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"Guest Workers" for Japan?

Gabriele Vogt

Demographic Change and Labor Migration to Japan

Japan's population is aging and shrinking. If other demographic factors, such as retirement age or fertility rate remain unchanged, Japan will need large-scale labor migration in order to keep its workforce at a level that ensures the functionality of the state. The nation's political elites, however, are hesitant about opening Japan's doors to such migrants.

There is a vast amount of data available on Japan's demographic change, of which the most relevant is the decline of Japan's workforce. Data provided by Japan's National Institute of Population and Social Security Research (IPSS) shows the projected development of the Japanese population divided into age brackets. It forecasts a decline of those 14 years old and under; there is an even sharper decline predicted for those aged 15 to 64. Only those 65 years and older will increase in number. A nation's workforce is usually defined by the 15 to 64 age bracket; those who are 14 and younger, as well as those 65 and older, count as the non-working population. IPSS (2006: 12) predicts for Japan that the working and nonworking populations will almost equal each other at some 40 to 50 million each by 2050. This development would lead to the breakdown of the nation's social services, its economic power, and global competitiveness in general.

Hidden workers, scheming patrons: Illegal workers in Japan do unwanted jobs for little pay and less security

The United Nations Population Division (UNPD) reports astronomic numbers for suggested replacement migration to Japan. The UNPD (2000) study *Replacement Migration: Is it a Solution to Declining and Ageing Populations?* provided three scenarios for Japan, each of which required large-scale labor

migration; 1. to keep its population at the level of 1995, 2. to keep its workforce on the 1995 level; and 3. to keep the ratio of working to non-working population constant. The last scenario, stabilizing the ratio of working to non-working population, is the most crucial one for Japan's economic strength. It is, however, also the scenario that requires the highest numbers of labor migration to Japan, i.e. 553 million immigrants by 2050, which comes to about ten million immigrants per year. By 2050 the Japanese population would have to grow to 818 million people, with 87% of them being post-1995 immigrants and their descendants.

While these UNPD and IPSS numbers may provide valuable insights into developments in Japan's population structure and the labor migration necessary to ensure economic productivity, they are also just projections of future developments assuming that other relevant demographic criteria remain unchanged. They are important, nevertheless, as they clarify the linkage between Japan's demographic change and labor migration to that nation. Only in the last couple of years did this relationship appear within the political discourse: asking how Japan's current migration policy could be altered in order to function as a counter measure to national demographic change while at the same time preventing a decline in wages and cultural clashes within domestic society?

With the number of foreign residents amounting to just over 2 million people, which comprises less than 1.6% of the overall population of Japan (MOJ 2006), Japan is not a classical country of immigration. By OECD standards, this is an extremely low percentage of foreign residents. The country now faces a new double-sided challenge: formulating a new immigration policy and integrating foreign residents already living and working in Japan. The current discourse on labor migration to Japan revolves around the following two questions: First, should labor migration to Japan be opened to unskilled labor or remain restricted to the highly/medium-qualified labor? Secondly, should labor migrants be allowed to stay in Japan permanently or should the length of their stay be restricted? Numerous government agencies are involved in debating these questions, including the Ministries of Justice (MOJ), Health, Labour and Welfare (MHLW), Economy, Trade and Industry (METI), and Foreign Affairs (MOFA), as well as the Japan Business Federation, *Keidanren*.

The Japan Philippines Economic Partnership Agreement

The various positions of these actors will be illustrated through the recent Japan Philippines Economic Partnership Agreement (JPEPA) (MOFA 2006). The JPEPA aims to "strengthen the economic collaboration" between the two countries, in particular "by increasing the cross-border flows of goods, persons, investments and services" (MOFA 2004).

Phillipines President Gloria Macapagal Arroyo shakes hands with the former Japanese Prime Minister Junichiro Koizumi after the signing of the Japan-Philippines Economic Partnership Agreement on September 9, 2006.

In Japan, the JPEPA was pushed forward by MOFA and METI. MOFA sees the JPEPA as an avenue to enable people with certain professional qualifications and certain citizenships to work in Japan for some limited time. Via the JPEPA, MOFA encourages labor migration to Japan, including medium- and lower-skilled workers, without going through the lengthy process of instituting legal reforms.

The JPEPA explicitly addresses the caregiving sector, a business sector which in the near future will be strongly affected by demographic change in Japan. Not only will the number of job vacancies in these professions rise even higher than they are today, but the same will hold true for the number of patients who need to be taken care of. In other words, the expanding requirements of this job market will have to be met from outside the shrinking pool of Japanese workers. METI gives priority to demands articulated by the business sector, namely hospitals, nursing homes, and other care-giving institutions in need for qualified personnel. Ever since the ratio of job openings to job applicants in the care-giving sector rose to 2.03 in fiscal year 2004, METI has explicitly argued for a prompt and pragmatic response to this sector's labor shortage [1] (Burgschweiger 2006: 45).

JPEPA Article 110/1/f of JPEPA defines "natural persons […] who engage in supplying services as nurses or certified careworkers" as a specific target group for whom cross-border movements for the purpose of working abroad shall be made possible. The document distinguishes between nurses and certified careworkers: Nurses (*kangoshi*) are understood to have work experience as nurses in the Philippines; careworkers (*kaigofukushishi*) have graduated in health care from four-year universities. The main distinction in JPEPA is the length of time that these workers can stay, which will initially be three years for nurses and four for certified caregivers. Both may only apply after passing examinations for nursing/caregiving and Japanese language proficiency. Persons in either group may apply for an extension up to three times.

MHLW placed the focus of its concerns on the working conditions of both Japanese and foreign nurses and caregivers. Initially opposed to the JPEPA, MHLW eventually agreed on the bilateral treaty as it became clear that "Japan is now in the state of chronic nurse shortages in terms of both quality and quantity" as the Japanese Nursing Association (2007) put it in a statement on

the employment status of nursing professionals in Japan. MHLW, influenced by this and other labor associations, also advocates for improving the general working conditions in the caregiving sector, in order, for example, to provide incentives to some of the 320,000 Japanese qualified caregivers who are currently not working in this sector to return to the jobs they were trained for (Burgschweiger 2006: 46). MHLW also argued for imposing strict regulations on foreign workers in Japan: the requirement of Japanese language proficiency as well as the time-restricted visas and work permits for the labor migrants are said to be a result of MHLW negotiations within the Japanese government.

MOJ adheres to its most contentious immigration guideline: excluding non-skilled workers from labor migration to Japan. According to MOJ, vacancies in Japan's job market that will arise in the wake of the nation's demographic change are to be filled by more effectively recruiting female workers into the workforce, and by recruiting youths, especially the group of people 'not in employment, education, or training' (Kono, Interview). MOJ rejects any of the new forms of regulating migration, which, by other government agencies, are seen as alternatives to the current framework given by the MOJ-supervised Bureau of Immigration. This goes as far as to completely avoiding even mentioning the JPEPA. Asked about his opinion on the proposed treaty during an interview in February 2006, Senior Vice Minister of Justice Kono Taro stressed that MOJ aimed to avoid single-sector and nation-specific immigration guidelines; rather it strives for a comprehensive approach to creating a "harmonious match" of migration population and host population in Japan.

For several years now, *Keidanren* has been arguing for the internationalization of Japanese business and society. In 2003 it published a paper titled *Japan 2025: Envisioning a Vibrant, Attractive Nation in the Twenty-First Century* (*Nippon Keidanren* 2003b). This paper draws a picture of *Keidanren*'s visions on how Japan's economic policies, societal structures, and international relations could evolve in order to make Japan a powerful contestant in international competition: "Non-Japanese who come to live in this country will bring diverse viewpoints and talents. […] the government must open Japan's doors to people from around the globe so that they can display their ability in this country" (*Nippon Keidanren* 2003b). In an amendment to the initial report (2003a), *Keidanren* suggests concrete measures that should be taken in order to help Japan regain "socioeconomic vitality" through internationalization. These include, for example, reforming the currently existing visa categories and expanding the system of EPAs (Economic Partnership Agreements). In a March 2007 statement *Keidanren* reiterated its recommendations: EPAs should pave the way for labor migration to Japan not only for careworkers but also for workers in sheet metal processing, welding and shipbuilding, other areas facing increasing labor shortage in Japanese companies. Labor migrants should be granted a permission to stay and work in Japan for up to three years (*Japan Times* 2007/03/21).

The JPEPA serves as an excellent example to show how divided government agencies and business federations are when it comes to shaping a new framework for labor migration to Japan. While MOFA and METI were actively

engaged in realizing the JPEPA, MHLW initially opposed it, but then agreed to it, and MOJ still opposes it. *Keidanren* supports it, but local caregiver associations oppose it fiercely and find their avenue into the policy making process through MHLW. Differences in the positions of these actors may be greater than actual common ground among them. All of them, however, agree that opening Japan's doors to labor migrants should be strictly controlled. This means that all these actors strongly prefer highly or medium-skilled labor migrants to unskilled ones; secondly, they agree on restricting the period of stay of migrants to a handful of years each time a (renewable) visa is issued. This policy neither allows for wide-range labor migration to Japan nor for permanent residency, let alone a citizenship track for migrants.

A drop in the ocean

In 2007, the JPEPA was ratified by the Japanese Diet; it has not yet, however, been ratified by the Philippines. Given the relatively small number of potential labor migrants on the one hand and the contentiously debated arrangements on the export of agricultural products on the other, the JPEPA is considered neither an overly pressing nor a popular issue among many leading politicians in the Philippines. [2] Moreover it is not even very popular among Filipino careworkers who would rather opt for migration to an English-speaking country where they could start working in their profession right away, rather than occupying themselves with studying an additional foreign language, as some of them noted during an interview with NHK in March 2007 (NHK 2007/03/11). The JPEPA might lead to labor migration flows of up to 400 Filipino nurses and 600 certified careworkers to Japan per year (Nemenzo 2006). For a country of 7.3 million labor migrants, whose officially recorded remittances average some five percent of the Philippine's GNP (O'Neil 2004), an additional one thousand labor migrants per year cannot be considered a groundbreaking economic or political opportunity. Also, one thousand additional labor migrants from the Philippines to Japan will make no impact whatsoever in terms of replacement migration to Japan as a countermeasure to the nation's shrinking workforce. It is but a drop in the ocean. A single drop that reveals much about how difficult it is for political and economic actors to revise Japan's immigration policy.

Gabriele Vogt holds a Ph.D. (2002) from the Faculty of Oriental Studies at Hamburg University, Germany. She is a research fellow in political science at the German Institute for Japanese Studies (DIJ) and currently serves as Deputy Director of DIJ. Posted on Japan Focus *on September 15, 2007.*

Notes:

[1] In fiscal 2004 the average ratio of job openings to job applicants in Japan for all sectors combined was around one to one, with slight differences throughout the seasons (SBSRTI 2007).

[2] The JPEPA's exporting structure of agricultural products to Japan is expected to benefit large multinational corporations more than the local farmers and fishermen in the Philippines. The *Philippines Today* in an opinion piece even called for renaming the JPEPA to JPEEA, Japan Philippine Economic

Exploitation Agreement (Nemenzo 2006).

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