trade Union Law reveals that unions have strong bargaining power against the deterioration of work conditions. This paper examines the union differentials in wages and overall compensation packages, using Japan General Social Surveys 2000-2003 that covers the period of economic stagnation. We find a robust union wage premium for both males and females. An Oaxaca-Blinder decomposition reveals that about one third of union workers' higher wage is explained by the difference in the wage structures of the union and nonunion sectors. We also can confirm the union-wage compression effect using the DiNardo, Fortin, and Lemieux (1996) method. Union workers are likely to think that they would not find jobs with similar compensation packages if they were to leave their current jobs. In sum, unions in Japan contribute to increase the average wage and compress wage distribution among its workers. This result is reconciled with the previous findings by considering the difference in the macro economic conditions of the sample period.

Key Words: Labor union, Wage, Compensation Package, Job Security, Japan
JEL Classification Code: J31, J33, J51