

A Structural Examination of Unskilled Foreign Labor Acceptance in Japan

Rong Zhang

Abstract—Due to the rapid decline in the birthrate, Japan has become one of the most aged society in the world. Its economic situation has been significantly affected by this demographic change. In order to sustain economic dynamics and boost domestic growth, Japan rectified its immigration policy in April 2019 and started to issue working visas to those who are involved in low-skilled work. The government hopes to attract more than 345,000 foreign laborers to nursing, shipbuilding, lodging as well as construction and agricultural industries in the coming five years. Therefore, the number of foreigners within the border of Japan is experiencing sharp increase. However, since Japan boasts of its own tradition and places high priority on its cultural identity, it remains questionable whether it is well-prepared as a hosting country for this large-scale population flow. Japan shows strong resistance towards foreign cultures. Intercultural communication education should be enhanced to strengthen Japanese residents' intercultural awareness, and improve their intercultural communication competence as well. More efforts are needed in this aspect to embrace diversity if Japan wants to find solutions to its social problems by accepting more foreign workers.

Index Terms—Foreign workers, intercultural communication education, Globalization, Japan.

I. INTRODUCTION

Just at the beginning of April, 2019, Japan started a new policy. It has opened its door to foreign unskilled workers for the very first time in history. Up to 340,000 unskilled workers will come to work in 14 sectors [1]. As everyone knows, Japan is proud of being a mono lingual and mono-cultural country [2]. Why did it make such a big decision? The reason is simple. The total population in Japan has decreased rapidly. Furthermore, the population of the working generation is shrinking. They can no longer meet the urgent need of recruitment at the domestic labor force market. Fig. 1 shows the population trend by age group in Japan. By the year 2060, the working force (20-64 years old) in Japan will drop by a ratio of 12% compared with 2010, while the number of elder generation is going to increase up to 40%. Actually, serious shortage of labor force is a global issue. But compared with the situation in other countries, Japan will have to face the most serious situation in the coming decades of years. According to Fig. 2, US is going to benefit from a labor force growth of 42% compared with 2000. At the same time, European countries will lose 25% of its labor force and China will have a decrease of 10%. Japan will lose 44% of its labor force compared to 2000.

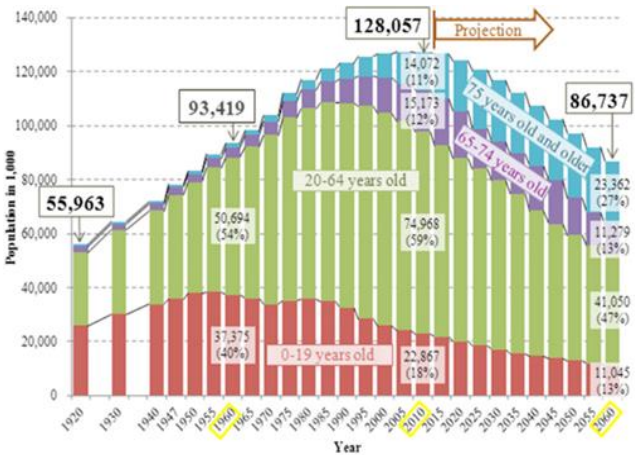


Fig. 1. Population trend of Japan.

Source: National Institute of Population and Social Security Research (2015) [3].

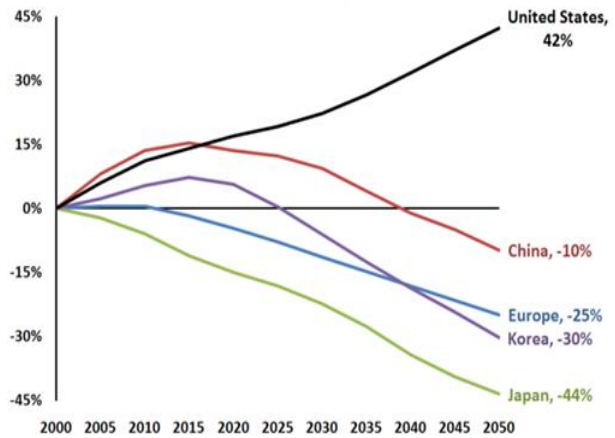


Fig. 2. Comparison of labor force growth in age 15-64.

Source: <http://www.newgeography.com/content/001463-labor-force-growth-population-growth-age-15-64-2000-2050>. (Retrieved on May 14, 2019)

It is estimated that Japan will have a labor shortage of 1,455,000 people by the year 2025 [4]. Due to this reason, on Dec. 8, 2018, the upper house of Japan enacted a bill to accept more unskilled workers from abroad despite the resistance from the opposition party. In April 2019, Japan started the new law which allows unskilled foreign labors to enter its employment market. It is not the first time in history that Japan has ever given permission to unskilled foreign workers to work in Japan, but it is the first time for Japan to provide a potential possibility for those foreign workers to have a legal status to live in the country after making their contributions. In other words, according to the new law, the foreign workers may possibly have a more respected and organized life in Japan rather than being driven out of the

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country with no regard to their needs.

This paper examines the historic changes in immigration laws of Japan, highlights the problems with the way unskilled foreign labors are treated and makes suggestions on possible improvement of the current situation.

II. POLICY FOR ACCEPTING FOREIGN UNSKILLED WORKERS

Japan realized that its population would decrease at a rapid speed about 50 years ago. It started to attract foreigners to come and work temporarily to compensate for the loss. These foreign labors consist of two groups of people: foreign students and unskilled workers.

Due to the high tuition fee and life expense, most of the foreign students have to do part-time job in order to survive. Foreign students are allowed to work for a maximum of twenty-eight hours per week during school time and eight hours per day during vacation. In 980s, Japan started a student recruitment project and the goal was to accept 100,000 foreign students in 2003. In 2008, Japan started another student recruitment project and the goal was 300,000. By the end of 2018, a total of 298,980 foreign students are registered in Japanese educational institutes [5]. Most of these foreign students come from China, South Korea and other countries in Southeast Asia. Some of them are even doing several part-time jobs in order to make a living. Because of the limitation of Japanese language competence, jobs available to them are usually physical work, dirty, demeaning and dangerous, which does not require much training. Many of them work on night shifts because they need to go to school during daytime.

Japan started to accept unskilled foreign workers in 1993 through a government-oriented program called Technical Internship Training Program (TITP). According to the official website [6], trainees stay in Japan for a period of three to five years, during which they should learn Japanese language and receive professional training. After the training, they must go back to their country and contribute to the development of their hometown. By the end of 2017, the total number of trainees in Japan is 274,233 [7]. The purpose of this program is supposed to be beneficial to the developing countries in assisting their economic growth. But the fact is that unskilled foreign workers are brought to Japan to serve as temporary helpers. They are being exploited and forced to do indecent work at very low pay, without their human rights being protected. This system has faced international criticism as modern slavery [8]-[10]. The basic concept of this scheme is a total fraud of international contribution [9].

TITP is the most beneficial to Japan. Therefore, in April 2019, it started a new law which offers a valid working visa to the trainees once they meet certain requirements, such as obtaining professional certificates, after the training period. The new law is just an extension of TITP. Foreign workers have to come as trainees first and then clear the hurdles for the working visa. The new law is not applicable to all trainees since there are strict requirements. In other words, the new law provides a potentiality that trainees can stay in Japan with willingness. It does not serve as a solution to the problems

with the TITP.

III. STRUCTURAL PROBLEMS

What are the problems with the TITP? It is just a cheating behavior of Japanese companies to gain more cheap labors from abroad. According to Honda (2018), the company owners take the advantage of the foreign labors because they know how to escape punishment [11]. Many of the companies would not sign a written contract with the foreign workers. The workers are told about the working time and pay they should get. Certainly, the company managers would not explain benefits such as pay for extra work, insurance and paid vacations. As a result, many of the foreign workers are working with an extremely low pay compared to the Japanese. Yahoo News (2019) reported a trainee from Vietnam who showed a payroll of -20,176 Japanese yen after working for a whole month in August [12]. Some workers have contracts with the companies, but they just do not confirm the items included in the agreement. Japanese companies are disregard the contracts because they know they will not be seriously punished whatever they do to foreigners [13]. The trainees will be sent back to their home countries and the Japanese owners will reestablish their business as usual. It is common for the foreign trainees to work long hours without extra pay. They are bullied at working sites and have to endure harassment from Japanese managers and staff [11].

Two parties are making profits out of the process of the trainee recruitment, the local employment agents abroad and the industrial unions in Japan. Contracts are set up between the local employment agents and the industrial unions. Many of the trainees have to borrow a large sum of money in order to pay to the local agents. Japanese companies are usually charged by the industrial unions based on the number of workers they accept. For trainees, they have to earn enough money to pay back their debt before going back to their hometown [14]. That is why they are eager to stay in Japan for a longer period of time. In order to receive the extension of a valid working visa, they have to ask for help from their companies for the document of future employment. Due to this reason, many of the trainees have to give up fighting for their own rights [11]. Once they fail to renew the visa with the current employees, they have only three months to find a new job to maintain their legal stay in Japan. According to Honda (2019), the new law does not provide clarified standard for the examination of the new working status for foreign workers. Their application will be inspected case by case [11]. This once again, shows the reluctance of Japanese government in helping the foreign workers to settle down [15].

Japan ranks the third in economic development in recent years. But its internationalization progress is very slow compared with other countries. Fig. 3 shows the permanent migration flows as a percentage of population of all OECD countries in 2012. Immigration of Japan remains at a relatively low and stable level, which ranks the second from the bottom. Fig. 4 shows the ratio of temporary workers to permanent immigrants in OECD Countries, 2010. Japan ranks the top. The number of its temporary workers is 1.8 times of the number of its permanent immigrants. The contrast of these two figures reveal the very truth that Japan restricts the number of permanent immigrants but invites

more foreign workers to help with its dilemma in the domestic labor market. Trainees are guest workers and expected to leave. The basic concept is that they are not welcome to settle down. The government has made it clear that migration is not the term to use for policies related to foreign labors [16]. Japan has attempted to escape its responsibilities as a host country. It invites foreign workers to come and help but refuses to protect their rights.

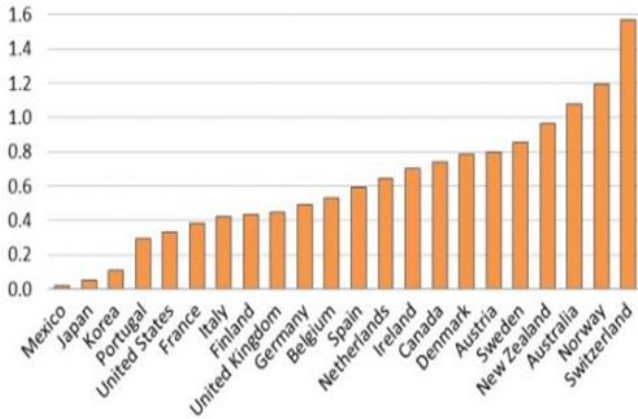


Fig. 3 Permanent migration flows as a percentage of population. (Source: OECD International Migration Database (2012). http://www.facts.org/irishfinancenews/article_1027699.shtml. Retrieved on Sept. 30, 2019.)

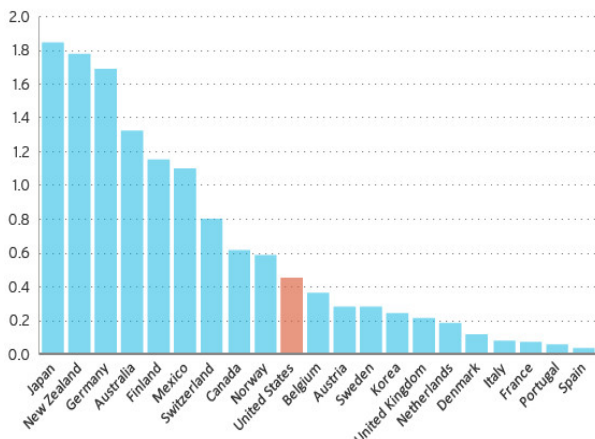


Fig. 4. Ratio of temporary workers to permanent immigrants in OECD countries, 2010. Source: Retrieved on Sept. 30, 2019. <https://www.brookings.edu/research/immigration-facts-temporary-foreign-workers/>.

Due to the inadequate supervision, many managers of Japanese companies disregard the human rights of the trainees and take extreme measures for their own convenience. The reason is simple – Japanese companies do not receive penalty for abusing the trainees. They pay the trainees far less than the minimum legal level, take away their passports and bank notes, and even bar them from going out in the evening after work [14], [16]. Trainees are not informed of the benefits they should have received. Many employers do not pay for their insurance so they can't afford to go to hospital in case of injury or illness. The government found that during 2012-2017, 171 trainees died and 43 out of them were not even reported to the government [14]. Unable to bear the abusive condition, many trainees had to escape from their employers, which means they are not legal residents in Japan. In 2017 alone, 7089 trainees disappeared, which hits the record compared to 5058 in 2016 [17].

Trainees are considered cheap labor and have become the tool for Japanese companies to obtain profits. All of these findings represent just a tip of the iceberg [14].

IV. POSSIBLE SOLUTIONS

The most effective way to solve a structural problem is to displace the current system with a new one. Although TITP is a nation-oriented scheme, it has not followed the very basic principle of its establishment. Now a new law has been enacted based on the old system of TITP. The only possible solution is to treat TITP as a brand-new plan and confirm the implementation details within an administrative context. With no doubt, the engagement of both government and Japanese companies are needed for proper practice during the fulfillment of this training plan.

- 1) As mentioned above, TITP is a technical training program launched by the Japanese government. It aims at helping trainees from developing countries to gain professional skills and knowledge so that they could contribute to the economic growth of their own countries after the training. The trainees must not be treated as cheap labors. They come to Japan to learn rather than work as a substitute of normal workers doing non-technical work. Therefore, the government should provide funding to the companies in order to assure that training is conducted. The trainees should be clearly informed of their working situation at the pre-training session before formal employment. They should be told about their working time, pay, and other benefits. They should be educated about the law in Japan so that they know how to protect themselves in case of trouble. Furthermore, the government should create detailed rules for the training program, as to the training time, training contents, the goal to achieve and the method of measurement. Since Japan has to rely on foreign workers to overcome the difficulty of domestic labor shortage and realized further growth in economy, it has to be serious in dealing with the fundamental training issue. Once again, training is the core of TITP if Japan wants the scheme to be successful [18].
- 2) Penalties should be clarified to the companies who do not obey the rules in the implementation of employment operations. At the current stage, companies are paying to the unions for their introducing foreign trainees. Japanese companies do this because they want to survive the serious situation caused by the lack of workers. For most companies, their purpose is to pursuing profits rather than providing benefits to the trainees. The companies are abusing the trainees and they do not have to be responsible for the violation of the law. Because the victims are foreigners, many of them do not have a sufficient Japanese ability to understand the law and learn how to protect themselves in case of trouble. Thus, Japanese companies are not sued and do not receive penalties. As mentioned above, many of the Japanese companies declared bankruptcy once they were found to have abused the trainees. The owners established new companies to continue their business

without any punishment [14][19]. Some of the company owners take the advantage of the system and have repeated the process, hiring trainees, abusing, announcing bankruptcy and establishing a new company. The new law is an extension of the old system and is not addressing the underlying issues which result from the flaws in TITP [20].

- 3) Trainees should be given more chances for better career and life plan. At the current stage, trainees from the construction and the ship-building sectors can extend their renewal of the trainee visa without the restriction of time. This is the result of the serious labor shortage in these two sectors [18]. According to the new law, two categories of visa will be issued to qualified intern trainees once they meet the requirement [21]. Category 1 requires a certain level of knowledge and experience for the extension of the trainee visa to five years. Basically, trainees can have this visa issued without much inspection. But for Category 2, they are required to have a fully developed professional skill for eligible renewal. With this visa, the trainees will become formal employees of the Japanese companies. They should receive the same salary and benefits as other Japanese employees including assurance and allowance for their family members.

There are still no clear indications about the evaluation criterion for the recognition of the visa applicants' qualification. The conduct of the accreditation of their performance and ability is case by case and the trainees do not grasp any details in the judgment of the immigration bureau when applying for an extension of legal stay. But Office Smilebear (2019) states that only qualifications of the caregiving, restaurants and hotels are recognized at the current stage [22]. It is still not clear what to do with applicants of the new visa from other sectors. Obviously, the extension of the trainees' legal stay in Japan will facilitate their efforts to establish their career and make their life plan. Japan should be aware that from a long run, keeping those skillful workers after their training period would be beneficial to the country because it saves them time and energy for repetitive training.

- 4) The current system should be refined and flaws should be revised. As explained above, the purpose of the Japanese companies to hire foreign workers is for more profit. They are cheaper than the Japanese workers, which helps to reduce the cost of human resource. Otherwise, they prefer to recruit more Japanese staff because many of the foreigners do not have a desirable competence in Japanese language. Therefore, the biggest concern of Japanese companies is how to make foreigners work with a minimum cost, which includes salary, bonus, insurance, training, paid vacations and other benefits.

According to the law in Japan, the insurance fee for medical care and unemployment, and the old age pension should be shared by individual workers and the companies. But many Japanese companies refuse to pay for these benefits foreign employees should have received. Some of the companies play a trick on foreign employees by forcing them to pay the total amount of insurance premium and pension.

Seemingly, the companies provide a salary which is above the minimum request for a working visa, but the foreign employees receive a much lower net income after the monthly deduction. Another result of this is more frustrating. Once the foreign workers retire from the Japanese company in the future, they will find out that the pension they receive will be too little to support their life in Japan. Based on the system adopted in 2017, foreign workers are eligible for receiving the old age pension after paying for 10 years [23]. For the technical trainees, normally their visa allows them to stay in stay for three to five years. This means, if they quit job before the designated retirement age, they will lose most of the money. Only a very small amount will be returned as compensation.

In sum, the current insurance and pension system is established without taking into account the benefits of foreign workers. It is very complex and there is no explanation available in the English version, therefore, very few foreigners have ever had the chance to learn about it. In sum, there is strong discrimination against foreigners working in Japan although they are doing the same work as the Japanese.

V. CONCLUSIONS

Japan planned to issue visas of the Category 2 to 40,000 trainees within one year after the enactment of the new law. But by the beginning of October, only 376 trainees succeeded in changing their legal stay status into Category 2 [24]. This number was only 271 at the end of September, 2019 [22]. After these trainees became formal employees, they should be treated the same as other Japanese staff. They should receive bonuses, enjoy paid vacations, and can transfer to other companies without the permission of their Japanese employers. But Japanese employers do not want to offer them the convenience to apply for the new visa category and would rather keep the foreign trainees as they are. They do not have pay as much as they should for human resource in that case and can save the cost [18]. Since there are several visas available to foreign labors, Japanese company owners will choose the one which is the most beneficial to them. As long as the trainee system and the new visa categories coexist, most of the foreign workers will be required to work with the trainee identity and treated as cheap labors as before.

In order to avoid the increase in human resource cost, many Japanese companies contract with temporary staffing agencies instead of recruiting themselves [18]. These agencies bring foreign labors from abroad and dispatch them to various Japanese companies throughout the country. Japanese companies can stop their contracts with these agencies once they do not need as many staff. The same, these agencies stop the contract renewal with the foreign employees once there is a reducing need for workers at the domestic market. By recruiting foreign workers this way, Japanese companies can have the foreign workers to come and help when they want and do not have to pay them as formal employees. For the temporary staffing agencies, they can terminate the contracts with the foreign workers without the law. This has become another popular way for Japanese companies to recruit staff at relatively low cost.

Japan will accept more foreign workers to deal with the serious labor shortage in its domestic market. By the end of

2018, the total number of foreign labors amounted to 2,731,093, a 169,245 increase (6.6%) from 2017 [25]. Japan has reached an agreement with eight countries for recruiting foreign staff, i.e. the Philippines, Cambodia, Nepal, Myanmar, Mongolia, Vietnam, Sri Lanka and Indonesia. All of them are developing countries in Asia. More foreign workers will come to Japan and contribute to the economic development of the country. As a hosting country, Japan is responsible for removing discrimination of the local residents and helping foreign workers to get integrated into the society.

Better rules and regulations are in urgent need in order to protect the foreign workers' rights and supervise the performance and behavior of those Japanese companies who hire foreign workers. Foreign workers should receive equivalent benefits to the Japanese since they are doing the same work. The current system contains flaws which should be noted and revised in order to meet the minimum requirement for fair and justified recruitment of foreign workers. It is a long-term project for the whole society to realize the significant contribution of the foreign labors and wipe off the stereotyped thinking that they are trouble makers. The fundamental part of this process is the attitude of the government. Administration should be enhanced to offer substantial support to the foreigners on the basis that they are treated in an equal way as the Japanese at workplaces.

CONFLICT OF INTEREST

The author declares no conflict of interest.

AUTHOR CONTRIBUTIONS

The author Zhang Rong contributes to this work.

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