# Policy recommendations for Japan towards achieving labour CRS/ RBC

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## The government's current policy can be improved. Therefore, it is an urgent task to create an overarching policy vision to help Japan on its journey towards Labour CSR/RBC

The study "Policy recommendations for Japan towards achieving the labour dimension of corporate social responsibility: Japan's national policy concerning business and human rights" (co-authors Prof. Emi Sugawara, Osaka University of Economics and Law and Ryusuke Tanaka, ILO Tokyo) analyses the norms developed in the context of international instruments, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the dynamism of normative development led by diverse actors' implementation of those norms. (1)

# Norms on Labour CSR/RBC through multi-layered endeavours of diverse actors

Historically, the international community, including the United Nations and specifically the International Labour Organization (ILO), has focused on resolving domestic labour issues. For example, international labour standards, such as the ILO conventions and recommendations, impose duties only on states, which in turn implement those standards in domestic policy to prevent, resolve, and provide remedies for domestic labour issues. However, the development of multinational enterprise operations has created a new dimension in addressing labour issues that arise in cross-border or global industrial relations.

The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy considers the development of corporate social responsibility (CSR) /responsible business conduct (RBC), and incorporates the concepts of business and human rights, UNGPs, and SDGs. This has led to the foundation of labour CSR/RBC. Beyond compliance, the essence of labour CSR/RBC can be understood as respect for international human rights and labour standards, including addressing governance gaps and contributing to sustainable development through decent work. These international normative instruments also suggested Labour CSR/RBC policy requirements for states.

While reflecting the normative requirement of labour CSR/RBC for enterprises, relevant policy requirements have been materialised through multi-layered endeavours of diverse actors, such as international organisations, regional organisations including the EU, enterprises and their stakeholders, and governments. One notable achievement is formulating national strategies and action plans that incorporate Labour CSR/RBC. Based on political beliefs and objectives to adopt labour CSR/RBC policies, states have

devised a smart mix of policy measures – national and international and mandatory and voluntary – with incentives for the realisation of labour CSR/RBC. Labour CSR/RBCs are also incorporated into external policies such as trade and investment, development, and diplomacy. Taking a step forward from the requirements of normative instruments, states have implemented policies to prevent and mitigate the adverse impacts of extraterritorial activities conducted by enterprises in their territories.

#### **Current Japan's labour CSR/RBC policies**

Discussions on CSR policy within the Government of Japan in the 2000s have not yet reached the stage of formulating a national strategy and action plan. However, in recent years, more debate has taken shape on SDGs and efforts to address business and human rights. Japan's National Action Plan on Business and Human Rights (J-NAP), launched in October 2020, is noteworthy. The J-NAP takes up a wide range of labour issues, such as promoting decent work; respecting, promoting, and realising the fundamental principles and rights at work; taking measures against harassment; protecting the rights of foreign workers and those of children; realising equality in employment, including from gender perspectives; promoting the employment of persons with disabilities; and helping workers achieve work-life balance. In addition, an inter-ministerial network and framework for stakeholder dialogue were established in the J-NAP formulation process. Responsible ministries and agencies started information-sharing on business and human rights, while the Roundtable for Promoting the J-NAP, a joint platform between the government and stakeholders, was established. It began meeting in July 2021, and the Working Group to promote J-NAP was launched in February 2022. Based on the results of the Questionnaire Survey on the Status of Efforts on Human Rights in the Supply Chains of Japanese Companies, first conducted by the Ministry of Economy, Trade and Industry and Ministry of Foreign Affairs in 2021, the government started developing cross-sectoral guidelines since March 2022 and released the Guidelines on Respecting Human Rights in Responsible Supply Chains in September 2022.

### **Policy Recommendations to Japan**

In Japan, policy strategies remain patchwork for measures. Therefore, creating Japan's overarching vision for labour CSR/RBC policy measures is urgent. Such a vision should be formulated through effective and thorough dialogue between enterprises and stakeholders. In addition, the government needs to conduct a gap analysis of labour CSR/RBC policies and identify priorities among human rights issues for Japanese enterprises and society.

Based on the vision and gap analysis, labour CSR/RBC policy measures should be examined from the perspective of smart mix and incentive setting. Specific individual measures for labour CSR/RBC include: (i) engaging with enterprises for labour CSR/RBC practices; (ii) promoting information disclosure (voluntary or mandatory); (iii) promoting ESG investment and sustainable investment; (iv) promoting responsible government action as economic agents; (v) incorporating them in foreign policies; (vi) promoting social dialogue; (vii) strengthening the function of the National Contact Point; (viii)

considering the establishment of a national human rights institution from the perspective of labour CSR/RBC and business and human rights; (ix) promoting international cooperation; and (x) recovering from the COVID-19 pandemic.

State labour CSR/RBC policies have been implemented with multiple policy intentions. Still, it is an essential precondition that they contribute to the protection of workers' rights, including the realisation of decent work in global supply chains. Recent business and human rights trends have focused on individual issues in specific countries and regions. These individual issues are, of course, serious; however, they are only the tip of the iceberg, meaning that the root causes of these issues deeply and commonly underlie global labour issues. This is why the overarching vision of labour CSR/RBC should be established to create a strong link between individual policy measures and global-level social and economic progress.

#### Fostering international cooperation

When considering the sustainability of the global community, Japan's vision may take the form of international cooperation rather than just unilaterally regulating business conduct, including via import bans or other legal obligations. It should aim towards "coprosperity" or "co-development" with other countries by promoting labour CSR/RBC policies that are fully supported by multilateral dialogue, cooperation, and engagement on an equal footing with stakeholders, such as other governments, enterprises and workers.

#### References

1. <a href="https://www.ilo.org/tokyo/information/publications/WCMS-862938/lang-en/index.htm">https://www.ilo.org/tokyo/information/publications/WCMS-862938/lang-en/index.htm</a>

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#### More About Stakeholder

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Professor Emi Sugawara leads a research project on business and human rights from the perspective of the parties concerned for improved policies

