

Overtures

from RENGO

Priority Policies '08 – '09

JTUC-RENGO

Japanese Trade Union Confederation

Redressing Social Disparities



Rebuilding the Social Safety Net against Expanding Disparities Under an Economic Recovery without Any Actual Feeling

Under Japan's economic expansion from 2002, business performances of major companies have continued to grow, supporting major increases in shareholder dividends and executive compensation. At the same time, however, the wages of workers in the private sector have charted nine consecutive years of decline since 1997, with the labor share also steadily losing ground to below 60 percent.

In addition to this, the numbers of part-timers, "dispatched workers" (workers dispatched from temporary labor agencies) and other non-regular workers have risen; while as a result of unstable

employment and low wages the number of "working poor" (living below welfare standards and without social insurance) is also in an increase trend. Workers with annual incomes of less than two million yen now number more than 10 million, with families on welfare rising to 1.07 million households (1.5 million persons). The bipolarization of the once heavily populated middle class has emerged, with not only the widening of social disparities but also problems related to poverty arising as serious issues.

Against the backdrop of the economic expansion during this time, there has been a decline in regional

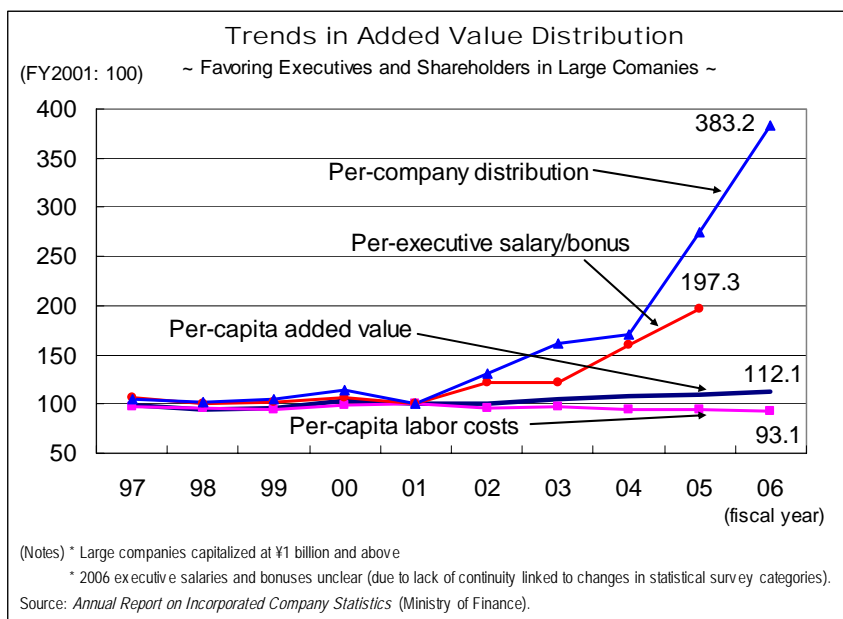
small- and medium-sized enterprises, local industry and the agricultural, forestry and fisheries industries. There have also been declines and aging of populations and other trends that suggest the impoverishment of local economies. As a result, regional gaps in economic and financial strength are also expanding. The increased stratification in these employment patterns, as well as between different regions, industries and corporate scale, has emerged as a serious social problem.

In addition, under the government policy to restrain social security during these years, serious problems threatening the lives of people have emerged in the form of shortages of medical doctors such as obstetricians, pediatricians, first-aid physicians and regional medical care, as well as in denials to receive and treat first-aid patients.

In order to improve the treatment afforded to non-regular workers, redress social disparities and solve the problems of poverty, there is a pressing need for efforts to reconstruct a multi-layered social safety net through collaboration with vigorous employment and social welfare policies. These policies include conversion from non-regular to regular employment, greater

assistance in finding work, raising of minimum wages, expansion of the coverage of social insurance and the strengthening of that insurance's function through the enrichment of medical care and related services.

Along with this, in order to correct the distortions in income distribution, another important theme can be identified as bolstering the income redistribution function within the domains of the tax system and social security reform.



Conversion to a Domestic Demand-Driven Economy against the Negative Impact on the Domestic Economy due to Confusion in International Money Markets

The confusion on international money markets caused by the subprime mortgage crisis originating in the United States (stemming from the extension of home mortgages to persons in low-income brackets and other individuals with low creditworthiness) is now impacting the real economy.

The international speculative capital that flowed into such subprime mortgage spilled over into the markets for crude oil, grain and other commodities, contributing to the sharp increase in the price of crude oil. The increase in international demand for bio-energy and other areas has also become a factor that is acting to drive up grain prices. Furthermore,

the massive flow of capital into private equity funds and hedge funds fueled corporate mergers and acquisitions for the sake of securing high earnings over the short time, raising concerns that this will exert a major impact on the economy and jobs.

In addition, the sluggish consumption and economic slowdown domestically in the U.S. due to the subprime mortgage crisis, along with the impact of the sharp rise in the yen and the fall in the dollar are influencing Japan's economy negatively as seen in the lowering of the earnings of Japanese export industries, the decrease of stock prices and others.

The impact of this confusion on overseas markets has led to a surge in the prices of gasoline and kerosene domestically in Japan, as well as higher prices for foods and other daily living necessities. This puts pressure on the lifestyles of lower-income earners, worsening the business conditions for small- and medium-sized enterprises and leading to further expansion in social disparities and higher levels of uncertainty in people's lives.

In addition to this, in the midst of an environment in which wages have stagnated, Japan's fixed-rate tax cuts on income tax were abolished from 2007, the annual premiums for employee pension plans and the National Pension System were raised, new increases

were made in the out-of-pocket burden for senior citizen healthcare and other policies have contributed to higher personal cost burdens for the Japanese people.

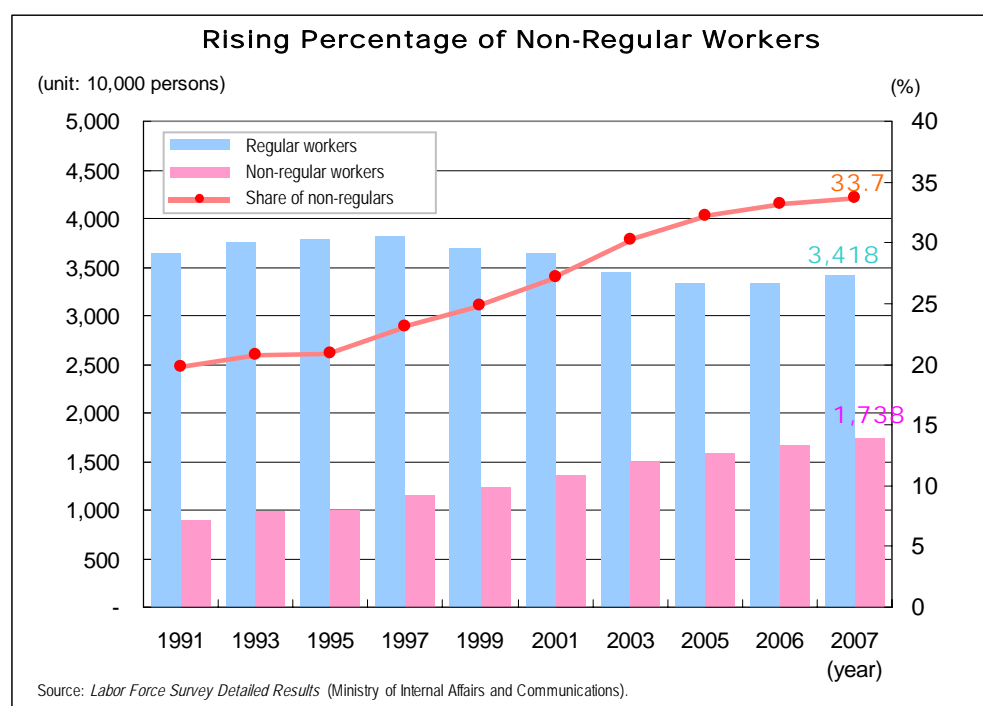
In order to counter the impact that the subprime mortgage crisis has on the real economy as well, there is a need to revitalize personal consumption and convert to an economic system led by domestic demand, engineer recoveries for small- and medium-sized enterprises, local industries and regional economies, breath new life into the agricultural, forestry and fisheries industries, create local jobs and take other steps to get the regional areas of Japan back on their feet.

Reconstructing the Breakdown in Working Conditions and Labor Legislation

From the latter half of the 1990s, as a result of cuts in personnel expenditures and the introduction of deregulation policies in the labor sector aimed at allowing companies to reap short-term earnings, there has been a sharp increase in the number of part-time, dispatched and other non-regular workers, with workers in that category now comprising more than one-third of all workers. There has also been growth in the ranks of daily dispatched workers, "Internet cafe refugees" (homeless persons who spend their nights at such 24-hour cafes) and other working poor. Finding employment has become a

major challenge for *freeter* (young casual workers excluding students and homemakers), NEET (young people Not in Education, Employment or Training) and others impacted by the so-called "ice age for jobseekers."

Long working hours, including unpaid overtime service, have become the norm at the workplace, with increasing cases of mental health problems as well as death or suicide from excessive overtime work, or *karoshi*. As a result, the number of suicides topped 30,000 persons for nine consecutive years from 1998, becoming yet another serious social problem.



The unemployment rate, while having improved, still remains at around four percent. Besides this, new hiring is coming to focus on part-timers, dispatched workers, contract workers and other non-regular workers, with gaps also widening between different regions.

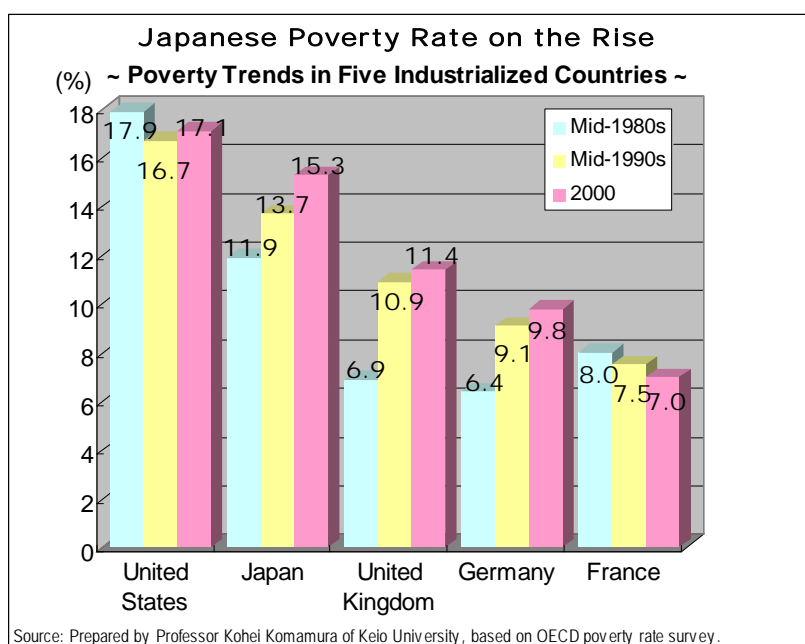
In order to establish dignified labor, it will be vital to correct the trend toward longer working hours, shift from non-regular to regular work, review the practice of dispatched work, realize equal treatment and otherwise revamp and reconstruct labor legislation.

Realizing a Society with a Work-Life Balance by Reforming Working Patterns, Providing Child-Rearing Support etc.

The bipolarization and expanding disparity in work and income, along with the growing number of persons in the poor bracket have served to spur the decline in Japan's birthrate. In particular, the increase in the number of *freeters* and other non-regular workers among the younger generation, the long working hours of male employees in their 30s, the heavy child-care responsibilities placed on women and other trends are making it increasingly difficult to achieve a harmonious work-life balance. Ample problems also exist with regard to the inadequate quality and quantity of child-care services, insufficient numbers of obstetricians and pediatricians and other issues linked to childbirth and child-care support.

The Council of Executives of Public and Private Sectors to Promote Work-Life Balance has drafted the "Charter for Work-Life Balance," together with "Action Policy for Promoting Work-Life Balance." In moving to achieve these targets, the issues faced from here on will include corrections in

long working hours, enhancement of the principle of equal treatment, reviews of working patterns, substantial improvements in the quality and quantity of child-care services and other sweeping upgrading of childrearing support, along with expansion of social approaches.



Responding to Global Warming and the Other Negative Aspects of Globalization

Globalization contains positive aspects that include the expansion of world trade and growth in employment. This trend has also triggered negative aspects, however, such as expanding gaps between the rich and poor, the worsening state of the global environment and other problems. As responses to these negative sides, with this being the middle year in the Millennium Development Goals (MDGs), demands are being made for contributions to Official Development Assistance (ODA) for the sake of eradicating poverty, achieving fair trade,

environmental protection and other programs and efforts aimed at realizing a sustainable and fair global society.

In 2008 in particular, there are strong demands for international contributions accompanying the achievement of carbon dioxide reduction targets in the Kyoto Protocol to the United Nations Framework Convention on Climate Change, the drawing up of a post-Kyoto Protocol international framework through the G8 Hokkaido Toyako Summit as well as domestic countermeasures against global warming in Japan.

Attaining Security and Safety in People's Lives and Building a "New Framework of Public Services"

As a reflection of excessive market competition and a lack of corporate ethics, falsification of seismic resistance levels in housing, fraudulent labeling of "consume by" expiration dates and other food-related problems, the recent tainting with poison of imported frozen foods, illicit business practices utilizing installment sales and other issues have come to threaten the safety of foods, homes and other aspects of daily life. There are accumulating problems at the frontlines of education such as bullying, truancy and other issues. There have been problems of corruption surrounding equipment purchases by Japan's Ministry of Defense, 50 million pension records apparently unaccounted for and other examples that have heightened public distrust of politics, the

government and administration, institutions and in other areas.

Moreover, in the midst of the current decline in family and community functions due to the falling birthrate, the aging population and other factors, there are redoubled needs for effective child-care, nursing care, regional revitalization and other services. In the interest of maintaining "food safety," the cultivation of secure communities and other steps to maintain security and peace of mind in daily life, it will be critical to achieve the dimension of so-called "new framework of public services" through public employees and other diversified networks based on "solidarity and mutual assistance" in regional societies.

Inadequate Recognition of the Government on the Widening Disparities, and Demands for Its Policy Changes

Under the cabinet of former Prime Minister Junichiro Koizumi, the existence of expanding social disparities was definitely recognized, with policies to expand those gaps promoted under the banner of free market principles. The subsequent government of Prime Minister Shinzo Abe championed the policy of "giving people a fresh start." However, little if any progress in closing the social disparities was seen, with Abe suddenly stepping down from his post in the fall of 2007 and failing to live up to the high expectations placed in his policy.

Taking over for Abe has been the administration of Prime Minister Yasuo Fukuda, who announced the launch of a new organization characterized by advancing the so-called "Security and Safety in Everyday Life Project" through the perspective of consumers and ordinary citizens across five sectors (headed by eating, working, producing, protecting and living) and promoted integration of consumer administration. The mottos of this approach consist of "independence and coexistence," "closing the gaps between non-regular and regular employment,"

"regional revitalization strategies" and other examples of consideration for social disparity and the issues faced by regional areas. Nevertheless, the government steadfastly sticks to the conventional pattern of uniform fiscal rebuilding, including cuts in social security spending growth by 220 billion yen and other sacrifices in people's livelihoods. As a result, it remains totally unknown to what degree this administration can achieve corrections in the growing social disparities.

The economic and fiscal management promoted by the government to date, which has led to widened social disparities, the undermining of jobs, the collapse of regional healthcare and medical services and other tolls on people's lives, has already reached its limits. The time has truly arrived, therefore, to promote sweeping policy changes in order to redress social disparities, resolve problems of poverty, establish the dignity of labor, rebuild the social safety net, review tax revenues for decentralization and realize a society characterized by a constructive work-life balance.

Priority Policies

RENGO is devoted to establishing an economic and social system combining fairness and efficiency, demanding the creation of a “work-centered welfare society,” correcting the economically stratified society and helping to build a social fabric stressing the importance of solidarity and compassion. Based on this position, RENG0 will formulate its priority policies on specific themes for fiscal year 2009 with the keenest consideration for the aforementioned “Overview.”

(1) Establishment of Frameworks to Redress Disparities

① Promotion of the Raise of Minimum Wages over the Medium Term

- (a) RENG0 will strive for achieving wage levels which adequately manifest the function to sustain the bottom bracket of wages and enable the workers to live.

② Revision of the Manpower Dispatching Business Law from the Viewpoint of Protecting Workers

- (a) Bans on the registration-type dispatch of those other than 26 general job categories and other sweeping revisions are needed. “Day laborer dispatches” should be banned, and “day-by-day employment” should be done in direct hiring. Employment measures to prevent these legal revisions from causing the insecurity in employment should be devised.
- (b) From a viewpoint of protecting workers, are needed the establishment of regulations to deem as direct hiring (in cases of dispatches to banned work categories, etc.), strengthening of the responsibilities of user companies where temporary workers are assigned, clarification of labor-management relationship rules surrounding dispatching work, realization of harsher penalties for legal violations, strengthened authority and functions of the worker dispatch fair operation cooperation member system, stricter licensing standards for worker dispatch businesses, margin regulations, improvements in temp-to-hire placement systems and so forth.
- (c) Advancing speedy studies using overseas legal systems as references, the establishment of the principles of equal and balanced treatment in basic working conditions (including wages) for dispatched workers should be sought.

③ Employment Security and Skill Development

- (a) Stressing the importance of securing stable employment and fair treatment, national employment policies unified with industrial policies should be established. The principle that employment should be on the basis of direct unfixed-term employment should be established and employment measures designed to create high-caliber employment opportunities should be strengthened.
- (b) In order to promote and secure the employment of young people, women, seniors, handicapped persons and all other people with the desire to work, employment measures such as engineering the change from non-regular to regular work should be strengthened.
- (c) With regard to occupational skill development policy measures targeting part-time, fixed-term contract, dispatched, contracted and other non-regular workers, young people, handicapped persons, mothers of fatherless families, persons who have not yet subscribed for employment insurance, etc, efforts to expand public vocational training should be advanced and support for companies should be strengthened. In consideration of the fact that public vocational training serves as an employment safety net while also shouldering an important role in cultivating human resources and carrying on and developing skills and technology in manufacturing fields and other areas, efforts should be made to avoid easygoing private sector consignment and consolidation of public vocational training and implementation agencies (prefectural occupational skill development schools, public occupational ability development

facilities operated by employment and ability development organizations, etc.).

④ Ban of Unjust Discrimination

- (a) Age-based discrimination in soliciting, hiring, etc. should be banned.
- (b) Along the line of the idea of normalization, approaches to making shifts “from welfare to employment” should be strengthened, and an environment should be cultivated in which the handicapped persons can live while working according to their work volition and ability.
- (c) In preparing for the conclusion of the United Nations Treaty on the Rights of the Handicapped People, the concept of “rational consideration” and other areas should be put in order and speedy examinations of the legislation of domestic laws should be made.

⑤ Realization of Fair Business Relations

- (a) In order to halt abuse of dominant bargaining positions and establish fair business relations and transparent markets, the effectiveness of the *Antimonopoly Law*, the *Subcontracting Law* and other legislations should be heightened through strengthening the function, system and authority of the Fair Trade Commission of Japan and other bodies, introducing harsher penalties for legal violations and raising awareness of related laws and otherwise.

⑥ Raise of the Standard of Equal Opportunity Education

- (a) In order to further enhance the quality of compulsory education, efforts to realize smaller classes (setting as the standard approximately 20 students per class) should be promoted.
- (b) Improvements should be made in scholarship systems and expansion of school attendance assistance as a safety net to prevent economic conditions from leading to educational disparities.
- (c) Information disclosure by boards of education should be promoted, while working to specialize the role of education administration in support of the frontlines at schools.
- (d) From the perspectives of the rights of working people, the need for trade unions and other aspects of the “dignity of labor,” the education that functions to foster constructive work attitudes and vocational values should be enriched.

(2) Realization of a Society with a Work-Life Balance

① Regulation of Long Working Hours

- (a) From the perspective of attaining a balance between work and life through correcting excessive long working hours and enabling everyone to pursue work, good health, family life, self-enlightenment, participation in community activities and other activities in a balanced manner, RENG0 will tackle the issue of raising the statutory premiums for overtime work (50 percent increase for overtime work and 100 percent increase for holiday work) and examine how the standard limit of overtime work should be and other related issues and a revision of the Labor Standards Law will be made as such.
- (b) RENG0 will strive for the revision of the *Law to Improve Setting of Working Hours*, etc. by placing the purpose of the law on “a balance between work and life” through setting 1,800

hours as the numerical target for total annual working hours of full-time workers and other measures.

② Establishment of the Security of Employment and Equal Treatment for Working People

- (a) RENGO will strive for legal arrangements to ensure equal treatment, minimum wages and other measures regardless of the types of employment or work.

③ Establishment of Taxation and Social Security Systems Neutral to Working Patterns

- (a) In order to realize taxation systems neutral to working patterns, RENGO will strive for integrating the tax deduction for the spouse with that for the dependents and for establishing a new system of evenly dividing husband-wife income (by two). In addition, the tax deduction for dependents (children up to their third year of junior high school) should be transferred to the expansion of the children's allowance.
- (b) Social insurance and unemployment insurance schemes should be applied to all employees.
- (c) The requirements for the eligibility for survivor's welfare pensions should be lowered down step by step, while establishing a system for continuing subscription to the employees' pension plan (for the component proportionate to income) to ensure the right to receive handicapped persons' pension and survivors' pension while unemployed.
- (d) A premium waiver system during child-care leave for National Pension Category I assured parties who are employees of unincorporated enterprises or other entities should be established.

④ Establishment of Social Infrastructure Facilitating Choices of Approaches to Diversified Working and Living Patterns

- (a) In order to ensure time for child-care and nursing-care, holidays and shortened work-hour systems should be expanded, and the greater work flexibility based on the premise of personal selection (telecommuting, evaluation system reviews, securing required personnel, etc.) should be arranged.
- (b) Expansion of public scholarship systems, reduction of cutting of day-care fee burden by half, greater children's allowances and child-care leave benefits, expansion of the supply of privately owned rental houses to the families raising children and other measures to alleviate economic burdens should be strengthened.
- (c) In order to establish comprehensive support for cultivating the next generation, integration of the revenue sources for children's allowances, child-care leave benefits and other categories should be promoted to newly establish a "Child-Care Fund" (tentative name).
- (d) Expansion of day-care services so as to accept all children "wishing to receive day-care," expansion of nursing-care insurance system, betterment of regional medical-care services (mother-child health, pediatric care, etc.) and other public improvements in basic services for life should be promoted.

⑤ Strengthening of the System to Promote a Work-Life Balance

- (a) RENGO will strive for realizing a society characterized by a work-life balance, based on considerations for the "Charter for Work-Life Balance" and the "Action Policy for Promoting Work-Life Balance."
- (b) Formulation and disclosure of the "Action Plans for Business Owners" in the "Law to Promote Support Measures for Fostering Next Generations" should be made thoroughly known.
- (c) The formation of the agreements among government, workers and employers in regional areas should be promoted, and, at the same time, the formulation and implementation of regional action plans should be advanced.

(3) Establishment of a Social Safety Net Enabling Everyone to Live Safely

① Using of Tax Revenues to Fund the Basic Pension, Unification of Employee Pensions and Other Pension System Reform

- (a) To maintain current pension benefit levels while resolving the hollowing out of basic pensions and failure to provide pensions and constructing a "pension system covering everyone," using tax revenues to fund the basic pensions should be realized in 2009.
- (b) Efforts should be made for unifying the finance units and "benefits and burdens" of employee pension plans and all types of mutual aid pension plans, for restructuring a genuine employee pension system to which all employed workers (including part-timers) subscribed, and for the unification of a pension system targeting all residents regardless of status as employees or self-employed persons. In this connection, additional costs related to the former public service pension periods should be basically borne under the responsibilities of the national and local governments.
- (c) Measures appropriating pension office expenses to premiums and reserve funds should be immediately halted, while returning total value to the liability of the National Treasury, and a system should be established to examine at the forums featuring participation of workers and employers that contribute the premiums.

② Establishment of a New Livelihood Guarantee System through Combinations of Positive Employment and Social Security Policies

- (a) Targeting self-reliance support for non-regular workers, long-term unemployed workers and needy persons, social safety net functions through combinations of positive employment and social security policies should be restructured. Toward this end, a new three-tiered livelihood guarantee system should be established, which consists of: (1) combinations with employment policies and strengthened functions of social insurance and occupational insurance (Tier 1); (2) establishment of a "work and life support benefits" system for long-term unemployed and others (Tier 2); and (3) the move to social allowances for housing assistance and other sweeping reforms in the life welfare benefit system (Tier 3).

③ Establishment of Secure and Reliable Medical-Care and Health-care Insurance Systems

- (a) To prevent the breakdown in regional medical-care services, steps should be taken to alleviate the shortage of doctors and nurses working in obstetrics, pediatrics and other divisions at hospitals. Through strengthening the role of the Prefectural Council for Medical-Care Services and through making cooperation from the doctors obligatory in achieving appropriate deployment based on regional medical-care service plans, the environment to enable potential nurses and other professionals to return to the medical-care frontlines with peace of mind should be improved together with efforts to secure the necessary financial resources to make these moves possible. Also a substantial review should be made with regard to medical school quotas to increase the number of doctors.
- (b) Even in the event of reductions in the state contribution to government-managed medical and health insurance as a national financial support measure in FY2008, a prompt return of the contribution share to the 13-percent level from the following fiscal year should be realized, with no further implementation of the reduction measure. Targeting the goal of achieving stable management of the National Health Insurance Association, financial support by the state should be returned to the basic benchmark of a 16.4 percent share.
- (c) Regarding the medical-care system for those persons of "latter elderly ages," efforts should be made to verify the actual situation of the system from the institutional, financial and operational aspects, followed by reviewing the system including the examination on the possible discontinuance of the system. Upon verification of whether or not the premiums set

by individual wide-area insurance associations are appropriate, reviews should be made on how the patient burden should be, including that of those persons of “earlier elderly age”) and the increased portion of patient burden.

④ Improvements of Employment and Working Environment of Nursing Care Workers to Secure High-Quality Nursing Care Services

- (a) In revising nursing care remuneration in FY 2009, from the perspective of securing high-quality nursing care services, the nursing care remuneration should be set so as to contribute to improvements in the position, employment and working conditions of nursing care workers as specialists, on the basis of a national consensus.
- (b) Grasping the actual situation of labor’s share of nursing care remuneration, a presentation of wage standard models capable of assessing future prospects should be made, and “specialized care-givers” system and other steps capable of providing professional responses to persons suffering from senility or to handicapped people should be established and taken to establish career enhancement schemes.

⑤ Strengthening of the Functions of Labor Standards Inspection Offices and “Hello Work” as Safety Nets for Employment

- (a) To secure fair labor standards through compliance with labor related laws and regulations at workplaces throughout the country, steps should be taken to increase the number of labor standards inspectors, while avoiding irresponsible streamlining of Labor Standards Inspection Offices.
- (b) The “Hello Work”, public employment agency, serves as a safety net for the employment of the handicapped persons, mothers in fatherless families, welfare benefit recipients, *freeters* (young casual workers excluding students and homemakers), NEETs (young people Not in Education, Employment or Training), long-term unemployed, workers in middle age group and others who find it difficult to find jobs. Because it functions as core institution for employment measures in the regions, the integration and/or merging plans for these offices should be reviewed and no comprehensive consignment of these services to the private sector should be made.

⑥ Establishment of Human Rights for Foreign Workers

- (a) With long working hours, unpaid wages, human rights violations and other situations occurring within the Training Program and Technical Internship Program for foreigners, drastic reviews of the system should be made. Steps should be taken to clarify the worker status of trainees with instable legal positions, while eliminating unfair exploitation by institutions involved in sending and hosting of such workers.
- (b) Regardless of the possession or non-possession of work permits, efforts should be made to reliably apply laws pertaining to labor to foreign workers working in Japan, while providing education for the children of foreigner workers, cares for victims of human trafficking, and other services targeting foreign workers.

(4) Strengthening of Income Redistribution Function and Realization of Fundamental Tax System Reform

① Blocking of the Plan of “Tax Hikes Targeting Salaried Workers”, Strengthened of Income Redistribution Function and the Review of Tax Systems

- (a) Reduction or abolishment of personal deduction amounting to real tax increase or other tax hikes aimed at salaried workers should not be introduced. To restore the function of income redistribution through taxation, measures to raise the highest income tax rate and to strengthen real estate taxation and other measures should be taken to progressively raise the income tax level.
- (b) Targeting the move to taxation on aggregated income, efforts should be made to introduce a taxpayer identification number system at an early point in time.

- (c) Regarding corporate taxes, the tax rate on ordinary corporations should be put back to the status prior to the introduction of permanent tax reductions and reviews should be made on special taxation measures and other measures.
- (d) To eliminate retention of the consumer tax by companies, changes in the invoicing method, abolition of the simple taxation system, tax exemption limit and other steps should be taken. In addition, tax system based measures to ease the regressive nature of the consumption tax should be devised.
- (e) Based on the roles of taxes and social security, necessary tax system reforms should be made together with public pension system reforms. No participation will be made in the government debate based on the assumption of a “consumption tax hike.”

② Tax System Reform Appropriate for Decentralization of Power

- (a) To raise the discretion of the regions, tax revenue sources should be transferred to the regions to put shares of national and regional tax sources on equal footing.
- (b) Financial adjustments among regions that are now funded by the regional corporation special transfer tax should be stopped. Corrections in financial capacity disparities between regions should be made through reviewing methods used to determine distribution standards for local tax grants and other means.

(5) Economic and Financial Management Contributing to Redresses in Disparities and Expansion in Domestic Demand

① Economic and Financial Management with Sustained Economic Growth and Fair Distribution as Top Priorities

- (a) Measures targeting corrections in disparities as the top priority should be implemented, while advancing economic revitalization measures leading to a recovery in spending and expanded domestic demand.
- (b) With a cooperation between the Government and the Bank of Japan, macroeconomic policies leading to sustained growth from the aspects of both fiscal policy and monetary policy should be promoted.

② Budget Prioritization to Everyday Life Categories and Thorough Reviews of Wasteful Expenditures

- (a) No reductions in annual expenditures should be made on a uniform basis, and priority should be put on budget distribution to annual expenditure categories leading directly to welfare, social security, employment, the environment, education and other aspects of everyday life categories, so that the employment and life of the workers can be secured and their future uncertainties can be resolved.
- (b) To achieve steady reconstruction of public finances, efforts should be made to enhance financial management policy from the perspectives of both assets and liabilities, while reviewing nonessential businesses or inappropriate expenditures based on rigorous inspections and evaluations of policies and effectiveness and otherwise methodically reducing wasteful spendings.
- (c) Based on the will of the people, budget deliberations and the accounts settlement deliberation system and process should be so reformed as to deliberate and determine budgetary allocations and tax burdens.

③ Vitalization of Regional Economies and Creation of Employment

- (a) Targeting improvements in the unemployment rate to the lower 3 percent level, measures for employment security should be expanded. In the regions characterized by particularly harsh employment environments, the measures based on consideration of regional traits should be advanced.
- (b) In addition to the collaborations of academic circles, industries and administrations, with “industries, government authorities, academic circles, financial institutions and trade union

organizations” in which regional financial institutions and regional trade union organizations participate working together as one body, forums should be set up to examine the measures for economic vitalization including employment creation, new business development and technology development suited to specific regional characteristics.

- (c) To resolve the problems of regional societies, support measures for community businesses and small- and medium-sized venture enterprises should be strengthened to achieve regional revitalization and job creation.

④ Ensuring Inheritance of Technologies and Skills and Human Resource Development

- (a) Aiming at not only passing on the technologies and skills in “making things,” but also securing technology and skilled workers and cultivating human resources free of generational bias, the envisaged “Craftsmanship National Strategy Vision” should be steadily implemented.
- (b) From the perspective of economic vitalization and strengthened competitiveness, long-term and consistent schemes to cultivate human resources should be established to improve basic capacity as a member of the society and technical knowledge, with a close collaboration among industries, government authorities, academic circles and trade union organizations.

(6) Ensuring Livelihood Security and Safety

① Securing of Food Safety and Improvement of the Food Self-Sufficiency Rate

- (a) In view of the role played by food labeling as an important information source for consumers in correctly understanding food contents, selecting commodities and using them in appropriate fashions, unified reviews should be made in the *Japan Agricultural Standards Law*, the *Food Sanitation Law* and other legislation related to complicated food labeling, so that the details demanded by consumers can be easily understood.
- (b) A scheme should be established for the sharing of food safety information with all related agencies in mounting swift and precision responses. In addition, under the current conditions of reliance on imports for over 60% of the national food supply, the quarantine system and other systems should be strengthened as a safety net to maintain food safety.
- (c) In the midst of the tightening international food demand-supply situation, steps should be taken to improve the food self-sufficiency rate from the perspective of greater stability in the food supply. Toward that end, efforts should be made to expand production and consumption of domestically grown agricultural and marine products through advancing the agriculture and fisheries industries, promoting consumption at the place of origin and otherwise. In addition, the idea of food mileage (*1) should be introduced to realize eco-friendly food policies and lead to expanded consumption of domestic-grown agricultural produce.

(*1): A unit conceived to numerically express the burden placed on the environment by imported agricultural produce, computed by multiplying the volume of agricultural produce (tons) by transport distance (kilometers). In 2000 the food mileage of Japan was 500 billion tons/kilometer – 3.3 times that of South Korea and 3.6 times that of the United States.

② Safe and Secure Community Development

- (a) Efforts should be promoted for further moves toward incorporating universal and barrier-free designs in urban planning and community development.
- (b) The national government and local governments should maintain and secure regional public transportation systems indispensable for the livelihood of the citizens. With regard to mountainous regions, remote islands and other isolated districts, the measures to maintain the systems, in particular, should be incorporated in regional development plans.
- (c) Clarifying design change procedures to achieve prompt approval within the time limits for building confirmation, the judges who decide structural calculation conformity should be

rapidly secured and nurtured, together with necessary budgetary measures for it.

- (d) In order to promote earthquake-proof performance diagnosis of existing buildings and their repair works together with removal of asbestos, assistant systems for them should be expanded and enhanced.
- (e) Implementing unified disaster prevention and disaster damage reduction measures ranging from mountainous regions to shorelines, community development facilitating early recovery following actual disasters should be promoted, together with advancing further enhancement of disaster victim rescue systems.

③ Self-Reliant Regional Development

- (a) The council which is involved in formulating integrated plans of a large region based on the Law on the Plan for Sustainable National Land Development, as an arrangement in which worker representatives, non-profit organizations and other entities can participate, should implement follow-up evaluations in the same vein as the Plan for Sustainable National Land Development (a national plan).

④ Banishment of Vicious Business Methods

- (a) Under the *Specified Commercial Transactions Law*, exhibition business practices should also be targeted for regulation.
- (b) The application targets of prepayment refunding responsibilities within the *Installment Sales Law* should be expanded to include store transactions and mail-order sales. Conditions required for application should not be limited to the cases of falsified explanations, but also should include “multi-vendor high-pressure sales,” forcing of excessive goods on customers and intentional default and bankruptcy.
- (c) Regarding countermeasures against excessive credit under the *Installment Sales Law*, effective countermeasures should be taken through clarifying excessive credit benchmarks.

⑤ Establishment and Expansion of Countermeasures against Infectious Diseases

- (a) With regards to new strains of influenza and other infectious diseases with the threat of exerting serious impact on the lives and health of the people, systems to implement earliest detection, prompt inspection and confinement measures should be established by the national government, local governments, companies, health-care facilities and other related organizations.
- (b) In order to enable all the people to receive secure and proper means as treatments and preventions against new strains of influenza and other infectious diseases, systems for production and stocking of vaccines, anti-influenza drugs and other pharmaceuticals should be arranged to make swift responses toward that end.
- (c) In order that, at the time of outbreaks of infectious diseases, the swift and precise information can be supplied concerning the region of outbreak, symptoms and methods of examination, diagnosis and treatment, and that the measures to prevent the spread of infection including patient isolation, restrictions on movements and other steps can be implemented, systems based on collaboration among various pertinent organizations should be established.

(7) Establishing “New Framework of Public Services”

① Promotion of Administrative Reforms with Consideration for the Idea of “New Framework of Public Services”

- (a) In reforming Independent Administrative Corporations, no irresponsible discontinuance, integration or privatization should be implemented through “Consolidation and Rationalization Plans.” Upon advancing consolidation and rationalization, the government bears accountability for securing employment. Thorough disclosure of information concerning the flow of capital between Independent Administrative Corporations, related corporations and other entities should be implemented. Abolishing discretionary contracts, shifts to transparent contracts should be promoted.

- (b) In approaching reforms in public services, rather than simply placing priorities on economic rationality, the check system in the face of deregulation and entry of private companies should be strengthened, and transfer of the clout of local governments and their revenue sources and reviews on their annual expenditures structure should be promoted.
- (c) With regard to competitive bidding between the public and private sectors, the quality and levels of public services that must be guaranteed to the public should be clarified, on the premise of the principles of “stable supply and securing of public services that are high in both efficiency and quality,” “guarantees of user control over the quality, format and other aspects of services” and “ensuring of employment and working conditions enabling the suppliers of services take pride in their work.”
- (d) Regarding contracts accompanying the works and other activities entrusted by public institutions, thorough application of the principles of competitive bidding should be made to ensure transparency and fairness and prevent the spread of discretionary contracts. In addition, thorough compliance with fair labor standards in public contracts and labor-related laws should be achieved through the ratification of the ILO Convention No.94 concerning Labor Clauses (Public Contracts) and the legislation of laws, pursuing as well an integrated evaluation bidding system and other means.

② Drastic Reforms of the Public Servant System and Public Service Labor-Management Relations, and the Establishment of Basic Trade Union Rights

- (a) By establishing the basic trade union rights for the public employees, conversion to a democratic public service system based on autonomous labor-management relations should be promoted.
- (b) A Cabinet-led administrative system, with corrections in compartmentalized administration should be established. The “career system” should be abolished and “parachuting” format private appointments of retired government officials and other personnel practices should be drastically reviewed. Exchanges between public and private sector personnel, creation of fair and transparent reemployment schemes should be promoted. In addition, through utilizing improvements in public employee motivation and morale, administrative services capable of earning public trust should be realized.

(8) Realization of a Sustainable and Fair Global Society

① Consensus-Building through the G8 Summit Hosted in Japan

- (a) At the Group of Eight Summit to be hosted by Japan, an agreement on the building-up of a sustainable and fair global society is expected to be reached, working through dialogue with social partners. In more specific terms, agreements should be reached on eradicating poverty, environmental protection, establishment of trade and investment rules incorporating core labor standards, establishment of corporate social responsibility, realizing “decent work” and other themes, so that rules aimed at fair globalization may be created and strengthened.

② Reliable Implementation of Kyoto Protocol

- (a) In moving into the first commitment period of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (2008 ~ 2012), various policies to reduce greenhouse gas emissions by six percent compared to the level in 1990 should be promoted in order to implement effective global warming countermeasures.
- (b) Studies should be made on the details and approaches for greenhouse gas regulations from 2013, when the first commitment period of the Kyoto Protocol comes to an end, while playing a leading role in forming an international framework toward this end.

③ Studies into “Environment Tax and Carbon Tax” (tentative names), Domestic Emissions Trading System

- (a) Wide national debates should be made concerning “Environment Tax and Carbon Tax” (tentative names) and a domestic emissions trading system, together with studies of system contents and approach.

④ Contributions to International Community through Further Expansion of ODA Quality and Quantity

- (a) Targeting achievement of United Nations Millennium Development Goals (MDGs), the Government should promote public participation/social development format Official Development Assistance (ODA) through collaboration with workers’ and employers’ organizations including the Japan International Labor Foundation (JILAF) and other non-governmental organizations (NGOs). Advance efforts should be made to achieve goal of ODA level of 0.7 percent of GNP.

⑤ Conclusion of FTA and EPA Based on Social and Labor Considerations

- (a) Focused on the World Trade Organization, socially fair and transparent and sustainable free trade systems should be promoted. Regarding Free Trade Agreements (FTA), Economic Partnership Agreements (EPA) and other bilateral agreements as mutually complementary functions, implementation of human movements and the responses accompanying those movements should be based on the premise of guaranteeing the rights of workers in related countries and taking into ample consideration the domestic conditions. Toward that end, arrangements for participation of trade union representatives and other social partners in regional level and bilateral meetings and research sessions should be established.
- (b) The acceptance of more foreign workers through the use of EPA to achieve mutual approval of qualifications in the partner country should not be allowed.

⑥ Promotion of CSR to Achieve a Sustainable Society

- (a) Vigorous approaches to the promotion of corporate social responsibility (CSR) should be made. In doing so, thorough commitments should be made to CRS management stressing importance of legal compliance, human rights, labor and the environment, to help correct management environments characterized by attaching excessive emphasis on shareholders, pursuit of short-term profit and other issues, thereby contributing to achieve a sustainable society.

⑦ Establishment of Corporate Legal Systems and Capital Market Rules

- (a) Based on a firm grasp of the application status of the *Company Law*, *Financial Instruments and Exchange Law* and other corporate legal systems, the establishments of the rules deemed necessary and the revision of laws should be examined.
- (b) In order to secure transparency in investment funds, protect the workers at investment target companies and realize proper taxation, efforts should be made to advance cooperation with other developed countries while making improvements in domestic laws and pertinent rules.



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Issue date: May 1, 2008

Edited and published by: Japanese Trade Union Confederation (JTUC-RENGO)

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「2009年度 連合の重点政策」(英語版)