

# Problems of Foreign Worker Policy in Japan – From the Trade Union Viewpoint

*Vice President, Naoto Ohmi*

*UI Zensen Domei (Japanese Federation of Textile, Chemical, Food, Commercial, Service and General Workers' Unions)*

## 1. Introduction

As of June 1, 2003, according to a survey of the Ministry of Health, Labour and Welfare, a total of 274,145 foreign nationals were working in Japan under contracts of direct employment (i.e., directly hired by their employers) or indirect employment (i.e., working for business establishments as dispatched or contract workers). Since the figure in 1994 was 130,030, it had more than doubled in less than ten years.

Where the acceptance of foreign labor in Japan is concerned, some have called for positive acceptance, while others have been cautious, the question has been discussed for many years. In the 1970s, when labor was in great demand as the economy was growing, the Japanese government did not relax its position of “allowing only foreign nationals with special skills not in the possession of Japanese nationals to enter the country.”

Later in the late 1980s, when the economy was in a “bubbly” boom, the issue became controversial, causing a stronger clash of opinions: a call for positive acceptance of foreign workers to alleviate the labor shortage caused by an increase in labor demand, and the opinion which gave priority to crack down on the increasing number of illegal workers. In this regard, the labor unions have taken a stand against acceptance of foreign workers simply as a remedy for the labor shortage, placing priority, rather, on improvement in the work environments of female, elderly and other vulnerable workers.

In 1990, the Immigration Control and Refugee Recognition Act (hereinafter referred to as “the Immigration Control Act”) was revised, expanding the types of status of residence for persons of Japanese descent, and opening the door more widely to foreign nationals who worked with their special technologies, skills and knowledge. Along with this revision, abetting illegal employment was ruled as a crime, as a means of halting the spread of foreign nationals illegally working in Japan. Around the time

---

immediately following the revision of the Immigration Control Act, the Japanese economy plunged into a prolonged recession and deflation, and debates over the question of foreign workers simmered down. If foreign labor had been actively let into the Japanese labor market in the 1980s as the corporate side insisted, the prolonged recession occurring afterwards would have generated mass unemployment among non-Japanese residing in Japan.

In recent years, debate over the issue has been stirred up again: as the problem of a lower birthrate and the graying of society has come to a fore, and the population is tending to shrink, the management side is again beginning to suggest promotion of positive acceptance of foreign workers. This movement now coincides with a focus on the issue in the negotiations for FTA and EPA which the Japanese government is having with ASEAN countries.

“Movement of people” essentially differs from “movement of goods,” the reason being that the former may cause a wide range of problems, from the minor conflicts in everyday life likely to arise in contacts between people from different cultures, to problems concerning the protection of human rights, and even problems bearing on quintessential question of race and nationhood.

This paper will present my views on the newly arisen question of foreign workers, from the viewpoint of a trade union officer.

## **2. Various Types of Non-Japanese Workers in Japan, and their Attributes**

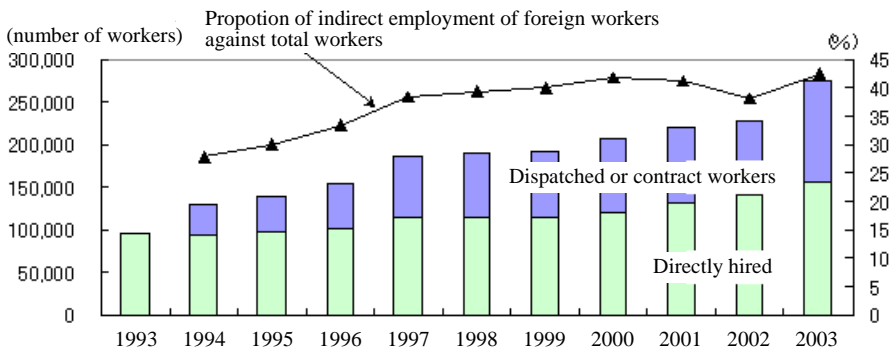
### **(1) An Increase in the Proportion of Indirect Employment**

A noticeable feature of recent trends involving foreign workers in Japan is an increase in the proportion of those who work under indirect employment contracts. As shown in Table 1, the proportion is tending to increase, accounting for 42.6 percent of foreign workers as a whole in 2003.

Dispatch, contract and other types of indirect employment are somewhat problematic, not just the case of foreign labor: since firms in many cases take advantage of dispatch and contract workers in the interests

of cuts in labor costs, wages for such workers are kept at a low level; moreover, firms are likely to fail to enroll the workers in proper social insurance schemes, and the workers themselves have insufficient opportunities for education and training to improve their skills and ability. While foreign workers in indirect employment are hired under more or less the same conditions as similar Japanese workers, and are seldom prone to racial discrimination, the working environment remains unstable.

**Table 1. Number of Foreign Workers under Direct and Indirect Employment Contracts, And Trends in the Proportion of Indirect Employment**



Source: the Ministry of Health, Labour and Welfare

## (2) Foreign Workers in Specialized or Technical Fields

In the ninth Basic Employment Measures Plan (approved in 1999 by the Cabinet), the Japanese government showed the nation’s basic approach to the acceptance of foreign workers and its intention to positively accept foreign workers in specialized or technical fields. However, the acceptance of such workers has not made much progress in practice, the reason being that large firms, in the face of the prolonged recession after the burst of the bubble economy, streamlined the number of their white-collar workers, and consequently refrained from hiring foreign workers.

Among recent trends, the IT industry has shown a growing interest in making use of foreign engineers. However, the larger proportion of foreign IT engineers at private firms in Japan consists of people from China, most of whom, it seems, first came to Japan to study at university, then joined companies in the IT industry as newly-hired university graduates after

---

graduation. Thus, the recent trend in this industry is not a consequence of the official policy of accepting foreign specialists but simply attributable to an increase in the number of students from China.

### **(3) People of Japanese Descent**

The number of foreigners of Japanese descent residing in Japan totaled 72,000 in 1990, but increased sharply to 239,700 by 2001: the increase was attributable to a revision of the Immigration Control Act in 1990, whereby people of Japanese origin were given a residential status with no limitation on their activities in Japan. While the revision of the Act boosted the number of people of Japanese descent, a majority of them in practice work as unskilled workers.

Many descendants of Japanese emigrants come to Japan to work on a temporary basis, and tend to move back and forth between their own countries and Japan, rather than settling in Japan permanently. Many of such immigrant workers are males of the second generation and work in the manufacturing sector, and their eagerness to work in Japan is affected by changes in economic factors. And the largest proportion of foreigners of Japanese descent works in Japan under indirect employment contracts.

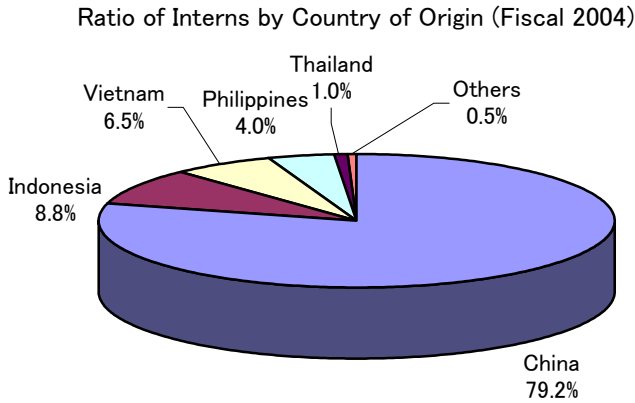
### **(4) Foreign Trainees and Technical Interns**

The Industrial Training Program for Non-Japanese was established in 1981 for the purposes of “international transfer of skills, technology and knowledge,” and “contribution to the development of human resources, playing a central role in the economic development of developing countries.” The requirements for the acceptance of trainees under the program were relaxed in the latter half of the 1980s when labor was in short supply, and in 1990 when the Immigration Control Act was revised, increasing the number of trainees, mainly among small and medium-sized enterprises which had difficulty in dealing with the labor shortage. Trainees are regarded as a vital workforce in terms of both quality and quantity in firms which undertake the training program. By country, 78.2 percent, of technical interns are from China, followed by 8.8 percent from Indonesia, and 6.5 percent from Vietnam. By industry, 37.8 percent of interns are found in the textile and clothing industry, followed by 21.1 percent in

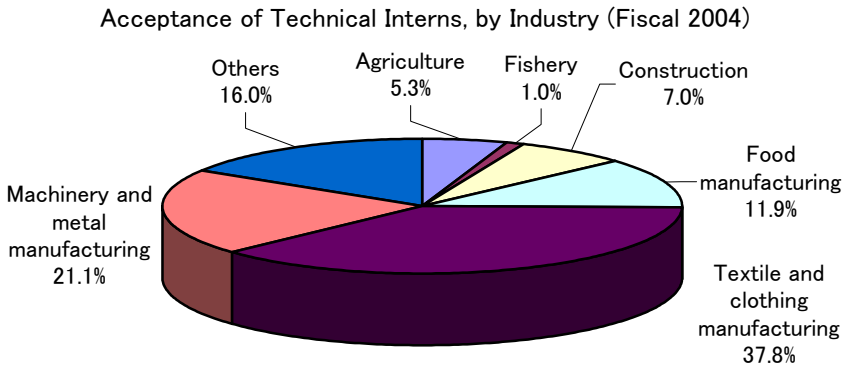
manufacturers of machinery and other metal products, and 11.9 percent in manufactures of food products. (Figures 2-1 and –2)

In reality, the industrial training and technical internship programs are used for an utterly different purpose from what they are aimed at, that is, “human resource development” and “technological transfer,” and thus can be regarded as contradictory to the immigration policy under which the acceptance of unskilled foreign workers has been prohibited.

**Figure 2-1. Proportion of Technical Interns, by Country of Origin**



**Figure 2-2. Acceptance of Technical Interns, by Industry (Fiscal 2004)**



**Source:** Survey results of the Japan International Training Cooperation Organization

---

## **(5) Foreign Residents Illegally in Work**

The number of foreign residents illegally working in Japan doubled from 110,000 in 1990 to 220,000 in 2002. At one time in the latter half of the 1980s when the Japanese economy was booming, the increase in the number of illegal foreign workers became a serious social problem. Behind this lies the fact that labor was in short supply in Japan. The shortage was serious among firms and industries where, simple and repetitive or late night work was needed and, in particular, among small and medium-sized enterprises, so that some firms were obliged to hire foreign workers who had no residential status in order to secure a certain amount of labor and maintain their production level. Subsequently, the Japanese economy shrank, and the number of foreigners illegally in work decreased accordingly, while there have been signs that some of these workers are beginning to settle indefinitely.

Although the Japanese government has in fact taken measures against illegal employment of foreigners, the activities of foreigners, once they have entered Japan, are likely to be beyond the reach of the administration: problems are arising in a broad spectrum – the abuse of labor by Japanese employers (low wages, and poor labor and living conditions); non-participation in the public health insurance scheme; disadvantageous treatment concerning industrial accidents; problems related to education for persons of the next generation; and various other problems.

At the same time, the number of crimes allegedly committed by foreigners and the number apprehended, though these have no direct connection with the increase in the number of foreigners illegally in work, have also been increasing, the latter having reached approximately 20,000 cases in 2003. Most of these criminal offences are minor ones such as the unauthorized use of abandoned bicycles, but still the number of murders, thefts and other felonious crimes has been increasing, too.

## **3. EPA and Issues concerning Foreign Labor**

### **(1) Intensifying Negotiations over FTA and EPA**

In Japan, there has been lively discussion concerning free-trade agreements (FTA) and economic partnership agreements (EPA). FTA is a

bilateral or inter-regional agreement whereby participating countries mutually do away with customs duties, quantitative trade restriction and other trade barriers, and enjoy the benefits of freer trade. On the other hand, EPA is a pact aimed at an economic cooperation between the countries involved via harmonizing various economic systems concerning services, investment, intellectual property rights, and so on, as well as a mutual reduction in tariff rates. Cooperation under the agreement also includes personnel (labor) exchanges.

An increasing number of countries have concluded free-trade and economic partnership pacts since 1990, but countries in East Asia lagged far behind. Currently, however, some – particularly the ASEAN countries, which have been promoting the ASEAN Free Trade Area (AFTA) – have belatedly begun to move ahead towards conclusion of free trade pacts between other ASEAN countries, Japan, China, the Republic of Korea, Australia, and New Zealand.

The Japanese government on its side, having confirmed the policy detailed below at a meeting of Cabinet members concerned on promotion of economic partnership on December 21, 2004, has proceeded with negotiations with EPA as the focus of its strategy:

- (1) Economic Partnership Agreements (EPAs), against the background of growing economic globalization, contribute to the development of Japan's foreign economic relations as well as the attainment of its economic interests as a mechanism complementing the multilateral free trade system centering on the WTO. Simultaneously, EPAs facilitate promotion of structural reform in Japan and its partners.
- (2) These EPAs contribute to the creation of international environment further beneficial to our country from the politically and diplomatically strategic points by, among other things, fostering the establishment of an East Asian community.
- (3) Having concluded an EPA with Singapore and another with Mexico, our country has reached agreement in principle on the major elements of an EPA with the Philippines. Negotiations with Thailand, Malaysia and the Republic of Korea are currently in progress. Furthermore, it has been agreed that negotiations with ASEAN as a whole will be initiated next year. These efforts are designed to realize our policy to promote

---

economic partnerships with East Asia as its focus, and the Government will do its utmost to conclude such EPAs as soon as possible.

(The rest is omitted.)

The EPA policy of the Japanese government described above was adopted together with an attached document entitled “criteria in choosing potential FTA partner countries and regions; which makes the following statement concerning labor mobility:

Whether or not it will substantially expand and facilitate exports of industrial, agricultural, forestry and fishery products, trade in services, and investment, through the liberalization of trade in goods and services and of investment; whether or not it will improve the business environment for Japanese companies operating in the other countries/regions, through reconciliation of various economic systems such as protection of intellectual property rights, as well as through facilitation of movement of natural persons.

Whether or not it will further promote acceptance of professional or technical workers, thereby stimulating Japan’s economy and society and promoting its further internationalization.

In EPA negotiations, particular care must be taken concerning personal mobility, in that it requires, unlike mobility of goods and services, sufficient consideration of its impact on the domestic labor market; human rights and basic labor rights; and relationship with local communities, not to mention labor costs related issues.

## **(2) Impact on domestic industries and market**

The promotion of EPAs may well expand imports and thus oblige some firms and industries to withdraw from their markets. Generally speaking, it is necessary to synchronize the promotion of agreements on EPAs with structural reform in the country concerned and consideration of future ways of strengthening the country’s competitiveness. However, the certain time about ten years, for the structural reform necessary for the conclusion of EPAs should be provided.

Another element to which attention has to be paid is employment issues. No economic partnership should be agreed if it is likely to cause unnecessary



confusion in the Japanese labor market.

While some hold that now it is unavoidable to open up some markets under the protection of official regulations, notably markets related to the agricultural sphere, and to undertake structural reforms in such markets including “personnel mobility,” Agricultural issues are essentially different of labor issues. Economic partnership has to be discussed and agreed upon with particular partners, so that there may be inevitably some pressure towards relaxation of regulations in these markets if the other side sees it as mutually beneficial and calls for it. Nevertheless, EPA is not something Japan should pursue to the extent of deviating from its own rules and principles.

The author has no intention at all of rejecting deregulation where labor market is concerned, but feels a strong objection to the idea of accepting unskilled foreign workers, since the impacts of accepting highly specialized workers and unskilled workers on the Japanese labor market will be utterly different.

### **(3) Call for labor participation in medical and nursing care services in Japan**

Thailand and the Philippines, both currently in negotiations over EPAs, have expressed strong requests for Japan to accept their workers in the medical and nursing care services, and the responses of the Japanese government is paid attention.

The Thai government is requesting the Japanese side to open up the door for Thai baby sitters; and domestic and other unskilled workers; (Thai-style) massage practitioners; barbers and hairdressers; and other workers who have completed the relevant tests of skill in Thailand. It is assumed that such Thai workers intend to earn a considerable amount in Japan; acquire skills and knowledge in serving for Japanese customers while they are in Japan; and, after returning home, start to work again for Japanese who live in or visit Thailand.

The Philippine government, on the other hand, asks Japan to authorize nurses and nursing care workers, as well as baby sitters and other unskilled workers to be allowed to enter and work in Japan. Such Filipino workers’ strongest wish, apparently, is to raise money in Japan to transmit back to

their own country.

There is also a call for mutual approval of qualifications related to medical and welfare services. Behind the request lies the fact that while, in the United States, quite a few Filipino nurses have obtained U.S. qualifications and work in the States, they find it difficult to obtain Japanese qualifications due to the language barrier.

1) Work qualifications in the medical and nursing care services in Japan, and the present state of affairs

(i) Medical services

In order to become a medical doctor or nurse in Japan, it is necessary to take national examinations for the relevant profession, and also, in order to take the examinations, to graduate, in principle, from a Japanese university (medical department) or nursing school. Non-Japanese are not, in general, allowed to work as professionals, even if they have acquired the official qualifications, but are permitted, under regulations of the Immigration Control and Refugee Recognition Act, to stay in Japan as trainees for four years in the case of nurses and six years in the case of medical doctors. (They are also entitled to receive wages.)

Those who have graduated from schools or universities at the equivalent level may be eligible for taking the national examinations provided they have been approved by the minister of health, labor and welfare, though the approval also requires the possession of the “permanent resident status” in Japan.

In Japan, approximately 290,000 medical doctors engage in medical services, but since a disproportionate number of doctors are concentrated in larger hospitals in large cities, hospitals in rural areas and those of small and medium size have difficulty in securing the necessary number of doctors. The shortage of doctors is also serious in remote areas.

On the other hand, only some 610,000 nurses are in work, and most private hospitals suffer from a chronic shortage. Although about 2,020,000 people are qualified as nurses, the proportion of those who take advantage of the qualification is conspicuously low due to the facts that, for example, the majority are women, and that labor conditions are quite severe.

The number of foreigners residing in Japan who are qualified to engage

in “medical” services totals 114 (of whom 104 workers are from countries in Asia). Non-Japanese doctors who are authorized to engage in clinical training and those from France, the U.K., and Singapore who have passed a special examination in accordance with the official reciprocal agreements to accept doctors are authorized to provide medical services to non-Japanese in Japan.

(ii) Nursing care services

Job types for nursing caregivers are in practice classifiable into nursing care workers, visiting caregivers Grades 1 – 3 (i.e., “home helpers”), and so on. Nursing care workers are an officially qualified profession, and must either pass a national qualification examination or take the necessary subjects at training institutions designated by the minister of health, labor and welfare. Persons who have graduated from a high school specializing in welfare or had three years of experience in the field are eligible to take the national examination. There is no such national qualification, on the other hand, for home helpers (Grades 1 – 3), and persons who have completed a training program in specified training institutions are allowed to work as such. Currently, non-Japanese are not entitled to work as care workers in Japan.

The number of care workers has been steadily increasing since 2000 when the public care insurance system was adopted, but still the impression of labor shortage in the industry persists, while some questions, such as improvement in the quality of workers, remain unsolved. Certified nursing care workers, totaling approximately 300,000, play a central role in nursing facilities, while about 26,000 qualified care workers work as visiting caregivers (about 15,000 of them on a full-time basis). Where home helpers (grades 1 – 3) are concerned, of approximately 2 million helpers (accumulated total) who have completed training courses, a mere 240,000 or so are in fact in work (about 30,000 of them on a full-time basis), highlighting a low employment rate as a serious problem. Behind the low rate seem to lie the facts that wages and other labor conditions are still inadequate; and that females, who account for a considerably large proportion of home helpers, tend to prefer part-time employment.

At present, a majority of visiting caregivers are Grade 2 home helpers,

---

but because there is an increasing demand among users and nursing care businesses for better-quality caregivers, the central role in future is likely to be taken by qualified nursing care workers rather than home helpers.

(Note 1: the numbers of workers in medical and nursing care services are as of October 2002.)

2) Conflicting views within the Japanese government concerning the acceptance of foreign workers in the medical and nursing care services

The question of whether workers should be accepted from abroad in the medical and nursing care services is controversial even within the Japanese government; this is a reflection of the absence of a consensus on the issue in Japan as a whole.

(1) The Ministry of Health, Labour and Welfare

The Ninth Basic Employment Measures Plan approved on August 13, 1999, at a Cabinet meeting says (i) that the acceptance of foreign workers in specialized or technological fields will be actively encouraged; and (ii) that the acceptance of unskilled labor should be considered with great care in that it would have a substantial impact on the labor market in Japan, as well as on the economy, society and people's livelihood, not to mention the countries of origin and the foreign workers themselves. The same basic approach is applied to workers in the field of medical and nursing care services.

In this field, those who possess official Japanese qualifications (doctors and nurses in the medical service, and certified nursing care workers in the nursing care services) are officially considered to be workers in "specialized or technological fields," and the government's stance is to promote their acceptance positively.

The current system, however, allows non-Japanese with official qualifications as nurses or doctors in their own countries to stay in Japan only for four or six years, respectively, and does not give the residential status to care workers, so that the government is planning to reconsider these regulations.

Even so, the Japanese government takes a negative stand on the mutual approval of such qualifications which the other countries of the EPA

negotiations are calling for. The Japanese stance is based on the view that workers in the fields of medicine and nursing care are not only involved directly in the physical and mental welfare of patients and persons under nursing care, but are also required to work together with fellow workers as a team, so that workers in these fields must essentially have high communication skills and official qualifications effective in the country where they engage in their duties; and that, in fact, no nation except for special cases such as those of the EU has agreed with others on mutual approval of the medical and welfare qualifications of the other side.

Where so-called unskilled workers with no specialized skills, there is worry that their acceptance should further deprive young and elderly Japanese people of their already scanty job opportunities, not to mention possible problems concerning employment management and public security.

With regard to medical and nursing care services in Japan, the Ministry of Health, Labour and Welfare takes the position that Japan is not prepared to accept home helpers from abroad for the time being, on the grounds that they are considered to be unskilled workers who fall outside the category of workers in specialized or technological fields.

## (2) The Ministry of Economy, Trade and Industry

In April 2002, Mr. Hiranuma, the then minister of economy, trade and industry, suggested in a meeting of the Council on Economic and Fiscal Policy that Japan should consider the possibility of expanding the scope of medical activities by non-Japanese doctors. He claimed, more specifically, that a system of supplying and rules concerning medical services should be improved, such as for example, allowing non-Japanese doctors to engage in medical treatment of those of the same nationalities.

Meanwhile, the 2003 White Paper on International Trade emphasizes that the development of an environment where non-Japanese have proper access to medical services will facilitate the direct domestic investment, and serve as a key device in promoting acceptance of foreign workers in specialized and technological fields and increasing the number of tourists from abroad. Further expansion of the scope of medical activities by non-Japanese doctors will contribute to the development.

### (3) The Council for Regulatory Reform

The Council incorporated several measures affecting the issue in its “Third Report Regarding Promotion of Regulatory Reform” published on December 22, 2003: (i) that restriction on the working activities of foreign residents who have acquired official certifications in the medical field in Japan should be gradually relaxed – they should be allowed, for example, to work for an extended period regardless of the area or facilities of their workplaces; (ii) that restrictions should be gradually relaxed so as to enable nursing care workers, massage practitioners and acupressure therapists from abroad to engage in their professions provided they have acquired the relevant national certifications in Japan; and (iii) that steps should be taken so that highly qualified personnel in the medical field, such as those who have been educated and qualified as doctors, nurses or other professionals in other countries, will be given certification to engage in medical practice on a continuous basis in Japan if they so wish and have passed the relevant national qualifying examination for the qualification even if they do not have the permanent residential status.

## **4. Rengo’s Views on Foreign Workers**

Rengo (Japanese Trade Union Confederation), Japan’s nationwide organization of labor unions, confirmed its “short-term view on the question of foreign workers in Japan” at its 14th Central Executive Committee Meeting (held in October, 2004). It can be summarized as follows:

- (i) On one hand, the human rights of all foreign workers residing in Japan, with or without special qualifications, should be respected; on the other hand, their basic labor rights; wage levels, working hours, and other labor conditions equal to those of Japanese workers; and occupational safety and labor insurance, should be guaranteed. At the same time, harmonious coexistence with foreigners should be pursued so as to ensure that any foreigner has access to housing, public facilities and other social infrastructures.
- (ii) The acceptance of foreign workers should be confined to occupations requiring specialized knowledge, skills and technologies, and carried

out, in principle, in ways maintaining a balance with the employment of Japanese workers and the public consensus. In the meantime, in order to safeguard employment situation and labor conditions in Japan, adequate and equal conditions with the Japanese should be precondition for employment of foreign workers.

- (iii) In relation to FTA and EPA, with occupations such as doctors, nurses, and nursing care workers which only workers with official Japanese qualification can take on, equivalent qualifications in their own countries will not be approved on a reciprocal basis: foreigners will be asked to acquire Japanese qualifications. Where no certification system is established in Japan, such as in the case of home helpers, workers should not be accepted from abroad since it is difficult to differentiate them from so-called unskilled workers.

## **5. Japan-Philippines and Japan-Thai Agreements on Economic Partnership**

In November 2004, the Japanese government reached an economic partnership agreement with the Philippines. The agreement states that Japan will accept Filipino nurses and caregivers, but they will be required, apart from certification at home, to obtain a Japanese certificate, too, during the period of training (three years for nurses and four years for caregivers). In August 2005, it also saw a basic agreement on economic partnership with the Thai government, whereby Japan will accept Thai nursing care workers provided they have obtained the official Japanese certification. Once they have been qualified under the Japanese system, they will be eligible for extension of their period of stay in Japan; this is likely to increase the number of foreign workers in the field of nursing care services in the future. The acceptance of workers from abroad is likely to have a noticeable impact on nursing care services in Japan, as well as on the work environment for caregivers.

## **6. Views on Future Steps**

### **(1) Defects seen in the existing policy for foreign workers**

So far, the Japanese government has directed its attention only to policies

---

related to “entry,” such as entry requirements and the nature of residential statuses.

The requirements for foreigners to enter and reside in Japan were relaxed considerably when the Immigration Control Act was revised. However, the current policy is not sufficient to obtain a picture of the working activities of foreigners once they have entered the country, and quite a few aspects of their working activities remain obscure. The efforts of the central government are not necessarily enough, while the impression is that local governments have solved problems in a somewhat ad hoc manner every time one arises.

Various problems are surfacing as foreign workers begin to settle in Japan for longer periods. At the same time, due to the sluggish economy, foreign workers, like Japanese ones, suffer from unemployment problems, and methods of illegal employment are becoming more dubious and sophisticated.

## **(2) Signs of expansion and facilitation of acceptance**

With globalization and the progress of information technology, labor is actively migrating globally, with countries competing internationally to get hold of workers with advanced capabilities in specialized and technological fields.

Individual countries approve official certification in specialized fields on a basis of mutual agreements. The United States has concluded reciprocal agreements on various certifications with English-speaking countries with relatively high economic standards, showing particular eagerness to do so in fields such as accounting, architecture, and engineering, where it demonstrates a strong global competitiveness. In EU countries, on the other hand, an EU Directive was given consistency in 2002 and a new directive aimed at a more automatic, flexible system of mutual authorization was proposed. In the sphere of education on industrial technologies, the mutual authorization of certificates has made relatively good progress in various countries.

In 2001, Japan concluded agreements of mutual recognition concerning examinations for IT engineers. In the case of India, with which Japan concluded the agreement first, the number of Indians registered as having



“technological” qualifications in 2001 increased by 53 percent from the previous year.

On the other hand, there are signs of changes in the flow of workers: some countries in Asia which have long sent out their workers are now beginning to accept workers in specialized and technological fields.

In Japan, there is concern over a labor shortage due to the drop in birthrate and the graying of society; not a few private firms are calling for the deregulation of the acceptance of foreign workers with specialized and technological ability.

### **(3) Views concerning social and economic impact**

It is not possible to understand issues concerning foreign workers solely from the quantitative perspective of employment: careful consideration should be given to the social and economic impact before making decisions on whether or not more foreigners should be accepted. Major points to consider are as follows:

Establishing direction and consistency in the mid- and long-term measures Japan undertakes in relation to industry in general, and to the declining birthrate and the aging of society:

Placing priority on domestic labor market policy, and prevention of a negative impact on domestic industries and labor market;

Consensus over who will bear social security, housing, education and various other social costs arising when foreign workers flow in;

Understanding by Japanese communities concerning the problems of living and coexisting with non-Japanese within the same society; and

Paying attention to the human rights, culture, religion, and everyday customs of non-Japanese.

In Japan, because of the vertically divided administrative functions of the government, issues related to foreign workers are handled by a number of different ministries: the Ministry of Justice is responsible for immigration control; the Ministry of Health, Labour and Welfare for employment policy and social safety nets; the Ministry of Economy, Trade and Industry for industrial policy and trade negotiations; and the National Police Agency for criminal offences. This causes a failure in close cooperation among ministries and agencies. On the other hand, various problems created

---

because of the presence of foreign residents are dealt with by municipal governments in an ad hoc manner. The government needs to cooperate internally on the points outlined above.

**(4) Importance of “post-acceptance” policy**

As stated above, policies for foreign workers have focused on “entry” issues such as entry requirements and the nature of residential statuses. However, in the future, it will be necessary to pay more attention to policies on issues arising after acceptance. First of all, the necessity will arise to strengthen supervision of labor conditions for various types of foreign workers: problems of illegal employment; poor labor conditions which illegal foreign workers are obliged to accept; and the situation affecting foreign trainees and interns who are taken advantage of as unskilled workers with low wages. At the same time, there are quite a few workers in specialized and technical fields who are hoping to build up clear visions of their own careers as professionals. If Japan wishes to encourage high quality non-Japanese professionals to settle in Japanese firms and society, it should bear in mind the development of the vocational ability and career formation of those workers beyond the sphere of individual companies.

Meanwhile, it is necessary to highlight various other issues apart from those directly related to employment: how to incorporate foreign workers in the pension, medical and other social security systems; and how to help, not just the workers themselves, but their families, too, to adapt to life in Japan and bring up their children successfully.