
The Current Issues on Foreign Workers in Japan

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In the context of globalization, there has been an emphasis on obtaining highly-qualified foreign human resources in order to strengthen Japan's international competitiveness. At the same time, strings of dismissals, un-renewed contracts, and other issues impacting foreign workers, such as South Americans of Japanese descent who are increasingly settling in Japan have begun to draw public concerns on issues related to foreign workers in Japan. This paper gives a general overview of such themes as the employment situation of foreign workers in Japan, opinions of interest groups, public opinion, and government policy.

I. Current Conditions of Labor Market in Japan

1. Japan's Demographic Composition: A Declining Birthrate and an Aging Population

The decline of the birthrate in Japan is rapidly leading to fewer children and an aging populace, and in 2005, the country entered into a phase in which the population was falling. According to *Population Projections for Japan*, a projection released in December 2006 by the National Institute of Population and Social Security Research, the decline of the birthrate and ageing of the population are expected to advance even further from this point, and are likely to progress into a full-fledged depopulating of society. Projections by the Japan Institute for Labour Policy and Training give the prediction that, if the worker participation ratio were to proceed at the same level as 2006, the 66.57 million people who were in the labor force at that time would dwindle to 55.84 million by the year 2030, an estimated decrease of 10.7 million people. It projected, however, that if the implementation of a variety of policy measures were to lead to groups such as young people, women, and the elderly participating in the labor market, the 2030 labor force would be an estimated 61.8 million people—or a decrease of 4.8 million compared to the year 2006—and the magnitude of the decline would be kept in check.

None of these projections changes the fact that the future will see a decline in the labor force population, and it is against such a backdrop that the pros and cons of accepting foreign workers into the labor market have become a major issue, one that is currently under debate in various sectors.

2. The Current Employment Situation

Owing to the influence of the Lehman crisis, the employment situation in Japan remains severe, with an overall unemployment rate of 4.9% in the first month of 2010. The number of unemployed workers in that month was at 3.23 million, and although employment levels have been maintained through the application of Japan's employment adjustment subsidy, as many as

1.73 million people are among the “hidden” unemployed.¹

Although Japan’s recent employment situation has seen a slight pick-up after its worst period in July 2009 when the unemployment rate reached 5.6%, what can be said is that, judging from the conditions described above, the situation remains severe.

II. Basic Policy on Accepting Foreign Workers into the Labor Market

Decisions on the extent to which Japan will accept foreign workers are made under the Immigration Control and Refugee Recognition Act, based on an integrated consideration of its “effects on Japanese industry and public welfare.”

The Employment Measures Act takes as its basic policy to “actively promote employing foreign nationals who are in specialized or technical fields in Japan.” The policy on accepting unskilled laborers is that, “since, in addition to the concern that it would create a dual structure in the labor market, there is a need to improve conditions of employment, etc., and thereby to promote matching and the securement of human resources, rather than only widening the scope of acceptance for foreign workers and responding accordingly without careful consideration, it is essential to first achieve participation in the labor force by Japanese young people, women, the elderly, and the disabled.” Further, as regards the future, the policy is that “in light of Europe’s history of acceptance [of foreign workers] and in particular how immigration problems have developed in accordance with [their] settlement, rather than debating this issue from the economic perspective alone as a simple issue of industry labor needs, we must continuously examine this issue comprehensively and from a broad perspective, while reaching a public consensus on the influence that this would have not only on the labor market but on health care, social security, education, and the community, as well as the social order, as a wide-ranging issue that affects all aspects of the lives of the people.”

III. The Current Status of Foreign Workers in Japan

1. General Overview

As of 2009, 100,309 foreign nationals were residing in Japan for the purpose of working in a specialized or technical field. Other foreign nationals residing in Japan included 253,361 people of Japanese descent, 96,897 part-time workers (with permission for activities outside the status of residence), 112,251 people engaged in technical internship and other activities² and

¹ From *About Employment Adjustment Subsidies, etc.: Decisions on Payments and the Acceptance Status of Notices to Implement Suspended Operations, etc.* (Published March 2, 2010, by the Ministry of Health, Labour and Welfare).

² *Notification of the Status of Employment of Foreign Workers*, the Ministry of Health, Labour and Welfare (at the end of October, 2009).

113,072 who were in the country illegally.³

2. Workers in Specialized or Technical Fields

Looking at a breakdown of workers in specialized or technical fields, 38,555 people hold a Specialist in Humanities/International Services visa, and 17,633 hold an Engineer visa.⁴

3. Foreign Nationals of Japanese Descent

The residence status of “Long-Term Resident” was newly established through a revision to the Immigration Act in 1989. Because these long-term residents are descendents of Japanese nationals, few limits are placed on their activities in Japan. Accordingly, after this status was created, many people came to Japan with the aim of working in the country’s manufacturing industry, where, at that time, understaffing was a substantial problem. The number of foreign nationals of Japanese descent residing in the country increased, and although in 1991 the foreign residents with a residence status of long-term resident numbered 54,359 people, by 2006, 268,836 people were residing in Japan as long-term residents. In 2007 and 2008, their numbers decreased (to 258,498 people in 2008), though this is thought to be as a result of the rather poor economic conditions in Japan during that period. In 1998, there were 5,853 Brazilian and Peruvian permanent residents, and 140,243 in 2008, with the number of permanent residents increasing by approximately 130,000 people during this ten-year period. While at first, Latin Americans of Japanese descent came to Japan with the purpose of working outside their homelands on a temporary basis, now they are residing in the country for longer periods of time.⁵

Looking at employment by industry, foreign nationals who are living in Japan with a residence status that is based in their standing as a person of Japanese descent are mainly employed by business enterprises that drive the manufacturing industry, with 109,371 foreign nationals of Japanese descent among their ranks.⁶

4. Technical Interns

The Technical Internship Program was established in April of 1993 as a new mechanism with the goal of transferring technology to developing countries. This is a program in which foreign-born trainees, who enter the country under the residence status of “Trainee,” receive training for a set period of time (usually 9-12 months), after which they are evaluated on the results of their training and other factors, and if they have progressed to a certain level and fulfilled other requirements, they continue to increase their skills and their technical proficiency, mainly

³ *Statistics on Foreign Residents*, Ministry of Justice (Published in 2009).

⁴ *Notification of the Status of Employment of Foreign Workers*, the Ministry of Health, Labour and Welfare (at the end of October, 2009).

⁵ *Statistics on Foreign Residents*, Ministry of Justice (Published in 2009).

⁶ *Notification of the Status of Employment of Foreign Workers*, the Ministry of Health, Labour and Welfare (at the end of October, 2009).

through on-the-job training within a working relationship. The total duration of stay for trainees and technical interns is three years or less. From the program's establishment until the end of 2008, the number of people who moved on from industrial training to the technical internship totaled over 250,000. This number is increasing every year, and in 2008, the 8,521 of trainees who progressed amounted to a 15.8% increase over the previous year. By nationality, Chinese, Vietnamese, and Indonesian trainees made up a large number of those who went on to a technical internship. By type of work, many transferees worked in women's and children's clothing manufacturing, welding, and plastic molding.

The Immigration Control and Refugee Recognition Act was revised in July of 2009 in light of the Industrial Training and Technical Internship Programs, and the new residence status of "Technical Intern" was created. This revised Act is to come into force on July 1, 2010.

5. College and Pre-College Students

The number of foreign nationals who are college students⁷ or pre-college students⁸ staying in Japan is increasing every year. At the end of 1999, there were 64,646 college students, but at the end of 2008, they numbered 138,514. The number of pre-college students rose from 34,541 people at the end of 1999 to 41,313 by the end of 2008.⁹

As for these college and pre-college students' homelands, other Asian countries—particularly China, South Korea, and North Korea—account for the majority (Table 1).

By getting permission for activities outside of their status of residence, college and pre-college students, can work: up to 28 hours a week for college students, up to four hours a day for pre-college students, and up to 8 hours a day during long vacations such as summer break for both, although it is prohibited for either to work at establishments such as "host clubs" or "hostess clubs."

The number of college students and pre-college students who obtained permission for activities outside their status of residence in 2008 was 133,513, a 12.1% increase from the previous year.

According to *Notifications of the Status of Employment of Foreign Workers*, among foreign nationals with the residence status of college student and pre-college student who work with permission for activities outside their status of residence, 48.6% were working in the hotel or food service industries, 22.5% were working in retail or wholesale, and 5.1% were working in manufacturing.

A survey by the Ministry of Justice's Immigration Bureau reveals that in 2008, 11,040 foreign college and pre-college students received permission to change their status of residence for

⁷ "College Student" is the residence status for foreign nationals who study at Japanese universities, junior colleges, graduate schools, and in specialized courses of study at advanced vocational schools.

⁸ "Pre-college Student" is the residence status for foreign nationals who study at Japanese high schools and in general or advanced courses of study at advanced vocational schools.

⁹ *Statistics on Registered Foreign Nationals*, Immigration Bureau of Japan, Ministry of Justice.

Table 1. Changes in Foreign College Students and Pre-College Students' Countries of Origin

Residence status	2004	2005	2006	2007	2008	Distribution rate (%)	Increase over the previous year (%)
College Students	129,873	129,568	131,789	132,460	138,514	100.0	4.6
China	90,746	89,374	88,074	85,905	88,812	64.1	3.4
South, and North Korea	16,444	16,309	17,097	17,902	19,441	14.0	8.6
Vietnam	1,761	2,165	2,472	2,930	3,202	2.3	9.3
Thailand	1,950	1,902	2,203	2,361	2,502	1.8	6.0
Malaysia	2,092	2,031	2,211	2,234	2,377	1.7	6.4
Other	16,880	17,787	19,732	21,128	22,180	16.0	5.0
Pre-College Students	43,208	28,147	36,721	38,130	41,313	100.0	8.3
China	29,430	15,915	21,681	22,094	25,043	60.6	13.3
South, and North Korea	7,286	6,397	8,254	9,742	10,286	24.9	5.6
Thailand	597	451	612	687	769	1.9	11.9
Vietnam	802	924	1,005	803	701	1.7	-12.7
Nepal	572	580	642	575	643	1.6	11.8
Other	4,521	3,880	4,527	4,229	3,871	9.4	-8.5

Source: Ministry of Justice, *Statistics on Foreign Residents 2009*.

the purpose of employment, and of these, Chinese (69.3%) and South Korean (12.3%) nationals accounted for almost 80% of the total changes. By status of residence, the greatest number of people received permission to change their status to Specialist in Humanities/International Services at 7,863 people (71.2%), showing an increase of 559 people (7.7%) from 2007 and an increase of 4,446 people (130.1%) from 2004. An increase has thus been observed in the number of foreign college and pre-college students who are utilizing specialized knowledge in the humanities or sensibilities particular to foreign nationals in their job duties. Additionally, 2,414 foreign students (21.9%) received permission to change their status of residence to Engineer in 2008, and together with Specialist in Humanities/International Services, these two statuses of residence account for 93.1% of the total changes from the status of College Student and Pre-college Student.

6. Industries with Foreign Workers

From October of 2007, the Ministry of Health, Labour and Welfare, based on the Employment Countermeasures Act, made it obligatory for all employers to notify a public employment security office when a foreign worker (excluding Special Permanent Residents and persons with the status of Diplomat or Official) became employed with them or left his/her position.

As of the last day of October 2009, a total of 562,818 foreign workers were working in 95,294 places of employment (Table 2). By nationality, Chinese nationals (including people from

Table 2. The Number of Foreign Workers by Nationality and by Industry

As of the end of October, 2009		Unit: Number of people (Distribution rate %)						
	All industries	Manufacturing	Information/ Communications	Retail/ Wholesale	Hotel/ Food Service	Education/ Tutoring	Service industry (not otherwise classified)	
Total	562,818	218,900 (38.9)	22,077 (3.9)	54,923 (9.8)	63,755 (11.3)	42,001 (7.5)	74,080 (13.2)	
China (including Hong Kong, etc.)	249,325	95,604 (38.3)	12,253 (4.9)	34,766 (13.9)	45,474 (18.2)	9,837 (3.9)	16,730 (6.7)	
South Korea	25,468	2,244 (8.8)	3,952 (15.5)	4,205 (16.5)	5,062 (19.9)	3,254 (12.8)	2,332 (9.2)	
The Philippines	48,859	23,183 (47.4)	505 (1.0)	4,229 (8.7)	1,943 (4.0)	646 (1.3)	9,026 (18.5)	
Brazil	104,323	56,450 (54.1)	580 (0.6)	2,538 (2.4)	733 (0.7)	573 (0.5)	31,496 (30.2)	
Peru	18,548	9,731 (52.5)	180 (1.0)	641 (3.5)	323 (1.7)	112 (0.6)	5,225 (28.2)	
G-8 countries, Australia, and New Zealand	43,714	2,004 (4.6)	1,783 (4.1)	2,296 (5.3)	801 (1.8)	21,600 (49.4)	2,743 (6.3)	
US	18,477	667 (3.6)	750 (4.1)	588 (3.2)	162 (0.9)	9,693 (52.5)	1,133 (6.1)	
UK	7,307	242 (3.3)	242 (3.3)	298 (4.1)	98 (1.3)	3,831 (52.4)	375 (5.1)	
Other	72,581	29,684 (40.9)	2,824 (3.9)	6,248 (8.6)	9,419 (13.0)	5,979 (8.2)	6,528 (9.0)	

Notes: 1. Industry classifications reflect the November, 2007 revision to the Japan Standard Industrial Classification.

2. The distribution rate is the percentage of foreign laborers in the relevant industry compared to the total number of foreign laborers of the same nationality (in all industries).

Hong Kong, etc.) were the most numerous at 249,325 people, making up 44.3% of the total number of foreign workers. They were followed by nationals of Brazil at 104,323 people (18.5%), and the Philippines, at 48,859 people (8.7%).

Among these establishments, 16,300 or 17.1% employed foreign workers on a temporary or contract basis, and the 162,525 foreign nationals working for them accounted for 28.9% of all foreign workers.

By industry (Figure 1), manufacturing had the highest number of both foreign workers and businesses employing foreign workers, accounting for 218,900 people (38.9%) and 31,466 establishments (33.0%). Next was the service industry (not otherwise classified) at 13.2%, the hotel and food service industries (11.3%), retail and wholesale (9.8%), and education and tutoring (7.5%). Additionally, among employers in the manufacturing industry, 5,270 establishments (16.7%) were employing 58,621 foreign workers (26.8%) on a temporary or contract basis.

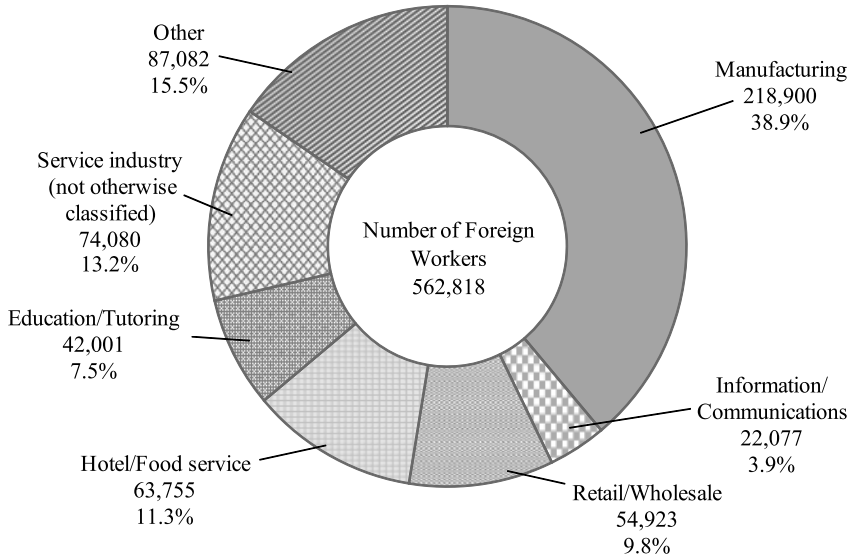


Figure 1. The Number of Foreign Workers by Industry

7. Illegal Overstayers

As of January, 2010, 91,778 people were illegally overstaying their visas (Ministry of Justice estimate), and many of them are thought to be working illegally (Figure 2). Compared to May 1, 1993, when the number was at its highest ever with 298,646 people, this figure represents a decrease of 206,868 people (69.3%), and the number of overstayers continues to decrease every year.

By gender, at 46,324 men (50.5% distribution rate), and 45,454 women (49.5% distribution rate), 870 more men than women had overstayed their visas. Compared with the most recent investigation, these numbers represent a 12,087-person decrease for men (20.7%), and an 9,207-person decrease for women (16.8%).

By nationality or country of origin, South Korea had the most overstayers with 21,660 people, making up 23.6% of the total. Following South Korea were China, the Philippines, Taiwan and Thailand, although compared to January 1, 1993, the numbers of overstayers from all countries had decreased.

Additionally, in 2008, judging from the breakdown of deportation procedures that were put in motion for approximately 32,000 illegal workers, there were many immigrants from other Asian countries such as China, South Korea, and the Philippines; many of the men had been working as construction workers and builders, and many of the women had been working as “hostesses” in “hostess clubs.”

As a measure to counter recently growing security concerns, the *Action Plan for the Realization of a Society Resistant to Crime* (December, 2003) set the goal of halving the number of illegal residents in the country within the next five years. This continued into the final year of the

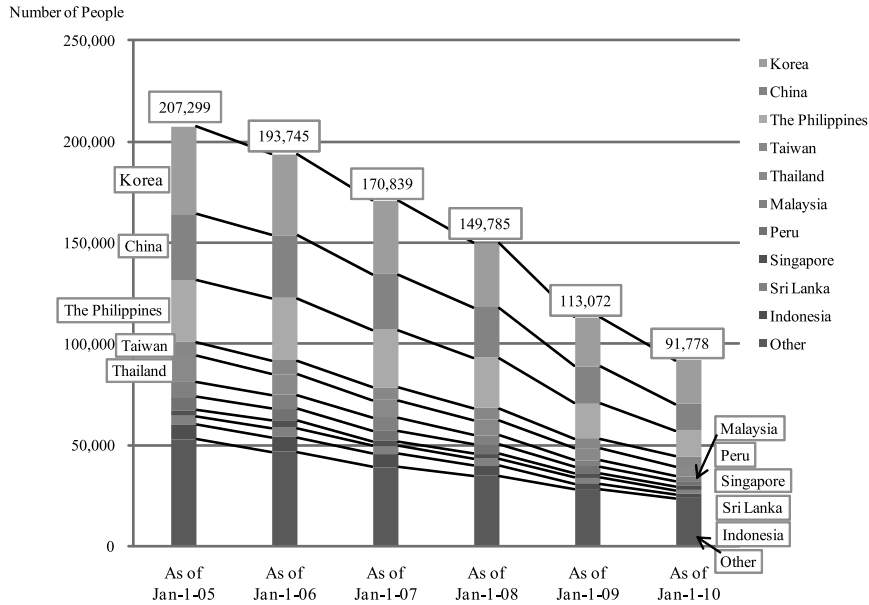


Figure 2. Changes in the Number of Illegal Overstayers

government target in 2008, and as a result of the comprehensive measures on illegal residents that had been developed toward this goal, their numbers were reduced by 106,346 people in five years, representing a 48.5% reduction from the January 1, 2004 level.

IV. Policies on Foreign Workers

1. Employment Policy

The current employment policy on foreign workers being carried out by the Ministry of Health, Labour and Welfare can be divided into four general parts, namely: (i) assessment of the employment situation of foreign workers, (ii) appropriate response to foreign job applicants, (iii) raising awareness on and provision of employment management assistance, etc. for employers, and (iv) promotion of appropriate employment.

Assessment of the employment situation of foreign workers is being carried out through the previously mentioned *Notification of the Status of Employment of Foreign Workers*. Appropriate response to foreign job applicants is being achieved by putting in place service corners for foreign nationals in 126 public employment security offices in regions with many foreign nationals and enhancing the service provided to foreign job applicants by making interpreters available. Particularly, foreign nationals of Japanese descent working at temporary and contract jobs with unstable employment faced unemployment in high numbers around the time of the Leman crisis. These foreign job seekers faced difficulty to find work again because they have not yet mastered the language, not used to employment practices in Japan and with insufficient job

experience, and because of this, a variety of new measures are being taken by the Ministry of Health, Labour and Welfare to support them.¹⁰

Raising awareness on and provision of employment management assistance for employers is being carried out through the *Guidelines to Assist Employers with Appropriate Handling Related to Improvements in Employment Management of Foreign Workers*, formulated based on Article 9 of the Employment Countermeasures Act, and the guidance is provided to each industry through lectures held in June during “Month for Issues on employment of foreign workers” and through advisors on employment of foreign workers. Promotion of appropriate employment is being addressed through meetings by the Liaison Councils of the relevant Ministries and Agencies.

2. Social Security Policy

There is an international demand for equal application of social security for people of all nationalities. Accordingly, even if a person is a foreign worker in Japan, in principle, all employees are to enroll in health insurance and employee pension plans, and entrepreneurs are to enroll in National Health Insurance and the National Pension Plan. Those who fulfill certain qualifications can receive pension benefits even after returning to their countries.

Disability and survivors’ benefits must be paid under the pension system, and it is not appropriate to exclude from this those foreign nationals whose period of residence in Japan is a short one. Additionally, when foreign nationals who were insured for a half of a year or more return to their countries, they are provided with a lump-sum payment when withdrawing from the pension plan. This withdrawal payment is in the amount of one half of the insurance payments made in, but in this exceptional system, three years’ worth of payments has been established as the upper limit. Further, to prevent redundancy in the pension systems of different countries, Japan has concluded social security agreements which involve co-ordination of pension rights and under which the period of enrollment in the pension plan of a country counterparty to the agreement qualifies as participation in the pension plan of one’s own country during the same period. Such agreements have been concluded with Germany, the United Kingdom, the United States, South Korea, France, Belgium, Canada, Australia, Netherlands, and the Czech Republic.

It is not thought to be necessary for foreign nationals to be subject to the new and independent medical insurance system, and efforts are being made to familiarize them with the current system.

¹⁰ (i) Detailed advice and support in the native languages of foreign nationals of Japanese descent, by increasing the number of translators and advisors who are available at “Hello Work,” national employment security offices in areas where many of them live, (ii) Establishment of preparation courses for those who wish to find new jobs in Japan which include improving their Japanese communication skills (attended by approximately 6,300 people in fiscal year 2009), (iii) Implementation of repatriation-cost support for those who wish to return to their countries of origin (accepted by approximately 22,000 people in fiscal year 2009).

3. Education Policy

Although it is not mandatory for foreign nationals to attend school under Japan's system of compulsory education, children whose parents wish them to receive a formal education in the country are accommodated within the country's public schools for compulsory education. In this, so that non-Japanese children whose parents wish them to attend such schools do not miss out on this opportunity, local boards of education provide the guardians of school-aged children with information on school attendance, and after their children have begun to attend public elementary schools or junior high schools, such matters as free attendance and free textbooks are handled the same for their children as they are for Japanese children.

V. Domestic Debate on the Foreign Labor Issue

In recent years, the issue of foreign workers has been a topic of debate in many of the country's forums and organizations. Here we will introduce the major points of the ongoing dialogue.

1. The Council of Cities with High Concentrations of Foreign Residents

The influx of foreign nationals of Japanese descent into the country has been increasing since 1990, and although the numbers of those with permanent residence have dramatically increased in recent years, at the same time, various issues in areas such as education have arisen in the cities where many of them are living.

In response, 13 cities in which many foreign nationals of Japanese descent are living have established The Council of Cities with High Concentrations of Foreign Residents, which compile proposals on dealing with these issues. In 2001 the proposal-cum-declaration (the *Hamamatsu Sengen*) was issued by the Council, with proposals in several arenas. In education, the proposal called for enrichment of the leadership, in Japanese language and other areas, that was in place in public elementary and junior high schools, and of support systems for school attendance. In relation to Social Security, the call was for a review of the medical insurance system (through the conclusion of agreements on aggregating pensions and the establishment of a medical insurance system geared to foreign nationals), improvement in working conditions for foreign nationals (by promoting employers enrollment of their foreign employees in social insurance, by clarifying corporate liabilities, and, as a future theme, by introducing a licensing system for independent contractors), and others (such as improvements in the medical translations and information on treatments and medications being provided). The declaration further made other proposals in the area of procedures related to alien registration, the call for a review of the registration system among them.

Following Hamamatsu's declaration, almost every year sees new proposals, and recently in 2009, urgent proposals that integrated such issues as the creation of an Agency for Non-Japanese Residents, improvements in Japanese language education, and making school attendance mandatory for children, were adopted, and proposals were submitted to the govern-

ment's majority coalition.

2. Nippon Keidanren's *Recommendations on Accepting Foreigners* (April, 2004)

Nippon Keidanren (the Japan Business Federation), a representative group of Japan's employers, proposes "policies that, rather than continuing to accept foreign nationals in order to 'compensate' for the overall decline in the population, accept them with a view toward increasing the 'value-added creative strength' of each citizen, as comprehensive policies on acceptance of foreign nationals for the purpose of applying their strengths to that process." The recommendations touch on specific areas such as "facilitating acceptance in specialized and technical fields," "promoting improvement in the quality of international students and the job search within Japan," and "acceptance into fields in which there is expected to be a future labor shortage."

Additionally, to implement coherent policies that are integrated among national and local public entities, Nippon Keidanren has proposed the appointment of a Minister of State for Special Missions, a Basic Act on the Acceptance of Foreign Workers, an Agency for Foreign Residents, and a Foreign Workers Employment Act.

In the *Toward Fostering and Ensuring Human Resources with Competitive Strength*, published April 14, 2009, to the above-mentioned proposal were added proposals for "the creation of an appealing country in which foreign nationals will want to settle," "maintenance of a stance on acceptance that actually makes it possible for foreign nationals to settle in Japan," and the establishment of "clarified requirements for settling in the country and the stable functioning thereof."

3. *JTUC-RENGO's View on the Issue of Foreign Workers* (September, 2004)

The Japanese Trade Union Confederation (JTUC-RENGO), a representative group of Japan's trade unions, published *JTUC-RENGO's View on the Issue of Foreign Workers* in September of 2004. In this, JTUC-RENGO put forth the following basic views, in a proposal on points such as the immigration system, on-the-job training programs, and reining in illegal employment. "In order to promote lawful employment, in addition to actively accepting foreign workers who possess specialized knowledge or skills, the establishment of a new status of residence should come with the precondition of establishing an environment for domestic workers' employment in which people can work regardless of their age or gender." "In the case that foreign nationals are employed as workers, the 'same work, same pay' principle under which at least the same amount of compensation is paid as that which a Japanese national would receive for being engaged in the same work should apply regardless of nationality or job qualifications, and from the standpoint of a human rights issue, there cannot be any discrimination in this." "From the standpoint of the negative influence that accepting unskilled labor causes on the domestic employment situation and working conditions, this acceptance should not be carried out arbitrarily, but rather within the possible scope and without loosening the statuses of residence under the present immigration system."

In *JTUC-RENGO's Priority Policies for FY2011* (draft), released March 4, 2010, regarding the acceptance of foreign nationals based on economic partnership agreements between two

countries, JTUC-RENGO indicated that “[Japan should be careful that] these partnerships do not lead to overly easy acceptance of foreign workers. At the same time, in addition to aiming for the substantial application of employment laws to foreign workers, [the country should] intensify its exposure of the middlemen and employers who are in breach of the law.”

4. *The Basic Plan for Immigration Control (Fourth Edition)*, March 2010

The Minister of Justice prescribes a policy on immigration control once every five years, and in the newest plan that was formulated in March of 2010, stated that in the midst of the approaching era of full-scale depopulation, with a view to Japanese society maintaining its vitality, from the standpoint of sustained progress, and also in terms of drawing on Asia’s vitality, what is being called for is a more active expansion of the acceptance of those foreign nationals that Japanese society requires. Additionally, the plan suggests that efforts should be made to strongly attract foreign nationals in the form of high-level human resources, international students, and others to vitalize Japan widely from overseas including other Asian countries, keeping firmly in mind the influence that accepting them has on Japan’s industry, the lives of its people, and the public order.

Concretely the plan gives mention to consideration of the following topics: (i) introduction of a point-based priority system for high-level human resources, (ii) promotion for accepting foreign nationals in specialized and technical fields according to economic and social changes, (iii) review of entry permission related to the limitations on the standard number of working years for people who hold nationally-recognized professional qualifications in Japan such as dentists and nurses. In the caretaker field, the plan pushes for a study into the pros and cons of accepting foreign nationals who have graduated from Japanese universities and obtained set nationally-recognized professional qualifications such as that of certified care worker, in light of the fact that this is a field where the government aims at creating jobs intensively for domestic human resources.

Currently, regarding foreign nationals of Japanese descent, different cultural backgrounds, customs, and values, and lack of Japanese language skills have produced friction and discord within local communities, and since the latter half of 2008 in particular, against the backdrop of a rapidly worsening economic climate, many problems—such as employment, housing, childhood education—have become more urgent, and it has been decided that starting from now consideration should be given to a review of immigration and residence requirements.

5. *The New Growth Strategy(Basic Policies)*, (December 30, 2009 Cabinet Decision)

In *The New Growth Strategy (Basic Policies)* compiled by the new administration, “(6) Employment/Human Resources Strategy” addresses the issue Japan is facing as, “there is a concern that the decline in the population of the labor force due to the low birthrate and an aging population will weaken the potential output of Japan’s growth engine. In this, progress of the *Countermeasures for the Falling Birthrate*, which aims for a birthrate recovery, is indispensable; however, it will take at least 20 years for these measures to lead to an increase in the labor force’s

population. Accordingly, what Japan must focus on right now is encouraging participation in the labor market by people who possess the latent ability, such as youths, women, and the elderly, and promoting an employment/human resources strategy under which human resources are fostered, through occupational skills development by society as a whole and through other means.”

In “(3) Asian Economic Strategy,” “expansion of acceptance of international students and upgrading of domestic systems under which researchers and other human resources from overseas can work comfortably in occupational categories that necessitate specialization” is mentioned. The active support for international students and for work in specialized fields done by high-level human resources from abroad that is already in place will continue to be actively promoted following the same pattern.

VI. Economic Partnership Agreements

With the objective of strengthening Japan’s partnerships in economic activities and based on its economic partnership agreements with the Philippines and Indonesia, Japan has been accepting foreign nationals from these countries as candidates to become nurses and care workers. This acceptance is not in response to a deficiency in the labor force in the nursing and health care field, but instead is based on the agreement Japan has with each of these two countries, and is being carried out as an exception within the official framework. In order to prevent any negative influence on the labor market, quotas have been established for the maximum number of people to be accepted, as have requirements such as equal compensation.

VII. The Vision for the Future

Japan has entered into a phase of population decline, and there is a fear that the labor force population will decline from this point.

According to the 2006 long-range population projections, Japan’s population is expected to decrease from now on, and the country is projected to have a population of 95.15 million people in 2050.¹¹ Accordingly, under this decrease in the population, the question will become the way in which Japan should view the issues related to foreign workers in the medium to long term.

If the population decline is to be covered solely through acceptance of foreign nationals, it will be necessary to take in one million individuals annually, which would have a major influence on the very essence of the country. Accordingly, although a consensus will need to be reached with the people in regard to this issue, as a general feeling, there is a fair amount of negativity in the people’s perspective on the acceptance of foreign workers. If policy efforts are

¹¹ From projections on average mortality in *Population Projections for Japan* (December 2006 projection), by National Institute of Population and Social Security Research.

neglected from the start, the domestic labor force population can be expected to decline. However, if it becomes easier for those such as young people, the elderly, and women to participate more in the labor market, there will not be any drastic declines for as long as the next ten years. Other propositions are employment support for foreign nationals who are currently residing in the country legally, such as foreign nationals of Japanese descent and other permanent residents, and encouraging international students, who are the seeds of high-level foreign human resources, to find employment domestically. If the government fails even in these measures, the acceptance of a substantial number of unskilled laborers is no alternative.

The current economic crisis has had a greater influence on foreign nationals employed in Japan than it has on Japanese people, but on the other hand, it has had the result of causing the country reach a deep realization of the social and economic costs that come with accepting foreign workers, and the necessity of the roles that the country's administration (central and local governments), its industry, and its people must fulfill. The issue of accepting foreign workers is an essential theme of the body politic, and one that must be debated and considered comprehensively and prudently, not only from the standpoint of labor policy, but also from perspectives such as social security, education, the social order, industrial competitiveness, and regional measures. With issues that require a popular consensus such as these, we should not draw any rushed conclusions. From this point what will be necessary is to give these issues our thorough consideration.