

LABOR MARKET SEGMENTATION AND MIGRANT WORKERS IN JAPAN

by

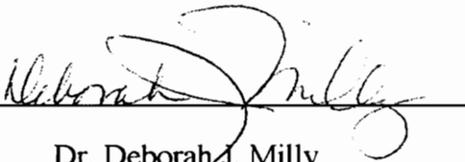
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(ABSTRACT)

The objective of this thesis is to offer an alternative to the conventional “push and pull” model of transnational labor migration to analyze the sudden inflow of migrant workers to Japan since the mid-1980’s. Michael Piore’s theory of labor market segmentation is used as a framework for the analysis. Piore’s model claims that migrant workers are wanted in the host country to provide their flexible labor in the “secondary sector,” which mostly employs socially disadvantaged groups of citizens, such as women, minorities, and youths. After analyzing the Japanese labor market for segmentation, which has its roots in extensive subcontracting production practices, this thesis argues that the inability of the secondary sector to attract domestic workers during the economic expansion in the mid-1980’s to early 1990’s created the demand for migrant workers, and that some of the measures taken by the Japanese government during the same period are directly responsible for “triggering” the migration.

Despite the expectation among employers and some government officials that the influx of migrant workers will alleviate the labor shortage in the secondary sector in the short-term, this thesis postulates that the use of migrant workers as it has been done in Japan will ultimately reinforce the production and employment practices that perpetuate the segmented structure and its labor shortage in the Japanese labor market. In addition, the labor rights and human rights of migrant workers are too often overlooked by their

employers and the enforcement authorities. Based on these observations, this thesis recommends that the Japanese government emphasize on improving the remuneration systems and working conditions of the secondary sector, and regain control over immigration of foreign workers, which it did successfully prior to the mid-1980's.

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CHAPTER ONE

Introduction

During the expansion of the "bubble" economy from the late 1980's to early 1990's, Japan suffered from an acute labor shortage. The shortage was particularly severe among small- to mid-size firms¹ involved in activities that have been categorized under the so-called "3D's (that is, *dangerous, dirty, and physically demanding*)" heading. Such firms were concentrated in the manufacturing and construction industries. It was so severe that it was one of the major causes of bankruptcies among small- to mid-size firms. During the previous economic boom of the late 60's to early 70's, there were 207 bankruptcies due to the labor shortage in 1969, which had been a record high in Japanese history until 1990 when the record was broken as 310 firms claimed labor shortage as the major cause for their bankruptcies (Tezuka, 1991, p.52).

During the same period, the number of foreign workers, especially those without legal work permit, increased drastically. Prior to the late 1980's, the Japanese government had been relatively successful in controlling the inflow of foreign nationals. Legal work permits for foreigners were limited to such occupations as managers of businesses, specialists in industrial techniques, diplomats, teachers and religious personnel. The majority of illegal foreign workers used to be women who worked as "hostesses" in bars,

¹ Definitions of the "small," "medium-size" and "large" firm vary even among the government ministries and agencies. Small and mid-size firms are considered as one category in some statistics. This paper will specify the definition when data are used.

and they were mostly invisible to society. However, this changed in the late 1980's when there was a sudden increase in the number of male migrants, the majority of whom were working illegally in performing low-skilled jobs in the manufacturing, construction, and service sector. Currently, female illegal workers began to be seen in the manufacturing, service, and farming sectors. The demand for the foreign labor was openly expressed among the Japanese business owners, creating a nation-wide debate over whether to open the doors for not only skilled professionals but also for less-skilled foreign workers.

The recruitment and use of transnational migrant workers² are not uncommon practices among industrial countries. Germany actively recruited migrant workers under the guestworker program through bilateral agreements with sending countries between 1950's to 60's, and this additional foreign labor force made the "economic miracle" of the same period possible. In France, foreign workers were the crucial labor force for rebuilding the post-war economy. When both countries were overwhelmed by the foreign population in the early 1970's, the governments of the two countries implemented stricter policies against labor in-migration. Nevertheless, they left limited windows open allowing migrant workers to hold specific occupations, such as construction, agricultural, and domestic works, which were unable to attract enough domestic laborers (Hammar, 1985). The United States is, needless to say, built by immigrants. Although the constant flow of immigrants from all over the world provides a virtually unlimited source of labor force, the U.S. has sought out foreign labor for specific purposes. For example, Mexican

² Workers who migrate transnationally for the purpose of seeking jobs in the destination country will be referred to as "migrant workers" in this paper, and are the subject of this study. People who migrate for the purpose other than employment (e.g., political refugees) will be excluded from the analysis. Also, other long-term foreign residents including Koreans and Chinese who were forcefully brought to Japan during the time of Japanese occupation of the two countries will be excluded from the analysis. Japanese workers who migrate domestically will be referred to as "domestic migrant workers." Countries of origin and of destination of the migrant workers will be referred to as "sending countries" and "receiving countries," respectively.

agricultural workers were recruited during World War II under the program called “Bracero” in order to replace the young American workers who had gone to serve in the military. The program continued even when the war ended, and it still remains operational under the name “H-2” program, despite the controversy over the bad management and exploitation of migrant workers (Resnick, 1991, p.25).

The ILO estimates that there were approximately twenty-five million migrant workers in the world in 1990. This is an almost 20 per cent increase since 1980 (Ministry of Labor, Department of Human Resources Office, 1992c, p.3). A greater number of countries are sending migrant workers to a greater number of receiving countries, and some former sending countries are also receiving migrants (Lim, 1992, p.92). For example, the so-called NIEs (Newly Industrializing Economies) such as Singapore, Hong Kong, and Taiwan are not only exporting migrant workers to the Middle East, the United States and Japan but have also become the destinations of migrant workers from their neighboring countries such as Malaysia, the Philippines, Thailand, and China.

The issue of concern here is the widespread use of migrant workers in the industrial (and industrializing) countries because, first, the labor market in receiving countries appears to be segmented in terms of wages and working conditions³, and some jobs have become so unattractive that it takes people from countries with lower wage and labor standards to fill the jobs. It has become more common and easier to use migrant workers instead of implementing fundamental changes in the production processes and employment practices. Second, most governments in receiving countries lack the commitment to protect migrant workers from labor and human rights violations for fear of encouraging more in-

³ Working conditions include such variables as total working hours, flexibility of working hours, upward mobility, job stability, "dirtiness" of the job, the level of the physical strength demanded, the level of danger at the work place, and the sense of accomplishment, interest, and importance felt from the job (Kruse, 1991, p.243).

migration as well as of adversely affecting wages, employment rates, and working conditions of less-skilled domestic workers, despite the fact that receiving countries' labor laws generally guarantee equal rights to all workers regardless of their nationality. It is ironic that workers who are the most vulnerable in society and in the labor market, due to their non-citizen and often illegal status, are increasingly taking the type of jobs that necessitate "safety nets" the most.

The conventional understanding of labor migration is that migration is the "natural" outcome of the co-existence of "push" and "pull" factors: The "push" factors consist of high unemployment rates, underemployment, low wages, and poverty in sending countries; the "pull" factors are higher wages and greater job opportunities in receiving countries. Although both "push and pull" need to be present for the migration to take place, the conventional analysis does not explain the timing of the actual migration or the type of jobs migrants hold in receiving countries regardless of their skills or experience in their home countries. For example, wage gaps between Japan and sending countries have always been large, even *before* the late 1980's when yen appreciation made the gaps even greater. In fact, labor migration had been taking place between countries with smaller wage gaps. The unemployment rates were higher in sending countries than in Japan *before* the late 1980's, and Japan has been maintaining low unemployment rates even by the industrial nations' standard. Not only the "push and pull" forces need to co-exist but more definitive events or actions must signal the match of the two forces and trigger the migration. And why are migrant workers concentrated in the small- to mid-size construction and manufacturing firms? Why do some of the educated and skilled migrants occupy less-skilled manufacturing jobs in Japan?

This paper argues that the early stage of transnational labor migration is largely demand side driven, and that the segmentation of the Japanese labor market created the

environment in which migrant workers were sought. It also argues that some of the government measures with regard to opening wider options for foreign citizens to work (or be “trained” on the job) in Japan were largely in response to the labor shortage among some firms which were unable to secure a sufficient domestic labor force, and that such measures directly induced migrant workers to participate in the Japanese labor market.

Chapter Two introduces labor market segmentation theory as a framework to analyze the labor markets of receiving countries. The theory of labor market segmentation states that a labor market is polarized between the non-competitive sectors: the jobs in the "primary sector" provide relatively high wages and good working conditions, particularly in terms of the job stability and upward mobility; while those in the "secondary sector" have lower standards of wages and working conditions. Michael Piore argues that migrant workers are “wanted” to play a specific role in industrial economies, namely, as a flexible labor force that eases the inevitable adjustments to demand fluctuations which take place in industrial economies. He explains that migrant workers are willing to take the secondary sector jobs because of their initial intention to work only temporarily in the receiving country to fulfill such goals as to start a new business or to expand the existing one at home, which would have been very difficult to achieve had they not migrated overseas.

Chapter Three applies the framework developed in Chapter Two to identify the segmentation in the Japanese labor market. First, it analyzes the way in which the vertical subcontracting production practices have contributed to the establishment of labor market segmentation based on firm-size. The discussion will particularly focus on the analysis of the manufacturing and construction industries in which subcontracting is most widely and rigidly practiced. It argues that small manufacturing and construction firms were most severely affected by labor shortages in the late 1980's because the rigid subcontracting practices tend to limit employers' ability to provide stable employment and to improve

working conditions for their employees. Second, contrasting the neoclassical economic theory, Chapter Three discusses the ways in which factors not directly related to one's actual or potential productivity, such as family income, gender, and minority status may affect one's accessibility to the "good jobs" in the Japanese labor market. Third, the chapter will show that the decreased availability of the domestic migrant workers from the rural regions, who have traditionally provided the flexible labor force in the secondary sector, and the declining status of so-called "3D's" jobs played a significant role in generating labor shortages in the secondary sector.

Chapter Four describes the way in which different types of migrant workers play a specific role in the segmented Japanese labor market, i.e., to provide temporary relief from labor shortages affecting firms in the secondary sector. It argues that some of the changes that the Japanese government has implemented in immigration regulations since the late 1980's are largely influenced by the labor shortage in the Japanese labor market, and provided a means to legally use migrant workers for less-skilled jobs which would otherwise be prohibited.

In Chapter Five, the short-term and long-term costs and benefits of the foreign labor in-migration is discussed. The existing studies on the issue are dominated by the case studies of traditional receiving countries such as the United States or Western European countries. While similarities can be found between the experience in these countries and that in Japan, other aspects that are unique to Japan require approaches to policy making in Japan that differ from those derived from the existing studies. Based on the arguments introduced in preceding chapters, Chapter Five makes some policy recommendations on the issue of migrant workers and labor shortages in Japan.

Finally, Chapter Six summarizes the observations and arguments made throughout this thesis.

CHAPTER TWO

Labor Market Segmentation and Labor Migration

The theory of labor market segmentation was originally developed with the aim of explaining the unequal income distribution and earnings disparities by race and gender in the United States. It is also a valuable tool for analyzing how migrant workers came to be in demand for specific jobs in receiving countries, i.e., the segmentation of labor market in receiving countries is so conspicuous that the lower tier of the strata attracts mostly socially disadvantaged workers, including migrant workers.

2.1 Theory of Labor Market Segmentation

The origin of the theory of labor market segmentation can better be understood in the context of social and political movements in the United States in the 1960's. Despite the steady industrialization and the expansion of the national economy, some parts of the society were clearly left out of the economic prosperity, particularly minorities and women. The "war on poverty" was declared and civil rights movement was one of the central issues of the nation. Policies of de-polarization were sought, and the first task was to explain the cause of the polarity.

The advocates of the neoclassical economic theory would argue that people with low income are unable to obtain better paying jobs because they lack the sufficient human capital, such as knowledge (education) and skills (experience). Workers are hired based solely on their potential for productivity, which is assessed by the human capital. The factors unrelated to their productivity such as race or gender should not influence the employers' decision on hiring workers. Discrimination will make the pool of candidates to choose from smaller, or may even eliminate some of the most productive workers. Assuming a perfectly competitive labor market, if employers discriminate, they will not be able to compete with other employers who do not discriminate. Therefore, programs that assist the low income population in getting education and vocational training should help them out of poverty, and thus eliminate the economic polarity in the society.

However, education and vocational training programs alone did not seem to eliminate the gaps in earnings. Studies showed that even after the human capital factors such as education and experience were adjusted, the income disparities still persisted between white males and minorities and women (Thurow, 1975; Gordon, 1972). In addition, other studies (e.g., Smith and Welch, 1989) inferred that wage gaps by race are even greater among the groups with the higher level of education and longer experience

Not satisfied with the neoclassical theory for explaining the remuneration system that is significantly influenced by factors not directly related to workers' human capital, a group of economists independently attempted to establish an alternative model. The dual labor market or segmented labor market theory is an outcome of such efforts. Interpretations of how duality or segmentation functions in the labor market vary among the advocates of the theory. What they share in common is the notion that labor market is segmented in a society in a way that workers in one labor market are distinctly better off in terms of working conditions and wages than those in another (or other) labor market(s);

and that the workers in the latter labor market face barrier to move to the former regardless of their potential to become productive members in the society. The former market is referred to as the "primary sector" and the latter is referred to as the "secondary sector." The factors unrelated to workers' productivity seem to have a significant role in determining the "sector" in which workers would be employed: some social groups such as women and minorities are more likely to be employed in the secondary sector.

The notion of non-competing labor markets with unequal remuneration systems was recognized even before the 1960's by early economists such as John Stuart Mill (Cain 1976, pp. 1224-1225). However, the roots of the segmentation and the reason wages fail to adjust to clear the labor market had not been studied systematically. According to the neoclassical theory, the market clearing mechanism functions in such a way that wages will spontaneously adjust, so that the demand and supply of labor should be at, or at least shift toward, the state of equilibrium. If there are two separate labor markets, and one of them (i.e., primary sector) offers clearly preferable employment arrangements than the other (i.e., secondary sector), workers would naturally be attracted to the former.⁴ With the excess supply of labor in the primary sector, employers (or the industry, to be more accurate, since it is the industry, and not the each firm, which sets wages in the perfectly competitive market) can lower wages to the point at which only the necessary number of people will be willing to work for them. At the same time, firms in the secondary sector may attempt to raise wages (among other benefits and the quality of working environment) in order to attract enough workers to achieve the profit maximizing level of production. Therefore, if only the productivity parameters are the determinants of the hiring decisions, and if wages are to fluctuate, separate and distinct labor markets should not persist. The

⁴ Except under some special circumstances, such as preference for flexible and short working hours over higher wages.

labor market segmentation theorists seek explanations for the failure of the market clearing mechanism, and attempt to establish an alternative to the orthodox theory.

There are several approaches to explain the causes of the segmentation in the labor market. During the early stages of the development of the labor market segmentation theory, dualistic nature of economic activities, which manifested across the different sizes of economic actors, attracted much of the attention. Robert Averitt (1968) offered an explanation of the economic duality in his book, titled *The Dual Economy*. He argues that the system of industrial economy is organized in such a way that different "rules" of economy apply to the "center" and "periphery" firms: the center firms are large in size measured by the number of employees and assets, vertically organized in structure, and diverse in production and market locations which often cross national borders. Since they operate in more than one industry, they are less dependent on the demand fluctuation of each market. They often benefit from special government measures which assist large scale investments and expansions. Therefore, center firms are more stable, and are able to offer higher wages than single-product periphery firms. Periphery firms, on the other hand, need to compete with many other similar firms, which incapacitate them from setting prices and wages of their own products and workers. The center and periphery firms are often hierarchically linked in the form of subcontracting, and the former often transfers the cost of structural adjustments and of slow economy to the latter. Consequently, employers of the primary sector have the "ability to pay" higher wages (and offer better working conditions) than those in the secondary sector, and are able to promise job security.

In addition to the size of firms, types of industry equally drew attention in investigating the economic duality. There seem to be distinctive differences regarding wages and the working conditions across the different industries. This is an area in which empirical studies have been conducted most extensively in the recent years. Krueger and

Summers assert, based on their empirical research, that "[t]he pattern of inter-industry wage differentials appears to be one of the most pervasive regularities generated by capitalist economies" (Krueger and Summers, 1987, p. 17). In a similar investigation, Dickens and Katz (1987) argue that prevailing features of each industry, such as the intensity of capital or labor, the level of technology used in the production process, size of firms, and the extent of union organization can be attributed to the inter-industry differentials.

Most studies, including the ones by Krueger and Summers (1987), Dickens and Katz (1987), Dickens and Lang (1985 a&b), and Piore (1980a) realize the limitation of industry-based analysis of the labor market segmentation, since the segmentation can be found within the same industry, or even within the same firm. Dickens and Lang (1985a) conclude in their study that "[i]ndustry is an imperfect basis for describing segmentation.... Nevertheless, it simplifies empirical analysis to equate industries with segments and thus has made investigation of market clearing easier" (Dickens and Lang, 1988, p. 131). Despite the limitation, firm-size and industry types can be useful variables especially when the detailed data on workers are not available.

The more orthodox approach to explain the gaps in the way workers are compensated is called the "efficiency wage" model. It focuses on the inability of employers to know the exact productivity of their employees. According to the model, it is often cost efficient for employers to pay more than the prevailing wages to their employees for two reasons. First, highly compensated workers are less likely to "shirk" and are more likely to increase productivity since the cost of losing the job is high. Employers can also save on the cost of monitoring if the workers are less likely to shirk. Second, since higher wages discourage employees from quitting the job, the cost of unemployment benefits and of training new workers will be lower. The more valuable the workers are, whether due to

their skills or the employers' investment in them in the form of training, the more likely that the workers will be paid efficiency wages. This may partly explain the reason income distributions are "discontinuous," and highly skilled or experienced workers tend to receive significantly higher wages and have stable occupations, while others are compensated less for unstable jobs.

The orthodox approach and the segmentation approach do not necessarily contradict with each other in every sense. One of the dividing points is how each of them explains the reason some people end up working under substandard working conditions for low wages. More orthodox approach is to use human capital as the determinant: the lower wages and the limited upward mobility among minorities and women are attributed to their high turnover rates. Since efficiency wages are offered with the expectation of long-term employment relationships, it is less likely that workers with high turnover rates will receive efficiency wages. However, it is a "chicken or egg" debate whether high turnover rates of women and minorities are the cause or the outcome of lower wages compared to white males. The segmentation theorists support the latter argument. The low wages, for example, will give less incentive to workers to keep the jobs than if higher wages are paid. Bulow argues that "much of the discrimination takes the form of equal pay for equal work, but unequal work" (Bulow, 1986, p. 398). Although the orthodox argument of "high turnover rate as the cause of low wages" of women, youths, and elders may be true in *some* cases (for reasons such as childbirth, returning to school, or retirement), it is less easy to see why the race should affect workers' turnover rates.

In summary, the theory of labor market claims that some groups of workers are more prone to fall into the lower strata of the segmentation than the others, and variables other than the human capital appear to have a significant role in determining which sector

one will belong. Therefore, the labor mobility from the secondary sector to the primary sector through accumulation of the human capital can be extremely difficult.

2.2 Piore's Model of Labor Market Segmentation

Empirical studies on labor market segmentation tend to focus on wage differentials across different types of firms and industries, race, and gender. Michael Piore, who is one of the pioneers in developing the segmentation theory, puts stronger emphasis on job security than wages alone in measuring the quality of employment arrangements. He identifies the economic flux and uncertainty as the roots of labor market segmentation. Such variability, which "inheres in all economic activity," is caused by factors "ranging from the natural variations introduced by the seasons and the weather to the social variability of trends in fashion and taste and including the economic fluctuations of boom and depression, the human successes and failures that dominate the fate of individual enterprises, speculation, invention, and bankruptcy" (Piore, 1979, p. 36). What is critical to labor market segmentation, and what makes each society's case unique, he argues, is how the economic fluctuation is handled and who bears its costs. Piore perceives that the segmentation is an outcome of the struggle of both employers and labor to protect their interests amid the economic flux and instability of industrial economies. He argues that the resulting segmentation reflects the social structure, and that socially disadvantaged have traditionally borne the cost of instability in the industrial economies.

Piore explains the genesis of the labor market segmentation as follows. There are in principle two factors of production: capital and labor. When the demand for goods and services decreases, for example, either capital or labor (or both) can be unemployed to

avoid losses from the excess production. Since owners of capital, i.e., employers, manage the production process, they can try to shift the cost of fluctuation to workers by laying off a part of the work force. In short, labor is considered a "variable factor" while capital is considered a "fixed factor" of production. Therefore, the initial "dualism" lies between capital and labor. The segmentation among labor develops when a portion of the labor force becomes more successful than others in securing their position. Skilled workers are more likely to have stable occupations because their employers invest more in them than in less skilled workers.

Piore, joining the other segmentation theorists, disagrees with an assumption of the neoclassical model and its emphasis on the supply side analysis, i.e., individuals' preferences and their initial endowments determine their behavior (in the labor market) and the outcomes (e.g., wages, benefits, and upward mobility), which in turn explain the way the income, power, social status and other variables are distributed (Piore and Berger, 1980, p. 1). The variations in the way the flux and uncertainty are handled throughout the different societies suggest the importance of social arrangements to the segmentation of the labor market. Different institutional arrangements such as government legislation and trade unions' involvement in the management decision processes can affect the way in which the flux and uncertainty are handled. In the European countries where restrictions on layoffs and discharges are stricter than in the United States, employers are forced to find alternative ways to adjust to the variations in the economy, such as relying on temporary migrant workers at the time of excess demand for labor. The perception of job status also varies among different societies, and it affects the segmentation accordingly. For example, in the United States, construction jobs are considered to be, in spite of fluctuating demand, primary sector jobs because they are perceived as jobs demanding high levels of craftsmanship. On the other hand, the same jobs are regarded as secondary sector jobs in

Europe and Japan. Likewise, auto assembly line jobs are considered “good middle-class jobs” in the U.S., while in Japan they are labeled “3D’s” jobs and are unable to attract enough young workers.

Although Piore recognizes the segmentation as an inevitable characteristic of the capitalist economies, he claims that "capitalist system did not *make* the dualism, but simply *found* what already exists in the society" (Piore, 1979 p. 43). The workers in the secondary sectors are clearly concentrated among minorities, women, youths, and seasonal migrant (mostly agricultural) workers, who possess disadvantageous status in the society. Most of them are relatively new or temporary participants to the labor market. They have left their traditional roles to occupy the jobs that became available to them because of wars, sudden economic expansions, or technological innovations. When the demand for labor is suppressed, they are the first to be laid off. It may be due to their weak attachment to the jobs, as the orthodox theorists would explain. However, the reason for their weakness of attachment may have been caused by the social arrangements, which make them susceptible to the economic fluctuation. They are sought, and are willing, to occupy unstable jobs because they see their involvement with the jobs as temporary. They usually have other sources of economic support, and have their "traditional roles/places" to go back to, such as housework for women, schools for the youths, and farming for seasonal workers once they are no longer needed.

The school of labor market segmentation theory can be divided into two major groups by their objectives. One group aims to "prove" the existence of discrimination and to propose policies based on their findings. The other is concerned with the understanding of the mechanism of industrial economies and the way society deals with the problems associated with it. The latter requires more interdisciplinary studies, which Piore has been promoting. This paper takes the latter approach. It deals with the issue of transnational

labor migration as the extension and consequence of the segmentation of the domestic labor market.

Notwithstanding the similarities between Piore's and the orthodox Marxists' approaches toward the problematique of the industrial society, Piore emphasizes the distinctions between them in several of his writings. Marxists perceive dualism as the outcome of class conflict between capitalists and workers. On the other hand, Piore argues that the way in which a portion of workers has become more successful in securing their jobs than the others is the key in understanding segmentation (Piore, 1980a). Another significant difference between them is that while the former perceives the segmentation and conflict of interests among workers as a "transitory division that will disappear with the full maturation of capitalism," Piore argues that the segmentation is the central characteristic of all capitalist economies (Piore, 1980a, p. 5). According to the orthodox Marxism, the traditional, small size firms will be overwhelmed by the modern, large firms because the level of efficiency of the former is not as high as the latter, and thus lead the former to disappear. Piore notes, however, that small enterprises are not disappearing. Their function in the industrial economy is so significant that, instead of pushing the former out of the competition, it is in the large firms' interests to keep them within the market.

The labor market segmentation theory has been criticized for its "theoretical immaturity," reflected in the varying interpretations and the ad hoc explanations of the segmentation (Brand, 1982; Cain, 1976; Dickens, 1988; Hodson and Kaufman, 1982). The approach of the theory, which started from the empirical observation, contradicts the conventional deductive approach. Piore responds to the criticism as follows:

The antagonism of conventional economics to labor market segmentation has more to do with where the observation comes from and how those who have responsibility for it sought to present it than in the existence of segmentation as a fact of nature. It has to do, in other words, with the

practice of economics rather than with the discipline's theoretical content in the strict sense of the term (Piore, 1983, p. 250).

Despite the criticism, many researchers see the labor market segmentation theory as an alternative, if not better, explanation for some phenomena, as will be discussed later in this paper.

2.3 Labor Market Segmentation and Transnational Labor Migration

Piore argues that migrant workers are used in many industrial countries as a way to deal with the economic flux and instability of an industrial economy. The following characteristics are found among the migrant workers' jobs:

1. Either little skill is required or skills can be easily gained on the job in a short period of time;
2. Unstable;
3. Relatively low paying;
4. Connote menial social status;
5. Involve unpleasant and/or physically demanding jobs;
6. Rarely offer chances of advancement toward better-paying, more attractive jobs (Piore 1979, p. 17).

These descriptions of the characteristics of the migrants' jobs fit the descriptions of the "secondary sector" jobs. Migrant workers are the prime candidates to perform the role that is sought in the secondary sector. They come from less industrialized countries, where standards of wages and working conditions are lower than in the receiving country. They usually intend to work temporarily in the receiving country, thus the stability of jobs and upward mobility are not necessarily important for them, at least initially when they have no

intention of remaining in the receiving country for a long time. As Piore notes, work is simply a means to achieve their goals at home, whether to purchase a piece of land and agricultural equipment or to start new business (Piore, 1986, pp. 27-28). The low social status that the secondary sector jobs connote is not as significant for migrant workers as it is for the domestic workers.

The job status in receiving countries seems to affect which jobs migrants would occupy. For example, migrant workers are concentrated in construction jobs in Europe and Japan, but not in the U.S.; they are found in automobile parts and assembly-line factories in Japan, but not in the U.S.; and they are frequently found working as waiters/waitresses and cooks at restaurants in the U.S., but not in France, where these occupations have higher social status, and foreigners are limited to cleaning staffs (Piore, 1979, p. 18-9). This phenomenon cannot be explained by the human capital model or "push and pull factors" analysis alone. The fact that these jobs have a low status in the receiving countries partly explains why they are occupied by migrant workers.

The importance of active recruitment to trigger labor migration reflects the significance of the demand side analysis for transnational labor migration (as opposed to domestic migration in which the supply side has an equal significance in inducing the migration: for example, losing a job may be enough reason to migrate to another city within the same country). First, a sudden increase in the number of migrant workers seems to follow an active recruitment from receiving countries. In Germany, an increase in the number of migrant workers was the direct consequence of the numerous bilateral agreements on labor migration between the government of Germany and the governments of Italy (1955), Greece and Spain (1960), Turkey (1961), Morocco (1963), Portugal (1964), Tunisia (1965), and Yugoslavia (1968). In France, there was also an active recruitment by its government and, more significantly, by private firms, which prompted

the migration flow from the ex-colonies. Despite the disparities in terms of the wages and employment opportunities that already existed between the sending and receiving countries, neither Germany nor France had ever experienced the labor in-migration of the magnitude they experienced between late 1950's to early 1970's.

Second, the government's involvement in the active recruitment gives *some* control over the type of the migrant workers to accept. Piore notes, "the French recruited in the postwar period in the colonies and in their former colonies apparently because they were familiar and convenient; the Germans are alleged to recruit in Eastern Europe and the Middle East because they are concerned about racial purity" (Piore, 1979, p. 24). This may explain why the government of receiving country may initiate the recruitment instead of allowing private firms to recruit independently.

Third, the active recruitment instead of a passive acceptance of migrant workers allows receiving countries to "pick" the type of jobs to be filled by the migrants. In most cases, legal migrant workers who are employed in the less-skilled jobs get temporary work permits for the specific occupations they are recruited for, and are not allowed to change their employers without the renewal of the permits. The permits are limited to the jobs that would otherwise be vacant due to the shortage of domestic workers who are willing to take the jobs. Illegal migrants are not likely to compete for the primary sector jobs with domestic workers: lack of language skills and/or of understanding of the culture in the receiving country, their illegal alien status, and expectation of their short-term commitment to the jobs place them in the disadvantaged position in the labor market. The above observations indicate that the transnational labor migration is not simply the result of the match of push and pull forces, but that the consequence of the active involvement of the demand side, often aided by the policies of receiving countries.

Fourth, when the supply of migrant workers is cut off due to political or economic reasons, receiving countries have been able to find replacements from other sending countries fairly easily and quickly. This also indicates that the demand side plays a significant role in initiating transnational labor migration rather than being a passive and reluctant concerned party of the match of push and pull factors.

Piore remarks that the fact that industrialized nations are seeking a labor force from the less industrialized nations to occupy less-skilled jobs may appear paradoxical, given the common perception that the demand for less-skilled labor for labor-intensive jobs will decrease as industrialization and technological innovation advance. In fact, it was feared in the United States in 1970's that a great proportion of the labor force would not have enough educational background and skills to meet the demand for skilled workers, leaving many workers unemployed (Piore, 1979, p. 4). Piore argues that migrant workers are "wanted" because the secondary sector jobs are playing an important role that is indispensable to the industrial economies, just as instability is inherent to the industrial economies, and that the flexibility of migrant workers are the valuable asset to the secondary sector.

CHAPTER THREE

Labor Market Segmentation in Japan

The objective of this chapter is to identify the segmentation in the Japanese labor market and to show that the labor shortage in the late 1980's in Japan was mainly concentrated in the secondary sector. This will lay out the background in which specific types of migrant workers are demanded in the Japanese labor market, which will be the topic of the next chapter.

First, this chapter will examine subcontracting practices which allow large parent companies to pass some of the cost of demand fluctuation to their subsidiaries. Subcontracting practices are more extensive and rigid in Japan than in other industrial economies (except probably in Italy), and is often cited as the foundation of the firm-size based labor market segmentation in Japan (Chalmers, 1989; JETRO, 1978; Sellek and Weiner, 1992; and Smitka, 1991). The focus of discussion will be the differences in remuneration systems and working conditions (including upward mobility of workers and job stability) by firm-size. While some attribute wage differentials by firm-size to the differences in workers' productivity across different sizes of firms (Koike, 1983 a&b), opportunities to become highly productive may be limited for some groups of people due to overemphasis of education as a screening device, reflection of family background (such as income level) on the outcome of education, and discrimination of women and ethnic minorities in the workplace.

Second, this chapter will show that the labor shortage of the late 1980's in Japan was most prominent among the jobs in the secondary sector, and particularly of the so-called 3D's. An increasing tendency among domestic workers to avoid 3D's jobs, and a sharp decline of the availability of domestic migrant workers who have traditionally supplied labor to the secondary sector can be attributed to the severe labor shortage in the secondary sector.

The analysis will focus on the manufacturing and construction industries for two reasons: first, these two industries have traditionally implemented subcontracting practices most extensively; and, second, they are the major employers of migrant workers in Japan since the late 1980's. This is not to claim that all small subsidiaries in manufacturing and construction industries are in the secondary sector, nor that secondary sector jobs cannot be found in other industries. The purpose of this study is *not* to classify all the jobs in Japan along the segmentation pyramid but to argue that the influx of migrant workers since the late 1980's is triggered by labor shortages within the secondary sector in the Japanese labor market.

3.1 Segmentation in the Japanese Labor Market

3.1.1 Subcontracting as the Foundation of Segmentation

Large firms inevitably have an advantage over smaller firms due to economies of scale: large firms are more efficient than small firms in utilizing capital to produce larger quantity of output, which brings them even larger capital (profit) and enables them to gain access to more productive equipment and labor. Government tax policies that are favorable

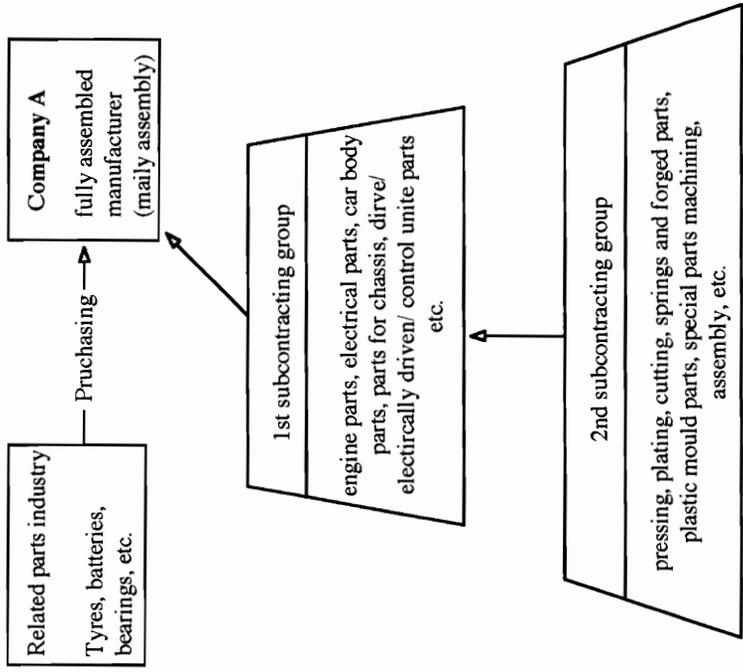
to capital intensive firms (such as tax break for a large investment) as well as easier access to financial resources from private financial institutions (since large firms tend to be more stable and thus more easily gain lender's trust) provide large firms with more business options during the time of both economic booms and recessions.

Another important factor to the advantage of large firms, and the characteristic of Japanese industries, is the practice of subcontracting. Figure 1 shows an example of the difference in the way a typical large size parent manufacturing firm produces its products in Japan and in the United States. While the American automobile company has several in-firm divisions in charge of supplying major component parts for final products, the Japanese company purchases the majority of parts from its subsidiaries; in fact, the Japanese company purchases two-thirds of the component parts needed from its subsidiaries, while the American company produces half of the parts within the company.

The hierarchical subcontracting relationships are extended to even smaller subsidiaries. According to a study by the Japan External Trade Organization, "[a] single large automaker [in Japan] typically deals with as many as 170 primary subcontractors, which in turn consign parts manufacturing to 4,700 secondary subcontractors. The secondary concerns enlist the help of 31,600 tertiary subcontractors even further removed from the parent automaker" (JETRO, 1978, pp. 83-84). Two-thirds of all manufacturers in Japan are said to be subcontractors (Komai, 1989d). Subcontracting practices penetrate through various types of manufacturing⁵, from large firms producing final products such as

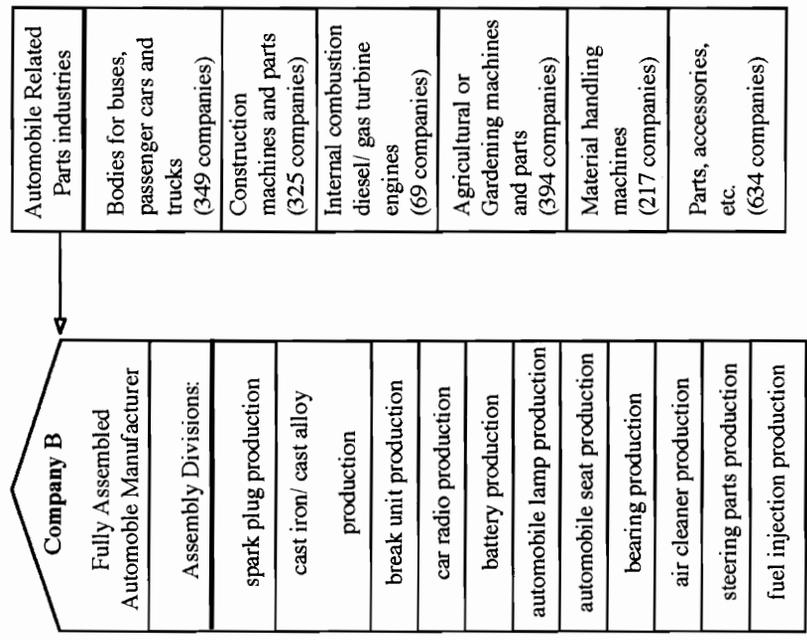
⁵ The manufacturing industry is broken down into 21 categories in the official statistics. They include the following categories: food, beverage, feed and tobacco; textile mill products; apparel and other finished products made from fabrics and similar materials; lumber and wood products; furniture and fixtures; pulp, paper and paper products; publishing, printing and allied industries; chemical and allied products; petroleum and coal products; plastic products; rubber products; leather tanning, leather products and fur skins; ceramic, stone and clay products; iron and steel; non-ferrous metals and products; fabricated metal products; general machinery; electrical machinery, equipment and supplies, transportation equipment; precision instruments and machinery; and ordnance and miscellaneous (*Japan Statistical Yearbook*). This paper uses the data that combined all manufacturing types. It will use specific categories of manufacturing when it is relevant to the analysis and when such data are available.

Structure for company A in Japan



75% of total parts made outside the company

Structure for company B in US



52% of total parts made outside the company

Source: "Report on the roles played by small and medium enterprises in production specialization," Small and Medium Enterprise Agency, commissioned in January 1980 by Small and Medium Enterprise Research Center, in Chalmers, 1989, p. 256-257.

Figure 1 Comparison of automobile manufacture structure, Japan-US.

transportation equipment and electronics to smaller firms that supply parts and machinery for the former.

In the construction industry, it is a common practice for a large firm to get large scale contracts (for example, a large building, a business complex, or an airport) and divide the tasks among its subcontractors. The majority of construction firms are small- to mid-size. In 1986, only 4 per cent of construction firms employed more than 300 workers, compared to the manufacturing industry in which over one fourth of firms employed more than 300 workers (Ministry of Labor, Department of Human Resources Office, 1992a, p.70). Workers in smaller size firms usually do the majority of dangerous and dirty jobs that require physical strength, often working in a hazardous environment. By contrast, large firms offer more appealing employment opportunities to highly educated workers, such as designing buildings and bridges or managing the entire construction operation.

Subcontracting practices give the large parent companies the following advantages. First, they can take advantage of the lower labor cost of smaller subsidiaries. In 1991, the average monthly labor cost per regular worker⁶ of enterprises with 5,000 or more employees was over 60 per cent higher than that of enterprises with between 30 to 99 employees (*Japan Statistical Yearbook, 1993/4*). The major differences come from the sizable spending of large firms on retirement allowances, non-obligatory welfare services (such as housing assistance and leisure facilities), and education and vocational training (*ibid.*). If non-regular workers⁷—who usually do not receive retirement allowances nor non-obligatory services, and majority of whom are employed by smaller size firms—are included in calculation, the gap in labor cost is expected to be much wider. By using

⁶ Regular workers mean full-time workers who do not require yearly or monthly renewal of employment contracts.

⁷ Non-regular workers include part-time and temporary workers.

subsidiaries for the labor intensive part of production, parent companies can cut down the cost of production significantly.

Second, parent firms are able to rely on subcontractors for necessary adjustments during the time of demand expansion or shrinkage without hiring new workers or laying off their own employees. This is particularly important for Japanese large firms in which the labor cost per employee is high and employment relationships are expected to last for a long period of time. The following practices, that are referred to as "internal labor market," are the characteristics of Japanese large firms:

1. *Limited port of entry;*

Workers are hired at the entry level (usually upon graduation from college). Higher positions are filled through internal promotion instead of recruitment from other firms.

2. *Investment in firm-specific skills of employees;*

Employers invest in training skills that are valuable to their own firms but not necessarily to other firms, so that the value of the trained workers will not be as high for other firms as in their own firm. This will discourage trained workers from moving to other firms.

3. *Payment of efficiency wages;*

For the reasons discussed in the previous chapter, it is often cost efficient for employers to pay higher wages than what the workers are actually worth to the firm.

4. *Payment of seniority wages;*

The longer workers stay in the firm, the higher their remuneration becomes (Doeringer and Piore, 1971; Ehrenberg, 1991; Imai and Itami, 1988).

Although there is a tendency to believe that life-time employment and seniority wages are commonly enjoyed among the majority of Japanese workers, such practices are mostly limited within large firms. The internal labor market makes hiring new workers at the time of economic boom expensive in the long run. In small firms, where 80 per cent of

temporary and day laborers are employed, and union participation rate is low, employment adjustments (such as hiring and lay off) are more frequently and easily implemented than in large firms (Chalmers, 1989, p. 77). Subcontracting allows parent firms to transfer some of the cost of demand fluctuation, by increasing or decreasing orders to their subsidiaries without adjusting their own labor force.

Parent companies frequently pressure subcontractors to lower the price of parts or simply reduce the value of contracts when the demand is low (Nimura, 1992, p. 255). To the disadvantage of subcontractors, it is in their interests to meet the request of their contractor by lowering the price of their products as low as possible in order to compete with other parts suppliers and to help their parent company sustain the market power, thus to ensure the continuous flow of orders (JETRO, 1978, p. 84). In addition to the pressure to lower prices, contractors often delay payments or unjustly reject products when the demand of final products is low (*ibid.*, pp. 85-86). The Subcontract Pricing Law, monitored by the Ministry of International Trade and Industry (MITI) and the Fair Trade Commission, expressly prohibits parent companies from unfairly pressuring subsidiaries to lower the price of contracted products or refusing to accept products. However, the effectiveness of the legislation is limited since violators simply receive guidance from the MITI and the Fair Trade Commission to correct the unfair practice for the future (Nihon Keizai Shinbunsha, 1994, p. 6). Small firms have borne the burden of economic fluctuations, and sustained the steady expansion of large firms and the Japanese economy.

3.1.2 Wage and Working Condition Differentials by Firm-size

The rigid hierarchical subcontracting production structure in Japan is reflected on

conspicuous differentials in wages and working conditions by firm-size. For example, in 1985, "Japanese workers in small manufacturing firms [(with less than 100 employees)] earned 55 per cent of workers in large firms [(with over 1000 employees)] compared to 75 per cent in West Germany, 73 per cent in the UK and 70 per cent in France or Italy and 66 per cent in the US" (Eccleston, 1989, p. 60). With all industries included, in 1988, workers in small firms in Japan earned 75 per cent of what is earned by workers in large firms (*Japan Statistical Yearbook*, 1989). Rebeck compared the earning differentials by firm-size in the United States and Japan, and found that "up to one-third of the [earning] differential is explained by differing levels of education and experience in the United States, while in Japan, only some 10 per cent of the differential is explained by these factors" (Rebeck, 1993, p. 151). In other words, he claims, workers' human capital is less significant in explaining the wage gaps by firm-size in Japan than in the United States.

Earning differentials in Japan are more prominent when comparisons are made on the basis of firm-size than between blue- and white-collar workers. The earnings of blue- and white-collar workers in large firms start to rise rapidly when workers are in their mid-thirties, while those in smaller firms increase only moderately (Koike, 1983b, pp. 90-91). According to Koike, such differences in wage profile can be explained by the difference in the level of skills acquired and the value such skills add to the output. For example, in the manufacturing industry, blue-collar workers had traditionally been involved with simple and repetitive tasks that are disconnected from the rest of the production process. Since the introduction of Quality Control (QC)⁸ and just-in-time (JIT)⁹ production system, however,

⁸ A production system in which individual workers are involved in not only performing a given task of assembling parts, but also are responsible for the quality inspection and contributing their ideas for the improvement of production processes, such as to cut down the cost of production and improve the quality of the products (Kawano, p. 1993, pp. 246-245).

⁹ In this system, parts are supplied directly to the assembly lines as needed, instead of being stored as inventories, in order to cut down the cost of labor (who would otherwise be needed to store, manage, and

blue-collar workers at large (parent) assembly plants are expected to know a larger scope of the production process, including the mechanics of machinery and products as well as the management aspect of the production, and to be able to make decisions *whenever appropriate* in order to consistently ensure the quality of the products (QC) and minimize the waste of time and capital (JIT). Koike calls this phenomenon a "white-collarization" of blue-collar workers (Koike, 1983a). Workers of large firms, in which the QC and JIT systems are more likely to be implemented, require more extensive training throughout their career than those in small scale parts suppliers. Therefore, he argues, workers are simply paid according to their contribution and he opposes the segmentation theory's argument that other factors than workers' merit contribute to the wage differentials.

Patrick and Rohlen disagree with Koike, and argue that "the essential issue is not low wages per se, but that for several reasons productivity differentials appear to be narrower than wages differentials" (Patrick and Rohlen, 1987, p. 360). They add that "screening and retention process of large firms is not perfect" and that "large firms may simply overpay for certain attributes [such as education] since they find it difficult to measure individual productivity" (*ibid.*). Koike also fails to discuss the possibility that some groups of people may not be even given a chance to become a part of the highly productive work force based on their family background or gender. These issues will be discussed later.

Working conditions are difficult to compare across varying types of jobs, since they include variables that are difficult to quantify, such as the "feeling" of accomplishment and significance at work, and "dirtiness" and the level of danger at the work place. A government study reports that some of the key factors affecting choice of employer among

take out the inventories) and capital (by minimizing the time during which the capital such as machinery and parts are not in use) (*ibid.*).

school graduates who enter the labor market are the availability of non-obligatory welfare benefits such as housing assistance, leisure facilities and other fringe benefits, the number of workdays per week, and less overtime (Ministry of Labor, Department of Human Resources Office, 1992b, p. 50). The same study reports that 99.6 per cent of firms with more than 5,000 employees offer non-obligatory welfare benefits, while only 40.6 per cent of the firms with 30 to 99 employees offer such benefits (*ibid.*, p. 51). In 1988, firms with more than 5,000 employees spent close to four times more than firms with between 30 to 99 employees in non-obligatory welfare services per regular employee (*Japan Statistical Yearbook*, 1992).

One of the policies of the Japanese government in the effort to make more a worker-oriented working environment is to reduce working hours. An increasing number of firms have introduced the system of “weekly two days off.” However, smaller firms are still behind in following the trend. Table 1 shows that 98.1 per cent of large firms implement the weekly two days off system some way (i.e., at least once a month), and 63 per cent have completely implemented the practice; while 73.4 per cent and only 8.9 per cent of small-size firms implement the system some way and completely, respectively (Ministry of Labor, Policy Research Division, p. 19). Regarding on-the-job injuries in the manufacturing industry, workers in firms with 30 to 99 employees are over 10 times more likely to be injured on the job than those in firms with over 1000 employees (Ministry of Labor, Department of Human Resources Office, 1992b).

The above data indicate that the size of the firm one is employed in greatly influence one’s remuneration, benefits, number of workdays, and work environment during his/her career. The next section will discuss the screening process prior to employment.

Table 1 Ratio of Enterprises by Form of Weekly Day-off System by Firm-size and Industry-type (1991)

[%]

		some way ¹	completely ²
Firm-size	more than 1,000	98.1	63.0
	100 to 999	88.7	24.7
	30 to 99	73.4	8.9
Industry-type	Construction	61.1	7.8
	Manufacturing	85.8	13.7
	Transport & communication	62.9	9.3
	Whole sale & Retail	85.3	14.7
	Financing & insurance	97	93.2
	Services	69.4	21.7

Note: 1. Two days off per week for once, twice, or three times a month;

2. Two days off every week.

Source: Based on Japan, Ministry of Labor, 1992.

3.2 Accessibility to the Primary Sector

3.2.1 Family Background and Screening Process

In addition to investigating the gaps in earnings and working conditions among workers, a critical question for the segmentation theory is whether workers are given equal opportunities to enter the primary sector. It is generally expected that productivity of workers increases with experience and that wages and working conditions should improve accordingly. As discussed in the previous section, workers in large firms are likely to receive more training, acquire higher skills, and work for the same firm for a longer period of time than those in smaller firms. The important questions to be investigated are whether workers are given equal opportunities to be employed by large firms, and whether such opportunities are given based on the workers' merit directly (or at least closely) related to productivity.

Mid-career hiring is very rare in Japanese large firms. Unlike in the United States, where expertise acquired from previous experience is a significant factor in hiring, in Japan workers are expected to acquire the necessary skills on the job or through other learning opportunities sponsored by their companies. Therefore, educational background becomes a very important screening device for employers to measure the potential productivity of applicants. Every spring, large and prestigious firms and government offices hire graduates from equally prestigious universities. The level of difficulty associated with passing of a given entrance examination correlates directly with the prestige of the university giving the examination. Graduates from highly ranked universities are usually promoted faster and further than those from lower rank universities, often regardless of their productivity.

The problem of using educational background as virtually the sole screening device for hiring and promoting is that, as Eccleston (1989) and Rohlen (1983) point out, students' academic performances at school as well as their decisions to pursue higher education reflect not only their academic aptitude and diligence but to a large extent their family background, gender, and racial or minority status. In addition, because of the hiring practice among large firms and the competitive nature of college entrance exams, a large proportion of the population is virtually denied a chance to enter the primary sector.

Because of the direct link between educational background and future career, there is a great pressure on children to excel academically beginning at very early ages. As the competition for entrance examinations of high schools and universities intensifies, an increasing number of students resort to extracurricular "cram schools" called *juku*, private tutoring, and other educational sources: some do so to catch up with an increasingly demanding curriculum at schools as designed by the central government, while others wish to gain as much advantage as they can over others for the entrance examinations. The cost of education constitutes approximately 5 per cent of living expenditure of average households, and the higher the income level is, the more the household tends to spend for education: households of the upper fifth income group spend about six times more in education (26,027 yen per month) than households of the lowest fifth income group do (4,225 yen per month)¹⁰ (*Japan Statistical Yearbook, 1991*). The gap in spending for education is larger than the gaps in, for example, medical care, housing, or food expenditure between the same income groups (*ibid.*). It is not uncommon for mothers to get part-time jobs in order to finance their children's education. The increasing cost of

¹⁰ The data include all households in Japan, regardless of the existence of school children in the households. Therefore, the actual expenditure per household with school children can be expected to be higher. In addition, since lower income families tend to have more children per household than higher income families, the gap in educational expenditure *per child* is expected to be much higher.

education can be a significant disadvantage to the children from low income families in the competitive race toward getting a primary sector job.

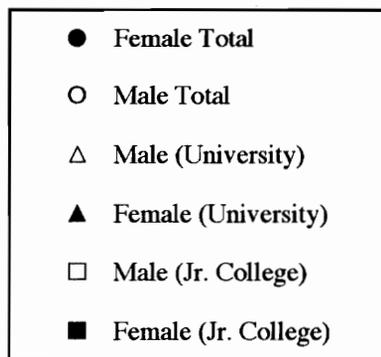
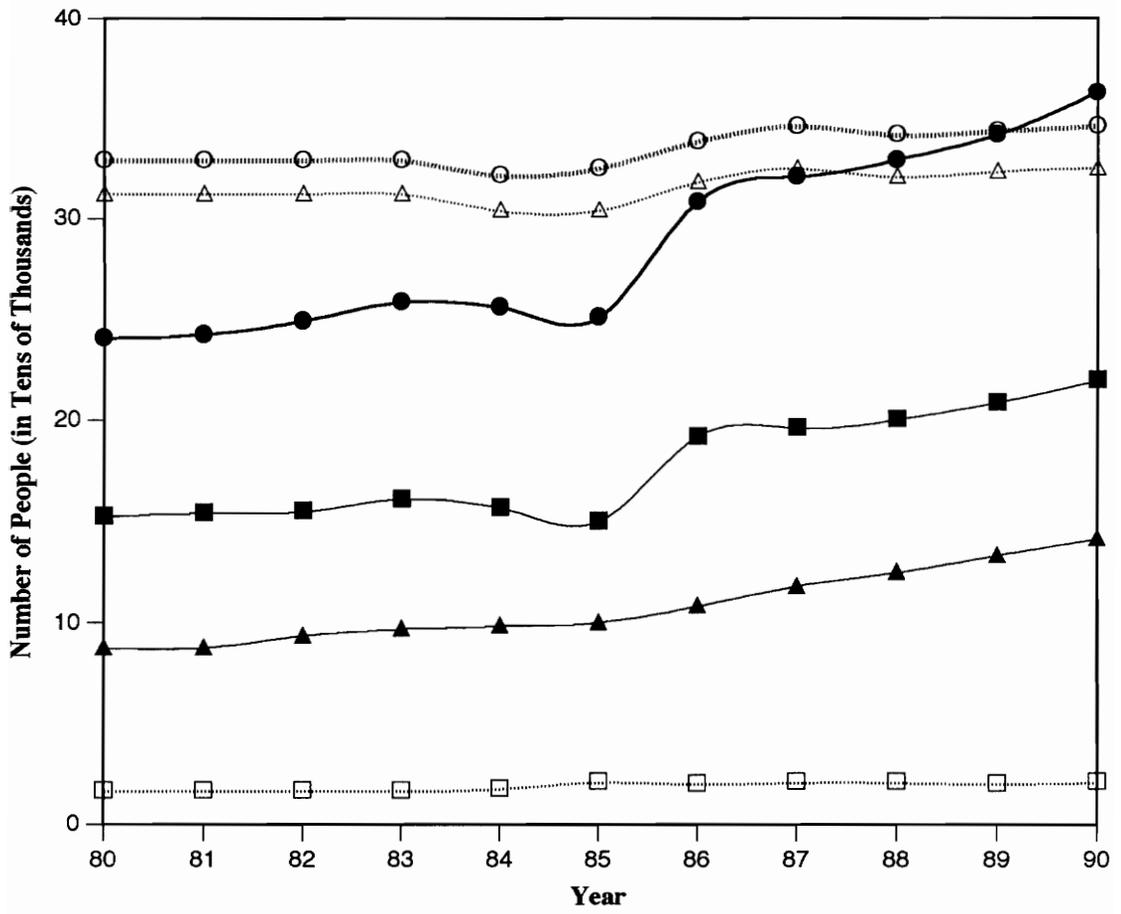
Rohlen's study on high schools in Kobe in the mid-1970's revealed how family backgrounds "carry great weight in shaping educational outcomes in Japan" (Rohlen, 1983, pp. 111-141). The survey he conducted in five high schools in Kobe shows that students in the highest-ranked men's high school come from stable, well-off families: 60 per cent of the students' fathers went to college at the time (during and just after World War II) when college education was accessible only for those who were exceptionally talented or whose families were wealthy; 99 percent of students have their own room to study; 91 per cent had a tutor or attended a cram school at some time; and there were no Burakumin or Koreans, who are the often discriminated minority population in Japan (this issue will be discussed later), in the student body. By contrast, students in the low-ranked high school come from households of relatively low socioeconomic status: only 2 per cent of their parents went to college; one in every seven vocational students is missing a parent; one out of four does not have his or her own study space; 39 per cent had a tutor or attended a cram school at some time; and 5.8 percent of the student body were Burakumin. Rohlen also points out that "an increasing proportion of national university students is coming from the top 10 per cent of the households in terms of income" (Rohlen, 1983, p. 137). Whether and to what extent the extracurricular education and other elements associated with socioeconomic status of household actually affect the educational outcome of students will be the subject of another study. The significance of the data for this study is that the key to entering the primary sector, i.e. education, significantly reflects students' family background, and therefore poses a question as to what extent we can justify the differentials in the outcome of labor market by meritocracy.

3.2.2 Gender and Minority Discriminations

The number of women going to four-year college is less than a half of that of men. Women's labor force participation rate drops approximately 20 per cent in their late 20s to early 30s, mostly to get married and raise children. They usually do not return to the labor market for several years, and when they do, they rarely return to their former position: majority of them work part-time for a significantly less wages. Only one fourth of the workers at large firms (with more than 1,000 employees) is female, and 70 per cent of them are below the age of 25 (Eccleston, 1989, p. 171). Does this mean that it is the lack of commitment on the part of women to acquire human capital that leads to the large difference in the wage profile between men and women? Although it may be true in some cases, it is also possible that, because of gender discrimination at work place, many female students and their families find the financially and mentally burdensome investment on the preparation to go to college not worthwhile.

Employers had openly discriminated against women in hiring and promoting employees until 1986 when the equal employment opportunity legislation that specifically prohibits gender discrimination was finally enacted. The new legislation opened some of the employment opportunities that were not available to women. In the same year, the number of women going to college jumped and the rate of the increase accelerated as can be seen in Figure 2¹¹. Considering the fact that the overall active opening ratio did not start to

¹¹ The drop in the number of students going to college in 1985 is partly due to the fact that they were born in the "year of horse" in the Chinese zodiac. The birthrate in the year of horse always drops significantly because of the common believe that girls who are born in the year will have an unappealing appearance. The reason the number of male entrants to college did not decrease as much as that of females may be that a relatively larger number of students who failed the entrance exam of the college of their choice in the previous year decided to take the exam again in the following year instead of going to their second choice college, given the importance of the ranking of the college they graduate from for getting a "good" job in the future. The majority of those who decide to do so is male, since it is commonly believed that such decision will work disadvantageous to women, given the expectation of employers that women have a short span of employment.



Source: Jiyu Kokuminsha, 1992, p. 784.

Figure 2 Number of college entrants by gender.

increase until the mid-1987, the change in the inclination of women to go to college occurred *before* the expansion of the employment opportunities for both genders. It is highly possible that widened employment opportunities for women created an incentive for women to go to college. The new legislation is still far from resolving the discrimination against women at the work place, and some women may still find the investment for education not worth spending because of the discrimination. Without gender discrimination, women will face wider options and may make different choices from what they have traditionally done.

The other groups of people who often face overt discrimination for employment are so called Burakumins and residents with Korean origins. Burakumins, a segment of the population consisting of approximately three millions, are the descendants of a group of outcasts in the 17th century feudal society who were officially treated as sub-human until 1871, despite that they are of the same racial and ethnic origins as the rest of the population. The majority of Burakumins and Koreans live in segregated districts, and their minority status can be revealed from their family history records and residential registration. Until recently, the list of segregated districts where Burakumins live was widely available, and firms and some universities have used the list in the past to carefully exclude Burakumins from being accepted as students and workers. Despite the effort of both the government and Burakumins themselves to eliminate discrimination, the occupations they hold are still concentrated among those related to killing and death such as slaughterers and morticians, shoemakers, tanners, and public employees responsible for refuse collection, sewage removal, water purification, burial and catching of stray dogs (Potts, 1990, p. 153).

There are obstacles that groups of people face to enter the primary sector due to their family background, gender, or minority status, and the screening process for the

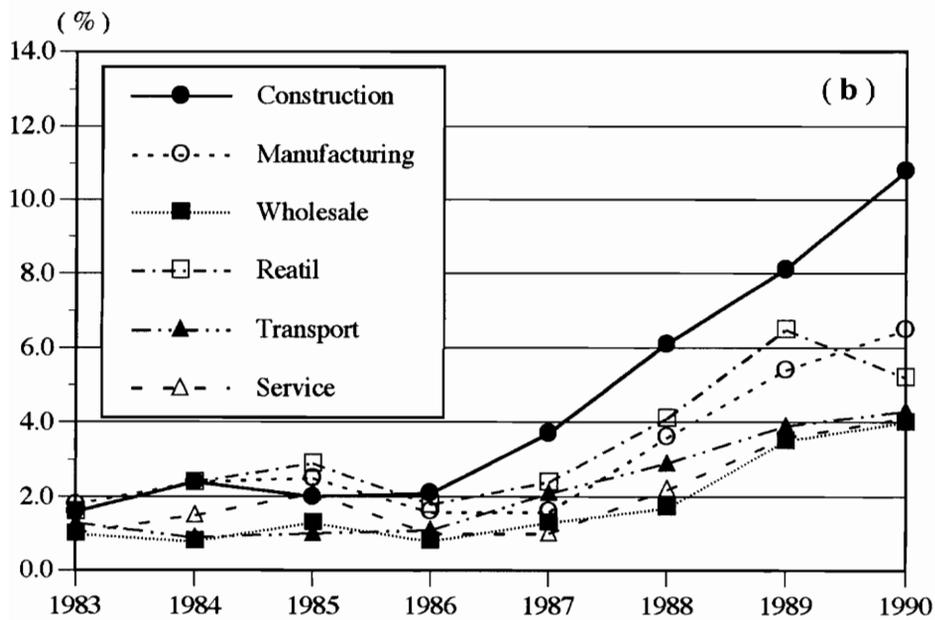
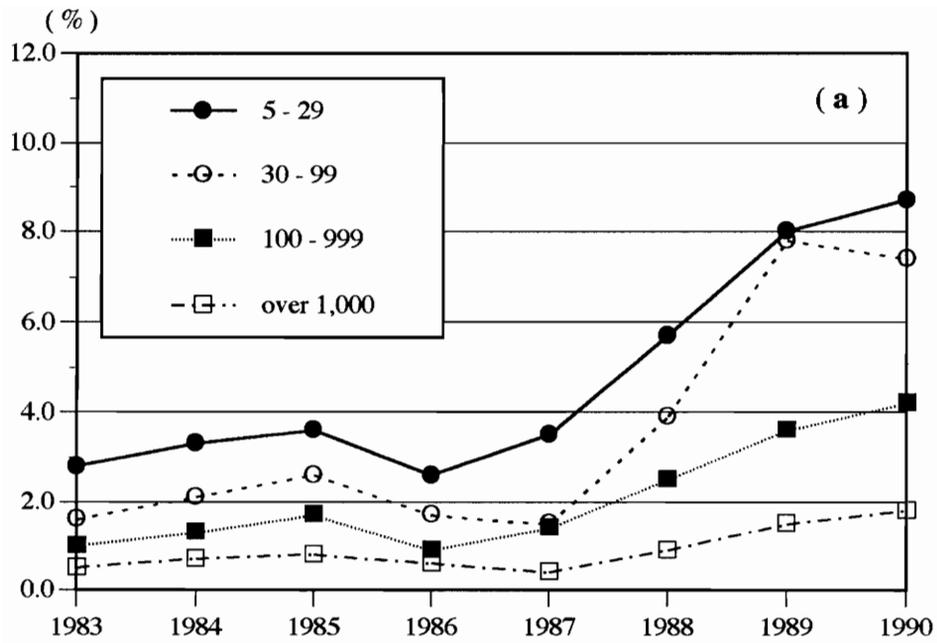
primary sector jobs starts years before the actual selection of employees. Because of the limited port of entry to the primary sector, once they are out of the race during the screening process, their chance of upward mobility in the future is slim.

3.3 Labor Shortage in the Secondary Sector

3.3.1 Labor Shortage by Firm-Size and Industry

In the late 1980's to early 1990's, the economic boom created labor shortage in the Japanese economy, but the shortage was particularly severe among smaller firms in the construction and manufacturing industries. Figure 3(a) shows the ratio of unfilled positions to the number of employees, or the vacancy rate, by firm-size between 1983 to 1990. The number of employees is used to break down the firms by size, which is a common practice in assembling labor statistics in Japan. The Figure shows the overall increase in the vacancy rate. However, it also shows that smaller firms had experienced a particularly severe labor shortage during the same period. While firms with over 1,000 employees had only about 1 per cent increase in the vacancy rate and maintained the rate at below 2 per cent, that of smaller firms with 5 to 29 employees increased from 2.6 per cent in 1986 to 8.7 per cent in 1990. The latter datum means that, for every 25 workers small firms employed, on average, there were approximately two positions that small firms were unable to fill in 1990.

Figure 3(b) shows the distinctive pattern of the inability of the construction industry, and of the manufacturing industry to a lesser degree, to fill the positions: by 1990, more than one in ten construction jobs and over one in twenty manufacturing jobs



Note: Vacancy Rate (%) = $\frac{\text{Number of Unfilled Positions}}{\text{Number of Workers Employed}} \times 100$

Source: Based on Japan, Ministry of Labor, Department of Human Resources Office, 1992, p. 61, 71.

Figure 3 Vacancy rate: (a) by size of firms; (b) by industry.

were vacant. This can be largely attributed to the low standards of working conditions, declining job status, as well as a decline in the number of workers, particularly young workers and domestic migrant workers, who would take jobs in the two industries.

Both the construction and manufacturing industries have long working hours, and workers in the construction industry work more days per week than those in other industries. Table 1 shows that only 7.8 per cent of construction firms implement "weekly two days off" practice, compared to the financing and insurance firms, in which 93.2 per cent of them offer two days off every week. Manufacturing firms are more aggressive in implementing "weekly two days off" than construction firms: 13.7 per cent of manufacturing firms offer two days off every week, and 85.8 per cent do so at least once a month. However, as Table 2 indicates, the average monthly hours worked by the employees of manufacturing firms are actually higher (173.2 hours; transportation equipment sector, which includes auto production, worked 181.1 hours) than the national average (168 hours). Construction workers also work long hours (180.3 hours), and they, along with manufacturing workers, earn less per hour than the national average.

More significantly, descending status of manufacturing and construction jobs in the society, a trend among young workers to avoid jobs with 3D's characteristics, and aging of skilled workers are the most serious problems that the two industries are facing now: about 40 per cent of the construction workers employed in 1988 were aged over 50. In addition, inability of small- to mid-size enterprises to maintain a sufficient labor force is posing a threat to the viability of the two industries, because the industries rely heavily on the competence of small and medium firms for the supplies of parts.

The manufacturing industry as a whole did not exhibit as a clear shortage as the construction industry. A possible explanation of this is the role of female labor force in the manufacturing industry. As discussed earlier in this chapter, the manufacturing industry is

Table 2 Average Monthly Contract Earnings, Monthly Hours Worked, and Contract Earnings per Hour of Regular Workers by Industry (1991)

(value in thousands of yen)

Industry	Average monthly contract earnings (A)	Average monthly hours worked (B)	Earnings per Hours (A/B)
Total	341	168.0	2.03
Construction	333	180.3	1.85
Manufacturing	337	173.2	1.95
Transportation equipment	349	181.1	1.93
Transport and communication	351	180.3	1.95
Financing and insurance	424	149.7	2.83
Services	334	162.8	2.05

Note: Establishments with 10 or more regular workers. Part-timers are excluded.

Source: Based on Statistics Bureau, Management and Coordination Agency, 1994, pp. 116-7.

composed of various categories of manufacturing, and some of the "lighter" sectors such as food and electronics parts manufacturing were able to attract female labor force. Women (particularly housewives) have been a valuable flexible labor force for the manufacturing, service, and retail industries in the sense that this group provides a labor force when it is needed, and leaves the labor market when demand decreases. Between 1985 to 1990, there was an increase of 2,860,000 female workers, but close to 60 per cent of the new female labor force was part-time workers who worked less than thirty five hours per week, and one fourth of the part-timers worked for the manufacturing industry (Ohara Institute for Social Research, 1993, pp. 41-47). In 1990, the 45 per cent of female "nominal part-timers"¹² worked for the manufacturing industry (*ibid.*).

The "heavier" part of the manufacturing industry, where the 3D's characteristics are more prominent, and where women are either not willing work or are not welcomed, reportedly suffered from an acute labor shortage in the late 1980's. The vacancy ratios by different categories of manufacturing are not available, but the industry as a whole does show more rapid increase in the vacancy ratio than the service, wholesale, or transport industry.

3.3.2 Decline of Domestic Migrant Labor Force

Domestic migrant workers had been taken as a given by some employers in Japan as a flexible labor force for the adjustment to demand fluctuations. In Japan, the term

¹² In Japan, people who work more than thirty five hours per week are generally called "full-time" workers, and those who work less than thirty five hours per week are called "part-time" workers. In addition, there are "nominal part-time" workers who work equal or more hours as full-time workers, and as long as over ten years for the same employers, but are *treated* as "non-regular/part-time" workers. They are mostly composed of housewives, and do not receive the same benefits as full-time workers.

"domestic migrant workers" refers to a specific group of migrants, i.e., "farm household members who left their homes and [are] engaged in works other than agriculture for more than one month but less than one year" (*Japan Statistical Yearbook*, 1993/94). The steady decline in the number of domestic migrant workers revealed the significance of their labor force in the secondary sector of the Japanese labor market.

The construction industry heavily relies on temporary workers. The demand for construction jobs fluctuates greatly by season. Many public construction projects (such as fixing roads) are concentrated at the end of the fiscal year, when each government office tries to "adjust" (meaning, "use up") their budget so that the next year's budget will not be cut down. In addition, demand elasticity of the construction industry's products is high, since orders of large scale projects and houses tend to increase when the economy is booming, and decrease during the economic downturn. Therefore, jobs in the construction industry are highly sensitive to national and individual economic well-being. The industry has traditionally relied on displaced workers who are unable to find other stable jobs and youths who want to make money quickly without experience. It is no coincidence that the construction industry has been the major destination of domestic migrant workers who are mostly males.

As Table 3 shows, the number of domestic migrant workers has been declining steadily, and this is affecting the construction industry the most. The total number of domestic migrant workers has shrunk to approximately one fourth of that in 1975, and the number of domestic migrants working in the construction industry has also decreased by the same proportion.

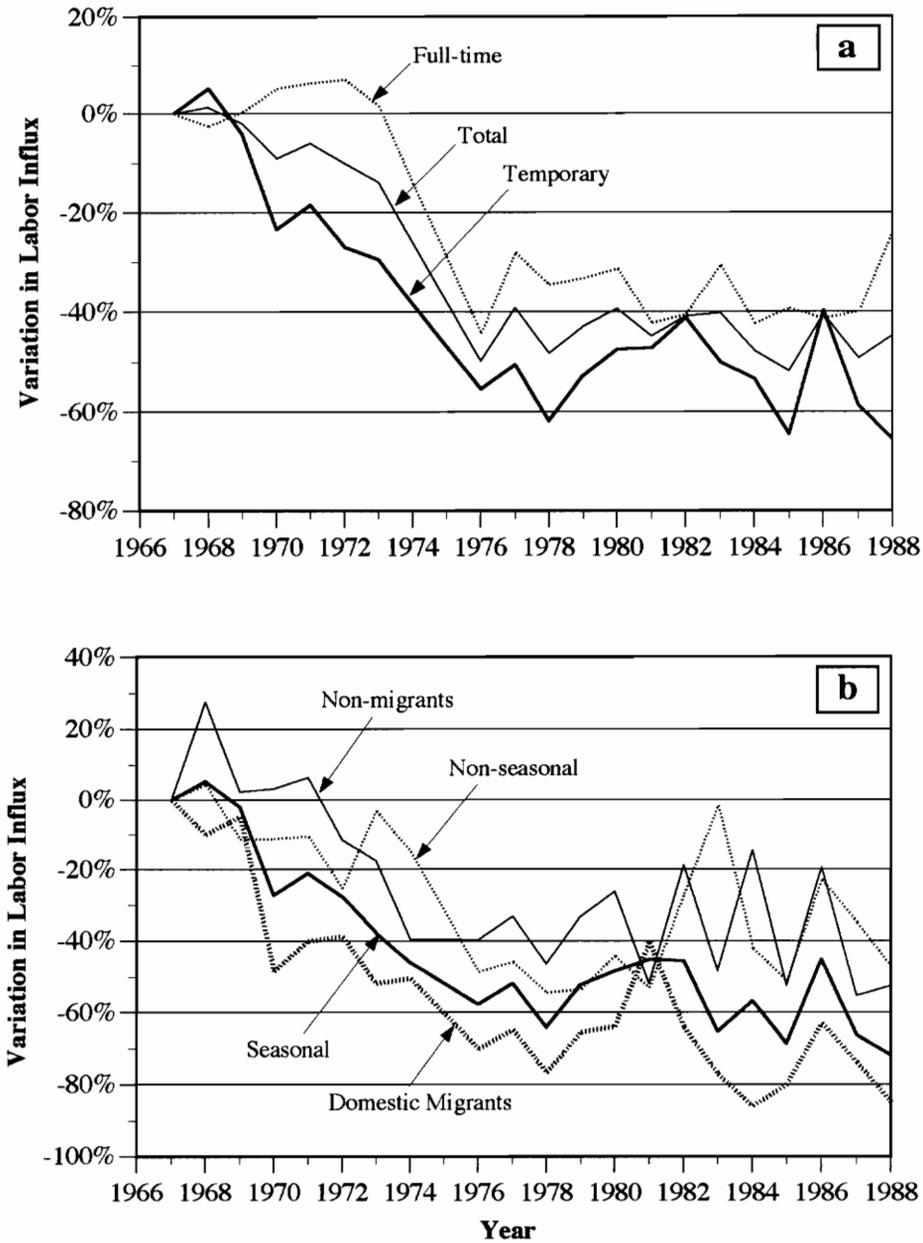
Figure 4 shows the variation in the number of workers who enter the construction industry compared to that of 1967. The influx includes school graduates who enter the labor market for the first time, workers who were previously employed in a different

Table 3 Domestic Migrant Workers by Industry Engaged by Migrant Workers

(in thousands of persons)

	Total	Male	Female	Agriculture, forestry, and fisheries	Construction	Food manufacturing	Other manufacturing	Wholesale and retail trade	Transport and communication	Services	Other
1975	190.0	176.0	15.0	5.5	133.0	21.0	19.0	2.9	4.9	3.7	1.2
1980	133.0	122.0	11.0	4.3	92.0	17.0	11.0	1.6	3.0	4.1	1.0
1985	89.0	82.0	7.7	2.8	61.0	11.0	7.2	0.7	2.5	4.3	0.6
1989	63.0	58.0	5.1	1.1	45.0	6.1	5.9	0.6	1.4	2.4	0.5
1990	59.0	55.0	3.9	0.9	42.0	6.0	5.3	0.6	1.7	2.0	0.7
1991	51.0	47.0	3.6	0.5	36.0	4.7	4.5	0.6	1.6	2.1	0.8

Source: Based on Statistics Bureau, Management and Coordination Agency, 1994.



Note: In all cases, the variation in labor influx was computed based on the corresponding figure for the year 1967.

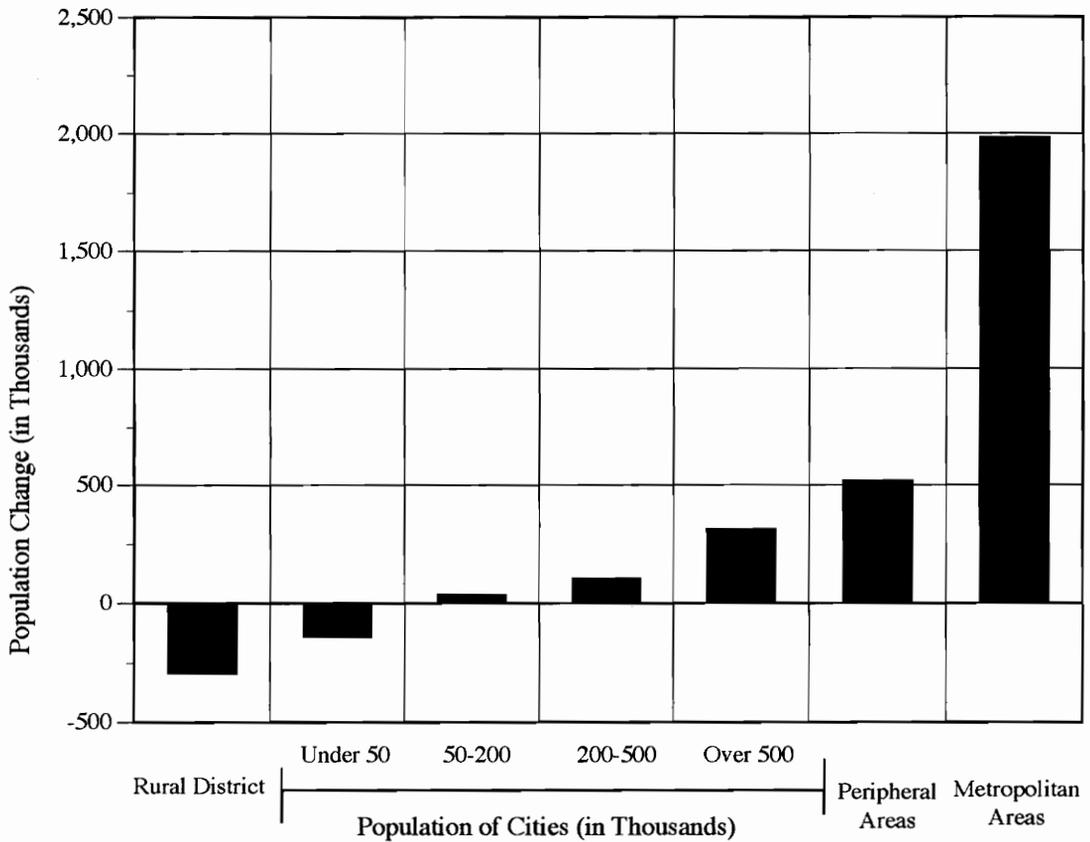
Source: Based on Koyo Sokushin Jigyodan, p. 35, 1991.

Figure 4 Variation in the influx of labor in the construction industry: (a) Full-time, temporary and total; (b) Temporary labor by sub-categories.

industry and are entering the construction industry, and those who have previously worked in the construction industry and are returning to the same industry after an intermission. Temporary workers are those who are hired as needed and are usually paid per day, as opposed to full-time workers who work regularly and receive monthly payments throughout the year. Figure 4(a) indicates that between 1967 to 1988, the number of workers who entered the construction industry has declined by 45 per cent, but the decline is more prominent among temporary workers (65 per cent) than full time workers (25 per cent). Among the workers who entered the construction industry to work temporarily (Figure 3(b)), domestic migrants had declined most drastically: they have decreased more than 80 per cent.

There are mainly two reasons for the decline of domestic migrant labor force. One is that much of the rural farming population, which is the source of domestic migrants, has been moving to larger cities to relocate permanently. Figure 5 shows the occurrence of such movement between 1985 to 1990. The population of rural districts as well as of cities with less than 50,000 residents declined, respectively, by approximately 250,000 and 150,000 in the five years. By 1985, the percentage of the labor force in agriculture had already dropped to 8 per cent from 42 per cent in the 1950s (Saso, 1991, p. 44). Meanwhile, the population of metropolitan areas increased by two millions. The population movement from the rural to urban areas is induced by the lack of the following factors in rural areas:

1. employment opportunities in general;
2. employment opportunities in which people with higher education can make use of their special skills and knowledge;
3. cultural, educational, and medical facilities
(Ministry of Labor, Department of Human Resources Office, 1992b).



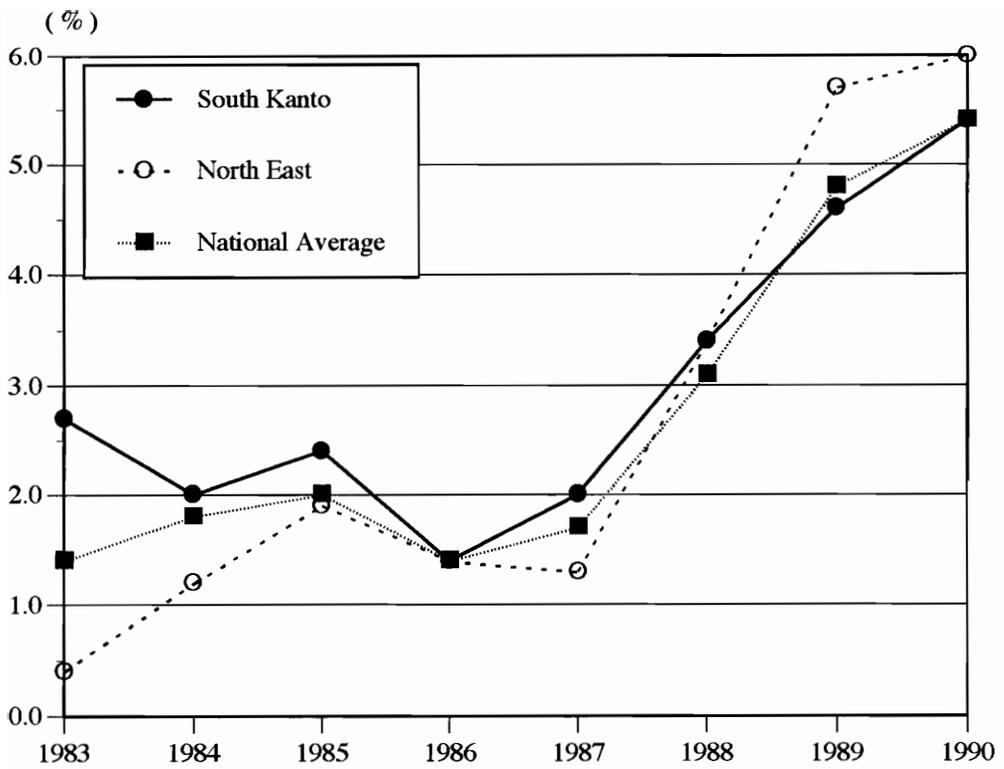
Notes: 1) Metropolitan Areas: The prefectures of Tokyo, Saitama, Chiba, Kanagawa, Kyoto, Osaka, Hyogo, Aichi, and Mie; 2) Peripheral Areas are the surroundings of the metropolitan areas, including Ibaragi, Tochigi, Gunma, Yamanashi, Shiga, Nara, Wakayama, Nagano, Gifu, and Shizuoka.

Source: Ministry of Labor, Department of Human Resources Office, 1992, p. 72.

Figure 5 Population Changes by Region, 1980-1990.

The second main reason for the decline in the number of domestic migrant workers is the set of government policies aimed at discouraging population movement from rural to urban areas. Financial support has been made available to firms that create employment opportunities for the rural population. Such support includes the payment of a portion of salaries (for example, up to one-third of salaries during the first year, and up to one-eighth for the next two years) and of other costs in the case of establishing new businesses. Public funding is also used to provide information of local employment opportunities to the people in the rural areas (*ibid.* pp. 91-110). Although much more effort is needed to eliminate the gaps in the quality of life between the rural and urban regions, government programs appear to have had some effect in keeping the rural population within the rural areas. As Figure 6 indicates, since 1988 the vacancy rate in the North Eastern region of Japan, which is the major source of domestic migrant workers, has exceeded that in the South Kanto region (i.e., the Tokyo metropolitan and surrounding regions), which is the major destination of domestic migrants.

With the decline of domestic migrant labor force, employers who have traditionally relied on domestic migrants need to find the other sources of labor. One way to do so is by improving working conditions. However, employers of small-scale construction and "heavy" manufacturing firms have been known for their lack of efforts to improve working conditions of their employees (Tezuka, 1992. p. 25). Under these circumstances, employers, particularly in the construction and manufacturing industries, have expressed their desire to hire foreign workers. This created a dilemma, since the Japanese government has maintained the closed door policy against foreign workers without special skills. The next chapter will discuss how foreign workers started to occupy the secondary sector jobs without the altering the principle of the closed door policy.



Note: Vacancy Rate (%) = $\frac{\text{Number of Unfilled Positions}}{\text{Number of Workers Employed}} \times 100$

Source: Based on Japan, Ministry of Labor, Department of Human Resources Office, 1992, p.75.

Figure 6 Vacancy rate by region.

3.4 Summary

The rigid and extensive subcontracting practices serve as the foundation of the labor market segmentation in Japan, and the foundation is fortified by the internal labor market of large enterprises which overemphasize education as a screening device, the high costs (both financially and emotionally) of education, and the visible discrimination against women and minorities. The secondary sector has a tendency to rely on non-regular workers. However, during the economic upturn of the late 1980's to early 1990's, some firms of the secondary sector (concentrated in the smaller-scale construction and manufacturing firms) were unable to secure mainly the two groups of labor force, namely young males and domestic migrant workers. This created a strong desire among the affected employers to seek alternative labor force from abroad, instead of improving unattractive employment conditions which distanced young workers from the construction and manufacturing firms.

CHAPTER FOUR

Migrant Workers in Japan

This chapter will identify the way in which migrant workers have started to participate in the Japanese labor market since the late 1980's at an increasing rate, and the role private actors and the public officials played in encouraging such movement. It will show that a large proportion of the migrant workers filled the vacancies in the secondary sector that requires only a short-term on-the-job training, regardless of the migrants' educational background and work experience in their home countries. It will also analyze some of the changes that the Japanese government has implemented in immigration regulations. It argues that these changes, which include the expansion of training programs and the acceptance of descendants of Japanese emigrants (*Nikkeis*) as "settlers" in the 1990 amendment to the Immigration Control and Refugee Recognition Law (the Immigration Law) were greatly influenced by the severe labor shortage in the secondary sector of the Japanese labor market.

In the following sections, four groups of foreign labor force, i.e., skilled professionals, illegal workers, trainees, and *Nikkeis*, will be examined. Each group, though not mutually exclusive, is composed of a different type of labor force—coming from different regions of the world, working for different types of employers, working under different conditions, and earning different levels of wages. Examining the each group reveals the role they play in the Japanese labor market.

4.1 Skilled Professional Workers

The number of foreign nationals who work in Japan with legal work permits has increased from approximately 30,000 in 1980 to 54,700 in 1986, 72,000 in 1989 and 114,000 in 1991¹³, excluding students who are allowed to work for up to 4 hours daily and Nikkeis (Ministry of Justice, 1992). Work permits are given to people with special skills or knowledge, under the categories such as diplomats, professors (and other educators), artists, religious personnel, journalists, business managers, lawyers, accountants, medical personnel, researchers, technicians, entertainers, and employees of international organizations. The Immigration Law requires Japanese employers wishing to hire foreign professionals to show that their potential employees possess special skills that cannot be found among Japanese, and that the foreigners will be paid prevailing wages. Many of the skilled professionals are managers or employees of multinational corporations (Martin, p. 9).

According to a government study conducted in 1991 (Japan, Ministry of Labor, Department of Human Resources Office, 1992c, p. 46), 66.3 per cent of firms with over 5,000 employees claimed to employ foreign workers, while 94 per cent of firms with between 100 to 300 employees claimed that they did *not* hire foreign workers. The industry with the largest percentage of firms that hire foreign professionals was the financing and insurance industry (18.7 per cent). The lowest was the construction industry

¹³ The major increase has been found among "entertainers" while the rest of the categories have shown only a modest increase during the same period. It has been reported that a considerable number of females who work in so-called "sex-industry," such as bar hostesses, strippers, and prostitutes, entered Japan with "entertainer" visas. They obviously lied about the content of "entertainment" when they applied for the visa, which are usually arranged by their labor brokers. Therefore, the figure of the "legal" workers also includes illegal workers.

(4 per cent). The number of legal workers coming from Europe and the North America was twice as large as that from Asia¹⁴.

The majority of legal foreign professionals are treated equally to or better than the comparable Japanese workers regarding wages and working conditions. However, they do not necessarily belong to the primary sector of the Japanese labor market because both they and their employers assume only temporarily employment relationships, usually for a few years. Rarely do they become a part of the central productive force of the Japanese economy.

Legal foreign professionals have never been considered a threat to the Japanese labor market or society. They are welcomed amid the national effort to "internationalize"¹⁵ Japan. Almost every relevant government office (such as Ministry of Labor, Justice, Foreign Affairs, and International Trade and Industry) has expressed that skilled professionals should be encouraged to work in Japan since their contributions to the Japanese economy and "internationalization" of Japanese society will be valuable. The 1990 Immigration Law made it easier for skilled professionals to acquire work permits and increased the number of the categories for the legal employment status¹⁶. This change allowed, for example, independent journalists and financial brokers to work legally in Japan without applying for special permissions which used to be granted (or denied) case by case.

¹⁴ Based on the data in Ministry of Justice, 1992, pp. 239-241.

¹⁵ As the status of Japan as an economic power in the international community increases, Japanese tried to "internationalize" in other areas such as in politics (particularly regarding the peace-keeping operation of the UN --PKO-- and the foreign aid to the less developed countries), culture, and other aspects of the society. Creating stronger ties and better understanding with other countries and their people are part of the agenda of internationalization.

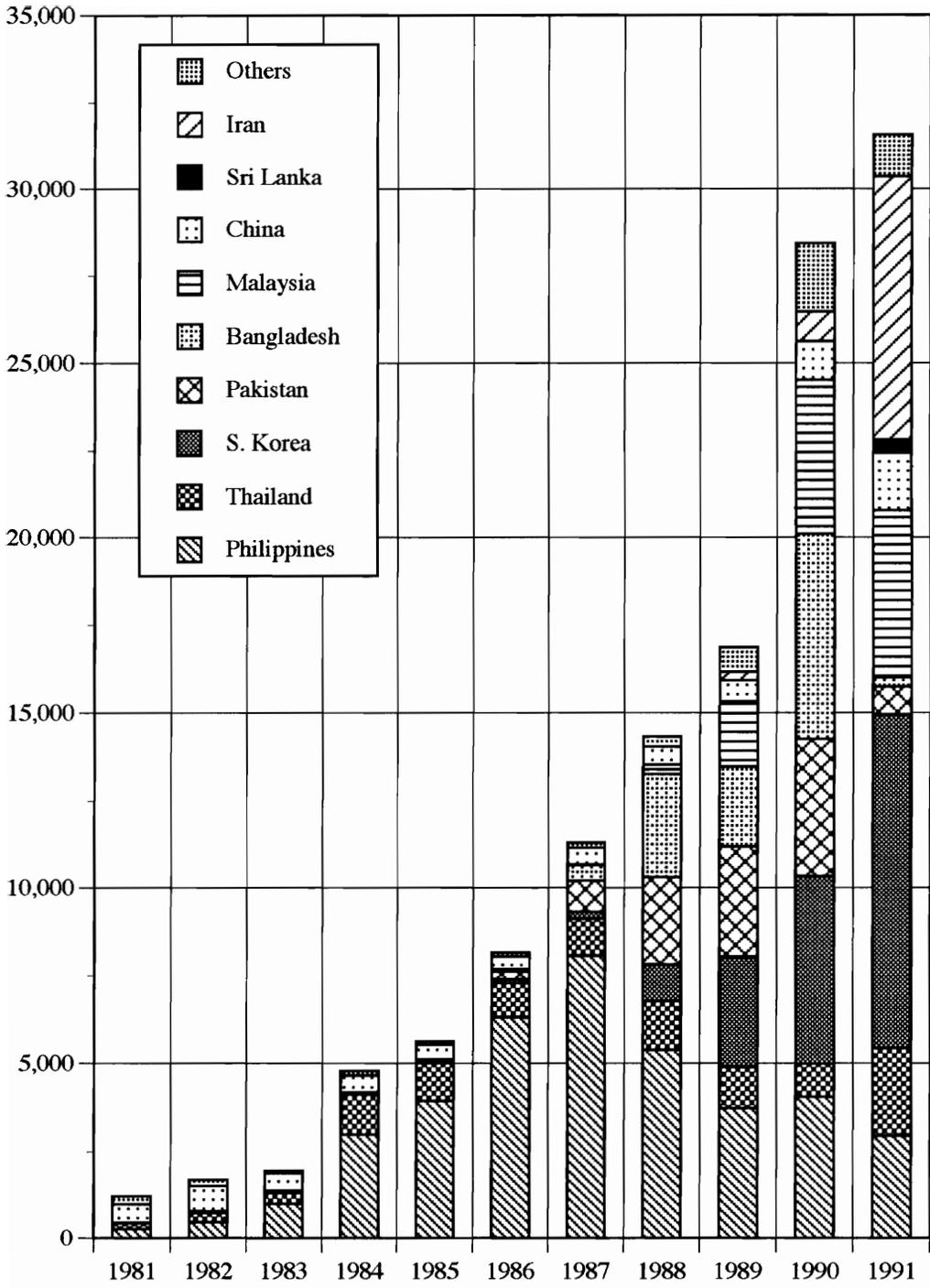
¹⁶ The new employment categories are the following: Legal/Accounting Service, Medical Service, Researcher, Instructor, Specialist in Humanities/International Services, and Intra-company Transferee.

4.2 Illegal Migrant Workers

The estimate of the number of foreign citizens working illegally in Japan varies from approximately 300,000 to 500,000, which was only 20,000 in 1986 (Martin 1994, p. 9; Tezuka, 1992, p. 3; and Sellek and Weiner, 1992, p. 207). The number of illegal workers can only be estimated based on the official record of foreigners' entry to and exit from Japan, as well as on the record obtained from the apprehended illegal workers. Unlike the United States or the European countries whose national borders face directly with those of neighboring countries, it is not likely that foreigners enter or exit Japan without being recorded. What is difficult to determine is how many of those who enter Japan are involved in illegal employment.

Figure 7 shows the number of illegal workers *apprehended* between 1981 to 1991: the number has jumped from barely 2,000 to 32,908 during the eleven years. The majority of them are from Asian countries. It is possible that there is a bias in the way apprehension is conducted. However, the estimate of unauthorized visa-overstays based on the recorded entries and exits also identifies Asians as the majority of illegal foreign nationals in Japan. Some come from farming communities to support their families or to buy farming equipment, hoping to make their lives easier; some are business owners who wish to expand their businesses; others are the unemployed or underemployed population of urban regions, who have abandoned farming and migrated domestically to look for jobs in the cities, or who cannot find adequate jobs even with higher education (Kanto Bengoshi Rengokai, p. 61; Komai, 1989b, p. 79; Tezuka, 1991, pp. 86-88).

Table 4 shows the number of violators of the Immigration Law between 1982 to 1991. It clearly shows a dramatic increase in the number of overstays, the majority of



Source: Japan, Ministry of Labor, 1992.

Figure 7 Apprehended Illegal Workers by Country.

Table 4 Violation of the Immigration Law, 1982-1991

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Total Number of Violators	3,814	4,768	6,830	7,653	10,573	14,129	17,854	22,626	36,264	35,903
Illegal Entry	563	443	513	460	597	542	616	2,349	2,320	1,662
Unqualified Activities	1,025	823	100	218	349	372	839	696	751	882
Overstay	1,962	3,115	5,569	6,592	9,215	12,792	15,970	19,105	32,647	32,820
(and Unqualified Activities)	(864)	(1,516)	(4,426)	(5,411)	(7,782)	(10,935)	(13,475)	(15,912)	(29,133)	(30,405)
Violation of Criminal Laws	209	328	291	260	288	289	280	218	189	192
Total Illegal Workers*	1,889	2,339	4,783	5,629	8,131	11,307	14,314	16,608	28,984	32,908
Denied Landing			1,377	1,340	2,751	4,151	11,101	10,404	13,934	27,137

Note: Total illegal workers = Unqualified activities + Overstays while engaged in unqualified activities.

Source: Based on data from Morita and Sassen, p. 156 and Spencer, p. 756.

whom are working illegally. They enter Japan with a valid visa as a tourist, student, entertainer, or trainee, or without a visa if their country of origin (for example, Pakistan and Bangladesh until 1989, and Iran until 1992) has a visa-exemption agreement with Japan for short term visits. They remain in Japan to work illegally after their visas expire or the maximum stay allowed without visa passes. For many, the sole purpose of coming to Japan is to work illegally.

With regard to the type of jobs obtained by illegal workers, Table 5 describes the apprehended illegal workers by occupation and by gender in 1991. Almost all of the occupations are so-called 3D's jobs. One-half of males are working as construction workers. Provided that the construction industry has lost about 25,000 domestic migrant workers between 1985 and 1991 (see Table 3), the influx of 12,057 *apprehended* illegal migrants working for construction firms alone allowed the industry to recover close to fifty per cent of the lost labor force. Most migrant workers in the construction industry are engaged in the type of jobs that do not require extensive training but that have a high risk of injury, such as assisting domestic workers with scaffolding, demolishing buildings and other miscellaneous jobs: about one-half of the workers engaged in demolition work are reported to be migrant workers (Sellek and Wiener, 1992, p. 217). Factory workers constitute the second largest group among male illegal workers. Factory jobs that male illegal migrants hold include metal processing, ironworks and foundries, plastic processing, printing and binding, plating, welding, and materials coating, most of which are conducted in small scale establishments. Other illegal workers are divided among miscellaneous jobs such as loading and unloading goods at trucking firms; cleaning, cooking, and waiting at restaurants; farming and others.

Table 5 Apprehended Illegal Foreign Workers by Occupation, 1991

Males		Females	
Construction	12,057	Bar Hostess	3,518
Factory Worker	8,509	Factory Worker	1,087
Miscellaneous	1,853	Prostitute	611
Cleaning	511	Cleaning	592
Waiter	393	Waitress	371
Cooking	337	House Keeper	264
Farming	134	Other	1,115
Other	1,556		
Total	25,350	Total	7,558

Total: 32,908

Source: Japan, Ministry of Justice, 1992, p. 109.

Among the occupations of illegal female workers, bar hostess¹⁷ was found to be the most common: bar hostesses accounted for 46.5 per cent of the apprehended female illegal workers. Other occupations included factory work¹⁸; prostitution; and cleaning, cooking, and waiting at restaurants. There is no data available regarding the size of firms the illegal workers are working for. However, speculating from the types of occupations, both male and female illegal migrant workers are likely to be working at small establishments.

It is important to note that there was a demographic change in the composition of illegal migrant workers in Japan in the late 1980's. The majority of apprehended illegal foreign workers used to be female, working as bar hostesses. In 1984, 93 per cent of apprehended illegal workers were female, mostly from the Philippines (see Table 6). The number of apprehended illegal male workers showed a dramatic increase in the late 1980's while that of female started to decline after 1987 and showed only a modest increase in the early 1990's. By 1990, male workers constituted 81 per cent of all foreign nationals who were found to be working in Japan without legal permits. Inferring from the type of occupations held by illegal male workers, the latter substituted the declining domestic migrant labor force and some young domestic workers who avoid jobs with 3D's characteristics. It was mainly the male labor force which was in great demand in the Japanese labor market to fill the secondary sector, and the demographic change in migrant workers reflects such demand.

Labor brokers played a significant role in inducing the labor migration from sending countries to Japan. According to the Ministry of Labor, over 70 per cent of apprehended

¹⁷ "Bar hostess" often involves forced prostitution, but most illegal female workers prefer not to disclose the fact when they are apprehended.

¹⁸ A growing number of illegal female workers are found in metals and plastic processing and auto parts manufacturing.

Table 6 Apprehensions by Nationality and Gender, 1984-1991

Nationality	Gender	1984	1985	1986	1987	1988	1989	1990	1991
Total	M	687	2,186	4,289	8,929	11,791	24,176	25,350	
	F	4,942	5,945	7,018	5,385	4,817	5,708	7,558	
Bangladesh	M		1	58	437	2,939	2,275	5,915	292
	F	0	0	1	3	2	10	1	
China	M	136	126	161	210	230	316	799	1,242
	F	301	195	284	272	272	343	423	
Mainland	M				5	26	428	981	
	F			2	13	53	181		
Taiwan	M				223	275	351	225	
	F			269	256	288	235		
Hong Kong	M				2	25	20	36	
	F			1	3	2	7		
Iran	M				13	648	7,611		
	F				2	4	89		
South Korea	M	34	35	69	109	769	2,209	4,417	8,283
	F	41	50	99	264	920	1,117	1,499	
Malaysia	M			15	265	1,691	3,856	3,892	
	F		3	14	174	609	963		
Pakistan	M	3	36	196	905	2,495	3,168	3,880	793
	F	0	0	0	2	2	6	0	
Philippines	M	96	349	1,500	2,253	1,688	1,289	1,593	1,079
	F	3,578	4,797	5,774	3,698	2,451	2,449	1,904	
Thailand	M	54	120	64	290	369	369	661	926

Source: Based on recorded entries and exits, Immigration Office, Ministry of Justice, Japan, in K. Morita and S. Sassen, 1994, p. 158.

male workers used brokers to find employment. Brokers amass sizable profits by placing migrant workers with employers in need of labor. Employers usually subtract the fees paid to brokers from the salaries of the workers. Most brokers make all the necessary arrangements for migrant workers to come to Japan, including obtaining visas and airplane tickets.

Japanese language schools attracted the attention of brokers and potential employers of illegal workers as a cover for the clandestine recruitment of unskilled migrant workers. It has been reported that some of the language schools exist solely for the purpose of obtaining student visas for migrants without offering decent classes in Japanese language, if any at all. Such schools are often managed by organized crime gangs, who arrange employment for "students" in construction or trucking businesses in which the crime gangs are active (Spencer, p. 764). Other language schools do offer language classes, but some students skip classes to work. The number of students¹⁹ in language or technical schools more than doubled in two years from 14,388 in 1986 to 35,107 in 1988. The Japanese government has been trying to track down inadequate schools as well as implementing stricter standards in certifying language schools, which has resulted in a decrease in the number of visas issued to non-university students to 20,654 in 1991.

Migrant workers are recruited with a promise of high wages in Japan. Male workers are usually aware of the type of occupations they will be engaged in Japan prior to migration. While some are brought to Japan by brokers, others enter Japan with short-term visitor's visa, or without visa under the visa-exemption agreement between their home country and Japan. However, in some cases, they work under slavery-like conditions and

¹⁹ There are two categories of student visa: one for those who pursue university degrees and another for those who attend language schools or technical schools which do not offer university degrees.

find themselves unable to save enough money to go home as they planned²⁰. In such cases, migrants are not only underpaid compared to domestic workers, but also being forced to work over-time without pay, and are assigned the most physically demanding jobs. They are often called discriminative and derogative terms. Because of the language barrier, there has been a number of instances in which adequate instructions were not provided to workers prior to operating the dangerous (and often old-fashioned) equipment, and resulted in injuries. Since it is extremely difficult for foreigners to find housing on their own in Japan, migrants usually live in a small apartment arranged by their employers, overcrowded with other fellow illegal migrants. In order to avoid detection by the authorities, their employers prohibit them from going out of the apartment or workplace freely. Their living expenses, which are often over-priced, are taken off their salaries. This type of abuse is most frequently found in construction firms.

The majority of illegal female workers are suspected to be engaged in activities in the “sex industry.” Their brokers often lie about or do not explain the exact nature of their occupation in Japan during the recruitment process (Kanto Bengoshi Rengokai, 1990). Once they are recruited by unscrupulous brokers, a large proportion of female migrants is “sold” like commodities and forced to work as bar hostesses. Their passports and return airplane tickets are confiscated, and they live under a tight surveillance which prevents them from escaping. Not only the fees paid to brokers (which can be up to several months’ worth of earnings) and workers’ living expenses, but also some of the “business expenses,” such as taxi fares from the workplace to the hotels (where prostitution takes place) are subtracted from their earnings. Some employers retain the women’s earnings, claiming that the money will be kept in a bank until the women are to return to their home

²⁰ Detailed reports on the issue of abuse can be found in Kanto Bengoshi Rengokai, 1990; Ohara Institute for Social Research, 1989; Komai, 1989 a&b, Spencer, 1992; and Tezuka, 1991.

countries. Although there is no data regarding their educational background, according to lawyers and other volunteers who assist illegal migrants, the victims of such abuse are not necessarily uneducated but include college graduates who are promised a “good job” in Japan by their brokers (Kanto Bengoshi Rengokai, p. 61).

There are other cases in which abuses of migrant workers are not as severe as those described above. Such cases are found in small-scale, mostly family-owned businesses in manufacturing and services; which include restaurant, building security, Laundromats, car wash, and cleaning at hotels, business buildings and fish markets. Some foreign students work for longer hours than they are legally allowed while pursuing a university degree in order to cover their living and educational expenses. Overall, illegal workers tend to be paid less than their Japanese co-workers. An investigation of 150 enterprises suspected of employing illegal workers in Tokyo, Osaka, Kanagawa, Chiba, Aichi, and Hyogo prefectures conducted by the Ministry of Labor in 1988 revealed 154 illegal workers, and found that they earned at least 60 per cent less than the Japanese counterparts (Kimura, 1988).

The Japanese labor laws such as the Labor Standards Law, Labor Safety and Health Law, and Minimum Wage Law apply to everyone working in Japan regardless of their nationality and their legal status. However, the language barrier, lack of knowledge about the legal system and their rights, and, most of all, the fear of apprehension prevents the victims from reporting any violation of the laws. When they are injured on the job, they are entitled to compensation for the cost of medical treatment and lost earnings; however, only few of them apply for compensation. For example, between April 1987 to December 1988, only 77 illegal workers applied for compensation for work-related injuries (Kanto Bengoshi Rengokai, 1990, pp. 74-75). The Ministry of Labor, which oversees the Japanese labor laws, does not have a policy to make a specific effort to protect labor rights

of illegal workers (Kanto Bengoshi Rengokai, 1990, pp. 125-126), and has been criticized for not publicizing the information that labor laws apply to all workers including illegal workers (Nikkei Weekly, Nov. 9, 1991).

The 1990 amendment to the Immigration Law has introduced for the first time fines and imprisonment terms to the employers who knowingly employ illegal workers and brokers of illegal foreign workers, but it has not been very effective. The data on the results of the employer sanctions are not readily available with the rest of the immigration related data. One study reports, "senior officials speculated that there were no more than 10 to 20 fines annually" (Martin, 1994, p. 10). Despite the concern over the abusive use of illegal workers and the realization that a stronger commitment on the part of law enforcement offices is urgently needed in order to prevent such abusive use, inspection at the port of entry continues to be the main method of immigration control (Spencer, 1992, p. 765). Therefore, the new provision of employer and broker sanctions has little deterrent effect against the hiring and abuse of illegal migrant workers.

Illegal migrant workers are clearly joining the secondary sector of the Japanese labor market, judging from the wage levels, working conditions, and the type of occupations. The dramatic increase in the number of illegal workers in Japan since the late 1980's can be largely attributed to the active recruitment by brokers; and the recruitment has been active because there is a strong demand for the migrant workers, and the risk and cost of hiring illegal workers are low due to the weak enforcement of the Immigration Law.

4.3 Trainees

The official objective of the training programs is to aid less developed countries to

accelerate technological and economic development through the transfer of knowledge and skills. Trainees are supposed to learn skills that will be useful and can be passed on to other workers when they return to their home countries. The regulations of the program prohibit the type of "training" that involves simple, repetition-oriented on-the-job training. However, there have been a number of reports which claim that trainees are used simply to fill the positions that cannot attract domestic workers, and without being paid adequately since they are not allowed to earn wages as workers²¹.

Employers affected by the severe labor shortage have in the past considered offering training to foreigners in an attempt to secure the needed labor force. During the economic boom in the late 1960's to early 1970's, there was a discussion concerning the possibility of expanding the existing training program and of introducing a guestworker program similar to the one implemented in the former West Germany during the late 1950's to early 1970's²². The guestworker program is often referred to as a "rotation system" in which a limited number of migrant workers are allowed to take specific jobs for a specific period of time, and they will be replaced by a new group of migrants when the period is over. This system aimed at bringing a temporary labor force in a controlled manner so that guestworkers would not overwhelm the German labor market, which could create the downward pressure on the standards of wages and working conditions of the less-skilled domestic workers. For this purpose, they were not allowed to change their employers. This type of controlled labor in-migration appealed to both law makers and employers in Japan. However, when the oil crisis of 1973 slowed the economy down in Japan, firms were forced to commit themselves to restructuring, focusing on automation and overseas

²¹ Trainees are allowed to receive some stipend, usually about several hundreds of dollars a month.

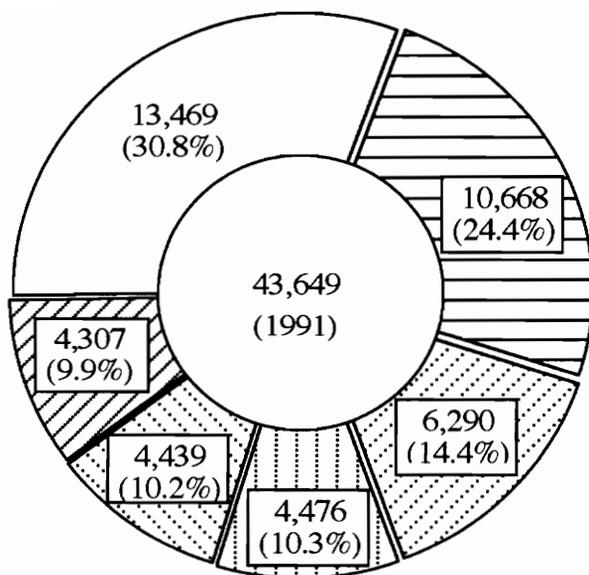
²² What materialized the guestworker program in the former West Germany was the building of the "iron wall" which blocked out migrant workers from the Eastern block who had been occupying the secondary sector jobs.

investment. In addition, there was still a fairly large number of domestic migrant workers who could be mobilized with the attraction of high wages. The demand for a foreign labor force quietly faded.

Since then, foreigners' training programs were mostly sponsored by the government offices and their aim was to train high-ranking officials and technicians from the less developed countries. In the late 1980's, training programs recaptured the attentions of two groups: one group was seeking ways to legally accept less-skilled workers from overseas in a controlled manner to prevent the abusive use and overflow of such workers; and the second group was under pressure from the governments of neighboring Asian countries to absorb part of the underemployed labor force and to provide technical assistance for the economic development. The first group consisted of Japanese employers, employer associations, and the government offices such as the Economic Planning Agency, the Ministry of Construction, the Ministry of Labor, and the MITI. The second group was mainly the Ministry of Foreign Affairs. Since the late 1980's, the number of trainees accepted each year has risen from 14,388 in 1986 to 17,081 (1987), 23,432 (1988), 29,489 (1989), 37,566 (1990), and 43,649 (1991), and an increasing number of private firms started to "train" less-skilled workers from neighboring countries.

As Figure 8 indicates, in 1991, the largest number of trainees came from China, followed by Thailand, the Philippines, South Korea, and Malaysia. According to a survey²³, 44.3 per cent of trainees hold at least a university degree, and the 21.6 per cent hold a technical school degree (Komai, 1991, p. 16). The automobile, machinery, and electronics manufacturing firms are by far the largest sponsors of trainees, followed by

²³ The method of the survey was as follows: "in September 1990, 597 companies on the list provided by the Policy Division, Immigration Bureau of Ministry of Justice, which accepted trainees between March 1989 and March 1990 were surveyed. The 597 companies make up about 25 per cent of all the companies accepting trainees in Japan. The questionnaires were posted and collected by mail. The number of respondents were 261; the ratio of collection was 43.7%" (Komai, 1991, p. 13).



Source: Japan, Ministry of Justice, 1992, p. 82.

Figure 8 Trainees by country of origin, 1991.

other types of manufacturing, construction, and services. The same survey conducted by Komai found that two thirds of the firms that accepted trainees arranged the training through the overseas-affiliated company branches, and one-half of the sponsoring firms expressed their intention to use the trainees as supervisors or core workers overseas in the future (Komai, pp. 14-15). The sponsoring firms are concentrated in mid- to large size firms. However, the actual training is often entrusted to affiliated small- to middle-size firms (*ibid.*, p.15).

The Ministry of Construction has been independently accepting construction and civil engineering trainees since 1991 in responding to the requests from construction firms across the country, and the entire costs associated with the training are financed by the private firms which accept trainees (*Kyodo News Service*, 20 March, 1991). The Ministry of Labor started its own training program called "Technical Training Project for Foreign Youths" in 1990. The Ministry of Foreign Affairs has been independently issuing trainee visas through embassies because the Ministry of Justice, which is in charge of issuing visas to foreign citizens, and whose main concerns are to maintain control over foreigners' entry to Japan and to prevent the training programs from becoming a disguise for importing less-skilled workers, has a tighter screening process to approve trainee visas and cannot process all the applications for the visas (Kuwabara, 1989, p. 3).

The inconsistencies between the official objectives and the actual usage of the program are visible in the system of the training programs (Goto, pp. 90-97). First, despite the professed intention of the Japanese government to use the programs as a form of development assistance toward the neighboring Asian countries, it is mostly the private firms which pay the expenses associated with the training. This system suggests that the program benefits the sponsoring firms even after considering the costs of training and of trainees' room and board. This explains the concentration of sponsors among

manufacturing and construction firms which are most affected by the acute labor shortage. In addition, trainees are not allowed to change their sponsor during the two years. This regulation, in effect, protects the sponsoring firms from losing the vital work force after investing in the training. The demand for the trainees, particularly among smaller firms, was so great that the Ministry of Justice changed the regulation of the training program to allow smaller firms to accept more trainees. Before the change in the regulation, only one trainee per every twenty Japanese workers was allowed to be accepted. Since August 1990, the numerical quota changed to fifteen trainees for firms with 201 to 300 Japanese employees, ten trainees for firms with 101 to 200 Japanese employees, six trainees for firms with 50 to 100 Japanese employees, and three trainees for firms with less than 50 Japanese employees (Komai, 1991, p. 17). This means that even firms with only one or two employees can accept three trainees.

There are also problems with the content of the training itself. The training is limited to two years: the first three months have to be spent on in-class instruction and the subsequent six months can be spent on on-the-job training, during which trainees are neither allowed to earn wages (except receiving some stipend) nor subject to the protection of Japanese labor laws. Upon passing an evaluation test administered by the Ministry of Labor, trainees are allowed to work for wages for the remaining one year and three months²⁴. However, Komai's study reveals that over 53 per cent of the firms which accepted trainees did not offer in-class training (Komai, 1991, p. 15). According to another survey conducted by the Ministry of Justice, the majority of sponsoring firms did not provide required in-class training and imposed over-time, which is prohibited by the regulation. Some of the "training" programs were found either "not necessary" due to the

²⁴ It is possible to shorten the duration of training to two months in-class and four months on-the-job, and spend the remaining one and half years for work. Since this suits both employers' and employees' interests better, this is more frequently practiced than the former system (Goto, p. 90).

simple, repetitive tasks involved, or “inadequate” where the activities were focused on producing goods rather than training skills (Tezuka, pp. 292-295). Komai claims that "the possibility of disguised labor is relatively high in small- to middle-sized metal and general machine industries which do not rely on branch and affiliated enterprises overseas" (Komai, 1991, p.16). He concludes from his study that, on the one hand, the training programs are used to train core workers for the overseas operations of Japanese firms, but on the other hand, they are used to disguise the import of cheap foreign labor force for the unattractive jobs. A growing number of brokers are also acquiring trainee's visas to bring laborers to Japan.

Concerned with the growing misuse of training programs, the Ministry of Labor established a new organization called Japan International Training Cooperation Organization (JITCO) in 1991. The JITCO's role is to expand the training programs under tight supervisions. It became a window where interested firms can apply for permission to bring trainees to Japan while JITCO recruits trainees from the less developed countries. It is aimed to prevent brokers and employers from exploiting trainees and training programs. JITCO also helps trainees to find jobs in their home countries to prevent them from overstaying in Japan after the training.

The Ministry of Foreign Affairs is interested in expanding the training program to allow trainees to earn wages from the beginning of the program. This program would resemble the guestworker program in the former West Germany, in a sense that trainees are constrained to specific employers for a strictly limited time period. As was the case in the experience of the guestwork program, the rotation system is not likely to be successful: not only trainees may not want to return to their home countries after the given period, but it is in the interest of their employers to keep the trainees who have gained experience on the job. From the examination of the trainees program, including the changes in regulations,

the beneficiaries, and the financial contributors of the training program, it appears that a greater emphasis is placed on assisting the firms that are affected by the most severe labor shortage than on assisting the development of the neighboring Asian nations in designing the program.

4.4 Nikkei Migrant Workers

The 1990 amendment to the Immigration Law established a new legal status called "long-term residents/settlers" in which, upon proving that either of the parents or grandparents are Japanese, Nikkeis (descendants of Japanese emigrants) are granted three-year renewable work and residence permits *without restrictions on the type of occupations they may hold in Japan*. Despite their status as potential permanent residents, over 90 per cent of Nikkeis in Japan stated in a survey conducted in 1991 by an association of Nikkeis that they have no intention to stay in Japan permanently (Goto, 1993, p. 42). The Ministry of Labor conducted a survey on Nikkei migrant workers to gather information about them and their participation in the Japanese labor market (Ministry of Labor, Department of Human Resources Office, 1992c). The following data are based on the survey.

Table 7-a shows the number of Nikkei migrant workers between 1988 to June 1991, and Table 7-b shows Nikkei migrant workers by the country of origin. The number of Nikkei migrant workers has increased from 8,450 to 148,700 in only four years. About 80 per cent of Nikkei migrant workers are from Brazil. Approximately one-half of Nikkei migrants have found their employer through a labor broker, compared to only 10 per cent of foreign skilled professionals (Ministry of Labor, Department of Human Resources Office, 1992c, p. 82).

Table 7-a Nikkei Migrant Workers, 1988-1991
(up to June)

Year	Number of Migrant Workers	$\Delta\%$
1988	8,450	--
1989	29,300	246.7
1990	76,150	159.9
1991	148,700	95.3

Table 7-b Nikkei Migrant Workers by Country of Origin
(up to June 1991)

Country	Number of Migrant Workers	%
Brazil	120,000	80.7
Peru	18,000	21.1
Argentine	8,500	5.7
Bolivia	1,500	1.0
Paraguai	700	0.5
Total	148,700	100.0

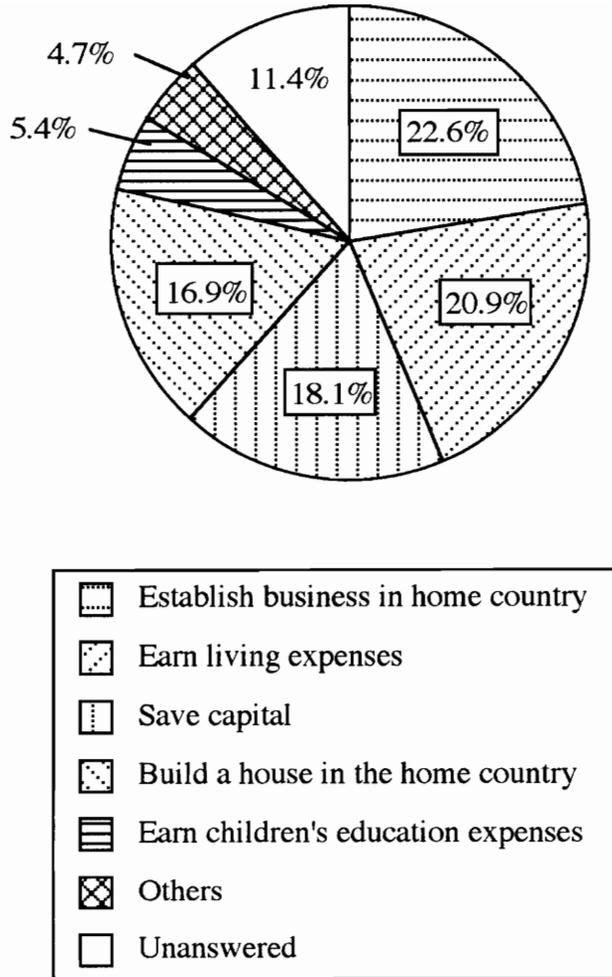
Note: Numbers are approximate.

Source: Ministry of Labor, Department of Human Resources Office, 1992c, p. 54.

The background of Nikkei migrants varies from less-skilled laborers to medical doctors and school teachers (Tezuka, p. 193). According to another survey by the association of Nikkeis conducted in 1990, 42.1% have graduated from college, 21.5 per cent finished professional school, and 29.4 per cent finished either junior high school or high school (Goto, 1993, p. 141). Regardless of their background, however, 85 per cent of Nikkei migrants are working in manufacturing factories, two thirds of which are automobile parts or assembly factories where only short-term on-the-job training is required (Ministry of Labor, Department of Human Resources Office, 1992c, p. 79). Of all Nikkei migrants, 90 per cent of them are engaged in jobs that require a minimum training, despite their relatively high educational background in their country's standard. Aside from manufacturing, they take jobs in construction, loading and unloading goods, cooking, and cleaning. Only 12.8 per cent of Nikkei migrants are employed as full-time workers. Over one-half of Nikkeis receive hourly wages, and only 4.7 per cent receive monthly wages. 40.5 per cent are employed by enterprises which dispatch them as "personnel on loan" to various production sites as needed. Their employment arrangements indicate the unstable nature of Nikkei migrants' employment.

About one-half of firms that employ Nikkeis claim that Nikkeis work about the same number of hours of over-time as Japanese workers, but 44.6 per cent answered that Nikkeis work more over-time. The 42.6 per cent of firms which employ mainly Nikkei workers do not pay bonuses at all, while 54.5 per cent of firms which employ mainly non-Nikkei legal foreign workers (i.e., mostly skilled professionals) pay bonuses. Working conditions among firms that employ Nikkeis vary widely, which induce the latter to change their jobs frequently to seek a better working environment.

Figure 9 shows the objectives of Nikkei migrant workers in coming to Japan. Only 20.9 per cent of them claimed their objective as earning living expenses for their families.



Source: Japan, Ministry of Labor, Department of Human Resources Office, 1992c, p. 110.

Figure 9 Objectives of Nikkei migrant workers.

The majority of their objectives appear to be more ambitious than obtaining the bare necessities, such as establishing their own businesses, building a house, saving for their children's education (most likely to send them abroad), or saving capital for the future use. The data correspond to the Piore's hypothesis that migrant workers are willing to take the types of jobs that domestic workers avoid because the former view the jobs as simply a means to achieve higher objectives in their home countries that would otherwise be impossible or harder to achieve had they not migrated.

It was intended in the new provision of the 1990 amendment to the Immigration Law that Nikkeis be accepted as "settlers" who would remain in Japan for a longer period. Despite their Japanese origin, however, many of them are not necessarily well prepared to participate in the Japanese labor market upon arrival, and their employers perceive them as a temporary work force. According to the survey conducted by the Ministry of Labor, approximately one-half of Nikkeis can say a few basic words (but are unable to converse) in Japanese, 45 per cent of them cannot read Japanese, 38 per cent can listen and comprehend a few basic Japanese words, and 39 per cent cannot write at all in Japanese (Ministry of Labor, Department of Human Resources Office, 1992c, pp. 113-4). 49 per cent claimed that they have no Japanese friends (*ibid.*, p. 126). Since Nikkeis are employed as "non-regular" workers in most of the cases, and they tend to change their jobs frequently, they usually do not receive unemployment benefits, and their employers are not required by law to pay for a portion of the non-regular workers' health insurance²⁵. The Ministry of Labor established the Nikkei Employment Service Centers in 1991 to provide information on job openings and general information about life in Japan, as well as to assist

²⁵ Japan has a universal health care coverage system. Full-time workers participate in the health care program through their workplace, and their employers are required to pay one-half of the monthly insurance fee while the workers contribute another one-half from their monthly salaries. Non-regular workers, self-employed, and unemployed people participate through the local municipal offices. This regulation applies to all workers regardless of their nationality.

Nikkeis when troubles occur with their employers. The Ministry of Labor also facilitates employment information centers in Brazil in order to prevent brokers from placing Nikkeis to abusive employers. However, the survey conducted in 1992 found that brokers still play a major role in arranging employment opportunities for Nikkeis (*ibid.*, p. 96).

Goto (1993, pp. 93-97) raises a question as to whether the Japanese government would have accepted Nikkeis as "settlers" were there not such a severe labor shortage in Japan. There is a public perception in Japan that Nikkeis are accepted as legal less-skilled migrant workers (regardless of their actual skills) who are willing to work hard on simple job assignments under equal or less favorable working and remuneration arrangements without the long-time employment commitment, and that Nikkeis are replacing the domestic temporary workers who are no longer willing to take such jobs. Since the total population of Nikkeis (including infants to the senior citizens) who are affected by the 1990 amendment to the Immigration Law is less than 1.5 million, the provision will not lead to an uncontrollable inflow of migrants, as was the case in the guestwork program in Germany.

The timing of the provision to accept Nikkeis as "settlers" also suggests that this provision was made in response to the labor shortage in the secondary sector that are abandoned by the Japanese. Despite their legal status as "settlers," neither Nikkeis nor their employers perceive the employment as a long-term relationship, and such perception results in unstable employment without much fringe benefit. Although Nikkeis are not abused as illegal workers because of their legal status, they play a role as a flexible labor force whose future in the workplace is at the mercy of business fluctuation.

4.5 Summary

Foreign nationals who enter Japan as skilled professionals are required by law to be hired for their special skills and be compensated at least as equally as the comparable Japanese professionals. In contrast, while educational and professional experiences vary among male illegal workers and Nikkeis, both groups of migrant workers are mostly engaged in the type of occupations that require only a short-term on-the-job training: most of them are working for the construction and manufacturing industries which have been experiencing labor shortage most severely. Remuneration and working conditions of Nikkeis largely depend on their employers, but Nikkeis are mostly perceived as a flexible and temporary work force. Compared to the Japanese temporary workers, Nikkeis are not necessarily underpaid but even more vulnerable in term of job security. The treatment of female illegal migrants exposes the Japanese society's tendency to disregard and disrespect women and neighboring Asian nationals. Working conditions of most female, and some male, illegal migrant workers resemble those of slavery.

The Japanese government has never officially acknowledged that the use of foreign labor is a part of its domestic labor policy. However, the system of training programs, the government responses to the pressure from firms to widen the doors for trainees, and the timing of changes in immigration regulations for Nikkeis suggest the close linkage between the immigration policy and the condition of the Japanese labor market. The majority of both trainees and Nikkeis in effect provide a labor force to employers who are unable to attract domestic workers, even though neither of the two groups is defined by the Japanese government in terms of their labor: trainees are not considered workers, and Nikkeis are categorized as "settlers" (with a requirement to renew their residency permits every three

years). The trainees' role appears to be more as a labor force to supplement the labor shortage rather than as the agents of technology and skill transfer from the industrial nation to the less developed nations. The passive attitude of enforcement offices against illegal migrants and toward the abuse of migrants *is* also a policy, given the choice that the government can put more manpower and commitment to enforce the laws to control and protect foreign workers..

The Japanese government is directly responsible for the increase in the number of Nikkei migrant workers and trainees, and to some extent even for the increase in the number of illegal migrant workers by issuing trainees and entertainer visas to them through labor brokers and by not actively enforcing employer and broker sanctions.

CHAPTER FIVE

Policy Analysis

One of the most critical problems that the Japanese economy faces is the prospect of chronic labor shortage. In 1991, the Ministry of Health and Welfare concluded that the combination of a low total fertility rate²⁶ (1.53 in 1991) with long life expectancy will result in a Japanese society largely composed of older people. In fact, in 1990, the population age 55 and over constituted 29.1 per cent of the Japanese population age 15 and over, and the percentage is expected to increase to 42.2 per cent by the year 2010. As a result, between 1990 to 2015, the labor force is expected to decrease by 8,740,000 (Ministry of Labor, department of Human Resources Office, 1992a, p. 1). One may argue that, inevitably, Japan will have to open its doors to foreign labor, including less skilled workers, in order to compensate for the decline of its labor force (Hatsuse, 1992; Nimura, 1992). The Japanese government has never officially acknowledged that the use of foreign labor is a part of its domestic labor policy. However, we have seen in Chapter Four that some of the measures taken by the government are, intentionally or unintentionally, in effect supplementing the Japanese labor force with foreign workers.

This chapter will discuss the short-term and long-term costs as well as the benefits of using migrant workers as has been done since the late 1980's, i.e., to fill positions in the secondary sector that are most affected by the acute labor shortage. It is argued that

²⁶ Total Fertility Rate is an estimate of the number of birth a woman gives in her life.

although the influx of migrant workers is expected to alleviate the labor shortage in the short-run, it will ultimately reinforce the production and employment practices that perpetuate the segmented structure and the labor shortage in the Japanese labor market. Based on this argument, some policy recommendations will be made at the end of the chapter.

5.1 Costs and Benefits of Labor In-migration

In the short run, employers of migrant workers will benefit from the flexible labor force and lower labor cost. Since migrant workers do not usually demand “regular worker” status and change jobs relatively frequently, employers do not have to pay for part of the migrants’ health insurance, unemployment benefits, and other non-obligatory welfare benefits²⁷. The consumers of goods and services produced by such firms—including their contractors and the consumers of the final products—also benefit from the lower prices of the products. Migrant workers will also contribute to the domestic economy by paying income taxes (if legally employed) and consumer taxes, and by consuming goods and services while living in Japan.

The short-term costs of accepting migrant workers include traveling from and to their home countries, housing, language instruction, and other necessary assistance and training, if such costs are covered by the employers or the government. One of the frequently discussed issues is the cost of medical services for migrant workers. Since the majority of migrant workers do not have health insurance, when medical treatment is

²⁷ However, employers are required to pay for the insurance for work-related injuries for all workers regardless of worker’s nationality or employment status.

needed, they are not likely to be able to pay for the associated expenses, and the local or state government or the hospitals end up covering most of the costs incurred.

The effects of the influx of foreign labor on the unemployment rate and wage level of less-skilled domestic workers have also been at the center of political debates in receiving countries. In the United States and the Western European countries, where unemployment rates are higher than in Japan, the rising unemployment rates, poverty among the low income population and even the increasing crime rates have been blamed on foreign workers and immigrants. In the case of the Japanese labor market in the late 1980's to early 1990's, particularly in the secondary sector where the concentration of foreign worker was the largest, the demand for labor exceeded the supply, and employers continued to seek ways to bring more foreign workers. Therefore, unemployment and a drop in wages among less-skilled domestic workers did not appear to be an immediate concern.

In his often-cited book, "Friends or Strangers: The Impact of Immigrants on the U.S. Economy," George Borjas (1990) argues that migrant workers in general are young, highly motivated to work, and, due to the language barrier and lack of familiarity with the welfare programs, they contribute more than they cost to the receiving country in the short run. Simon (1989, p. 128) concludes in his study that, given the positive effects that immigrants bring to the receiving country, the cost associated with accepting immigrant families is "an excellent investment" for the United States. Butcher and Card investigated the relationship between the growth of immigration and the change in earnings of low income groups (who are expected to compete for less-skilled jobs with immigrants), and did not find evidence that suggests that the influx of immigrants actually decreased the earnings of low income groups (Butcher and Card, 1991). Empirical studies on the effects of migrant workers on the Japanese labor market are limited. Goto argues, based on his

calculation, that migrant workers actually cost more than benefit Japanese economy (Goto, 1993, pp. 106-117). However, his estimate is based on the assumption that migrant workers are paid equally to domestic workers, which is not a realistic assumption.

When the supply of labor exceeds demand, it is believed (and hoped) among the Japanese public that foreign workers will be the first to be laid off, even if migrant workers are willing to work for lower wages, because, first, cultural and language barriers make migrant workers a very inefficient labor force, and, second, migrant workers are perceived among employers as a temporary supplement to get through the labor shortage. However, the slow-down of the Japanese economy since 1992 resulted in some mixed outcomes. In automobile manufacturing firms, layoffs were concentrated among Nikkeis while employers tried to keep Japanese workers. The Nikkei employment service centers were overwhelmed with job seekers, but were unable to arrange new employment opportunities for displaced Nikkeis (Kariya, 1993). On the other hand, in the construction industry, illegal migrant workers were reported to take jobs for approximately a half of domestic workers' wages. As a result, older domestic workers, who are the majority of day laborers in the construction industry, were unable to find jobs (*Nikkei Shinbun*, 18 Oct., 1993).

The Japanese government has no plan to relax immigration regulations to accept a larger number of immigrants (as opposed to conditional and short-term permissions to reside and work) in the near future, and the majority of migrant workers so far seem to be interested only in earning wages temporarily rather than settling down in Japan with their families. However, the longer the migrants stay in Japan, legal or illegal, the likelihood of developing interests to remain in Japan will naturally increase: some may marry Japanese citizens, while others may start to form a community with other migrant workers who came from the same country. Piore (1979) claims that migrant workers usually intend to remain in the receiving country only until they accumulate enough savings to, for example, start a

business in their home countries. In many cases, Piore argues, migrants are unable to save enough, for they need to pay back debts they made in order to migrate, and the living expenses are high in the receiving country. Their jobs are unstable, particularly once the number of similar migrants increases and the competition for jobs becomes fierce. Inability to save delays the migrants' return to their home countries, and they start bringing their families to join them instead of going home empty handed or with unpaid debts. Migrant workers in Japan may follow this cycle in the near future.

For these reasons, it is important to study the long-term effects even though the current migrant workers do not appear to have the intention of remaining in Japan permanently. The policy to open the doors to migrant workers without a long-term commitment, hoping that they would leave when the demand for their labor diminishes, led to a failure in the former West Germany. After the guestworker program was discontinued in 1973, the number of foreign residents continued to rise: guestworkers did not leave Germany for the fear of not being able to reenter, and instead, brought their families to Germany.

The benefit of accepting a wider range of migrant workers extends beyond the qualitative and quantitative contribution of the extra labor force to the Japanese economy. For example, Shimada argues that “[y]et another potential benefit lies in the area of national security. To the extent that exchanges of labor strengthen ties of interdependence, promote social openness, and improve mutual understanding, they can contribute to the economic and social stability of the countries involved and thereby enable them to enjoy a higher level of security” (Shimada, 1991, p. 122). On the other hand, if migrant workers are systematically underpaid because of their foreign nationality and made object of human rights violations, the relationships between Japan and the sending countries can deteriorate.

As a result, Japan will receive criticism from the international community, and this, in turn, will counteract Japan's effort to "internationalize."

One critical concern of the long-term effect is the conflict with the need to close the gaps in working conditions and remuneration across the firms of different sizes and industries and to eliminate the segmentation in the Japanese labor market. Migrant workers offer a temporary relief from the labor shortage to the firms that need to introduce changes in the employment practices the most. By doing so, however, migrant workers are in effect fostering the foundation of the segmentation of labor market: had there not been the influx of a cheap and flexible labor force, employers would have been forced to either improve the remuneration system and working conditions to attract more domestic workers (particularly youths who have been averting 3D's jobs) or to seek alternative production methods such as automation or overseas production.

The rigid vertical structure of the Japanese production practices limits the ability of smaller firms to improve the working conditions of their employees. The reliance on migrant workers, however, is not a viable solution to the problem that the Japanese labor market is facing, and it may even have an adverse effect on the Japanese economy in the long run.

5.2 Policy Recommendations

The Japanese society has not reached a consensus as to whether it will open its doors to a less skilled foreign labor force, despite the fact that it has already begun to do so *de facto*. Japan needs immediate measures to erode segmentation of its labor market in order to close gaps in employment conditions across the different firm-size and industries

and to lessen the disproportionately severe labor shortage in the secondary sector. At the same time, it needs to continue to debate the issue of migrant workers with a wider participation of actors, including trade unions and local communities, to set the direction of a Japanese policy concerning migrant workers, as well as to prepare for an appropriate environment to receive migrant workers, should society choose such a direction.

The immediate measures should be based on three objectives: to suppress the illegal employment of foreign nationals; to protect the rights of migrant workers as workers and as human beings; and improve the employment conditions for both domestic and migrant workers in the secondary sector. To achieve these objectives, a stricter enforcement of the Immigration Law is essential, particularly of the employer sanctions and punishment of brokers of illegal workers, to halt the tendency among some employers of the secondary sector to rely on migrant workers to maintain the labor force. This measure *must* be taken *along with* the enforcement of the Japanese labor laws, such as the minimum wage law, regulations limiting overtime and its adequate compensation, and safety standard regulations, regardless of workers' nationality.

Currently, there is a lack of commitment of the government to enforce the Immigration Law at workplaces where illegal workers are employed. This reflects the national interests in having migrant workers in Japan. There is also an administrative problem which makes the enforcement effort inefficient. According to Martin, "90% of the apprehensions are foreigners who turn themselves in to immigration authorities in order to get the exit stamp needed to leave the country," and such cases of apprehensions are closed by simply collecting the cost of the migrants' repatriation, if possible, and sometimes getting information about where they were working in Japan (Martin, 1994, p. 10). The latter information should allow the authorities to target the employers who are suspected of hiring illegal foreign workers. However, as Martin points out, "The Japanese Immigration

Bureau (staff of 2,200 including 770 internal inspectors) cannot levy civil money penalties; they can only recommend to busy federal prosecutors that fines be levied" (*ibid.*). Inter-ministerial collaboration is urgently needed, but this has always been the Achilles' tendon of the Japanese government.

It is less costly and more feasible to control the Immigration Law now than, for example, in ten years, given the fast rate of the increase of in-migration. It has been less than a decade since less-skilled migrant workers started to participate in the Japanese labor market. The total foreign labor force is still less than one per cent of the total Japanese work force, and the number of foreign nationals working illegally (including students who work more than four hours a day, but do not work full-time) is at most 500,000. The fact that migration is still at relatively small scale and at the early stage should be in advantage to the effort of enforcement.

It is advisable that the enforcement of the Immigration Law be focused on employer and labor brokers sanctions. Asking for documents of "foreign looking" people on the street or inspecting apartments where illegal workers are suspected to live, as reported to be done in France (Hammar, 1985, p. 142), or the raid and arrests of illegal workers in one of the major parks in Tokyo on Sunday (Martin, 1994, p. 11) can be oppressive harassment to foreign visitors and residents, and should be avoided. As Piore argues, "it is more humane—more consistent with the preservation of and respect for human rights—to control jobs rather than to control people" (Piore, 1986, p. 37). The enforcement at the workplace can be expected to be more effective than the effort to control foreign nationals, partly because the recent labor in-migration in Japan is largely demand side driven, and partly because it is difficult to control people without violating their privacy and freedom. The enforcement authority should not be too "business-friendly" by giving a wide range of leeway to the violators of the Immigration Law, which Fraser claims to be the major reason

for the ineffectiveness of the employer sanction statute of the United States (Fraser, 1994, pp. 76-77). A stricter enforcement of employer and broker sanctions will be necessary to deter illegal recruitment and hiring of migrant workers and to protect migrant workers' labor and human rights, since abusive employment relationships are most commonly found among illegal employment.

It is crucial that labor rights and human rights of migrant workers be protected regardless of their legal status. This may appear to conflict with the objective to suppress illegal employment of migrant workers: some may argue that protection of the rights of migrant workers will induce more migration. However, protection of the rights of migrant workers is essential to discourage the illegal employment of migrants for two reasons: first, some employers hire illegal workers *because* they can take advantage of the fact that the illegal workers are not likely to report abusive employment practices to the authority; and second, as long as there are such employers, labor broker will continue to recruit migrant workers for profit.

It is also important to ensure that labor laws are applied to migrant workers the same as they are to domestic workers. The example of the displacement of domestic day laborers in the construction industry caused by the significantly low wages paid to illegal workers substantiates that ensuing equal pay for equal work for even illegal workers is not only important to guarantee the labor rights of migrants but also to protect domestic temporary workers from becoming more vulnerable than they are now already.

Every effort must be made to cease the practices that are clearly in violation of human rights, such as confiscation of migrant workers' passport and retaining migrants against their will. One of the major obstacles to ensuring their rights is the fact that once illegal migrant workers report a case of abuse, most of them are likely to be deported before they receive any compensation for the violation of their rights. In addition, the Immigration

Law requires public servants to notify the immigration control office if they have the knowledge of the presence of foreign nationals without legal status. This means the illegal workers cannot report the violation of their rights to a public office without having their illegal status reported to the immigration control office. Some changes in these legal aspects are urgently needed in order to ensure that labor and human rights of migrant workers regardless of their legal status will be protected as Japanese laws declares.

Information can play a significant role in the effort to decrease the number of illegal migrants and to stop abuses against them. First, the Japanese government should collaborate with the governments of sending countries in aggressively informing the people in the sending countries about the schemes of labor brokers and, for Nikkeis, accurate and realistic prospects regarding their employment opportunities in Japan; second, migrant workers must be informed of their rights; and third, employers must be well informed of the penalties of knowingly hiring illegal workers. However, the last two efforts will be ineffective if the change in the legal process and the stricter enforcement of employer sanctions as discussed above are not implemented.

Regarding the trainees, they should be acknowledged as "workers" from the beginning of "training" and be protected by the Japanese labor laws, since the trainees *are* providing their labor. They should also be allowed to change their sponsor of training if they find the quality of training inadequate. The objective to assist economic and technological advancement in neighboring countries can also be achieved by bringing capital and technologies to such countries instead of bringing trainees to Japan. Goto argues, based on his numerical estimation, that lowering trade barriers against less developed countries, such as nullifying the Multi-Fiber Arrangement, will have an equal or even greater impact on job creation and economic development of the concerned countries

(Goto, 1993, pp. 146-149). Training should not be completely entrusted to private firms, whose interest is in making profits and *not* in international cooperation.

The above measures will have only a minimum effect in halting the tendency to rely on migrant workers without efforts to improve the employment conditions of all workers in the secondary sector. A clearer standard should be set on the employment of so-called “non-regular” workers. Currently, nominal part-time workers, contract workers, or temporary workers may work for as long hours as regular full-time workers do, but the majority of them do not get bonuses, seniority wages, unemployment benefits and coverage of health insurance through the workplace. Furthermore, their employers can dismiss the non-regular workers by simply not renewing their short-term contracts. Subcontracting practices must be monitored closely in accordance with the Subcontract Pricing Law in order to ensure that parent companies will not put unreasonable pressures on subcontractors to cut the cost of production: the MITI and the Fair Trade Commission may consider imposing penalties to repeat offenders of the law.

Employer sanctions and the enforcement of stricter labor standards are often criticized in the United States for being “the equivalent of an employment tax” which “raises the relative cost of labor, particularly for low-skilled, high-turnover rate jobs” and, therefore, will decrease the job opportunities available to less-skilled domestic workers (Chiswick, 1986, p.84). In the case of Japan, the types of jobs that need improvements in employment conditions are those that are experiencing a shortage of labor force, and it is the low standards in working conditions that make such jobs unattractive to domestic workers. An increase in the labor cost among the affected jobs is expected to induce the firms to seek alternative production practices, either by shifting toward labor-saving production schemes or by relocating their production sites to overseas where labor costs are lower. Such alternatives may not be feasible for some of the small manufacturing firms

and for the majority of construction firms. Instead, they may shift their business to more independent, stable, and profitable ones.

If the above recommendations are followed, many migrant workers will lose their employment opportunities in Japan, at least temporarily. Some may argue that migrant workers will be better off working in Japan, even with the low working conditions and wages by Japanese standards, because working conditions and wages are still higher in Japan than what they will have in their home country, and it is at their free will that they decide to work in Japan. I disagree with this argument. Poor information regarding the actual working conditions and earnings in Japan prevent the potential migrants from accurately assessing the costs and benefit of migration. Due to the lack of commitment of the enforcement offices to protect the rights of migrant workers, and the lack of respect among some of the Japanese general public for the people from neighboring Asian countries as well as Nikkeis, many migrant workers return to their home countries after experiencing humiliation and violation of their labor and human rights without the savings they expected to make.

The Japanese public and government must continue the discussion of whether and how Japan may open its doors to a wider range of migrant workers in the future. Considering that the influx of migrant workers influences many aspects of life at both workplace and local communities, more active participation of labor unions and local communities is indispensable. Nimura argues that foreign workers should “create their own movement and their own organizations in order to safeguard their human rights” (Nimura, 1992, p.249). It will be difficult to organize people who intend to stay in Japan for only a short period of time. The positions of labor unions in Japan (and within each union) on the issue of foreign workers still vary, and most of major unions still prohibit migrant workers from becoming members for the fear that accepting them will lead to lower

standards of working conditions and wages and weaken the unions' bargaining power. However, it will be in the unions' interest to collaborate with migrant workers in order to ensure that non-citizen workers will not be taken advantage of by some employers and that standards of working conditions and wages will be maintained throughout the labor market.

There is a limit in the extent to which migrant workers can express their standpoint in the discussion for the future policy making due to their non-citizen status, their transitory nature of residency in Japan, unfamiliarity with the political process, and the language barrier. The groups of lawyers and volunteers who have been providing assistance to migrant workers in cases of labor and human rights violations and other problems should also be able to participate in the future policy making process as representatives of migrant workers. The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, which was accepted by the General Assembly of the United Nations in 1991, can be a valuable reference to learn what is accepted as an international standard for both labor and human rights of migrant workers and their families.

5.3 Summary

Acceptance of migrant workers conveys both benefits and costs to receiving countries, and it is by no means a panacea for the domestic labor shortage and the foreign pressure for international cooperation. In particular, the long-term effect of the current use of migrant workers in the secondary sector can be detrimental to both of these.

The policy on migrant workers should focus on minimizing the number of illegal workers by stricter employer and broker sanctions and improving the employment conditions of the secondary sector for both domestic and migrant workers. Meanwhile, it is important to maintain the active discussion of the issue of whether to accept a wider range of migrant workers in the future, taking a variety of actors' interests into account.

CHAPTER SIX

Conclusions

Modern technology has substantially lowered the cost of traveling across national borders, and information originating in one country can reach most parts of the world without a significant time gap. Commodities and capital have been exchanged in the international market relatively freely. An increasing number of people from different regions of the world are also migrating to “sell” their labor outside their home countries. However, the sudden influx of migrant workers in Japan since the late 1980’s is not simply a manifestation of the global trend toward a borderless labor market in which people migrate where they expect to gain the most for the labor they can offer. Rather, it signifies the distortion of the Japanese labor market from the neoclassical model of a labor market in which workers are supposed to be compensated based on their productivity. The Japanese labor market is segmented, and different “rules” appear to apply to each segment in terms of remuneration, benefits, job stability, working environment, and upward mobility.

The people who migrated to Japan to seek employment did not necessarily do so because the wages in Japan were the highest among all the potential receiving countries, but because there was a high demand for a specific type of labor force, i.e., one that is flexible and willing to work hard without the prospect of a long-term employment and for wages that are substantially low by Japanese standards, accepting of the menial social status or the hardships associated with the labor-intensive jobs. Many migrant workers who take less-

skilled jobs are not necessarily less-skilled, but some are highly educated and skilled. They are willing to take such jobs, partly because they perceive the jobs as temporary and a means to materialize their ambitions in their home country, and partly because they assessed the costs and benefits of migration based on unrealistically optimistic prospects provided by labor brokers.

The yen appreciation in the late 1980's increased the attractiveness of working in Japan, but high wages were not the prime factor that triggered the migration. If that were the case, migrant workers would have come to Japan even before the 1980's when wage gaps with the sending countries were already substantial. What signaled the existence of high demand for migrant workers and induced the actual migration (as opposed to creating the potential of migration) was some of the measures the Japanese government took, such as the expansion of training programs and accepting Nikkeis as "settlers," as well as the aggressive recruitment by labor brokers. The passive enforcement attitude of the Japanese government toward illegal employment of migrant workers also encouraged migrant workers to participate in the Japanese labor market, and brokers and employers to profit from recruiting and using the migrants.

The foundation of the so-called "foreign workers problem" lies in the Japanese labor market which is segmented by firm-size and industry type. The extensive subcontracting production practices pass the cost of economic fluctuations down to smaller subsidiaries, and limit the ability of smaller firms to provide stable employment and to improve working conditions. As a result, the latter inevitably rely on non-regular workers in order to minimize the impact of the burden of the cost of demand fluctuations imposed by their parent enterprises. These practices have created conspicuous gaps in working

conditions and wages across firms of different size and industry, which in turn created the disproportionately severe labor shortage in the secondary sector.

Some argue that the gaps are due to the differences in productivity of workers between the two sectors, but then, the question is, “is it because workers in the secondary sector are not *capable* of becoming productive, or because they are not given the *opportunity* to be involved in the high-value-added production process?” Chapter Three discussed the way in which factors not directly related to individuals’ human capital, such as family income, gender, and racial and minority status may influence the educational outcome which is the major screening device for selecting people who will enter the primary sector.

Workers in the secondary sector are by definition in a disadvantageous position in the labor market. They need protections to compensate for the instability of their employment and earnings as well as for the adverse working conditions. It is ironic and morally questionable that an increasing number of such positions are filled with migrant workers, not only in Japan but in other industrial and industrializing nations. Most of migrant workers in the secondary sector are in principle illegal workers because the majority of receiving countries do not allow foreign nationals to take the jobs that do not require special skills. The governments of receiving countries are reluctant to actively protect the labor and human rights of illegal workers, for fear of promoting more illegal migration.

Based on the observations and argument made in this paper, the following policy recommendations are made. First, protection of the labor rights and human rights of migrant workers is urgently needed, which requires some adjustments in the legal system to ensure that violations can be reported to the authority and compensations can be

rewarded without revealing the victim's legal status, or at least before illegal workers are deported from Japan. At the same time, violators must be prosecuted and punished. These measures are not only to protect migrant workers but to increase the cost of using them, thus to discourage brokers and employers from taking advantage of migrant workers. Second, efforts must be made to close the gaps in wages and working conditions by firm-size and industry type. Specifically, labor laws and the Subcontracting Pricing Law need to be enforced. Meanwhile, a continuation of active discussions with the participation of a wide range of actors such as labor unions, local communities, and representatives of migrant workers are essential for the formation of future Japanese policy on migrant workers.

As discussed in Chapter Two, firm-size and industry type are imperfect indicators of labor market segmentation: by no means all jobs in small- to mid- size firms and/or in the construction and manufacturing firms can be classified as the secondary sector, nor are these indicators all-inclusive of the secondary sector jobs. This is one of the weaknesses of this paper since it relies on these imperfect indicators at the core of the discussion. However, they are useful in identifying the direct linkage between the sudden increase in the number of migrant workers in Japan and the increasing demand for migrant workers in the secondary sector, which answers more questions than the conventional "pull and push" analysis or the neoclassical economic theory, such as "why did migrant workers start to come to Japan when they did?" and "why are their jobs in Japan concentrated in certain types of jobs, regardless of their educational and career background?"

As a final note, this paper focused on the migrant workers issue, and not the immigration issue which involves a wider scope of factors such as assimilation of immigrants (who are composed of migrant workers and their families), and the

preservation of the national identity of both the receiving country and immigrants, and the extent of the political rights that are granted to the new immigrants.

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