

“FOREIGN WORKERS IN JAPAN”

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1. Introduction

Today, there are approximately over two million foreign nationals -- the official registered number in 2003 was 1,915,000 -- residing in Japan. The number, however, accounts for only 1.5 % of the entire Japanese population and is the smallest figure among industrialized countries. Furthermore, more than a quarter of these foreigners came from South Korea, North Korea, and China – those who have lived in Japan before the two world wars, at the beginning of the 20th century.

In addition, it is estimated that aside from the aforementioned group of people from South Korea, North Korea, and China, there are less than 800,000 foreigners working in Japan. Among them are about 180,000 foreign skilled workers permitted to work in Japan and 50,000 workers who are engaged in apprenticeships. Others include 240,000 second- and third- generation Japanese descendents who are generally capable of being employed for any kind of profession and the remaining 250,000 people are those who are staying in Japan, working without a work permit. Similar to the percentage of foreigners as a part of the total Japanese population (of the total working population of about 60 million people), the total number of foreign workers in Japan accounts for approximately 1.5 %.

Under the recent phenomenon of declining birthrates combined with the growing senior population in Japan, a fall in the total population as well as the working population is expected to occur. In order to sustain the Japanese economy and its society, the United Nations, OECD, and the Japan Business Federation (Nippon Keidanren) have suggested that Japan should allow several tens of thousands of foreign workers to enter Japan annually.

As for the Japanese government, on the one hand, it is “actively encouraging to receive foreign workers with professional and technical expertise.” On the other hand, the government is taking a position of “planning to handle with the consensus of the general public taken into thorough consideration with respect to the acceptance of the unskilled foreign workers,” adding that “it is not appropriate to consider the permission for foreign workers to enter Japan simply as a solution to the shortage of labor force as a result of the aging population and a diminishing number of children.” Instead, it contends that “it is necessary to first improve on the working environment that is labor-saving, efficient, and conducive to the employment of the elderly and women and to improve employment management.” (1999 Basic Plan for Employment Policy)

However, due to the changing international environment surrounding Japan as well as the current situation pertaining to the residence of foreign nationals in Japan, the above-mentioned government policy is facing a demand for reconsideration in order to further take more active policies.

2. Evolution of immigration policy in Japan

i. Current issues

Most of the 250,000 Japanese descendents emigrating from Latin America—such as Japanese Brazilians and Japanese Peruvians—are working in Japan as manual laborers. However, these

manual laborers imply a large scope of workers, excluding only those with special skills or skills that cannot be obtained in Japan. As such, “manual laborers” are not necessarily equivalent to “unskilled laborers.”

In this regard, it can be concluded that the Japanese descendents from Latin America are the first group of foreign workers accepted in Japanese society. Nevertheless, that various problems surrounding the acceptance of foreigners are erupting cannot be disregarded. These problems are often similar to the problems faced by many Western countries, including Germany, that have already been accepting foreign workers from the 1960s. These problems will be discussed below.

A. Working conditions, social security

A large majority of the labor contracts are indirect hiring, namely temporary employment or subcontracts. As a result, the duration of employment is not more than one year and can be as short as three months.

Workers are provided hourly wages but certainly not paid vacation. They are not covered by health insurance or government-managed pension plans for employees under which employers and workers each bear 50 % of the fees, let alone employment insurance plans. The only types of insurance to which they can apply for coverage are long-term travel insurance and the National Health Insurance run by each local government.

Accordingly, it would be a problem if these foreign workers became ill, especially for serious illnesses. The small national and prefectural government budget of up to two million yen for the emergency medical subsidiary system would quickly be exhausted.

In the long term, there is a tendency for the foreigners of Japanese descent to turn from temporary residents to permanent residents, thus becoming no longer short-term “*dekasegi* (migrant workers)” – this Japanese word is being used as it is in Brazil. Even in Brazil where its economy indicates signs of improvement, undeniably, one-tenth of Brazil’s GDP is made up by remittances sent from Japan. In recent years, there are fewer people who can start their own business or be employed for permanent positions after coming back to Brazil from Japan. As a result, even though they return to their mother country, many of them end up having no other way to make a living but to go back to Japan. In this situation, the biggest problem is associated with the children being brought to Japan by the migrant workers. Among these children, even those who are at the age of compulsory education years, 20 % to 30 % are not enrolled in school in Japan, whether it is a Japanese or Brazilian school. Their future is of great concern. In reality, there is a high risk of children not attending school to get involved in crimes, such as theft, and the proportion of crimes committed by under-aged foreigners is on the rise. Moreover, as these children are in Japan with their parents and siblings, the aging generations are without pensions and, in the long run, these children will also be without pensions because they are currently not members of any public pension schemes.

B. Problems concerning the family’s residence

Children’s education is the biggest issue of all. I have already mentioned the fact that approximately 30% of children of Japanese descent drop out of school during their compulsory -education years. Furthermore, under the current situation in which students who cannot properly speak Japanese are not allowed to take entrance exams for high school and tertiary education, it places an extra hurdle to these children to advance to higher education. Despite the fact that local

governments' response is one critical key in dealing with the issue, the foreign workers of Japanese descent themselves have problematically indifferent attitudes towards their children's education because of their situation as migrant workers. Consequently, the children do not receive an adequate education in either Japan or their home country. Last year, the Japanese Ministry of Education and Science deregulated the requirements for the authorization of foreign schools so as to receive subsidy and student discounts for public transportation more easily. I urge all the countries represented by the attendees in this seminar to take more initiatives in dealing with the education issues as the sending countries of the immigrants. If the children of your country are given proper education that encourages them to be the bridge between Japan and your country, above all, it will certainly bring about strong personal exchanges toward good will.

Another serious social issue, related to the above-mentioned one, is the drastic increase in crimes by under-aged foreign nationals.

There is also a problem pertaining to the relationship between the migrant workers (who came to Japan alone) and their families (who remained in their home countries). In real life, it is not a rare case that family ties break apart among these migrant workers.

In addition, more issues including that of housing can be highlighted. For example, in the city of Hamamatsu where many foreigners reside, approximately a half of the public housing—run by the city or prefecture—is occupied by foreign families. The local government of Hamamatsu points out that its costs of community livelihood as well as education are particularly high.

ii. The need for policy change

Taking into account the backwardness of Japan's policy towards the acceptance of foreign workers, Japan has initiated reconsideration of its policy. (The current discussion in the Council on the Movement of People Across Borders, Ministry of Foreign Affairs). In the long run, the government is foreseeing the following prospects.

A.

- It is imperative that Japan deals with the aforementioned issues so as to accept highly skilled, competent human resources from abroad. In so doing, the foreigners should be treated fairly and equally during employment.
- It is necessary that the acceptance and the employment of the foreign workers are equitable. For instance, the longest duration of the resident status should be extended to five years from the current three years. Furthermore, the process of acquiring "settlement" or "permanent residence" status should be facilitated after the renewal. The labor laws allow labor contracts of as long as five years. (Labor Standards Law Article 00)
- The employers must be obligated to apply for membership to social insurance plans for their workers.
- One problem relevant to this issue is that foreign workers are reluctant to become members of insurance programs because they are obligated to pay 50 % of the insurance fees for government-managed pension plans and health insurance plans from their incomes, while they want to send remittances or save their incomes as much as possible. This point should be taken into serious consideration.

- The Japanese government is currently aiming to sign the portable pension agreement with as many nations as possible. Japan has already concluded the agreement with countries such as the United States, England, Germany, and South Korea. In response to the fact that more than 60 % of young foreign workers have medical problems due to their disregard for their health, overpowered by their intention to earn as much as they can, employers need to apply for health insurance for their employees, provide physicals, and assure worker safety

B. The Japanese government, both at the national and local levels, must deal with the obstacles which discourage the children of foreign nationals to receive proper education, including thorough measures for securing parents' responsibility to send their children to school.

- In order to promote more human exchanges from East Asian countries in the future, today the Economic Partnership Agreement (EPA) negotiations are under way, pushing for the wider acceptance of foreigners of particular areas, including medical and health areas. For this matter, the procedures concerning the extension of stay need to become more transparent and simplified.
- Enhancing the internship and on-the-job training systems and handling them in a strict manner will enable us to accept people from a wider range of professions and areas in the long run.
- Similar to the Western industrialized countries, Japan needs to abolish illegal migrant workers. In addition, Japan has to obligate foreign residents to become members of social security and pay taxes.
- Because there is no administrative body dealing specifically with the policies regarding foreign workers in Japan, it is indispensable for the Japanese government to establish one.

C. I will discuss this seminar's topic of remittances by migrant workers.

The amount of remittances sent by foreign workers in Japan to their mother countries is by no means insignificant. For example, the amount of remittances sent from the United States, Europe, and Japan to Brazil totals approximately 5.4 billion dollars, of which the remittance sent from Japan amounts to no less than 2 billion dollars, according to the Bank of Brazil. This amount is not small considering that Brazil's total export equals about 2.52 billion dollars.

Furthermore, remittances sent by Filipino workers living in other Asian countries and in the Middle East account for 20 % to 30 % of the country's GDP in the past two decades.

However, there remains a doubt as to whether these remittances are conducive to the fostering of the home country's domestic industries. Returned migrant workers spend the remittance for purchasing a house and a car, and even those who consider an entrepreneurial opportunity end up having either a small-scale business in the service sector, a family-owned trading business, or an individual enterprise – e.g. in the Philippines, people run an independent business by buying a *dyipni*, a local bus. Thus, these businesses are not involved in the manufacturing industry, other than the used car import business or the repair business. Furthermore, another aspect of the effects of Japanese money can be seen in the rise of land prices which resulted from returned migrant workers, formerly working as farmers, purchasing farm lands.

The implications of the remittances can be assessed positively such that they have contributed to

the development of diversified industries. At the same time, one cannot discount the negative effect bestowed on some countries, such as the Philippines, where their national economy has come to heavily rely on the remittances which do not bring about the growth of the domestic industries.

Today, there are initiatives by the Brazilian government, NPOs, and the Inter-America Development Bank to promote entrepreneurship in the foreign workers' home countries by using the savings from migrant workers' remittances. I am paying close attention to this trend of initiatives.

3. Conclusion

It is on Japan's agenda to promote more active negotiations concerning the EPA and FTA (Free Trade Agreement) with Asian nations. To this end, a smooth flow of people provides not only a mobile labor force, but also a mutual exchange of cultures, skills, and expertise which are expected to be beneficial for the development of local industries.

I would like you to refer to the report entitled "Reform of Consular Affairs and New Approaches on Issues of Foreigners in the Changing World" submitted in October of last year by the Council on the Movement of People Across Borders, which examined these issues concretely at the policy level.