
Current Issues Concerning Foreign Workers in Japan

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Summary

With concerns being voiced about a possible structural shortage of labor in the future due to a declining fertility rate and ageing of society in recent years, there is heightening pressure on Japan at EPA, WTO and other international arenas to accept foreign workers. At the same time, issues concerning foreign workers have been drawing attention at home, where there are calls for acceptance of workers from abroad in the interest of further globalization of Japan. This article overviews the current situation, the opinions of various circles, general public opinion, and policy issues among other things concerning foreign workers in Japan.

1. Current State of Affairs of Labor Market in Japan

(1) Population Pattern; Lower Fertility rate and Ageing of Population in Japan

Due to a fall in the fertility rate, Japan is facing an accelerating decrease in the number of children and a rapid increase in the proportion of elderly people. According to a long-term projection conducted in January 2001 by the National Institute of Population and Social Security Research, the Japanese population will reach a peak in 2006, and subsequently enter a phase of decline. Accordingly, the proportion of elderly population (the ratio of people aged 65 and above to the population as a whole) is expected to rise from 25.2 percent in 2000 to 50.0 percent in 2030.

With ageing and the decrease in the number of children accelerating, questions related to the acceptance of workers from abroad are currently in the spotlight as a controversial issue in various circles.

(2) The Current Employment / Unemployment Situations

The employment situation in Japan is tending towards recovery at the moment, after passing through a worst situation in January 2002 when the

unemployment rate marked 5.5 percent: the rate was 4.4 percent as of May 2005. However, a high unemployment rate and a shortage of jobs affecting, in particular, young people have remained as serious social problems: currently, about three million persons are jobless; while 2.5 million young persons aged under 35, though not “unemployed,” did not have, as of 2000, stable jobs and were labeled as freeters; and there were 800,000 young NEET persons (neither in employment, education, nor training).

2. Basic Policy concerning the Acceptance of Foreign Workers

The basic policy concerning the acceptance of foreign workers was approved on August 13, 1999, in a Cabinet meeting. It declares that, “Under these circumstances, the government will more actively promote the acceptance of foreign workers in professional or technical fields from the standpoint of invigorating and internationalizing the country’s economy and society.

Concerning the acceptance of what are called unskilled workers, it can be expected to have a tremendous effect on the Japanese economy, society and national life, beginning with problems related to the domestic labor market. In addition, it would have a significant impact on both the foreign workers themselves and their countries. Therefore, the Government must cope with this issue with thorough deliberation based on a consensus among the Japanese people.”

Despite this official statement of policy, the scope of workers to be admitted is not necessarily fixed: the basic policy says that “The scope of accepting foreign workers as prescribed by the status of residence and their related examination criteria will be reviewed hereafter as well in accordance with changes in the Japanese economic and social situation, etc. However, when viewed as a country taking in foreign workers, Japan is in the vicinity of many countries with large populations and developing economies. Therefore, the fact that there exists enormous potential pressure for influx into Japan should be taken into consideration. It is for this reason that there is the need to study a way to accept foreign workers that will regulate the numbers of people entering the country precisely and dynamically in

accordance with the state of the domestic labor market, such as deterioration of the employment situation, while giving consideration to the impact on Japanese industry and national life and other factors.”

3. The Current Situations Affecting Foreign Workers in Japan

(1) Overview

In 2003, foreigners residing in Japan for the purpose of working in professional or technical fields¹ totaled 185,556; persons of Japanese descent², etc. 230,866; workers engaging in activity outside the scope is permitted³ (working activities with the permission of Ministry of Justice) 98,006; technical interns, etc.⁴ 53,503; and illegal residents 219,418.

(2) Foreign Workers in Specialized or Technical Fields

The number of foreign workers in professional and technical fields increased approximately by 90,000, or 110 percent, compared to the figure in 1992, 85,517. The number has increased steadily since 1992 except for 1995 when it dropped sharply. The drop is largely attributable to a drop of 18,852, compared to the previous year⁵, in the number of foreign workers with the residential status of “entertainer.”

Of foreign workers in these fields, the number of those who reside with

¹ The number of foreigners who reside in Japan with a status of residence that authorizes them to engage in work under the Immigration Control Act.

² This is the number of foreigners who are “permanent residents,” “spouses or children of Japanese nationals,” or “spouses or children of permanent residents,” and engage in work in Japan. The number of persons of Japanese descent who are in work is an estimate by the Ministry of Health, Labour, and Welfare.

³ Workers engaging in activity outside the scope is permitted are foreigners residing in Japan with the status of “overseas student” or others, and engaging in arubaito under special permission to engage in activities outside the scope of their status.

⁴ Technical interns, etc. means those who possess a residential status allowing them to engage in special activities or in work under a technical internship program, those who stay in Japan under the working holiday program and are probably engaged in work, and so on. The number of such technical interns, etc. is an estimate by the Ministry of Health, Labour and Welfare.

⁵ The question of foreign workers who first entered the country to engage in “entertainment” but in fact were engaged in activities outside the scope of their status was taken up in the Diet, and in June, 1996, the ministry ordinance on “entertainment” was revised.

permission to engage in entertainment activities is the largest, 64,642, followed by those qualifying as specialists in the humanities or international services at 44,943; and as engineers at 20,807. By origin, 88.7 percent of those engaging in entertainment activities are from Asia, 9.8 percent from Europe, and almost none from other regions. On the other hand, while people from Asia account for 42.6 percent of the “specialists in humanities or international services,” the proportion from North America is also high, at 27.1 percent. This is attributable to the fact that quite a few people from this region enter Japan as language teachers.

(3) Persons of Japanese Descent, etc.

The Immigration Control and Refugee Recognition Act was revised in 1989, and a status of residence for “long-term residents” was newly introduced. Since long-term residents are descendants of Japanese nationals, they are not subject to any restrictions on their activities in Japan. Hence, following the revision of the Act, an increasing number of persons of Japanese descent came to Japan and worked in the manufacturing sector, which was then suffering from a labor shortage. In 1990, 71,803 foreigners of Japanese origin worked in Japan, and in 2003, the figure increased to 230,866. However, it has leveled out since 1997, reasons being that the performance of the Japanese economy was not good, and that an increasing number of foreigners with the residential status of “spouses or children, etc. of Japanese nationals” and “long-term residents” shifted their status to “permanent residents.” In 1998, “permanent residents” of Brazilian and Peruvian nationals totaled 5,853, and in 2003, 58,984, showing an increase of 50,000 over the five years. Although most Latin Americans of Japanese origin first came to Japan as migrant workers, they are coming to stay longer in Japan in recent years. In terms of duration of stay, Japanese descendants who have stayed in Japan for 10 years or longer account for 28 percent; those for 7 years or longer but less than 10 years 21 percent: thus about half stay in Japan for 7 years or longer⁶.

In the meantime, 64.9 percent of such foreign workers of Japanese

⁶ From the Industrial Employment Stabilization Center of Japan, a “questionnaire survey to workers of Japanese descent,” 2002.

origin work for business establishments engaged in worker dispatch or contract business, showing a high proportion of persons in indirect employment (“the 2004 Report on the Employment of Foreign Nationals,” the Ministry of Health, Labor and Welfare).

(4) Technical Interns

A “Technical Internship Program” was established in April 1993 as a new form of mechanism for transferring technologies to developing and other foreign countries.

The program provides foreign interns who have entered Japan with a “training” residential status with opportunities to receive training for a certain period (normally 9 to 12 months); to have their “performances in training” assessed; and, if they have satisfied various requirements including the attainment of a certain standard in the internship program, to work under a labor contract and acquire technologies and skills through on-the-job training. The total duration of stay for training and technical internship is set at three years or less.

The number of technical interns totaled 5,054⁷ in 1993, and substantially increased to 53,503 by 2003. By industry, the textile and clothing manufacturing industry accept the largest number of technical interns, followed by manufacturers of machinery and other metal products.

(5) “College Students” and “Pre-College Students”

The number of college students⁸ and pre-college students⁹ residing in Japan has been increasing.

A majority of students classifiable into these categories are from China, the Republic of Korea, and other countries in Asia.

College students and pre-college students are entitled to work during the academic term for a maximum of 28 hours and 4 hours per week, per

⁷ The figure includes, apart from technical interns, those who are in work with the residential status of “working holiday” or other “special activities.”

⁸ “College Student” is a residential status for those receiving specialist education at universities, colleges or advanced vocational schools.

⁹ “Pre-college Student” is a residential residence for those receiving high school education or general education at high schools or vocational schools.

day, respectively, and for up to 8 hours per day during the summer holiday and other long-term vacations, provided they have acquired permission to engage in activities outside the normally permitted scope (engagement in “adult entertainment” is prohibited).

In 2003, a total of 98,006 overseas college and pre-college students obtained permission to engage in activities outside the scope permitted, an increase of 16.6 percent from the previous year.

According to a Report on the Employment of Foreign Nationals, 34.3 percent of foreign nationals residing in Japan with the status of “college student” or “pre-college student” and working with the appropriate permission worked in food and drink establishments or the accommodation industry, followed by 20.0 percent in the wholesale and retail industry; and 17.3 percent in the manufacturing industry.

A survey by the Immigration Bureau of the Ministry of Justice shows that, in 2003, overseas students with the status of “college students” or “pre-college students” who were permitted to shift to another status with entitlement to work totaled 3,778: by nationality, those from China (59.8 percent) and from South Korea (19.1 percent) accounted for nearly 80 percent of the whole. Major occupations of such ex-students included

Table 1. Trends in Country of Origin of Overseas College and Pre-College Students in Japan

Residential status		1999	2000	2001	2002	2003	(%)	Rate of change compared to end of previous year (%)
College		64,646	76,980	93,614	110,415	125,597	6.6	13.7
Student	China	35,879	45,321	59,079	73,795	87,091	69	18
	R.K.O. Korea	13,194	14,848	16,671	17,091	16,951	13.5	-0.8
	Malaysia	2,035	1,890	1,850	1,937	2,054	1.6	6.0
	Thailand	1,294	1,468	1,601	1,760	1,921	1.5	9.1
	Indonesia	1,312	1,448	1,511	1,607	1,662	1.3	3.4
	Others	10,932	12,005	12,902	14,225	15,918	12.7	11.9
Pre-college		34,541	37,781	41,766	47,198	50,473	2.6	6.9
Student	China	22,782	26,542	30,170	35,450	38,873	77	9.7
	R.K.O. Korea	7,776	7,432	7,587	7,236	6,560	13	9.3
	Sri Lanka	203	198	290	427	511	1	19.7
	Thailand	359	366	409	445	474	0.9	6.5
	Bangladesh	239	220	232	299	469	0.9	56.9
	Others	3,182	3,023	3,078	3,341	3,586	7.1	7.3

Source: “Statistics on Registered Foreign Nationals as of the End of 2003,” Ministry of Justice

“translation / interpretation” (23.7 percent), “technical development” (9.4 percent), “sales” (9.2 percent), and “education” (6.9 percent). By industry, 28.2 percent were employed in the manufacturing sector, followed by 19.8 percent in the “commercial and trading sector,” 13.6 percent in the “education sector,” and 11.0 percent in sectors “related to computers.”

(6) Public Views on Foreign Workers¹⁰

Where public opinion concerning the acceptance of foreign workers is concerned, a survey shows that those who replied “unskilled workers should be widely accepted without any particular condition” accounted for only 16.7 percent, while those who called for “acceptance with certain requirements”¹¹ accounted for 39.0 percent, and those who did not want to accept any foreign workers ” for 25.9 percent. Strict comparison of the survey results with those in the past cannot be made due to differences in the questions, but it should be noted that the proportion of those who replied that “foreign workers should not be accepted in the future either” increased from 14.1 percent in a survey conducted in 1990 to 25.9 percent in 2004. Among reasons for refusing acceptance, “fear of deterioration in public security” was chosen by 54.0 percent of respondents in 1990, 62.9 percent in 2000, and 74.1 percent in 2004: concern over public security has been getting stronger.

As for the debate concerning acceptance of foreign workers on account of a labor shortage, the survey showed that the proportion of respondents saying “it should be considered positively,” and “foreign workers should be accepted once female and elderly workers have been made full use of and efforts made in improving productivity” decreased from 17.1 percent to 15.3 percent, and from 53.2 percent to 45.0 percent, respectively, from the survey conducted in 2000. On the other hand, the proportion of those who replied that “foreign workers should not be accepted without careful thought” increased from 23.1 percent to 29.1 percent.

¹⁰ The survey is an “opinion survey concerning acceptance of foreign workers,” Cabinet Office, 2004.

¹¹ “Priority should be given to full use of females and the elderly and other Japanese labor. If labor is in short supply in some fields despite this, unskilled foreign workers will be accepted.”

The proportion of the Japanese who find illegal employment to be wrong is increasing – 32.1 percent in 1990, 49.2 percent in 2000, and 70.7 percent in 2004, while the proportion of those who believe that “it is wrong but cannot be helped” has been decreasing, from 55.0 percent in 1990 to 40.4 percent in 2000 and 24.5 percent in 2004.

As a whole, public opinion, partly reflecting the recent deterioration in the employment situation and security, has been becoming more cautious about acceptance of foreign workers and tougher on the illegal employment of foreign nationals.

(7) Industries with Foreign Workers

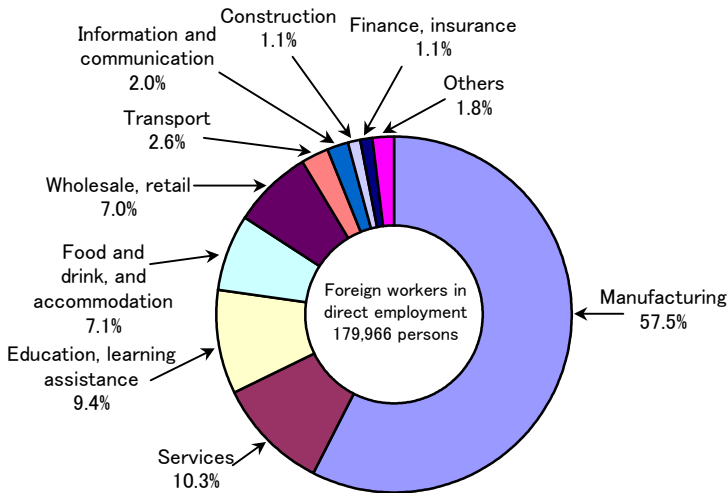
Since fiscal 1993, under a scheme called “Reports on the Employment of Foreign Nationals” laid down by the Ministry of Health, Labour and Welfare, business establishments have been asked to submit such reports annually. The scheme asks all establishments with 50 or more employees and certain establishments with 49 or less employees (selected in accordance with regional circumstances and administrative necessity) to make their reports to public employment security offices. In 2004, 312,402 foreign workers were in work at 24,678 business establishments. Of these, workers under direct employment contracts totaled 179,966 in 22,127 establishments, while those under indirect employment contracts totaled 132,436 in 5,135 establishments. The number of foreign workers per establishment is larger for establishments using direct employment than for those using indirect employment – 8.1 and 25.8, respectively.

The majority, 57.4 percent, of foreign nationals working under direct employment contracts work in the manufacturing sector, followed by the services (10.3 percent), education and learning assistance services (9.3 percent), food and drink establishments and accommodation services (7.1 percent), the wholesale and retail industry (7.0 percent). Compared to the results of a survey in 1994, the proportion in the manufacturing sector (63.7 percent) fell, while that of wholesale and retail shops and food and drink establishments increased (8.2 percent).

By region of origin, those from East Asia accounted for 38.4 percent, those from Latin America for 35.8 percent, and those from South-East Asia for 13.2 percent, people from these three regions accounting for a vast

Figure 1. Proportion of Foreign Workers, by Industry

(Direct employment)



majority. In fiscal 2004, the proportion of those from East Asia exceeded that from Latin America for the first time since fiscal 1993, when the survey commenced. While a majority of Latin American workers, 51.8 percent, work in the manufacturing sector, a relatively large proportion of those in food and drink establishments and accommodation services;

Table 2. Number of Foreign Workers, by Region of Origin and by Industry

(Units: Person, Ratio)

	Total		Manufacturing		Services		Food and drink, and Accommodation		Education and learning assistance		Wholesale and retail	
	Persons	Ratio	Persons	Ratio	Persons	Ratio	Persons	Ratio	Persons	Ratio	Persons	Ratio
Total	179,966	100.0%	103,234	100.0%	18,567	100.0%	12,723	100.0%	16,794	100.0%	12,592	100.0%
East Asia	69,078	38.4%	31,642	30.7%	6,738	36.3%	10,239	80.5%	5,093	30.3%	8,391	66.6%
Southeast Asia	23,770	13.2%	14,878	14.4%	2,643	14.2%	1,402	11.0%	621	3.7%	1,862	14.8%
Others in Asia	4,023	2.2%	1,374	1.3%	498	2.7%	516	4.1%	523	3.1%	385	3.1%
North America	8,588	4.8%	493	0.5%	978	5.3%	64	0.5%	5,190	30.9%	559	4.4%
Latin America	64,405	35.8%	53,496	51.8%	6,701	36.1%	273	2.1%	235	1.4%	598	4.7%
Of them, Japanese origin	57,301	31.9%	48,316	<90.3%>	5,852	<87.3%>	186	<68.1%>	55	<23.4%>	444	<74.2%>
Europe	6,785	3.8%	825	0.8%	683	3.7%	170	1.3%	3,443	20.5%	568	4.5%
Others	3,317	1.8%	526	0.5%	326	1.8%	59	0.5%	1,689	10.1%	229	1.8%

Note: Percentages in parentheses are the proportion of persons of Japanese descent to those from Latin America
Source: the Ministry of Health, Labour and Welfare

wholesale and retail; and the service industry is relatively high among workers from East Asia. On the other hand, 60.4 percent of foreigners from North America work in the education and learning assistance services.

(8) Illegal Foreign Residents

The number of illegal foreign residents totaled 219,418 (in a Ministry of Justice estimate, as of January, 2004) most of who seem to be in work illegally. The figure dropped from the peak recorded on May 1, 1993 (298,646) by 79,228 (- 26.5 percent), and has continued on a downward trend.

By gender, male foreigners illegally staying in Japan numbered 113,066 (51.5 percent) and females 106,352 (48.5 percent), the former marginally outnumbering the latter by 6,714. While the number of male foreigners illegally staying in Japan fell by 2,048 (- 1.8 percent) compared to the figure marked in the previous survey, the number of female illegal foreign residents increased by 914 (0.9 percent) over the same period.

By nationality, the number of persons from South Korea is the highest, 46,425, accounting for 21.2 percent of all foreigners illegally residing in Japan. This is followed by people from China, the Philippines, Thailand and Malaysia. Compared to the situation as of January 1, 2003, the number of those from China and the Philippines increased, while the number of those from the rest fell.

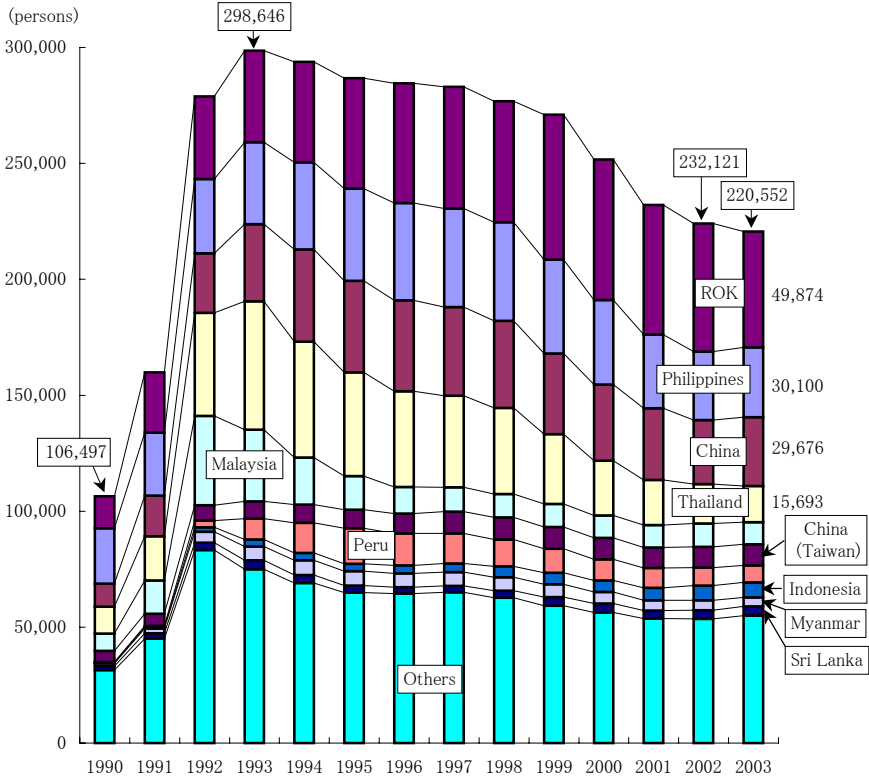
In 2004, 34,000 illegal foreign residents were deported from Japan. Of these, China, South Korea, the Philippines and other Asian countries accounted for the largest proportion. The majority of males were found to work as factory or construction workers, and the majority of females as hostesses in the entertainment businesses.

In terms of working period, foreign residents illegally working for “over 3 years” accounted for about half (47.8 percent); of these those working for “over five years” accounted for 30.6 percent. This proves that foreign residents illegally working in Japan tend to stay longer, and even settle down in Japan, a tendency particularly conspicuous among males.

In December 2003, the government, as a step to deal with the recent deterioration in public security, launched an “action plan” for realization of a society tough towards crime, aiming at halving the number of crimes

within five years.

Figure 2. Trend in No. of Illegal Foreign Residents, by Nationality (country of origin)



Source: Immigration Bureau, Ministry of Justice

4. Measures for Foreign Workers

(1) Employment Policies

The current measures for the employment of foreigners undertaken by the Ministry of Health, Labour and Welfare are classifiable into four aspects: (1) understanding the employment situation of foreign workers; (2) appropriate responses to foreign residents looking for jobs; (3) educating employers on such matters and giving them assistance in employment management, etc.; and (4) encouragement of appropriate employment, etc.

Schema of Employment Measures (for foreign workers)

- 1) Understanding of employment situation of foreign workers
 - * Reports on Employment of Foreign Nationals (A system whereby business establishments are asked to submit such reports annually)
- 2) Appropriate responses to foreign residents looking for jobs
 - * “Service Desks for Employment of Foreign Nationals” (stationed in 74 *Public Employment Security office*), providing counseling service concerning job searching and job introduction: Interpreters are available.
 - * “Service Center for Employment of Foreign Nationals” (in Tokyo and Osaka), providing placement service foreign nationals who are college students, or have special skills and knowledge, etc., with counseling / job introduction services, and job information
 - * “Service Center for Employment of People of Japanese Descent” (in Tokyo and Nagoya), providing people of Japanese descent with job counseling / introduction, and labor counseling services
 - * “Employment and Livelihood Counseling Center for People of Japanese Descent” (Tochigi, Gunma, Chiba, Shizuoka and Osaka prefectures), providing people of Japanese descent with job counseling, job introduction and labor counseling services (centers are stationed within employment security offices)
 - * Japan-Brazil Employment Service Center (in Sao Paolo, Brazil), offering job information and counseling service to people of Japanese descent wishing to work in Japan
 - * Encouragement of finding employment via employment guidance addressed to young people of Japanese descent neither in school nor in work
- 3) Educating Employers and giving them assistance in employment management, etc.
 - * Guidance to employers for the improvement of employment management
 - 1) Disseminating “Guidelines Concerning Employment and Labor Conditions of Foreign Workers”
 - 2) Giving collective guidance and information through seminars on employment management of foreign nationals
 - 3) Providing counseling and guidance by advisors of employment

management of foreign nationals in accordance with situation of individual business establishments

* “Employment of Foreigners Month” (June every year)

4) Encouragement of appropriate employment, etc.

* Encouragement of programs to establish routes for appropriate employment, whereby PR activities are conducted, to prevent illegal employment, concerning the policy of the Japanese government concerning the acceptance of foreign nationals by holding seminars in countries from which a large number of people come to Japan to engage in jobs illegally.

* Effective measures for illegal employment: cooperation with the related administrative organizations via a conference for illegal employment of foreign nationals, etc.

(1) Understanding of the employment situation affecting foreign workers is carried out through the above-mentioned Reports on Employment of Foreign Nationals submitted by the firms concerned. (2) In order to improve handling of foreign job seekers, service desks with interpreters have been set up at 74 public employment security offices in 30 prefectures where there are many foreign residents. (3) Concerning the education of business establishments in such questions and promotion of better assistance to employment management, etc., seminars are organized in connection with the “Employment of Foreigners Month” - June every year – and guidance is provided for companies by experts in the employment of foreign nationals. (4) Where the promotion of appropriate employment is concerned, liaison conferences are held with related ministries and agencies, and seminars are held in countries from which many foreign workers have come to Japan.

(2) Issues Related to Social Security

Where social security is concerned, international opinion favors its availability to any person regardless of nationality. Hence, in principle, foreign nationals residing in Japan are obliged to be covered by the relevant health insurance and the Employees’ Pension Plan, if they are employed workers, and the National Health Insurance and National Pension Plan, if

they are self-employed; in either case, they will be able to receive pension payments so long as they are qualified.

Since the pension scheme involves payments of disability and survivor pensions, it is said to be inappropriate to exclude foreign nationals staying in Japan for a short period from application of the pension schemes. On the other hand, foreigners who have been insured for six months or longer will be paid a lump-sum withdrawal refund when they return to their own countries. The lump-sum withdrawal refund is set at half the amount of pension premiums paid, but is limited to half the amount paid over a maximum of three years due to the special nature of the refund. At the same time, so-called “Social Security Agreements” have been concluded with various countries: Germany, the U.K., the U.S.A., R.O.K., France, and Belgium. These bilateral agreements are aimed at preventing the “double-payment” problem – that is, a situation where foreign workers are obliged to pay pension premiums both in Japan and their own countries – and linking the pension schemes of the two countries so that insured persons are given proper eligibility for pension payments by incorporating the period when the persons in question are insured in the other country into the period of payments for the insurance scheme in their own country.

As for the medical insurance system, it is considered unnecessary to set up a special system designed for foreign nationals, while efforts are required to promote participation in the existing system.

(3) Education

Foreign residents are not obliged to receive the compulsory education set in Japan. However, children from abroad are accepted, if so wished, at various levels of public compulsory schools. In this regard, care is taken to see that foreign children wishing to be schooled do not miss the opportunity by distributing notices from the relevant municipal education commission to their parents or guardians, and by treating foreign children who have entered public primary or junior high schools in the same way as Japanese pupils and students; that is, they are not charged for tuition and are provided with textbooks free of charge.

5. Debates Concerning Foreign Workers in Japan

Issues related to foreign workers have been subject to discussion at various places and in various organizations. This section will introduce some of the major debates.

(1) Council of Cities with Many Non-Japanese Residents

The inflow of persons of Japanese descent into Japan started to increase in 1990, and the number of those who have acquired permanent resident status has substantially increased in recent years. But at the same time, various problems have arisen concerning education and other issues in cities in which foreign nationals of Japanese origin concentrate.

To deal with these problems, 13 towns and cities with many such persons hold meetings of a “Council for Cities of Non-Japanese Residents” in order to compile suggestions. In its 2001 Hamamatsu Declaration and Proposals, the council made suggestions in various spheres as follows:

Education: the upgrading of teaching of Japanese language and other subjects at public primary and junior-high schools; and the provision of assistance to ensure that non-Japanese children receive proper education;

Social Security: revision of the medical insurance system; (conclusion of a social security agreement with foreign countries concerning the counting of the period of pension premium payments, and the establishment of a medical insurance system for non-Japanese); the improvement of labor conditions for foreign nationals (encouraging business establishments to participate in the social insurance scheme; the clarification of corporate accountability; the introduction, as a possibility in the future, of a permit system for contract agencies); others (improvement of services related to medical interpreters, and provision of medical and pharmaceutical information); and procedure for alien registration, etc.: the revision of the registration system itself.

In 2004, the Council adopted the “Toyota Declaration,” and submitted it to the relevant ministries and agencies. The declaration included various

suggestions, such as the establishment of education and working environments on the premise that foreign nationals would settle in Japan for a long term; assistance for foreign nationals in forming their own self-reliance organizations; the encouragement of the development of young people from abroad; and so on.

(2) Nippon Keidanren: Recommendations Concerning Acceptance of Foreign Workers (April 2004)

Nippon Keidanren (Japan Business Federation), the leading Japanese organization of employers, has proposed a comprehensive policy, with emphasis less on making up for the reduced total population of the Japanese, than on taking full advantage of the potentials of foreign nationals by improving each person's "value-added creative power." More specifically, the recommendations emphasized: "smooth acceptance of non-Japanese workers in professional or technological fields," "improvement in quality of students from abroad and their employment in Japan," "acceptance of non-Japanese workers in sectors that were expected to face labor shortages in the future," and so on.

Nippon Keidanren also suggested the setting-up of the post of "specially appointed minister in charge of non-Japanese workers," a "basic law concerning acceptance of non-Japanese," an "agency for non-Japanese residents," a "law concerning employment of non-Japanese," and so on.

(3) Rengo: Rengo's Views on Non-Japanese Workers (September 2004)

In September 2004, Rengo (Japanese Trade Union Confederation), the leading Japanese organization of labor unions, published its "Views on Non-Japanese Workers." In this, Rengo made suggestions concerning the immigration control scheme, the technical internship program, restrictions on foreign nationals illegally in work, and so on, stating as its basic stances: that "foreign workers with professional skills and knowledge should be positively accepted for the sake of encouraging legitimate employment, and a new residential status should be created on the assumption that an employment situation, whereby Japanese workers are able to get a job regardless of their age or gender, has been firmly established," and that "workers from abroad should be paid at least as much as the Japanese

engaging in the same job – in other words, that the principle of equal pay for equal work should be applied to everyone, regardless of his or her nationality or qualifications. At the same time, no discrimination whatsoever is acceptable from the viewpoint of observation of human rights,” but “unskilled workers should not be accepted indiscriminately, in that their acceptance may well have a negative impact on the employment situation, labor conditions and so on in the Japanese labor market. Such workers should be accepted only to the extent that the statuses of residence under the current immigration control system are observed.”

(4) Basic Plan for Immigration Control (Third Edition) (March 2005)

Every five years, the Minister of Justice lays down an immigration control policy. The latest plan states that, with the working-age population substantially decreasing, it is vital to actively encourage the acceptance of foreign workers in professional or technological fields; and their residence statuses and criteria for the issuance of entry permission related to work skills seen as professional or technological will be revised in response to changes in economic and social circumstances.

The plan also says that, with such a reduction in working-age population, the acceptance of foreign workers in fields which are currently considered to be neither professional nor technological will be realistically reconsidered, taking into account the necessity of maintaining the vitality of the Japanese economy and living standards, public’s views on foreign workers, and the economic and social climates in Japan. The plan emphasizes, in this regard, the necessity of considering not only which industrial sectors should be newly opened to foreign workers and requirements for acceptance such as Japanese language proficiency, but also the positive and negative impacts of acceptance on the domestic industry and the lives of Japanese citizens. Such underlying potential impacts have a bearing on, for example, public security, the domestic labor market, industrial development and structural changes in industry, social costs, and various other aspects.

(5) 2005 “Honebuto” Policy (Basic Policies for Economic and Fiscal Management and Structural Reform)

“Honebuto” policy (Basic Policies for Economic and Fiscal Management and Structural Reform) argues the importance of structural reform and possible courses which Japan should take in the future in the fields of economy, finance, administration, society, and others. The Prime Minister initially consults a committee whose answers are submitted to the Cabinet for approval. The latest policy approved in June 2005 by the Cabinet says: “the acceptance of qualified human resources needs to be made full use of, and should be encouraged. The possibility of accepting foreign workers falling into fields which are not currently considered to be professional or technological will be considered from a comprehensive viewpoint, taking into account its impact on the lives of Japanese citizens. At the same time, in order for foreign nationals working in Japan to demonstrate their full ability, opportunities for learning the Japanese language and encouraging personnel in their places of origin and developing appropriate living and working environments will be promoted.”

6. Economic Partnership Agreement

Currently, Japan is negotiating Economic Partnership Agreements with the Philippines, Malaysia, Thailand and other countries in Asia, some of which show interest in sending their labor to Japan, an issue which is under negotiation. Among these negotiations on economic partnership, the Japanese government in November 2004 basically agreed with the Philippines. The agreement indicated the intention of the Japanese government to accept nurses and care workers; this acceptance, as shown in the attached sheet, will require, among other things, that those who wish to come and work in Japan should obtain proper qualifications, and avoid having a negative impact on the Japanese labor market. A basic agreement on economic partnership was to be made in September 2005 with Thailand; where the acceptance of labor is concerned, the Japanese government has offered a policy of accepting workers from Thailand who are eligible under the existing system, but has shown no intention to extend the scope of

acceptance. A negotiation with Indonesia will be held in the future.

7. Future Prospects

A long-term projection carried out in 2002 estimates that the Japanese population, after reaching a peak in 2006, will subsequently shrink to about 100 million in 2050. The question is, with the population continuing to fall in future, how to approach the question of foreign workers in the mid- and long-term.

Were the reduction in population to be made up for by foreign nationals, it would be necessary to accept workers in their millions each year, which would have undoubtedly a considerable impact on situations in Japan. Hence, the question needs a public consensus; but so far as the results of recent public opinion polls show, a significant proportion of the people seem to have a negative attitude towards the acceptance of foreign workers. It is true that the domestic labor force is expected to shrink if the policy makers fail to make efforts, but the labor force will not diminish drastically in the coming 10 years or so provided steps are taken to enable young people, the elderly, and women to participate in labor markets more easily. With this in mind, it seems unlikely that unskilled labor from abroad will be accepted on a large scale for the time being.

Either way, the question of the acceptance of foreign labor is a crucial issue in national politics, so that it is necessary to discuss and examine the issue in a comprehensive, prudent manner in connection with social security, education, public safety, industrial competitiveness, regional policies, and so on. At the same time, since issues like the acceptance of foreign labor require a public consensus, any decision should not be made hastily; careful, consistent examinations will be needed in the future, too.