

## Abstracts

### Understanding the Recent Empirical Facts on Foreign Workers in Japan, 2000-2014: A View from Supply and Demand in Japanese Labor Market

**Tomohiro Machikita** (Institute of Developing Economies, IDE-JETRO)

This paper presents several key facts on recent supply and demand for foreign workforce in Japanese labor market. This paper analyses the changes in aggregate trends of foreign workforce from several different sources: the Population Census for 2000, 2005, and 2010; Annual Registration Statistics from the Ministry of Justice during 2000-2014; Annual Employment Statistics for Foreign Workers from the Ministry of Health, Labour, and Welfare during 2008-2014. This paper establishes following facts: (1) average educational attainment for foreign male and female workers in Japan is lower than Japanese workers; (2) foreign workers have concentrated in the metropolitan areas; (3) foreign female workers are more likely to concentrate in a manufacturing sector as production operators than Japanese female workers; (4) demand for foreign workers has rapidly shifted to temporary employment agencies; (5) wage payment for foreign high-skilled workers has declined; (6) labor demand for foreign high-skilled workers has particularly increased in smaller establishment; (7) the Great East Japan Earthquake has negatively affected demand for foreign high-skilled workers in the coastal regions while the Earthquake has increased the demand for trainees of Technical Intern Training Program in the regions. These facts first serve as a basis of the active labor market policy of foreign workforce and Japanese workers.

### Survey on Relationships between Cross-border Capital and Labor Movements

**Akinori Tomohara** (Aoyama Gakuin University)

This study presents a survey on international capital-labor relationships by referring to recent empirical studies on cross-border factor movements. Although the literature has explored international factor mobility, until recently, few studies had examined the interaction among international factor movements using adequate empirical methods. We intend to clarify these relationships by categorizing the findings in the recent studies in terms of substitutability or complementarity between migration and foreign direct investment (FDI). Because migration-FDI patterns vary, we first classify these patterns based on the direction of factor movements among countries. Then, we apply the definition of substitutability or complementarity between migration and FDI for each classification. Our literature survey shows that the recent empirical studies find a positive relationship between immigration and outward FDI (or emigration and inward FDI). Namely, a larger stock of immigrants promotes outward FDI. Additionally, a positive relationship between skilled immigration and inward FDI is observed. These results confirm the existence of the diaspora effect (or migrants' network externalities).

### Various Options for Immigration Policy and Their Impacts on Public Pension Schemes through Population Dynamics in the Future

**Futoshi Ishii** (National Institute of Population and Social Security Research),

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In this study, we performed a number of simulations with regard to changes of the future population incorporating the foreign-born population, and analyzed the financial impacts on the public pension scheme in terms of a demographic study. Our results show that insuring the immigrants in the EPI increases the replacement rate whereas the increase is not remarkable when insuring them in the NP. These results reveal to us the importance of quantitative evaluation over a long-term on the effect of the incorporation of foreign workers. This kind of issue is often discussed shortsightedly in the context that foreign workers are needed only for the purpose of making up for the immediate shortage of the labor force. However, the results in this study show that incorporated immigrants become pensioners by aging in the future, whereas they also contribute to increasing the contributors to public pension scheme as they increase the population as a whole by bringing their families from their home countries or giving

birth to younger generations. Therefore, it would be important for discussing the related policy to make long-term and comprehensive evaluations that take many factors in this study into consideration concerning the effect of the incorporation of the foreign-born population on the public pension scheme.

#### Education for Immigrant Children in Japan: Current Trends and Challenges

**Kazuhiko Hayashizaki** (Fukuoka University of Education)

This article summarises the contemporary situation surrounding the provision of educational support for immigrant children in Japan, especially with regards to school education. By collecting fragmented data, it reveals the population of immigrant school children in Japan; their educational continuance rates; and the challenges involved in providing such support. The population of foreign children is documented in the immigration control statistics, the annual school basic survey and MEXT's research on students requiring Japanese language support. However the data are limited to non-Japanese children: the children with dual nationalities are excluded from those surveys. No data about the academic achievement of immigrant students is gathered on a nationwide scale, although some regional data is available about the ethnic breakdown of educational continuance and retention rates. According to those limited surveys the achievement gap between nationalities has become smaller but Brazilians, Vietnamese and Filipinos are still struggling compared to Koreans and Chinese. Educational support for immigrants developed gradually with the emphasis on improving Japanese language skills. However, many problems remain, such as the low skills of teachers, volunteers and tutors, budgetary restrictions, a lack of suitable materials and resources, and issues related to the educational background of children in their native countries. Since the national government refuses the need for a coherent immigration policy, it is likely that these educational challenges will continue.

#### Law and Policy on Foreign Workers: Recent Developments and Forthcoming Challenges

**Chizuko Hayakawa** (Saga University)

This article presents the legal and political standpoint focusing on foreign workers, and then takes a general view of the system concerning their acceptance, including the technical intern training program (TITP), and discusses the future prospects of labor law policy for foreign workers while bearing in mind the labor market of both skilled and unskilled workers. First, regarding the policy based on immigration law, there has recently been progress such as the promotion of acceptance of highly skilled foreign professionals, a proposal for revision of the TITP, a proposal for revision of the Immigration Control and Refugee Recognition Act for establishing the resident status of foreign care workers, and consideration of acceptance of domestic workers in the National Strategic Special Zones. Of these, acceptance of such care workers or domestic workers will open the door to workers other than those in the specialized and technical field, thus certain measures have been taken in the immigration policy against labor shortages due to aging and depopulation. Second, regarding the labor and employment law policy, there is a trend to legislate bills based on both policies of immigration control and labor laws (the Technical Intern Training Bill), which implies progress of integration in terms of a labor-related aspect. However, with regard to domestic workers, it is essential to develop legal systems before accepting them, as they are not sufficiently protected by the Labor Standards Act. Third, regarding policy on the social security law, implementation of unemployment prevention measures based on the labor law policy and improvement of the pension system will become issues. It must be considered how these should be aligned with the policy of the immigration law. Lastly, foreign workers have been accepted to Japan as a measure to respond to the industry's needs to solve the labor shortage problem. With the future population decline, acceptance of foreign workers without being affected by fluctuations in the economic climate should be deliberated based on the immigration law policy as well as the labor/social security law policies.