

Article

Creation of “Employment for Skill Development Program,” Aiming for Making Japan an Attractive Destination for Foreign Workers

YAMAGUCHI Rui

I. Introduction

In April 2019, the operation of the Specified Skilled Worker System, *Tokutei-Gino Seido* (hereinafter, the “SSWS”) was commenced with the aim of accepting foreign workers in order to address serious labor shortage in Japan. This journal has so far covered the changes in Japanese policies for accepting foreign workers, focusing on the SSWS (Hamaguchi, 2019; Yamaguchi, 2024).¹ Here, in following those past articles, the latest trend in Japanese policies for accepting foreign workers as measures to tackle labor shortage will be compiled. Specifically, the SSWS was revised in March 2024, and the abolition of the Technical Intern Training Program, *Gino-Jisshu Seido* (the “TITP”) and the creation of the Employment for Skill Development Program, *Ikusei-Shuro Seido* (the “ESDP”) were decided as a result of the enactment of the amended Immigration Control and Refugee Recognition Act and Act on Proper Technical Intern Training and Protection of Technical Intern Trainees in June 2024. Then, based on existing statistical data, the current situation of acceptance and utilization of SSWS (i) workers will be examined. Additionally, Hiroshima Prefecture’s project to support model companies to produce SSWS (ii) workers from the prefecture will be introduced in this article. The findings obtained through the process of this project, in which the author was involved, will offer significant suggestions concerning what business owners and other interested parties should do in order to “make Japan an attractive destination for foreign workers” who dare to cross borders.

II. Reform of the programs and the system

1. Revision of the SSWS

The SSWS aims to accept foreign workers who have certain levels of expertise and skills and can immediately make contributions as a part of the measures against labor shortage, which is becoming increasingly serious mainly among SMEs and micro businesses. The status of residence SSWS has two categories, namely, SSWS (i) for engaging in work that requires an appropriate level of knowledge or experience, and SSWS (ii) for engaging in work that requires expert skills.

The period of stay for SSWS (i) workers is up to five years. At present, for obtaining this status of residence, applicants’ skill levels and Japanese language proficiency are checked through tests, etc., but those who completed TITP (ii) are exempted from those tests.

The status of residence SSWS (ii) is positioned above SSWS (i). For obtaining the status of residence SSWS (ii), applicants’ skill levels are checked through tests and work experience, etc. There is no limit for the period of stay for foreign workers registered as SSWS (ii) workers. Additionally, they are allowed to bring their family members (spouse and children) if certain requirements are satisfied.

The SSWS may be used in the Specified Industrial Fields (as defined in Art. 7-2, para. (1), the Immigration Control and Refugee Recognition Act) where businesses face difficulties in securing human resources despite their efforts to improve productivity and secure domestic human resources. At present, 16 industrial fields are specified, including the four

Table 1. Specified Skilled Worker System (SSWS): Outline of the specified industrial fields (16 fields)

(Unit: persons)

| Industrial field | Number expected (max. value over 5 years) Apr. 2019 Aug. 2022 Apr. 2024 | | | Number (end of Dec. 2023) (i) (ii) | Number of job categories | Job category (Job to engage in) | Type of employment | Governing agencies |
|---|---|--------|---------|--|-----------------------------|---|---------------------------------|--|
| Nursing care | 60,000 | 50,900 | 135,000 | 28,400 | 1 | Physical nursing care, etc., and other related support services [Home-visit care services are not applicable.] | Direct employment | Ministry of Health, Labour and Welfare |
| Building cleaning management | 37,000 | 20,000 | 37,000 | 3,520 | 0 | Interior building cleaning | Direct employment | |
| Industrial product manufacturing | 31,450 | 49,750 | 173,300 | 40,069 | 10 | <ul style="list-style-type: none"> Machining and metal processing Electric and electronic equipment assembly Metal surface treatment Carton box and corrugated cardboard box making Precast concrete manufacturing Tableware and ornaments pottery manufacturing Fabricated textiles manufacturing Sewing Refuse derived paper and plastics densified fuel making Printing / Book binding [Names of job category have been changed as new jobs were added.] | Direct employment | Ministry of Economy, Trade and Industry |
| Construction industry | 40,000 | 34,000 | 80,000 | 24,433 | 30 | <ul style="list-style-type: none"> Civil engineering Building Infrastructure facilities and equipment | Direct employment | |
| Shipbuilding and ship machinery industries | 13,000 | 11,000 | 36,000 | 7,514 | 6 | <ul style="list-style-type: none"> Shipbuilding Ship electrical and electronic equipment Ship machinery [6 categories were reorganized to 3 categories above.] | Direct employment | |
| Automobile repair and maintenance | 7,000 | 6,500 | 10,000 | 2,519 | 0 | Automobile daily maintenance, etc. | Direct employment | |
| Aviation industry | 2,200 | 1,300 | 4,400 | 632 | 0 | <ul style="list-style-type: none"> Airport ground handling Aircraft maintenance | Direct employment | Ministry of Land, Infrastructure, Transport and Tourism |
| Accommodation industry | 22,000 | 11,200 | 23,000 | 401 | 0 | Providing accommodation services, such as working at the front desk | Direct employment | |
| Automobile transportation business | — | — | 24,500 | — | 3 | <ul style="list-style-type: none"> Bus drivers* Taxi drivers* Motor truck drivers Required to have Japanese language skills of N3 level or higher. | Direct employment | |
| Railway | — | — | 3,800 | — | 5 | <ul style="list-style-type: none"> Train operation workers (drivers, conductors, and station attendants)* Track construction and maintenance Electric facilities construction and maintenance Rolling stock manufacturing Rolling stock maintenance and overhaul Required to have Japanese language skills of N3 level or higher. | Direct employment | |
| Agriculture | 36,500 | 36,500 | 78,000 | 23,861 | 0 | <ul style="list-style-type: none"> General crop farming General livestock farming | Direct employment Dispatched | |
| Fishery and aquaculture | 9,000 | 6,300 | 17,000 | 2,669 | 0 | <ul style="list-style-type: none"> Fishery Aquaculture industry | Direct employment Dispatched | |
| Manufacture of food and beverages | 34,000 | 87,200 | 139,000 | 61,095 | 0 | <ul style="list-style-type: none"> General food and beverage manufacturing [Manufacture of ready-made dishes in food departments of supermarkets is also permitted.] | Direct employment | Ministry of Agriculture, Forestry and Fisheries |
| Food service industry | 53,000 | 30,500 | 53,000 | 13,312 | 0 | General restaurant industry | Direct employment | |
| Forestry | — | — | 1,000 | — | 1 | Silviculture, production of logs, forestry seedling cultivation, etc. | Direct employment | |
| Wood industry | — | — | 5,000 | — | 1 | Wood processing in sawmilling industry and plywood industry, etc. | Direct employment | |

Source: Created by the author based on "Initiatives to Accept Foreign Nationals and for the Realization of Society of Harmonious Coexistence" (<https://www.moj.go.jp/isa/content/930004452.pdf>) by the Immigration Services Agency (ISA). Last accessed on July 30, 2024.

Notes: 1. This table is frequently updated. Those in blue letters above are newly added or amended parts by the Cabinet decision in March 2024.

2. The number expected in August 2022 has been revised considering the major economic changes caused by the COVID-19 pandemic.

3. The original source "Explanatory materials for 'Specified Skilled Worker,' etc." is available in twelve languages at https://www.moj.go.jp/isa/applications/ssw/nyuukokukanri01_00133.html. with other relevant information such as leaflets and video guidance on the program.

fields, namely, automobile transportation business, railway, forestry, and wood industry, which were added by the Cabinet decision made on March 29, 2024. Due to this Cabinet decision, the expected numbers of foreign workers to be accepted (maximum numbers over five years) were also revised for individual Specified Industrial Fields and the sum of the expected numbers increased from approximately 345,150 to 820,000.

Let us look at major changes by field. With regard to existing Specified Industrial Fields, In the “three manufacturing sectors” (machine parts and tooling; industrial machinery; and electric, electronics and information industries) under the jurisdiction of the Ministry of Economy, Trade and Industry, seven job categories were added and the field title was changed to Industrial Product Manufacturing. In the field of manufacture of food and beverages, manufacture of ready-made dishes in food departments of supermarkets, which belong to the retail business, is newly permitted. In the field of nursing care, the Expert Panel Discussing the Issue of Foreign Caregivers (Ministry of Health, Labour and Welfare, MHLW) has recommended that home-visit care services, not limited to care services at facilities, should be open to SSWS (i) workers, and the decision to be made on this issue is a focus of attention. In the revised Specified Industrial Fields, including newly added four fields, it is notable that some work requires relatively high command of the Japanese language. More specifically, bus drivers and taxi drivers in the automobile transportation business and train operation workers in the railway business are required to have Japanese language skills equivalent to or higher than N3 level of the Japanese Language Proficiency Test.² The outline of the Specified Industrial Fields under the SSWS is as shown in Table 1.

2. Switch from the TITP to ESDP

Since before the establishment of the SSWS, various types of foreign workers have been working at workplaces that need workforce. Symbolic examples include persons of Japanese descent who work at manufacturing sites as dispatched workers;

foreign students who engage in customer services as part-timers; and TITP workers who work for SMEs and micro businesses that face difficulties in securing human resources, whose official purpose of applying for the program is bringing skills they obtained in Japan back to their home countries. As the *front door* to workplaces suffering from a labor shortage is open to foreign workers, the conventional recipient window, which is called the *side door* in Japan, and the relationship between the *front door* and *side door* need to be questioned. In that sense, the most notable was how the TITP needed to be handled. Regarding these points, discussions were held at the Advisory Panel of Experts on Ideal Form of the TITP and SSWS on 16 occasions since December 2022, and through Diet deliberations, the Immigration Control and Refugee Recognition Act was amended, and the Act on Proper Technical Intern Training and Protection of Technical Intern Trainees was promulgated on June 21, 2024.

The major points of the legal amendments are as follows. The TITP will be positively dissolved and the ESDP, which aims to secure human resources in industrial fields suffering from a labor shortage and to train them, will be newly established. Both share the objective to train unskilled foreign workers, but the major objective of the TITP is an international contribution, while that of the ESDP, which is to be newly established, is to train foreign workers to change over to SSWS (i), the status placed at a superior position to the ESDP. This new program may be used only in the covered industrial fields (the Specified Industrial Fields where it is appropriate to have foreign workers obtain skills while engaged in working). Therefore, the training under the new program is provided in a planned manner while having foreign workers engage in duties requiring certain skills. Foreign workers who intend to switch their status of residence from ESDP to SSWS (i) and from SSWS (i) to SSWS (ii) need to pass a skills proficiency test and a Japanese language test. Requirements regarding Japanese language skills are also set for foreign workers before starting to work under the new program.

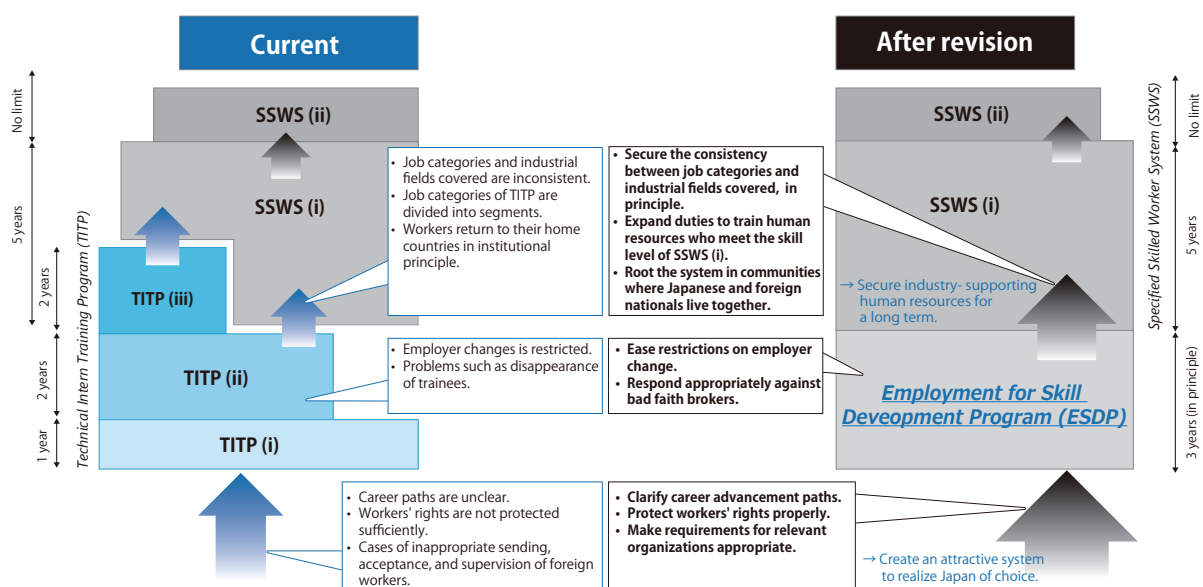
Under the SSWS, foreign workers may change

jobs within the same job category or in job categories for which they passed tests. In the meantime, as employer changes are not permitted in principle under the TITP and accordingly, the program has served as a framework for securing a certain number of workers for a certain period of time from the perspective of securing human resources, also been pointed out that this framework is the cause of serious problems concerning human rights and workers' rights. Under the new program, employer changes based on workers' own intention are permitted only within the same job category when satisfying the following requirements: (1) the foreign worker has worked for the same organization over one to two years; (2) the foreign worker has passed the basic grade of the National Trade Skill Test and a Japanese language test above a certain level; and (3) the organization to which the foreign worker intends to move satisfies certain requirements for being recognized as appropriate. Figure 1 is a conceptual diagram showing the national government's review of the programs and system.

III. Current situation of acceptance and utilization of Specified Skilled Workers Type 1 (SSWS (i))

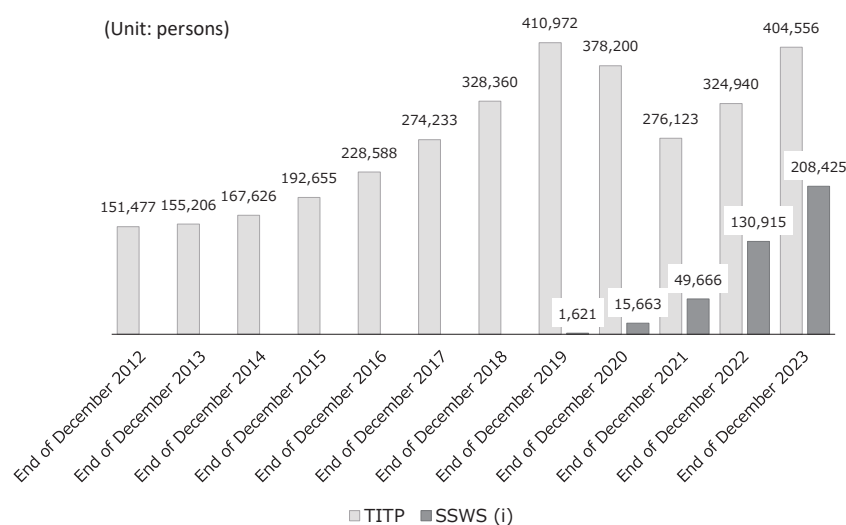
The current situation of acceptance and utilization of SSWS (i) workers is overviewed based on relevant statistical data. Figure 2 shows the changes in the number of SSWS (i) and TITP workers. The number of TITP workers decreased temporarily due to emigration and immigration restrictions amid the COVID-19 pandemic but is on the rise again at present. The number of SSWS (i) workers, for which slower increases were pointed out immediately after the launch of the program, has increased continuously during and after the COVID-19 pandemic and reached almost half of that of the TITP workers at present. According to the data preliminarily published by the Ministry of Justice, the number of SSWS (i) workers is 262,769 and the number of SSWS (ii) workers is 314 as of the end of August 2024.

Table 2 shows acceptance routes and the implementation status of skills proficiency tests by



Source: "2024 Act Amending the Immigration Control and Refugee Recognition Act: Outline of the Amendment Act (Creation of the Employment with Training System, etc.)" by the Immigration Services Agency. Last accessed on July 30, 2024. https://www.moj.go.jp/isa/01_00461.html.

Figure 1. Conceptual diagram of the system revision



Source: Prepared by the author based on “Statistics on the Foreigners Registered in Japan” by the Immigration Services Agency.

Figure 2. Changes in number of SSWS (i) workers and TITP workers

Specified Industrial Field. The number of SSWS (i) workers is the largest for the field of manufacture of food and beverages at over 60,000, followed by the three manufacturing fields (40,069) and the field of nursing care (28,400). In Yamaguchi (2024), acceptance routes were explained based on the statistical data as of the end of December 2022, but as of December 2023, one year later, the percentage of SSWS (i) workers accepted through tests increased slightly from 26.1% to 33.1%. Regarding the characteristics in acceptance routes, the author would like to emphasize here again that the following diversities are observed by Specified Industrial Field: (1) fields where almost all foreign workers are accepted through the TITP (three manufacturing fields, construction industry, etc.); (2) fields where foreign workers are accepted mainly through the TITP but a certain number of foreign workers are also accepted through tests (agriculture, manufacture of food and beverages, etc.); and (3) fields where foreign workers are accepted mainly through tests (nursing care, food service industry, etc.).

Let us check the implementation status of skills proficiency tests for foreign workers who intend to be employed by taking tests. By Specified Industrial Field, the number of test-taker is the largest for the

field of nursing care at over 90,000, followed by the manufacture of food and beverages and food service industry, both over 80,000. The overall pass rate for tests is 70.8%, but the rate is notably low for some fields like the three manufacturing fields (17.2%). For all fields, skills proficiency tests are conducted both in and outside Japan. For both the fields of nursing care and agriculture, tests are conducted in 11 countries outside Japan. The number of countries where tests are conducted for these two fields is larger than for other industrial fields, and the percentage of those who passed tests in foreign countries is relatively high at around 50% of the total number of successful test-takers (53.4% for nursing care and 52.6% agriculture). For the manufacture of food and beverages, where the numbers of test-takers and successful test-takers are both large, following the field of nursing care, tests are conducted in two foreign countries and the percentage of those who passed tests in foreign countries is less than 20%.

According to the hearing survey with 19 companies that the author conducted in 2022 (edited by the Japan Institute for Labour Policy and Training; 2023), most of SSWS (i) workers that surveyed companies accepted have experience living in Japan or working for Japanese companies under the TITP.

Table 2. Acceptance routes and implementation status of skills proficiency tests for SSWS (i) by Specified Industrial Field (12 fields, as of the end of December 2023)

| Route for accepting SSWS (i) | | | | | Implementation status of skills proficiency tests for SSWS (i) | | | | |
|---|---------|----------------|-----------------|----------------------|--|----------------------------------|-----------|--|---|
| | Total | Through tests | Through TITP | Through other routes | Number of test-takers | Number of those who passed tests | Pass rate | Percentage of those who passed tests outside Japan | Number of countries where tests are conducted outside Japan |
| Total | 208,425 | 69,004 33.1 | 139,088 66.7 | 333 0.2 | 350,676 | 248,234 | 70.8 | 39.8 | 12 |
| Nursing care | 28,400 | 22,883 80.6 | 5,287 18.6 | 230 0.8 | 95,361 | 68,628 | 72.0 | 53.4 | 11 |
| Building cleaning management | 3,520 | 1,423 40.4 | 2,097 59.6 | — | 7,108 | 5,757 | 81.0 | 38.3 | 5 |
| Machine parts and tooling industries / Industrial machinery industry / Electric, electronics and information Industries | 40,069 | 798 2.0 | 39,271 98.0 | — | 6,082 | 1,070 | 17.6 | 17.2 | 4 |
| Construction industry | 24,433 | 536 2.2 | 23,807 97.4 | 90 0.4 | 3,414 | 1,551 | 45.4 | 6.4 | 6 |
| Shipbuilding and ship machinery industry | 7,514 | 77 1.0 | 7,431 98.9 | 6 0.1 | 244 | 224 | 91.8 | 3.1 | 1 |
| Automobile repair and maintenance | 2,519 | 470 18.7 | 2,042 81.1 | 7 0.3 | 3,769 | 2,484 | 65.9 | 10.6 | 1 |
| Aviation industry | 632 | 632 100.0 | 0 0.0 | — | 3,659 | 2,240 | 61.2 | 49.0 | 4 |
| Accommodation industry | 401 | 379 97.5 | 22 5.5 | — | 10,022 | 5,068 | 50.6 | 4.9 | 4 |
| Agriculture | 23,861 | 9,025 37.8 | 14,836 62.2 | — | 53,246 | 47,070 | 88.4 | 52.6 | 11 |
| Fishery and aquaculture | 2,669 | 342 12.8 | 2,327 87.2 | — | 1,808 | 1,087 | 60.1 | 78.5 | 1 |
| Manufacture of food and beverages | 61,095 | 19,493 31.9 | 41,602 68.1 | — | 83,549 | 58,892 | 70.5 | 18.1 | 2 |
| Food service industry | 13,312 | 12,946 97.3 | 366 2.7 | — | 82,414 | 54,163 | 65.7 | 40.4 | 7 |

(Units: persons; % for figures in italics)

Source: Prepared by the author based on “Publication of the Number of Foreign Nationals with Status of Residence ‘Specified Skilled Worker’ (preliminary figures)” and “Initiatives to Accept Foreign Nationals and for the Realization of Society of Harmonious Coexistence (updated in July 2024)” by the Immigration Services Agency.

Note: The acceptance route that accounts for the largest portion is shaded for each of the Specified Industrial Fields.

Among accepted SSWS (i) workers, companies highly evaluate those who completed in-house technical intern training as they are already accustomed to work and workplaces. In workplaces where on-the-job skill-building is prioritized, such as manufacturing sites, in particular, such foreign workers are appreciated as scarce human resources and are often receive treatment equal to that of full-time workers. When switching to the status of

residence SSWS(i), their wages increase significantly. Companies expect that this will improve foreign workers’ motivation and cause them to recognize their roles clearly.

On the other hand, there are some cases where companies actively recruit those who completed the technical intern training at other companies. Furthermore, the quantitative use of foreign workers is in progress, particularly at major food processing

companies. Such companies provide SSWS (i) workers wages that increase by stage in the same manner as part-time workers who have been the front line of the company. In that process, the company seems to successfully present acceptable terms and conditions depending on levels of workers' experience or other factors, on the premise of the various acceptance routes.

In the food service industry and accommodation industry, some companies recruit foreign workers who graduated from professional training colleges as foreign workers with the status of residence SSWS (i). In such cases, their job terms and conditions are mainly based on those for new graduates that those companies recruit, along with individual consideration as needed. In the food service industry, one of the advantages of accepting SSWS (i) workers is that a company can assign them with store operation work, in which the "highly skilled foreign professionals"³ are not allowed to engage. Foreign students who work as part-timers for a company become major candidates for the company. Such case is an example of recruitment placing importance on the foreign workers becoming accustomed to the relevant work and workplaces, in the same manner as in the case in other industrial fields where companies recruit foreign workers who have completed in-house technical intern training as SSWS (i) workers.

Considering the current situation shown above, it can be said that positioning the new program as a preliminary stage to the status of residence SSWS (i) is a reasonable policy decision. At the same time, from the perspective of training human resources, the survey results also suggest the existence of variations by industrial field and job category regarding to what extent experience at workplaces is valued and whether Japanese language proficiency and relevant vocational qualifications are required for foreign workers to be immediately useful workers. Trial and error at an individual company level will be continued for some time, but in the medium- and long-term, they will eventually converge with a reasonable form of acceptance and employment management that is in line with conventional practices in human resources development and career building for each

of the Specified Industrial Fields and job categories.

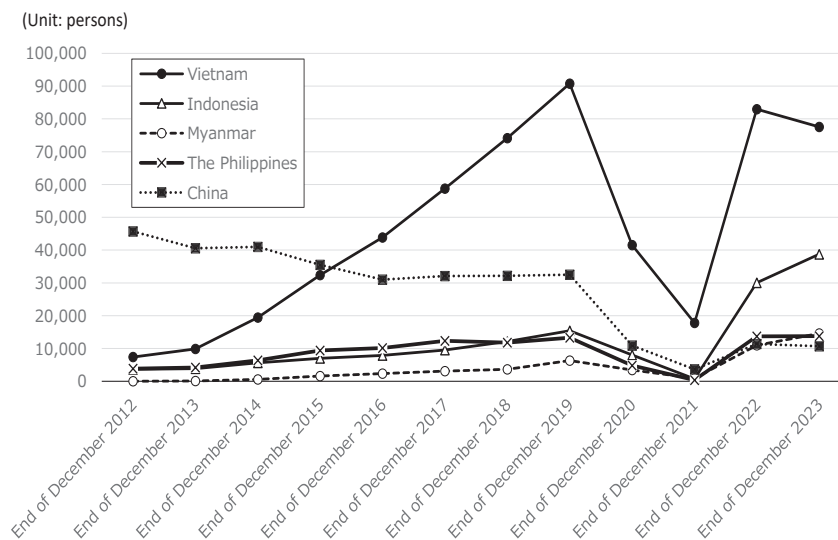
IV. Concerning for the importance of making Japan an attractive destination for foreign workers

In the ongoing policy debates on the acceptance of foreign workers, the importance of making Japan an attractive destination for foreign workers is often emphasized. The country sending the largest number of TITP workers changed from China to Vietnam around ten years ago, and intensifying competition for foreign workers with neighboring advanced countries, such as South Korea and Taiwan, often becomes a topic recently. Under such circumstances, one practical approach is to increase countries from which people choose to come to Japan to work, thereby diversifying foreign workers to be accepted. Figure 3 shows the changes in the number of foreign workers with the status of residence TITP (i) for each of the major sending countries. Compared with the numbers before the COVID-19 pandemic, the number of such foreign workers sent from Vietnam remains almost the same, while that from Indonesia and from Myanmar increased significantly. In future years, workers may be sent from India, a country with a population of approximately 1.4 billion.

Apart from this, as emphasized in Figure 1, it is also important to make efforts to have foreign workers who once chose to work in Japan continue staying Japan and work for a longer period of time. As a pioneering initiative regarding this approach, Hiroshima Prefecture was carrying out a project to support model companies. The project is outlined in the following section. Based on the author's experience of being involved in the project as a member of advisors, we examine the requirements for companies to be chosen by foreign workers who decided to come to Japan to work.

1. Initiative to become an area of choice: Hiroshima Prefecture's project to support model companies

As explained above, under the new program, employer changes will become relatively easy.



Source: Prepared by the author based on “Statistics on the Foreigners Registered in Japan” by the Immigration Services Agency.

Notes: 1. The figure shows changes in the number of foreign nationals with the status of residence Technical Intern Training (i) from the five top countries as of the end of 2023.

2. Foreign workers with the status of residence TITP (i) refer to foreign workers who are in the first year of the technical intern training. Out of such foreign workers, those who received practical training for job types for switching their status of residence to TITP (ii) (in the second or third year of training) and passed the test can obtain the status of residence TITP (ii).

Figure 3. Changes in number of foreign workers with the status of residence TITP (i) by major nationality

However, it is said that local areas are more likely to depend on the old system that has functioned as a framework for securing a certain number of workers for a certain period of time. If work and life in urban areas are more attractive to foreign workers, it can be considered that any sense of crisis concerning the system reform would be stronger in local areas. Local governments have previously been dealing with problems and conflicts between neighbors when they accept foreign workers as residents of Japan, following the fundamental policy of “multicultural coexistence” (*tabunka kyosei*), that is, the slogan long advocated by the Japanese government. However, in terms of their employment or labor, they are still searching for what they can do for foreign workers at a local level.

Under such circumstances, the Employment and Labor Policy Division, Commerce, Industry and Labor Bureau, Hiroshima Prefectural Government launched the Subsidies for Supporting Model Companies Accepting SSWS Workers in FY2023. The objective of this project is described as follows:

“For companies in the prefecture facing difficulties in securing human resources, Hiroshima Prefectural Government provides close-following support by partially subsidizing expenses of companies that endeavor to accept and retain SSWS workers, fosters such companies as model companies, and scales out their initiatives to the counterparts to promote other local companies’ smooth acceptance and retention of foreign workers, thereby making Hiroshima the prefecture of choice for foreign workers.” Eligible targets are SEMs in the prefecture aiming to produce SSWS (ii) workers in FY2023, and covered expenses are costs required for smooth acceptance and retention of foreign workers (the subsidizing rate is up to 3/4 of the total expenses; amount is 3 million yen per company).

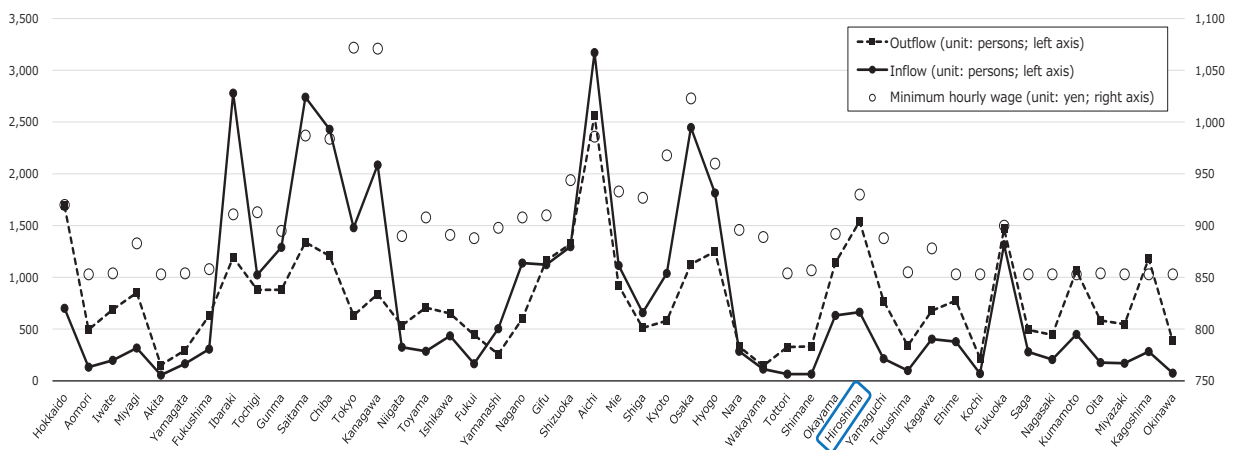
Candidates were publicly sought from March 2023 and five companies (two in the three manufacturing fields; one in the shipbuilding and ship machinery industry; one in the agriculture field; and one in the fishery and aquaculture field) were finally adopted. They differ in experience levels of

accepting them, but all the designated companies have accepted TITP workers. They also share the awareness that foreign workers are indispensable for their survival.

When the project commenced, only two fields, namely, the construction industry and the shipbuilding and ship machinery industry (welding), were covered as the fields for switching to the status of residence SSWS (ii). Then, in June 2023, it was decided to expand the coverage to 11 fields, excluding the nursing care field, for which a unique status of residence Nursing Care had already been set. Officials of the Hiroshima Prefectural Government and advisors ascertained the current situation by directly visiting the adopted companies (recipient companies adopted by the Hiroshima Prefectural Government through the screening process) and by other means and made plans for tests for the status of residence SSWS (ii), and provided information on required preparations for the tests. As a result, three SSWS (i) workers of the adopted company in the shipbuilding and ship machinery industry passed the test in September 2023 and two SSWS (i) workers of

the adopted company in the agriculture field passed the test in December 2023. The three obtained the status of residence SSWS (ii) in the shipbuilding and ship machinery industry for the first time in Japan and the two in the agriculture field passed the test that was conducted for the first time in this field.

The background against which Hiroshima Prefecture decided to launch this project is as follows. While Hiroshima Prefecture has a population of approximately 2.7 million, it has faced a big challenge of greater outflows of residents in recent years. The same trend applies for foreign workers. Minimum wages by area for Hiroshima Prefecture are higher at least compared with its neighboring prefectures and the number of TITP workers is large at 15,040, ranking eighth in Japan (“Statistics on the Foreigners Registered in Japan” by the Immigration Services Agency; as of the end of December 2023). However, a considerable number of those who completed technical intern training in Hiroshima Prefecture move to other prefectures when they switch their status of residence to SSWS (i) (Figure 4). Therefore, for Hiroshima Prefecture, how to retain foreign



Source: Prepared by the author based on the reference material (Material 2-1) for the tenth meeting of the Advisory Panel of Experts on Ideal Form of Technical Intern Training Program and Specified Skilled Worker System (July 31, 2023) (page 7) and “FY2022 Revision of Minimum Wages by Region” by the MHLW.

Notes: 1. Compiled the data for 37,173 foreign workers who moved to other prefectures upon switching to SSWS (i), out of 95,302 foreign workers who switched their status of residence from TITP workers to SSWS (i) workers (as of the end of December 2022).
2. Minimum hourly wages are those after revision that came into effect in October 2022.

Figure 4. Foreign workers’ moves between areas upon switching of the status of residence from TITP to SSWS

workers in communities and industries in the prefecture attracts more attention than merely accepting a larger number of workers from foreign countries. For a long-term settlement, foreign workers need to obtain required statuses of residence. Based on such awareness of the issue, Hiroshima Prefectural Government set a goal of producing SSWS (ii) workers from the prefecture within the period of the FY2023 project and decided to accumulate expertise in that process.

2. Requirements for companies to be chosen: Communication, learning environment and joint work

Hiroshima Prefectural Government newly established a Project Team for Measures against Decrease of Young People and Labor Shortage in April 2024, and commenced a cross-departmental project for (1) restructuring measures against decrease of young people based on the analysis of factors of their outflows, and (2) taking countermeasures against labor shortage in diverse industries, including the so-called 2024 problems.⁴ Findings obtained through the aforementioned project to support model companies will reflect discussions and measures in this project. Employing foreign workers properly in compliance with the rules is the very premise.⁵ Judging from the experience of Hiroshima Prefecture's side-by-side support for companies, the author considers what companies require to attract foreign workers as follows:

The first requirement is the enhancement of communication. Foreign workers have cultures and habits different from those of Japanese nationals. Employers should ascertain their needs through communication and offer support if necessary. Employers also should facilitate communication between foreign workers and Japanese workers and play a role to mediate their communication with local communities. Foreign workers are members of individual companies and also members of local communities. Through such communication, employers will be able to prepare a favorable working and living environment for foreign workers.

Through communication, it is also possible to ascertain future careers that foreign workers themselves envisage. Thanks to the creation of the SSWS, foreign workers came to have diverse options for their careers in Japan. Of course they can return to their home countries when they complete technical intern training, but there is also an option to switch their status of residence to SSWS (i) and work in Japan for a longer period. They may consider such a period as an opportunity for making more money or use it for preparing for a longer career in Japan.

The second requirement is the development of a learning environment. Foreign workers learn diverse ranges of things at workplaces, but at the same time, learning outside workplaces is also important. Learning Japanese language contributes to smooth communication with Japanese people around them, and obtaining vocational qualifications will expand the range of their work. If foreign workers intend to develop their career in Japan in much longer terms, they must pass the test for SSWS (ii), and they need sufficient time and place for learning as well as learning materials and experts who help them.

A certain number of foreign workers are eager to have opportunities for learning and growth in Japan. When any of these foreign workers expresses such intention, employers need to respond to that request. Foreign workers who aim to obtain the status of residence SSWS (ii) while accumulating experience at workplaces are able to tell in their words "what they would like to be while working for the company" and "how they can contribute to the company." Their explanations may include the perspective of "where the points for improvements lie in performing business." If they serve as role models and there emerge other foreign nationals who follow them, this may create a virtuous cycle of communication and learning that may lead to better business management and working conditions.

As the requirements for companies to attract foreign workers, the author pointed out the enhancement of communication as well as the development of a learning environment. To begin with, however, these requirements seem almost the same as general requirements for any kind of worker;

they have recently been mentioned as “work comfort” (*hatarakiyasusa*)—workers’ sense of security and ease in their work situations—and “fulfillment at work” (*hatarakigai*)—workers’ sense of work merit, enthusiasm, and pride. Therefore, from the perspective of ensuring equal treatment for foreign workers and Japanese workers, employers who employ foreign workers need to make efforts to satisfy these two requirements.⁶ In reality, there may be a certain number of employers who are not accustomed to the treatment of foreign workers. It is difficult for SMEs in particular to independently take the aforementioned measures. Therefore, it is reasonable to share and jointly promote measures among diverse interested parties. Supervising organizations and registered support organizations are first cited as entities supporting communication between companies and foreign workers.⁷ With regard to communication with local communities, expertise must have been accumulated through local governments’ initiatives for promoting multicultural coexistence. Regarding the development of a learning environment, in particular, for the enhancement of foreign nationals’ Japanese language proficiency, the roles to be played by certified Japanese language education institutions will further increase. Overall, it will be important to develop effective frameworks at local levels and industrial levels. The author expects pioneering initiatives undertaken by Hiroshima Prefecture to encourage other local communities to make unique efforts that reflect the characteristics of individual areas and industries.

Incidentally, attractive companies for foreign workers do not necessarily want foreign workers they employed to continue working for them. They suggest foreign workers who easily intend to change employers or jobs lightly to reconsider carefully but are accepting regarding their return to their home countries. Therefore, developing a learning environment for retaining foreign workers will eventually meet the purpose (an international contribution) of the TITP, which the government schedules to dissolve soon. However, companies chosen by foreign workers also have their own interests in mind. For example, regarding the

enhancement of communication, one of the requirements for companies to be attractive, if a company maintains communication with foreign nationals after their return, they may come to Japan again sometime later or the possibility of accepting new foreign nationals from their home regions may increase. Also, regarding the development of a learning environment, another requirement, relevant efforts of a company may contribute to obtaining foreign nationals who seek opportunities for learning and development in Japan.

V. Conclusion

This article first compiles the major points of the reform of the system for accepting foreign workers for the purpose of compensating for labor shortage, and then explains the current situation of acceptance and utilization of SSWS (i) workers based on the existing statistical data and the results of the hearing survey that the author conducted with companies. The SSWS consists of sixteen Specified Industrial Fields and acceptance routes and employment management methods vary at present. The author has pointed out that the acceptance and utilization of SSWS (i) workers would be promoted while utilizing the newly established ESDP and referring to conventional practices regarding training and career development for each of the Specified Industrial Fields and job categories.

This article introduced Hiroshima Prefecture’s project to support model companies and presented the requirements for companies to be attractive to foreign workers. Local areas are facing even more severe challenges in securing human resources and may have depended on the old program under which employers will not permit workers to change employers in principle. If so, we can recognize Hiroshima Prefecture’s project as a pioneer. Hiroshima Prefecture aims to produce SSWS (ii) workers from companies in the prefecture. Now, Japan is accepting foreign workers through a series of institutional frameworks for the purpose of compensating for labor shortage. Knowledge from the Hiroshima Prefecture’s pioneering project will

serve as important references in considering what Japan should do for ensuring the long-term activities of foreign workers it accepted. The requirements for companies to be attractive to foreign workers are the enhancement of communication and the development of a learning environment. This article describes the necessity to share and jointly implement relevant measures among diverse interested parties.

The government of Japan formulated the “Roadmap for the Realization of a Society of Harmonious Coexistence with Foreign Nationals,” which shows the visions of a society of harmonious coexistence with foreign nationals that Japan should aim at and medium-to long-term issues and concrete measures to realize these visions. In this Roadmap, a safe and secure society in which foreign nationals are included as members who jointly create the future of Japanese society and all people can live safely with peace of mind is advocated as one of the visions of a society of harmonious coexistence to be aimed at. With regard to SSWS workers, TITP workers, and ESDP workers, who are accepted for compensating for labor shortage, it is obvious that their social safety and security need to be guaranteed, but it should be emphasized that they themselves are indispensable in maintaining the front line that supports a safe and secure Japan. Their good quality experience in such work scenes will be the basis of their future work and life in and outside Japan. The new system is scheduled to be commenced by 2027. It will take some time until the details of the institutional design are determined so that a series of systems for accepting foreign workers for compensating for labor shortage will function effectively, and the system is accepted and rooted in Japan’s industrial society. During this process, we will need to conduct ongoing research and studies to better understand current conditions and seek ideal directions.

1. As a more comprehensive report on Japanese policies regarding foreign workers, OECD (2024) can be cited.
2. As Japanese language tests for other Specified Industrial Fields and job categories than these mentioned in the text, there are the Japan Foundation Test for Basic Japanese and the Japanese Language Proficiency Test (N4 or higher). (In the field of nursing care, foreign nationals are additionally required to take the Nursing Care Japanese Language Skill Evaluation Test.)

The standard for N4 level is “the ability to understand basic Japanese,” and that for N3 level is “the ability to understand Japanese used in everyday situations to a certain degree.”

3. A status of residence that allows foreign workers activities to engage in work that requires skills or knowledge in the fields of science, engineering, or other natural sciences, or in the fields of jurisprudence, economics, sociology, or other humanities, or work that requires thinking or sensitivity based on foreign culture, conducted based on a contract with a public or private institution in Japan (source: <https://www.moj.go.jp/isa/applications/status/gijinkoku.html?hl=en>).
4. The “2024 problem” refers to the concern that the overtime caps stipulated as part of Work Style Reform were applied to the construction industry, automobile driving, doctors, etc. starting in April 2024, which would have a serious impact on society, for example, stagnating logistics due to a shortage of truck drivers.
5. See, for example, pamphlets targeting employers who employ foreign nationals prepared by the MHLW at <https://www.mhlw.go.jp/content/001261966.pdf> (last accessed on July 30, 2024).
6. See, for example, the “Report of the Survey on Development of ‘Work Comfort’ with ‘Fulfillment at Work’” (MHLW 2014). There are no clear definitions for the ideas of “comfortable workplaces” (*hatarakiyasusa*) and “job satisfaction” (*hatarakigai*). In the Hiroshima Prefectural Government, another division (Commerce, Industry and Labor Bureau, which has been promoting reform of working practices) describes the situation where people feel it is comfortable to work as the “situation where employees can work in ways they like depending on individuals’ circumstances and sense of value, free from restrictions on time and place,” and job satisfaction as the “situation where employees can willingly and autonomously engage in work while feeling value in working for organizations they belong to.” Furthermore, the division points out that future reform of working practices should aim to develop a working environment where employees can work willingly and autonomously with job satisfaction, in addition to developing comfortable workplaces. See <https://www.pref.hiroshima.lg.jp/site/hatarakigai/commentary.html> (posted on March 4, 2022; last accessed on July 30, 2024).
7. A supervising organization is a non-profit corporation, such as a business cooperative, that has obtained a permission of the competent minister under the TITP. The organization (1) conducts periodic audits of affiliated companies accepting foreign nationals, (2) provides lectures to foreign nationals with the status of residence TITP (i) after their entry, (3) provides guidance for the preparation of TITP workers, and (4) responds to consultations from TITP workers. Most of the TITP workers come to Japan through the “supervising-organization-type acceptance method” in which supervising organizations are involved. Under the newly established the ESDP, supervision supporting organizations are to be established in lieu of supervising organizations. Under the SSWS, on the other hand, companies are obliged to offer support to SSWS (i) workers regarding their daily lives and can entrust such support to registered support organizations. Registered support organizations are registered with the Commissioner of the Immigration Services Agency,

irrespective of being a profit organization or a non-profit organization, a corporation or an individual.

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YAMAGUCHI Rui

Researcher, The Japan Institute for Labour Policy and Training.
Research interests: Sociology of Work, Migration Studies, and Human Resource Management.

<https://www.jil.go.jp/english/profile/yamaguchi.html>