

Interim Report

**Review Meeting on
the Employment Policy for Foreign Workers**

**Evidence-Based Policy-making on Employment of Foreign Workers and
Cross-Sectoral Assistance with Cooperation between the Public and Private
Sectors**

Review Meeting on the Employment Policy for Foreign Workers

June 28, 2021

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I : Purpose

1. Purpose of the Review Meeting on the Employment Policy for Foreign Workers

In recent years, the number of foreign workers in Japan has increased sharply and has nearly tripled in the last 10 years. The industrial structure during this period has constantly been changing, and foreign workers with various skills are playing active roles in multiple fields in Japan.

Under these circumstances, to accept foreign workers in fields where there is still a severe labor shortage even after adopting measures to improve productivity and secure domestic human resources, the status of residence referred to as “Specified Skilled Worker” was introduced in 2019. Based on the “Comprehensive Measures for Accepting and Coexisting with Foreign Human Resources,” the entire government has been developed an environment for accepting foreign workers who work and live together in Japan.

However, paying attention to the current situation, foreign workers are affected by the pandemic of COVID-19 at home and abroad. At the same time, social activities and various industries have been restricted, including a temporary stagnation of international traffic.

In such a complicated socio-economic situation, it is essential to implement timely, appropriate, and flexible measures for foreign workers following the employment situation, considering the opinions of experts and representatives of workers and employers.

The review meeting aims to deliberate the future direction to be taken on measures for the employment policy for foreign workers, anticipating the conditions in the post-COVID-19 pandemic by considering the trends in the Japanese labor market and the employment of foreign workers.

2. Members

See Attachment 1.

3. Brief history of sessions

The review meeting held 6 sessions between March and June 2021 and interviews with relevant parties were conducted from the second to the fifth sessions. The details of each session are shown in Attachment 2.

- (1) Status of employment of foreign workers in the COVID-19 pandemic
- (2) Response taken by Hello Work to unemployed foreign workers with financial difficulties affected by the COVID-19 pandemic
- (3) Settlement of foreign workers in the workplace and communities
- (4) Assistance for international students to promote domestic employment and career support for children of foreign origin
- (5) Assistance for improving communication in the workplace and overcoming cultural gaps for employment and settlement

II: Review results

1. Status and Future Direction of the Employment Policy for Foreign Workers (Outline)

(1) Evidence-based approach should be taken for the policy making on employment of foreign workers with appropriate grasp of the status of inclusion of foreign workers in the Japanese labor market and international labor movement.

The review meeting endeavored to gain an objective grasp of the situation of foreign workers in the domestic labor market with statistical data. The current statistical information and analysis revealed that foreign workers are assumed to leave their jobs more frequently and less likely to be re-employed than Japanese workers in the COVID-19 pandemic. It became evident that there are apparent differences in the employment situation depending on the status of residence. However, there are many issues in obtaining objective information for comparing foreign workers with Japanese workers.

An international labor movement is a scheme in accordance with the economic development stages of the sending and accepting countries. It situates globally, including Europe, the United States, and the Gulf countries. Foreign workers select the country to work or study through various routes according to their educational background and the level of economic and education of the sending countries. Japan was once a sending country becomes now an accepting country. Changes in socio-economic conditions transform the international labor movement. Therefore, for considering employment policy for foreign workers, a broad view should be adopted including the viewpoint of both sending countries and accepting countries concerning an international labor movement.

Regarding issues related to foreign workers, in addition to obtaining episode-based information, an objective understanding of the overall picture of evidence-based information of the domestic and overseas labor market should be gained to identify issues and priorities to be addressed. Moreover, the inclusion of foreign workers in the Japanese labor market and the trends of the international labor movement should be overviewed appropriately. At the same time, the policy to make the Japanese labor market function adequately and properly should be deliberated. In addition, it is essential to get a wide variety of stakeholders involved in the review and make the discussion process open to both Japanese and foreign workers.

(2) The relevant organizations should collaborate, taking advantage of their area of specialty to solve the multi-layered issues caused by the COVID-19 pandemic.

The meeting observes that the employment of foreign workers is largely affected by the economic stagnation caused by the COVID-19 pandemic, such as the restrictions on border control and social activities, in the same manner as with Japanese young workers and female workers. Furthermore, foreign workers who experience financial difficulties are not likely to be known from the outside because of the diversity of resident status, nationality, workplace, and communities they belong to. Foreign workers who are in financial difficulties are not likely to receive information from the government or acquire governmental support on their own. Thus it is necessary to visualize foreign workers in need and facilitate outreach activities through various channels, taking into account the fields of education, welfare, and humanitarian grounds.

Under these circumstances, relevant competent organizations should closely collaborate to resolve the issue. For example, relevant organizations such as Hello Work, a public employment security office, welfare/educational agencies specializing in approaching communities and families, and NPOs should collaborate and share their resources to address the issue.

Previously, the control of foreign workers focused on their residential status. However, a global

crisis caused by the COVID-19 pandemic revealed that the inclusion of foreign workers in the labor market is required with considering their traits, regardless of their residential status or nationality. To this end, compliance of labor regulations, protection of human rights, and accessibility to adequate public services as equivalent to Japanese needs to be preserved. In addition, for exploiting the ability of foreign workers, smooth and appropriate job placement and recruiting and fair evaluation of workers' skills are essential elements. Furthermore, the pursuit of happiness of foreign citizens is a crucial viewpoint to be held.

- (3) The working environment for foreign workers should be facilitated to help foreign workers overcome cultural gaps between Japan and their home country and pursue long-term careers in specialized and technical fields.

In striving for the desirable settlement of foreign workers in workplaces and communities, issues often correspond to cultural gaps and misunderstandings between foreign and domestic workers. For example, mismatches occur in recruitment because employers require communication skills equivalent to Japanese regardless of their job description, whereas foreign workers desire a work style based on the employment practices of their home countries. Issues are also caused by misunderstanding of peculiar expressions of Japanese in workplaces.

For attaining settlement of foreign workers, activities are needed not only requiring foreign workers to deepen understanding of Japanese employment practices but also facilitating employers to develop employment environment where foreign workers can work comfortably. The activities should be implemented to construct a good relationship by fulfilling the gap between foreign and domestic workers.

Currently, the number of foreign workers who obtain a residential status in specialized and technical fields after studying in Japan has kept growing. Since the residential status in those fields does not have a limitation of renewal and assumes long-term stay in Japan, special assistance is encouraged to realize their desirable careers, including an appropriate transition of the residential status. In addition, from the perspective of inclusion in the labor market and local communities, appropriate career development assistance for children of foreign citizens is needed to achieve self-realization through proper capacity development and acquisition of adequate residential statuses.

- (4) Summary: The policy for foreign workers employment should be implemented with the positive view that it will improve the quality of employment and the labor market in Japan.

In observing issues related to foreign workers referred to so far, some cases are intrinsic to a foreign citizen; however, some issues reflect the matters of the Japanese labor market. Therefore, the assistance to foreign workers should not be exclusively interpreted as a particular measure under the current situation; it can have positive meaning toward a post-COVID-19 society from the perspective that the assistance can contribute to improving the quality of employment and the labor market in Japan.

2. Issues and recommended responses (details)

- (1) Grasp of the situation of employment of foreign workers in the COVID-19 pandemic

A. Issues (see Appendices 1 and 2 for details)

Based on the situation of labor supply and demand, labor mobility, and the trend of job seekers of foreign workers in the COVID-19 pandemic, it is assumed that foreign workers are more likely to leave their jobs and less likely to be re-employed than Japanese workers because foreign workers are vulnerable to economic downturns.

In addition, while it is evident that there are significant differences in wages and employment status depending on their residential status, the comparative statistical analysis between Japanese and foreign workers using current statistics has certain limitations.

B. Recommended response

Analysis of the situation of foreign workers in the labor market using based on statistics and reports from employers on foreign workers should be continued. In addition, a detailed analysis of the situation by utilizing individual data of statistics or other sources should be encouraged.

Furthermore, in the medium to long term, the development of new statistics that can compare foreign workers with Japanese workers should be pursued in collaboration with relevant organizations; and the development of infrastructure for evidence-based policymaking on foreign workers' employment should strive.

(2) Response to be taken by Hello Work and other organizations for foreign workers in difficult situations in the COVID-19 pandemic

A. Issues (see Appendices 1 and 2 for details)

The situation of difficulties of foreign workers in the COVID-19 pandemic is caused by a wide variety of factors, such as lack of communication skills in the workplace, cultural gaps, difficulty in accessing governmental services, restrictions by the residential status, and personal issues, in addition to the employment-related problems described in (1). Thus, in addition to the employment services provided by Hello Work, collaboration with community welfare services is required. However, although various assistance is provided by both the public and private sectors in communities, the coordination among them faces difficulty.

Regarding employment support services, foreign workers who cannot return home due to the COVID-19 pandemic are allowed to short-term work as an exemption from the residential status; however, many of them do not visit Hello Work. Furthermore, many Hello Works face difficulties matching them to jobs because of various challenges, including their lack of understanding of the exemption conditions and communication skills in the workplace and shortage of short-term job offers to be suitable for them.

B. Recommended response

From the perspective of the inclusion of foreign workers in the Japanese labor market, man-to-man supports to foreign workers in difficulties with detailed interviews via interpreters should be provided in addition to expanding outreach activities in collaboration with NPOs, business cooperatives, and corporate unions that offer live support such as foods and shelters, and Hello Work. Furthermore, an integrated approach of assistance collaborated with employment and living assistance should be encouraged through deploying good practices and know-how across Japan as fundamental information for collaboration in the community. The service for foreign workers should be acquainted with organizations that provide support to foreign workers.

Hello Work should provide multilingual vocational counseling services and transmit information through local communities, schools, and international student groups. Hello Work should also strengthen canvassing job offers for foreign workers by developing and utilizing the database of enterprises employing foreign workers. Visualization of communication skills required for the workplace should be promoted to improve job matching performance.

To improve matching performance between foreign job seekers and recruiting enterprises, keeping foreign workers who are unable to return home in mind, recruiting enterprises and private employment service agencies should be encouraged to clarify the communication

skills required for foreign workers and provide job offers of short-term employment.

In the medium to long term, the improvement of convenience in administrative procedures for foreign workers and coordination of relevant government agencies should be deliberated, considering the advancement of digitalization.

(3) Settlement of foreign workers in the workplace and communities

A. Issues (see Appendix 3 for details)

For attaining “good settlement,” “good acceptance” is essential in the first place. Thus relevant agencies need to start supporting foreign workers at the time of the entry of Japan for settling them in workplaces and communities.

From the perspective of improving employment management of foreign workers based on compliance with labor-related laws and regulations, it is necessary to build the capacity of enterprises for recruiting and developing human resource of foreign workers and improve the working environment in which foreign and Japanese workers work together adequately. Through the above measures, the inclusion of foreign workers into the Japanese labor market would accomplish.

B. Recommended response

The “Model Project for Accepting and Settling Foreign workers in Regional Communities” should provide comprehensive assistance from acceptance to settlement collaborating with the model communities and publicize the results to the relevant parties. In addition, activities to increase the number of private employment agencies that can support “good acceptance” foreign workers should be facilitated to allow them to “good settlement,” and expert personnel should be trained.

Hello Work should provide appropriate guidance and assistance for improving employment management, such as compliance with the working conditions and realization of a comfortable workplace by actively using various support tools provide on the web site of Ministry of Health, Labour and Welfare (MHLW). Furthermore, Hello Work should record the employment status of foreign workers of each enterprise in the database and utilize it to cultivate their abilities to recruit and human resource development.

(4) Policy on foreign workers’ employment in the international movement of the labor force

A. Issues (see Appendix 4 for details)

Foreign workers select the accepting country to work or study through various routes according to their educational background and home countries' economic and education levels. Under such circumstances, the expectation for employment in Japan is presumed to be increasing while the ratio of the number of workers destined for Japan has kept increasing among Asian countries.

For settling foreign workers in the workplace and communities in Japan, in addition to developing the residential status system and improving the working environment after acceptance, the status of labor migration of sending countries should be kept attention.

B. Recommended response

Through active participation in international organizations such as the OECD, the status and changes of the global labor movement should be continuously followed. In addition, information of the sending countries should be kept collecting, and active participation in bilateral agreement negotiations should be pursued.

In anticipation of the post-COVID-19, the system of employment placement and mutual recognition of qualifications should be deliberated so that the Japanese labor market can work adequately and appropriately for foreign workers who wish to work in Japan.

(5) Assistance to international students for domestic employment and career support for children of foreign origin

A. Issues (see Appendices 5 and 6 for details)

Due to the COVID-19 pandemic, the number of new job seekers of international college-level students has increased compared with the previous year, and the situation is aggravated. On the other hand, in recent years, the employment rate of university graduates by Japanese enterprises has been on the rise. The enrollment rate to higher education in Japanese language schools also keeps a high level. However, currently, only about half of the job seekers who wish employment in Japanese enterprises succeeded in getting jobs in Japan. It is concerned that international students mismatched to the candidate profile that employers demand and the communication abilities required in the workplace, and did not adjust Japanese-style “job-hunting activities.” Furthermore, graduates of intensive English programs that prevailed recently in Japanese universities are reported to face more difficulties in job-seeking.

Highly skilled foreign residents may keep transferring their residential status from “international students,” “engineer, a specialist in humanities/international services,” to “permanent residence” and, in some cases, naturalization. Therefore, the necessity of assistance for career development for international students is warranted.

Children of long-term resident status holders such as Japanese descendants do not have restrictions to work in Japan. However, in fact, they tend to adopt the same working style as their parents and do not demonstrate solid motivation for career advancement. Children of work-related residential status holders generally stay in Japan with the residential status of “dependent.” They can change their status to “long-term resident” status after graduation from high school under particular conditions, and may work without restriction. However, due to their parents’ lack of knowledge about the system, some children are unable to obtain adequate residential status required for work without the restriction of 28 hours a week or less because they failed to obtain required educational background. Such a situation constitutes an obstacle for their self-realization.

B. Recommended response

To promote international students' domestic employment, Hello Work should strengthen assistance and collaboration with universities, including the conclusion of cooperation agreements between universities and Hello Work, collecting and disseminating good practices to universities and related organizations. For practical assistance for international students, the model curriculum to support job-hunting activities should prevail in universities, enterprises, local governments, and others. For assisting the career advancement of foreign workers, training of career consultants and re-education programs should be materialized. Assistance for enterprises to improve employment conditions for foreign workers should be promoted.

High schools, Hello Work, and relevant organizations should collaborate to implement pilot activities supporting the career development of children of foreign workers to allow them to realize an appropriate future design. For gaining an understanding of the necessity of integrated career development support for parents and children, an adequate method

including assistance for parents should be examined and promoted.

(6) Assistance for improving communication and overcoming cultural gaps in workplaces for employment and settlement

A. Issues

To improve foreign workers' communication in workplaces, practices for acquiring knowledge on employment practices and overcoming cultural gaps have priority rather than learning Japanese grammar and vocabulary.

Particularly, suppose foreign workers in the age group, handicapped to acquire a new language, have left their jobs and seek a new employment opportunity. In that case, practices to achieve practical know-how should be focused on providing a logical explanation as if they speak in their native language. Activities to enhance their willingness for stable employment should also be provided based on an objective evaluation and recognition of their own experience and ability.

Furthermore, for improving communication in workplaces, urging accepting enterprises to clarify required conditions of foreign workers is essential because some enterprises require higher communication skills than actually needed in work.

In addition, since the number of professionals capable of building an employment environment for foreign workers is limited, the training of the professionals is essential.

If enterprises could create a working environment in which foreign and Japanese workers can comfortably work together through improving communication and overcoming cultural gaps, the productivity of the enterprises is expected to be enhanced. Also, when foreign workers return to their home country and transmit their experience, it creates a grassroots international exchange.

B. Recommended response

For developing capabilities of foreign workers, clarification of the communication ability required for the workplace and training corresponding to the required skills should be provided. Furthermore, training programs for long-term resident status holders should be implemented with a focus on gaining work experience aimed to overcome cultural gaps on employment practices.

To disseminate the know-how of foreign workers' employment, the public and private sectors should collaborate to prevail the "guidelines for the employment management of foreign workers" and a variety of support tools provided on the web site of MHLW to small and medium-sized companies in an easy-to-understand manner. The local government should be informed as well.

Further, both public and private sectors should develop the method to train professionals taking charge of supporting employment placement and improving the working environment of foreign workers.

(7) Literature review on approaches and research of major developed countries

The meeting conducted the case studies and data analysis and reviewed reports of international organizations, including OECD. The review results revealed that the following matters constitute major issues in the immigration policies of major developed countries. The meeting needs to continue deliberating the issues, considering the trend of approaches and research in other countries. (See Appendix 7 for details)

- A) Adjustment of supply and demand of labor to prevent adverse effects on domestic workers
- B) Smooth and appropriate international migration and employment placement
- C) Avoidance from the concentration of foreign workers in large cities
- D) Policies to confront economic recession (employment support for the unemployed, etc.)
- E) Protection of foreign workers from human rights violations, etc.
- F) Assistance for improving skill levels

List of Members of the Review Meeting on the Employment Policy for Foreign Workers

Mr. AMASE, Mitsuji - Deputy Director, Japan Institute for Labour Policy and Training

Mr. KUMON, Takashi - Professor, Asian Research Institute, Asia University

Mr. KOREKAWA, Yu - Director, International Relations Department, National Institute of Population and Social Security Research

- Mr. SAKAI, Tadashi - Professor, Department of Economics, Faculty of Economics, Hosei University

Mr. SAKUMA, Kazuhiro - Deputy Secretary General and Director of Labor Policy Department, National Federation of Small Business Associations

Mr. SUGISAKI, Tomonori - General Manager, Industrial Policy Department 2, Chamber of Commerce and Industry, Japan

Ms. TOMITAKA, Yuko - Director, Labour Law Bureau, Japan Trade Union Confederation

Mr. TOMOHARA, Akinori - Professor, School of International Politics, Economics and Communication, Aoyama Gakuin University

Mr. NITTA, Shuji – Director of Labour Policy Department, Japan Business Federation (Non-profit organization) (*)

- ◎ Mr. YAMAKAWA, Ryuichi - Professor, Graduate Schools for Law and Politics, the University of Tokyo

(In alphabetical order, titles omitted)

(◎: Chairperson ○: Acting chairperson)

* Until March 31, 2021, Ms. IKEDA, Michiko was the Director of Labour Policy Department, Japan Business Federation

Brief History of the Sessions
of the Review Meeting on the Employment Policy for Foreign Workers

First session: Held on March 19 (Fri), 2021

- Establishment of the review meeting
- Review of the employment situation of foreign workers in the COVID-19 pandemic
- Provisional agenda of the meeting

Second session: Held on April 12 (Mon), 2021

- Response taken by Hello Work for unemployed foreign workers who have been affected by the COVID-19 and are in a difficult situation

(Interviews with relevant persons)

Ms. SAKAMOTO, Kumiko - Representative of NPO Aidensha

Ms. YOSHIMIZU, Jiho - Representative Director of NPO Japan-Vietnam Tomoiki Support Association

Mr. MATSUDA, Hidekazu - President of Gowell Co., Ltd.

Third session: Held on April 27 (Tue), 2021

- Settlement of foreign workers in the workplace and communities

(Interviews with relevant persons)

Mr. TADA, Morihiro - Director of Department for Settlement of Foreign workers in Communities, Persol Career Co., Ltd.

Mr. YAMAGUCHI, Shinji - Deputy Director of Industrial Labour Department (Labour Policy), Fukui Prefecture

Ms. TAKAMOTO, Yoko - Managing Director, General Manager of Sales Division, Sanmi Corporation

○ Fourth session: Held on May 14 (Fri), 2021

- Domestic employment support for international students and career support for children connected to foreign countries

(Interviews with relevant persons)

Mr. KINOKUNI, Hiroshi - Director of Career Center, Professor of Faculty of Economics, Ritsumeikan University

Ms. HORI, Hisano – Representative Director, Global Human Resources Support Hamamatsu

Ms. KASAMA, Yumiko - Deputy Director of the International Department, Kanagawa Prefectural Administrative Scrivener Association

○ Fifth session: Held on May 24 (Mon), 2021

- Assistance of improvement in communication and for overcoming cultural gaps in the workplace for employment and settlement

(Interviews with relevant persons)

Mr. ASAMI, Ichiro – President, Naitei Bridge

- Deliberation of Skeleton for compiling the interim report

○ Sixth session: Held on June 17 (Thu), 2021

- Deliberation of the draft interim report

Appendix 1 Overview of the employment situation of foreign workers

1 Outline of the status of residence of foreign workers

The status of residence (category) of foreign workers working in Japan is as follows.

Categories of Foreign Workers in Japan (breakdown of 1,724,000 people in total)

Foreigners may enter into employment under the Immigration Control and Refugee Recognition Act.

Main status of residence corresponding to the "Specialized and technical fields"	
Status of residence	Specific examples
Professor	University professors, etc.
Highly skilled professional	Advanced human resources by point system
Business Manager	Business owners / managers of companies
Legal/Accounting Services	Lawyers, certified accountants, etc.
Medical Services	Doctors, dentists, nurses
Researcher	Researchers of government agencies and private companies
Instructor	Language teachers, etc. of junior high school, high school, etc.
Engineer/Specialist in Humanities/International Services	Mechanical engineering engineers, interpreters, designers, private company language teachers, marketing workers, etc.
Intra-company Transferee	Transferees from foreign offices
Nursing Carer	Care workers
Skilled Labor	Foreign food cooks, sports leaders, aircraft pilots, precious metal craftsmen, etc.
Specified Skilled Worker	Workers in specific industrial fields (Note)

(Note) Nursing care, Building cleaning, Raw material industry, Industrial machinery manufacturing industry, Electrical/electronic information related industry, Construction, shipbuilding/marine industry, Automobile maintenance, Aviation, Accommodation, Agriculture, Fishery, Food and beverage manufacturing industry, Food service industry (Dec. 25, 2018 Cabinet decision)

① Those who are allowed to stay for work purposes About 360,000 people
(So-called "status of residence in specialized and technical fields")

- Some statuses of residence are provided by considering the "impact on Japan's industry and people's lives and other circumstances" for issuing a landing permit.

② Those who reside based on their status About 546,000 people

("Long-term residents" (mainly Japanese descents), "Permanent residents", "Japanese spouses, etc.")

- Since there is no restriction on these statuses of residence, those with these statuses of residence can work in a variety of fields for payment.

③ Technical intern training About 402,000 people

- It is aimed to provide international cooperation to developing countries through skill transfer.

Under the revised Immigration Control and Refugee Recognition Act that came into effect on July 1, 2010, technical intern trainees are granted a status of residence of "technical intern training" that is related to employment from the first year of immigration

④ Designated activities About 46,000 people

(Foreign nurses / certified workers based on EPA, working holidays, foreign construction workers, foreign shipbuilding workers, etc.)

- It is determined whether or not foreigners residing in Japan with the status of residence of "designated activities" may work for remuneration in Japan depending on the contents of each permit.

⑤ Activities other than those permitted About 370,000 people
(Part-time job for international students, etc.)

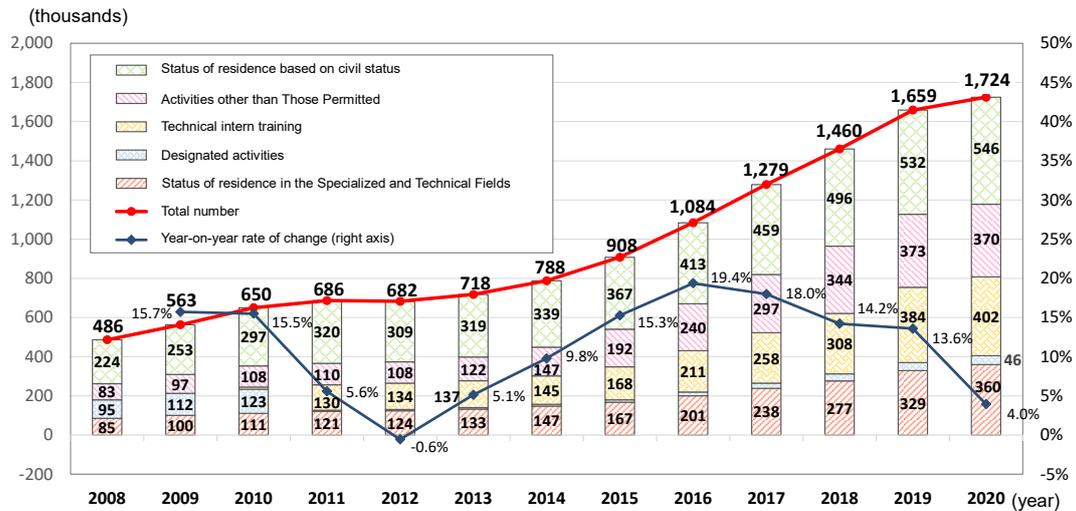
- Activities to receive remuneration are allowed if they are deemed not to interfere with the activities of foreigners with the proper status of residence (28 hours or less per week, etc.).

* Summary of Notification of Employment Status of Foreign Workers (as of October, 2020). The system to notify on employment status of foreign workers) is a system to oblige an employer to notify the name, status of residence, period of stay, etc. of foreign national to Hello Work after checking them when employing or dismissing them (Article 28 of the Act on Comprehensive Promotion of Labor Measures, and Stabilization of Employment of Employees, and Enrichment of Their Working Lives). The system is not applicable to "Diplomat", "Official" and "Special Permanent Resident".

2 Trend in the number of foreign workers

(1) Trend in the number of foreign workers by status of residence

According to the Summary of Notification of Foreign Workers' Employment Status, the number of foreign workers working in Japan reached a record high of 1,724,328 as of the end of October 2020. The growth rates of "Designated Activities" (up by 10.9% year on year), "Status of residence in specialized and technical fields" (up by 9.3% year on year), and "Technical Intern Training" (up by 4.8% year on year) are large by status of residence.



Source: "Summary of Notification of Employment Status of Foreign Workers" (as of the end of October each year), Ministry of Health, Labour and Welfare

Note 1: "Status of residence in the specialized and technical fields" grants the status of residence and corresponds to managers, engineers, researchers, foreign cuisine cooks, specified skills, etc.

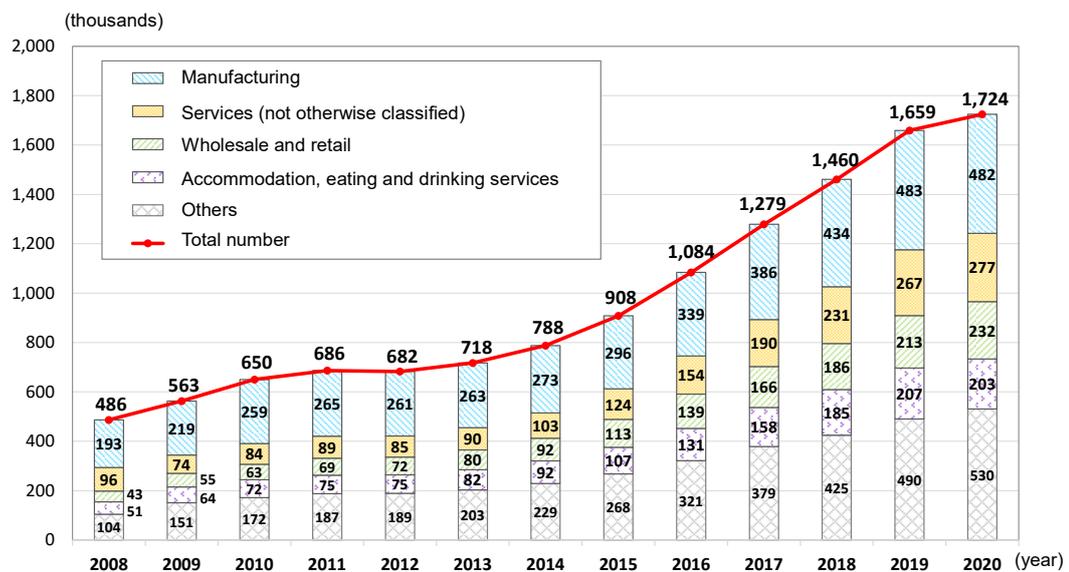
Note 2: "Status of residence based on civil status" is based on the status or position held in Japan, and corresponds to permanent residents, Japanese descents, etc.

Note 3: "Designated activities" are activities specifically designated for individual foreign workers designated by the Minister of Justice.

Note 4: "Activities other than those permitted" are labor activities performed other than the activities that are the original purpose of residence (28 hours or less in a week in principle), and correspond to part-time jobs of international students.

(2) Trend in the number of foreign workers by industry

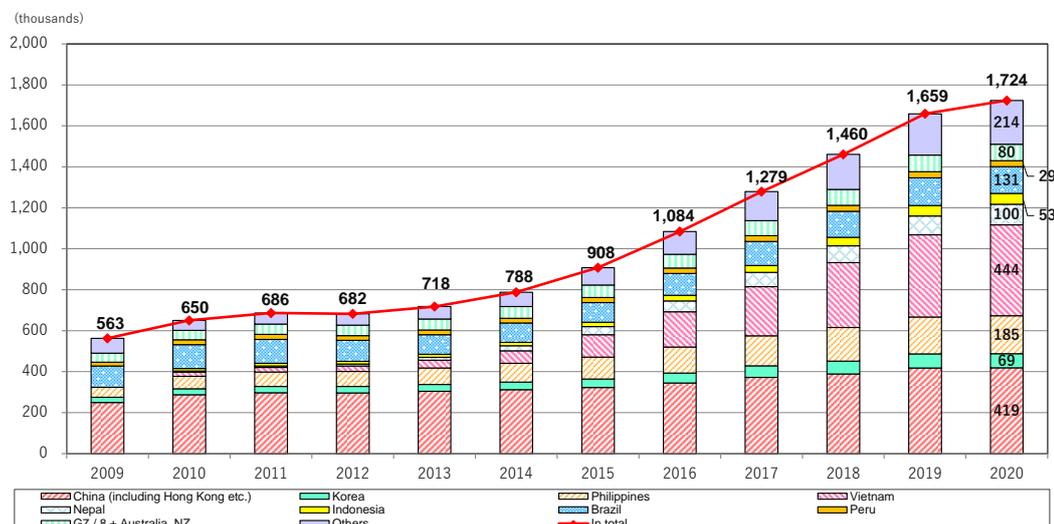
Looking at trends by industry, the number of foreign workers in the "Manufacturing" is the largest with 482,002, accounting for 28.0% of all foreign workers, followed by "Services (not otherwise classified)" with 276,951 (16.1%), "Wholesale and retail" with 232,014 (13.5%), and "Accommodation, eating and drinking services" with 202,913 (11.8%).



(3) Trend in the number of foreign workers by nationality

Looking at trends by nationality, the number of Vietnamese is the largest with 443,998, accounting for 25.7% of all foreign workers, followed by Chinese with 419,431 (24.3%) and Filipinos with 184,750 (10.7%).

According to the latest changes, the rate of increase in Vietnamese is the highest with an increase of 10.6% (42,672) from the previous year, followed by Nepalese with an increase of 8.6% (7,858) and Indonesians with an increase of 4.0% (2,058).



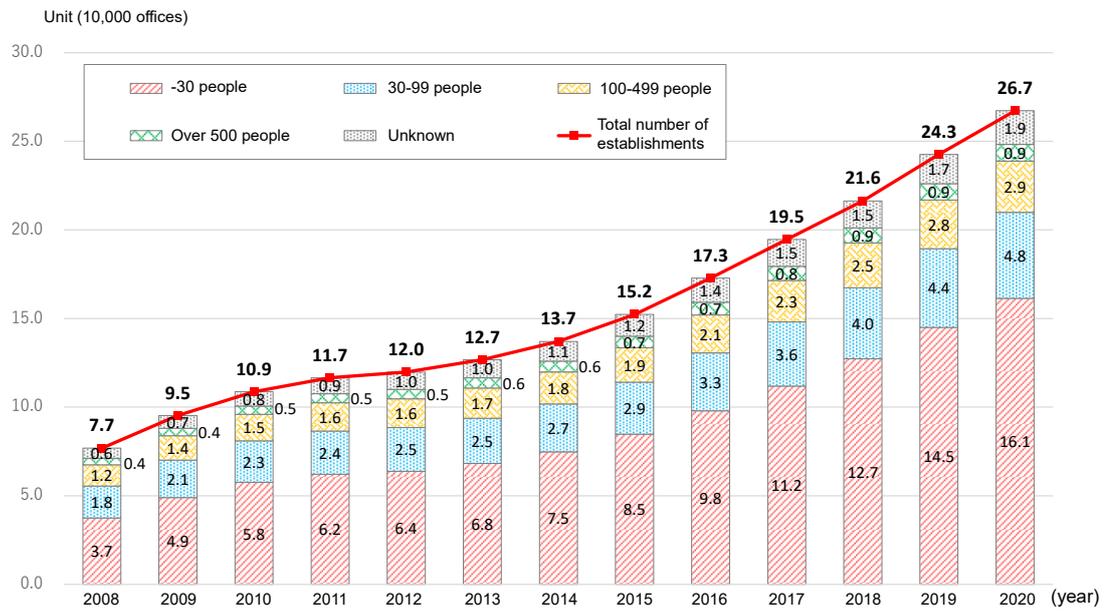
(4) Trend in foreign workers working in Japan (by status of residence and nationality)

“Technical intern training” is the highest for Vietnamese with 49.2%, followed by “Activities other than those permitted (international students, etc.)” with 30.8%. “Technical intern training” is the highest for Indonesians with 62.3%. “Activities other than those permitted (international students, etc.)” is the highest for Nepalese with 75.0%. “Status of residence based on civil status” is the highest for Filipinos, Brazilians and Peruvians.

Status of residence	Total number	a. Specialized /technical fields	b. Status of residence based on civil status	c. Technical intern training	d. Designated activities	e. Activities other than those permitted
Total In Japan	1,724,328	359,520	546,469	402,356	45,565	370,346
Chinese	419,431	122,485	119,018	76,922	5,120	95,878
Koreans	68,897	30,719	26,789	38	3,084	8,260
Filipinos	184,750	12,537	129,235	34,590	5,207	3,176
Vietnamese	443,998	62,155	16,057	218,600	10,403	136,781
Nepalese	99,628	17,017	4,764	644	2,529	74,673
Indonesians	53,395	5,718	6,162	33,239	2,919	5,356
Brazilians	131,112	1,039	129,621	96	78	278
Peruvians	29,054	154	28,738	64	28	70
Others	294,063	107,696	86,085	38,163	16,197	45,874

(5) Trend in the number of offices employing foreign workers

The number of offices employing foreign workers reached a record high of 267,243 as of the end of October 2020. In particular, the number has been increasing since 2014 at a pace of about 20,000 offices every year.



Appendix 2 Current situation of employment of foreign workers under the COVID-19 pandemic

I Major responses to the COVID-19 pandemic

Activity restrictions such as the business suspension request based on the declaration of a state of emergency as a measure to prevent the spread of the COVID-19 and entry restrictions from abroad were implemented. The major responses thereof are shown below in chronological order.

Major responses to the COVID-19 Pandemic			
	Measures taken in Japan	Entry restrictions	
2020	Jan		
	Feb		
	Mar	Requested closure of elementary, junior high and high schools (until spring break)	From the end of January, quarantine measures were gradually strengthened and foreign nationals of countries (areas) denied to land in Japan were increased (eventually almost all entries from all over the world stopped).
	Apr	4/7: Declaration of the state of emergency (7 prefectures until 5/6), 4/16: Expanded to cover all prefectures, 5/4: Extended to 5/31, 5/14: Reduced to 7 prefectures, 5/21: Reduced to 4 prefectures, 5/25: Lifted.	
	May		
	Jun		
	Jul	7/29 Resumption of traffic of medium- to long-term residents between Thailand, Vietnam (Residence Track) 8/5 Resumption of re-entry of people with medium- to long-term status of residence, such as international students, technical intern trainees, etc.	
	Aug	9/8 Resumption of Residence Track with 5 countries including Malaysia, etc.	
	Sep	9/18 Resumption of people from Singapore with short-term stay (Business Track) 9/30 Resumption of Residence Track from Singapore	
	Oct	10/1 Resumption of Residence Track from all over the world 10/8 Resumption of Residence Track from Brunei and Korea	
	Nov	10/8 Resumption of Business Track with Korea 11/1 Resumption of Business Track with Vietnam 11/30 Resumption of Business Track with China	
	Dec		12/24 Entry suspension from the UK 12/26 Entry suspension from South Africa
2021	Jan	1/7: Declaration of the state of emergency (4 prefectures until 2/7), 1/13: Extended to 11 prefectures, 2/2: Reduced to 10 prefectures and extended to 3/7, 2/26: Reduced to 4 prefectures, 3/5: Extended until 3/21, 3/21: Lifted	12/28 Suspension of all Residence Track 1/14 Suspension of Business Track (4 countries) and Residence Track (11 countries) stopped 5/14 Refusal of entry of permanent residents and Japanese spouses, etc. from India, Pakistan, Nepal
	Feb		
	Mar		
	Apr	4/23: Declaration of the state of emergency (4 prefectures until 5/11), 5/7: Extended till 5/31 and expanded to 6 prefectures, 5/14: Expanded to 9 prefectures, 5/21: Expanded to 10 prefectures, 5/28: Extended until 6/20	
	May		
	Jun		

4 countries: Singapore, Korea, Vietnam and China
11 countries: Vietnam, Thailand, Cambodia, Malaysia, Myanmar, Laos, Taiwan, Singapore, Brunei, Korea and China

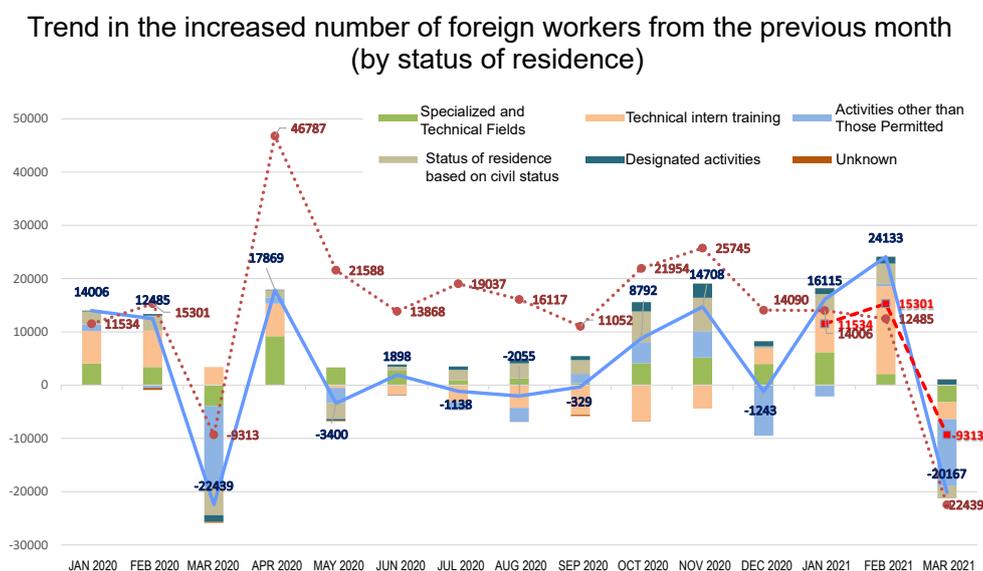
II Analysis of labor supply and demand of foreign workers

1 Trend in the number of foreign workers according to the Summary of Notification of Employment Status of Foreign Workers

(1) Trend in overall status of residence

The figure below shows the number of foreign workers increased from the previous months by status of residence according to the Summary of Notification of Employment Status of Foreign Workers. The overall status of residence maintained roughly the same trend as the previous year and decreased significantly compared to the same month of the previous year. However, except March, the number has increased significantly this year compared to the same months two years ago*. The decrease in the increasing number of last year may be attributed to the effect of the COVID-19 pandemic on economy.

*Since it is considered that the employment situation from January 2020 is affected by the COVID-19 pandemic, the data from January 2021 onward was compared to that of the same month of 2019 in terms of comparison with normal years (the same shall apply hereinafter).

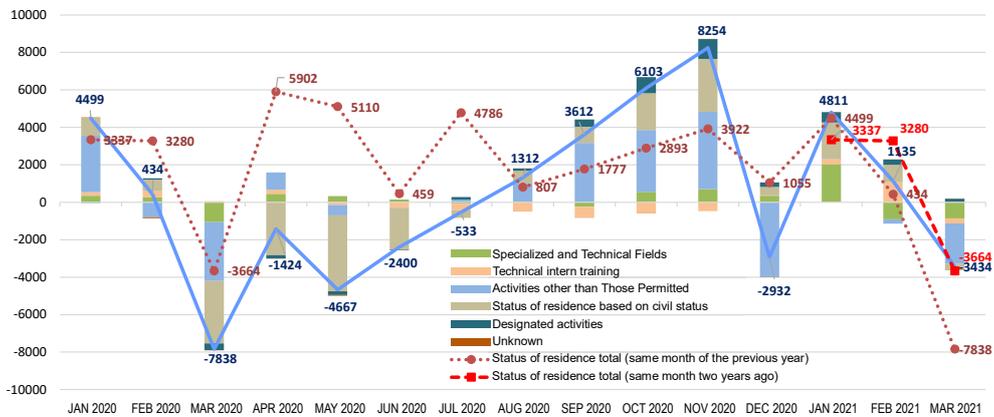


(2) Trend in foreign workers in worker dispatching and contracting business operators

The figure below shows the number of foreign workers increased from the previous month by status of residence in worker dispatching and contracting business operators* according to the Summary of Notification of Employment Status of Foreign Workers. The overall status of residence decreased until July compared to the same months of the previous year and turned to increase thereafter compared to the same months of the previous year. The number has been maintained almost at the same levels as the same months two years ago. When compared to changes in foreign workers as a whole, the increased number of foreign workers in dispatching business, etc. fell into negative territory earlier and turned positive earlier, which suggests that these businesses were affected more by the effect of the COVID-19 pandemic on economy.

*The total number of foreign workers employed by business operators engaged in worker dispatching and contracting and people such as management supervisors, etc., who are not dispatch or contract workers are also included (the same shall apply hereinafter).

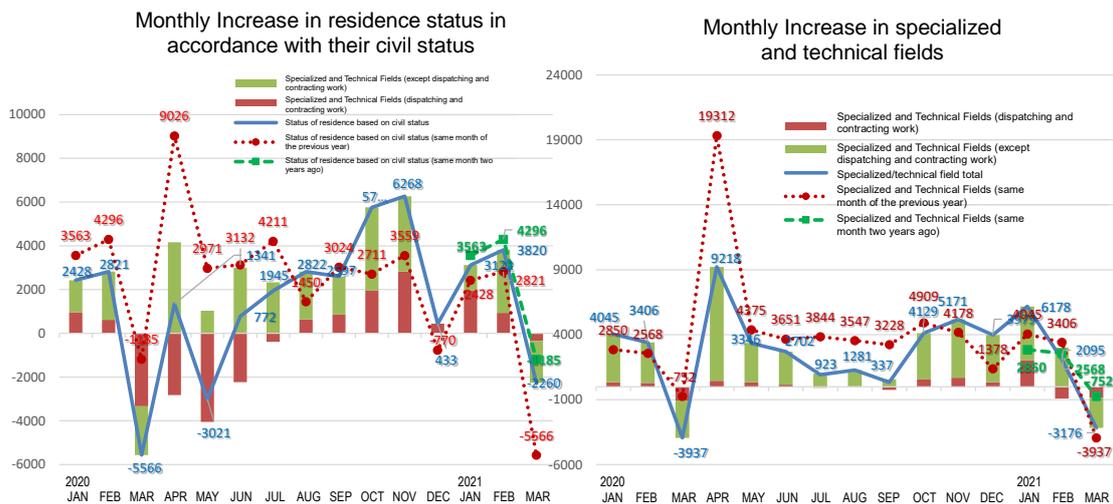
Trend in the number of increase in foreign workers employed in offices of worker dispatching and contracting business from the previous month (by status of residence)



(3) Analysis by status of residence

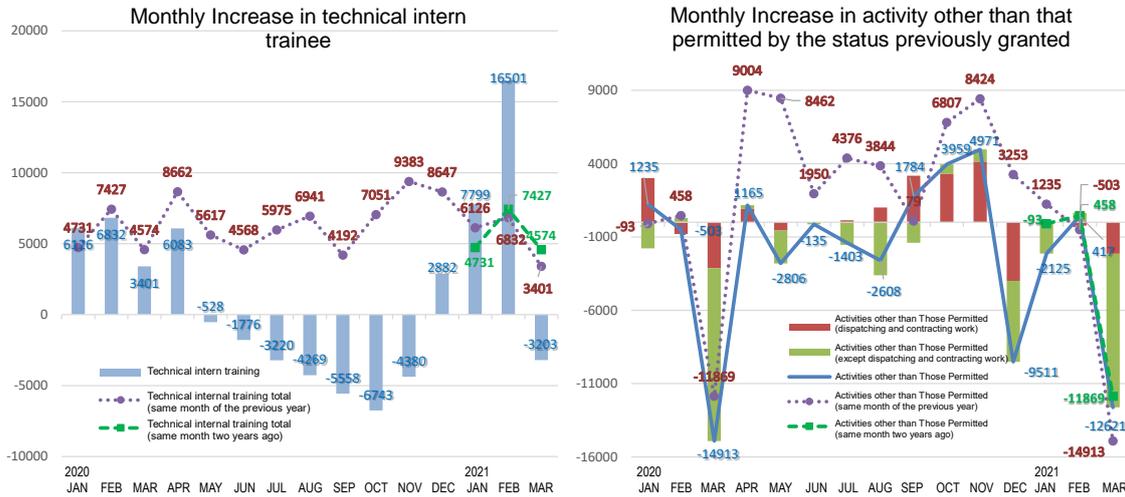
The number of increase from the previous months by status of residence based on civil status in dispatched and contracted workers was significantly negative between March and July last year to turn positive thereafter. On the other hand, the number of increase has been constantly positive since April onward in statuses other than the dispatching and contracting businesses, which suggests that the number of workers in the dispatching and contracting businesses is more likely to be affected by fluctuations in economy due to the COVID-19 pandemic than statuses other than the dispatching and contracting businesses.

The number of increases in the specialized and technical fields from the previous month has been consistently positive except for March, which suggests that the number in the specialized and technical fields is not likely to be affected by fluctuations in economy due to the COVID-19 pandemic than the status of residence based on civil status.



The number of increase in technical intern trainees was negative between May and November, and made a significant downturn compared to the same months of the previous year. However, it has turned positive in December and made a significant upturn from the same months two years ago until February this year to turn negative in March. This movement is in line with the trend of entry restrictions due to the COVID-19 pandemic.

As far as the activities other than those permitted are concerned, the number of increase in workers other than in the dispatching business continued to be negative until September and it has been up and down repeatedly thereafter. The number of increase in workers in the dispatching business continued to remain unchanged and has been positive since September, except December and March this year, which suggests that both the economic situation and restrictions of entry affected employment.



2 Trend in the number of job offers for foreign workers at Hello Work

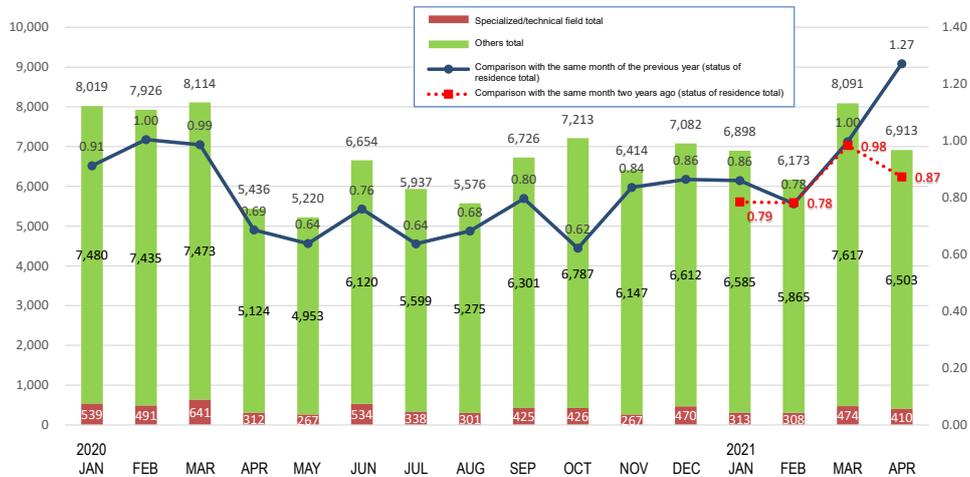
(1) Trend in new job offers

The number of new job offers for foreign workers (overall status of residence) *at Hello Work sharply dropped in April last year and decreased by 30% from the same months of the previous year. Since November onward, its number has continued to fluctuate with a decrease of 15%. Most recently, the difficult conditions continue and its number has dropped by 13% when compared to the same months two years ago, which is considered to reflect the economy affected by the COVID-19 pandemic.

Most of the job offers are for foreign workers with status of residence other than that in the specialized and technical fields (permanent residents, Japanese spouses, long-term residents, etc.).

* A job offer that is explicitly identified as being for foreign workers when the job offer is accepted. For matching a job to a foreign worker, the number of job offers for foreign workers is not sufficient. Thus, job offers to Japanese are actively searched and matched to foreign workers (the same shall apply hereinafter).

New job offers for foreign workers (by status of residence and by month)

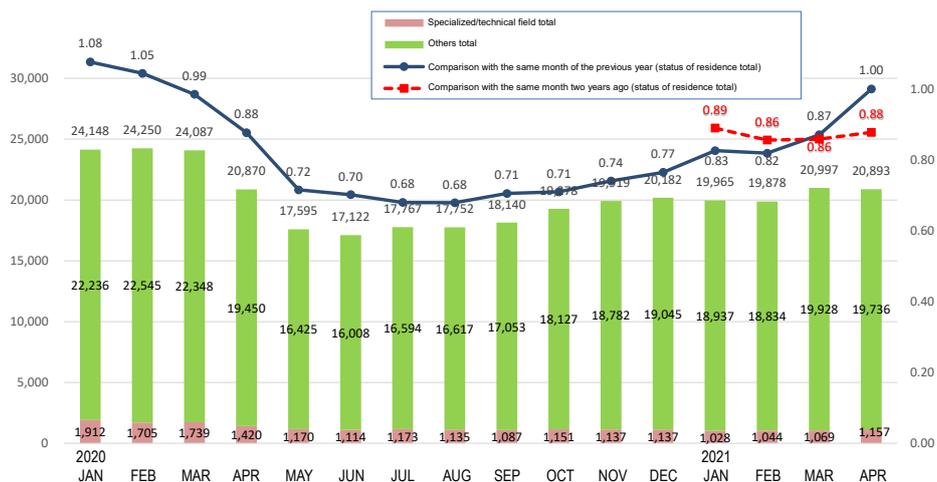


(2) Trend in active job offers

The number of active job offers (unfilled job offers in three months) for foreign workers (overall status of residence) at Hello Work decreased by about 30% from the same month of the previous year in May last year, and then gradually picked up. Since the beginning of this year, its number has continued to fluctuate with a decrease of about 15% when compared to the same months two years ago, which is considered to still reflect the economy affected by the COVID-19 pandemic.

Most of the job offers are for foreign workers with status of residence other than that in the specialized and technical fields (permanent residents, Japanese spouses, long-term residents, etc.).

Active job offers for foreign workers (by status of residence and by month)



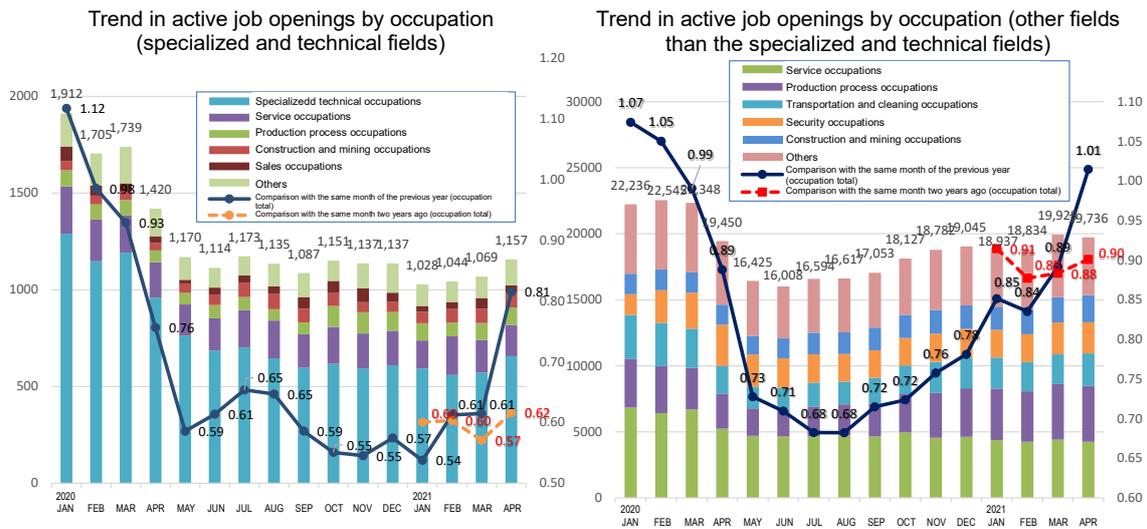
b. Trend by status of residence

The number of active job offers in the specialized and technical fields decreased by 40% from the same month of the previous year in May last year, and it has also continued this

year with a decrease of about 40% from the same months two years ago. The number of jobs in the specialized and technical fields has decreased since May when compared to January of last year.

The number of active job offers in fields other than the specialized and technical fields decreased by about 30% from May last year and has continued with a decrease of about 10% this year when compared to the same months two years ago after gradually picking up. The number of carrying, cleaning and related workers by occupation has decreased since May.

It is assumed that the number of job offers for foreign workers in the specialized and technical fields is more affected by the situation of economy due to the COVID-19 pandemic.



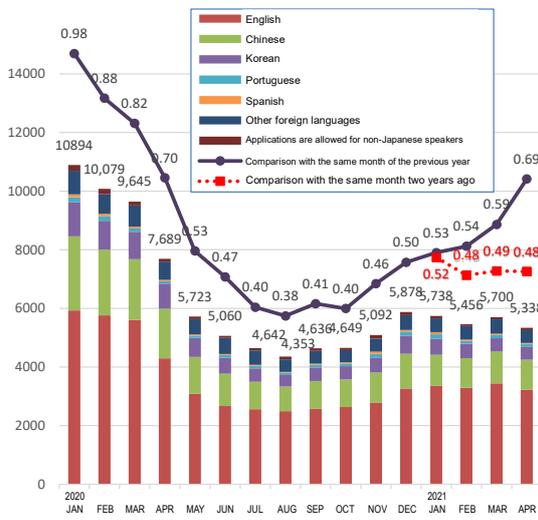
b. Trend in job offers of foreign language speakers

Although the number of effective job offers for foreign language speakers* which are characteristic job offers for foreign workers at Hello Work gradually picked up after having dropped by 60% compared to the same months of the previous year, it has continued to remain at a 50% decline this year compared to the same months two years ago and there are no signs of recovery. This may be attributed to the fact that the number of job offers for international related business has decreased significantly due to the immigration restrictions triggered by the COVID-19 pandemic.

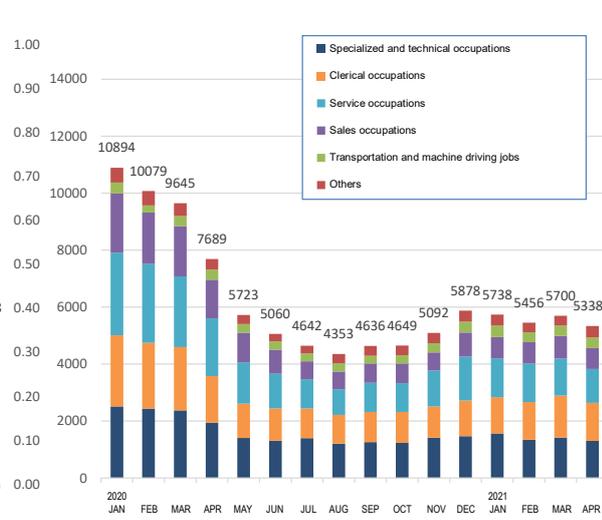
As far as the trend by occupation are concerned, the rate of decrease in occupations related to inbound tourism is large, including a decrease in services and sales since May compared to January last year, which suggests a large adverse effect on economy caused by the COVID-19 pandemic.

* Job offers that are explicitly identified as those that use foreign language when the job offer is accepted (the same shall apply hereinafter).

Active job offers for foreign language speakers (by month)



Trend in active job offers for foreign language speakers by occupation



III Analysis of labor migration of foreign workers

1 Trend in foreign workers entering into employment and leaving employment

(1) Trend in foreign workers entering into employment and leaving employment and the excess number of foreign workers entering employment

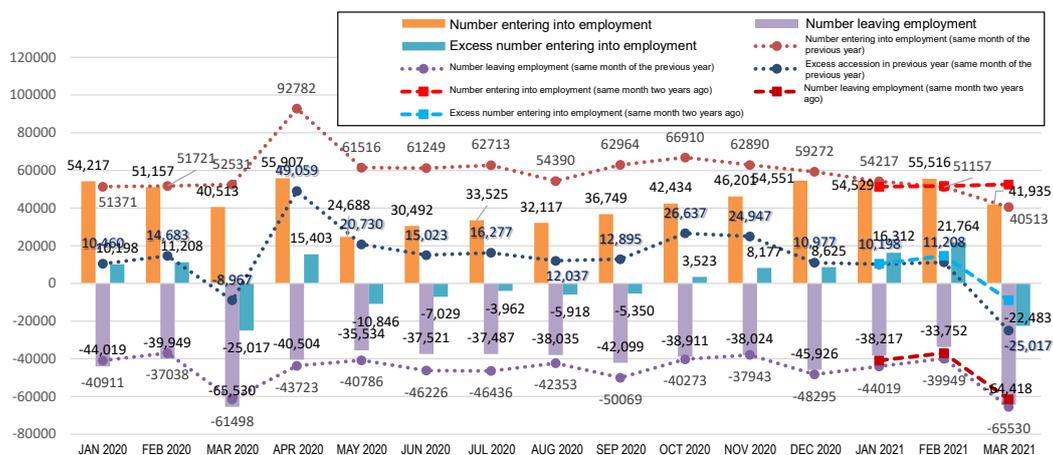
The number of foreign workers entering into employment* according to the Summary of Notification of Employment Status of Foreign Workers sharply decreased in May last year and after having continued to move at a significantly decreased level compared to the same months of the previous year, it has slowly picked up and has recovered to the level of the same month two years ago in February this year. It assumed that the decrease was caused by the economic effect of the COVID-19 on the economy.

The number of foreign workers leaving employment* decreased slightly from April last year onward compared to the same month of the previous year and has continued to remain at the same level as the same months of the previous year from November last year onward. No effect of the COVID-19 is clearly observed.

The excess number of foreign workers entering employment* (the number obtained by deducting the number of people leaving employment from the number of people entering into employment. The same shall apply hereinafter) decreased significantly from May last year and continued negative until September. It turned positive in October onward and has continued to remain almost at the same level of two years ago until February this year. The fact that the number of people entering into employment has decreased despite that the number of people leaving employment has not decreased suggests that the short-term employment in which entering into employment and leaving employment are repeated in a short-term period was affected.

* Because the same worker may repeatedly enter or leave the job in the same month, the number of workers is a running number (not the actual number). Thus the excess number of workers does not match the monthly increase in foreign workers in the actual number.

Trend in the numbers of foreign workers entering into employment and leaving employment and the excess number entering into employment (by month)



(2) Trend by industry

a. Trend in the number of foreign workers entering into employment

The number of foreign workers entering into employment sharply dropped from March

last year to 0.4 times compared to the same month of the previous year in May. This year, it improved to 1.1 times compared to the same months two years ago and stand currently at 0.8 times. The number of foreign workers entering into employment in the Manufacturing industry sharply dropped in May last year and after picking up, it currently stands at a level higher than that in January last year. The same tendency applies to the wholesale and retail industry. On the other hand, the number in the Services (not otherwise classified) sharply decreased in May last year to pick up thereafter and backed to the same level of January in September, then it was decreasing this year. The same tendency applies to the Accommodations, eating and drinking services, which suggests that they may be more likely to be affected by the economic turmoil affected by the COVID-19 pandemic.

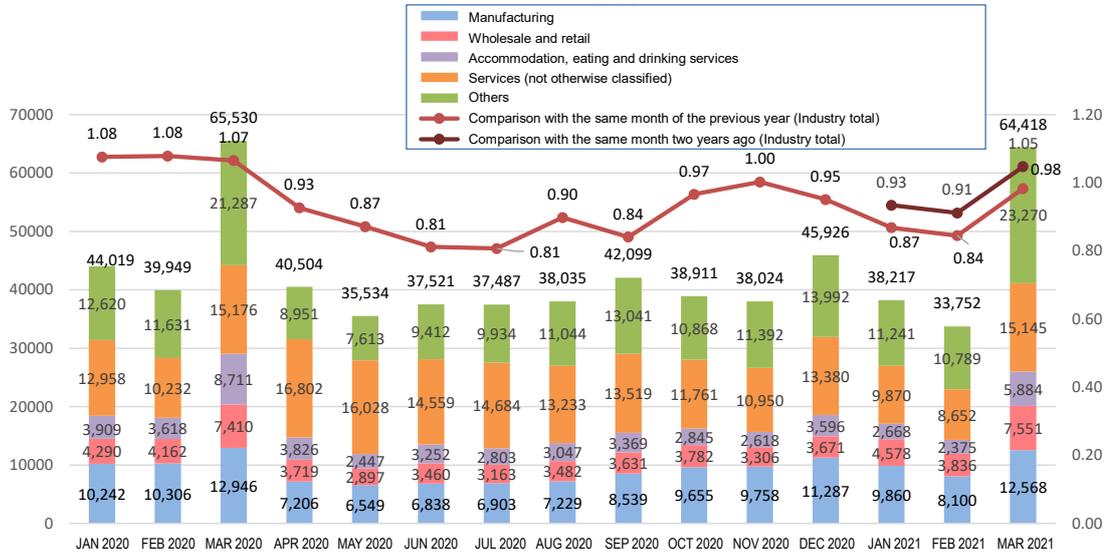
Trend in the numbers of people entering into employment by industry (Monthly)



b. Trend in the number of people leaving employment

The number of foreign workers leaving employment decreased compared to the same months of the previous year since March last year to pick up in June to July with an increase by 0.8 times and increased almost to the same level as the previous year in November after experiencing a slight recovery. This year, it stands at an increase of 1.0 time compared to the same months two years ago. The number of foreign workers leaving employment in the Manufacturing industry decreased since March last year and increased after continuing to stay at a decrease level of 30% in January last year. It has been decreasing compared to January last year. On the other hand, the number in the Services (not otherwise classified) which increased since March last year decreased gradually thereafter and it has been decreasing this year. There is no tendency that the number of foreign workers leaving employment increases even in the COVID-19 pandemic.

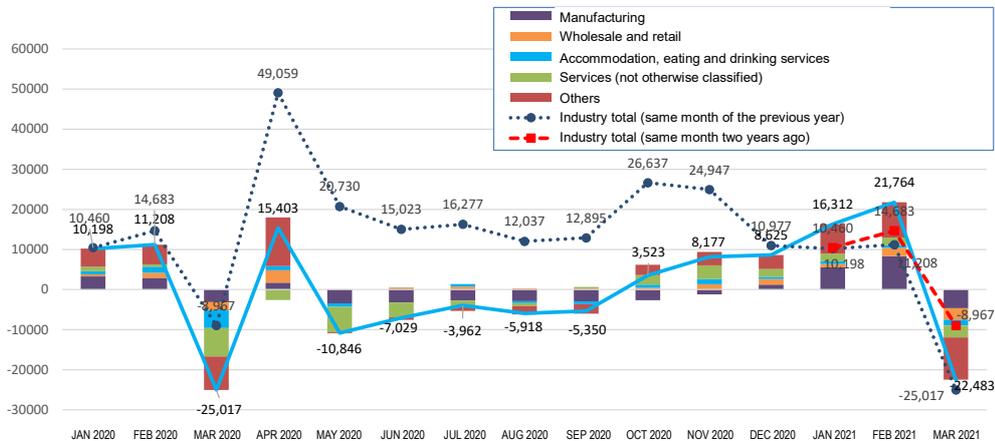
Trend in the number of foreign workers leaving employment (by month)



c. Trend in the excess number of foreign workers entering into employment

The excess number of foreign workers entering into employment decreased significantly since May onward compared to the same months of the previous year and continued to decrease until September to turn positive from October onward. The number exceeded the same months two years ago this year to drop in March. Although the excess number of foreign workers entering into employment in the Manufacturing industry continued to stay negative since May last year, it has turned upward trend since the end of last year. On the other hand, the number in the Services (not otherwise classified) has continued to stay negative since March this year has started to increase. Almost the same tendency applies to the industry of Accommodation, eating and drinking services.

Changes in the excess number of foreign workers entering into employment by industry (by month)



(3) Trend in the ratio of foreign workers leaving employment in the total number of foreign workers.

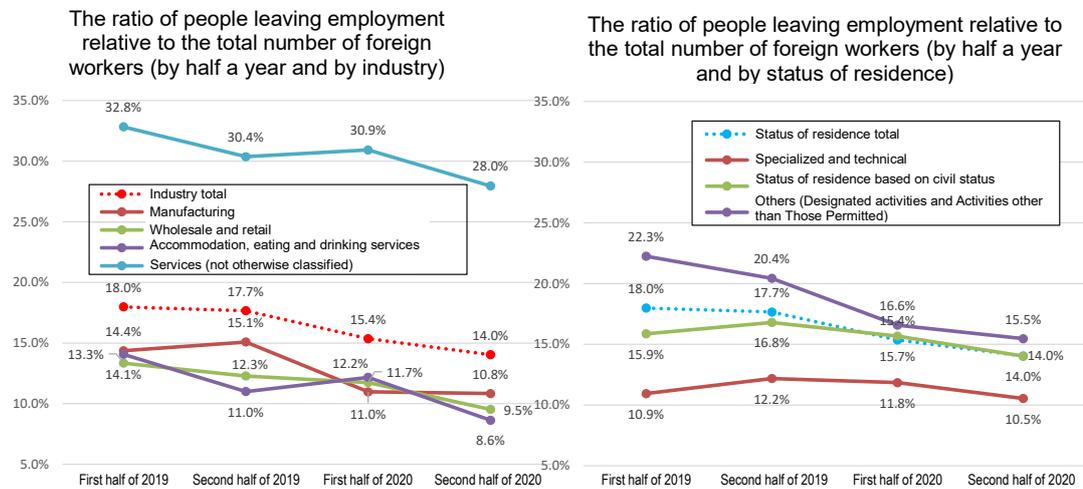
a. Trend by half a year

The ratio of foreign workers leaving employment relative to the total number of foreign workers by half a year* according to the Summary of Notification of Employment Status of Foreign Workers is shown below by industry and by status of residence. Generally speaking, it is thought that when the ratio of people leaving employment is high, people newly entering into employment may be more likely to be affected by economic fluctuations.

The ratio of foreign workers leaving employment by industry in the Services (not otherwise classified) is higher by 14 points than the industry total and higher by about 20 points than the industry of Accommodation, eating and drinking services. On the other hand, the ratio in the Manufacturing, Wholesale and Retail and Accommodation, eating and drinking services is lower by 5 points than the industry total. There are differences by industry, accordingly. The ratio of people leaving employment is in a decreasing trend in all industries.

Although the ratio of foreign workers leaving employment by status of residence is high in Activities other than those permitted, designated activities, etc. when compared to the total by status of residence, it is in a decreasing trend and the gap is being bridged. The ratio of people leaving employment by status of residence based on civil status is higher by 4 points than that in the specialized and technical fields. The trend of both is almost the same.

* The sum up of the monthly numbers of foreign workers leaving employment by half a year is divided by the number of foreign workers as of January of each year.

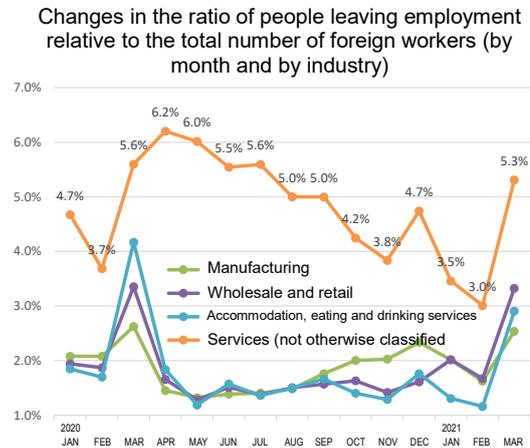
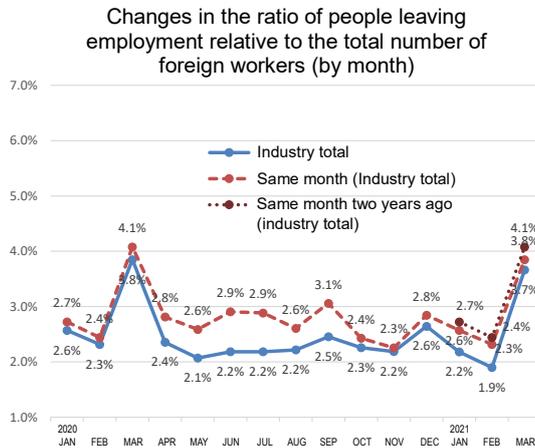


b. Monthly Trend

The ratio of foreign workers leaving employment relative to the total number of foreign workers by month* differs significantly by industry. The ratio in the Services (not otherwise classified) increased in April last year to 6.2% to drop gradually thereafter and increase and decrease repeatedly, and currently stands at an increase of 5.3%. Although its ratio continues to stay at a level higher by 2 to 4 points compared to other industries, since employment placement business and worker dispatching business are included in the Services (not otherwise classified), this is considered attributable to the fact that the employment period is shorter than that in other industries. Except that the ratio is rather

high since October last year in the Manufacturing industry, there is no big difference in the ratio of people leaving employment in other industries.

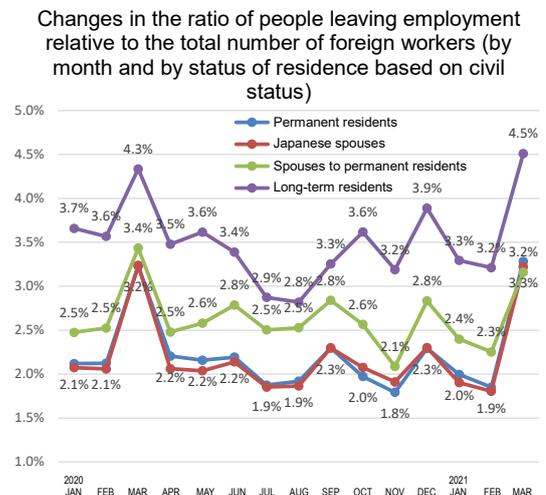
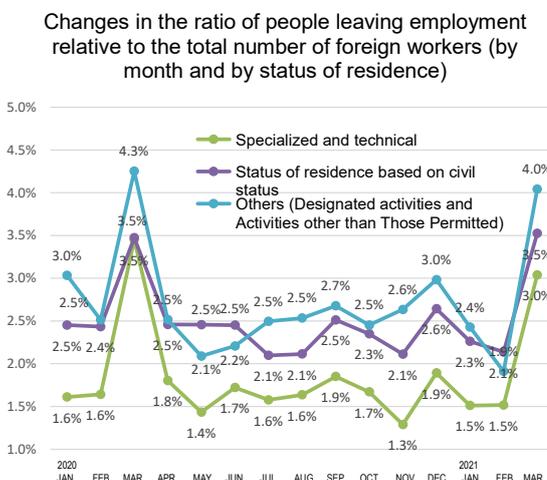
* The monthly numbers of foreign workers leaving employment by industry of each year is divided by the number of foreign workers by industry in January of each year.



c. Trend by status of residence

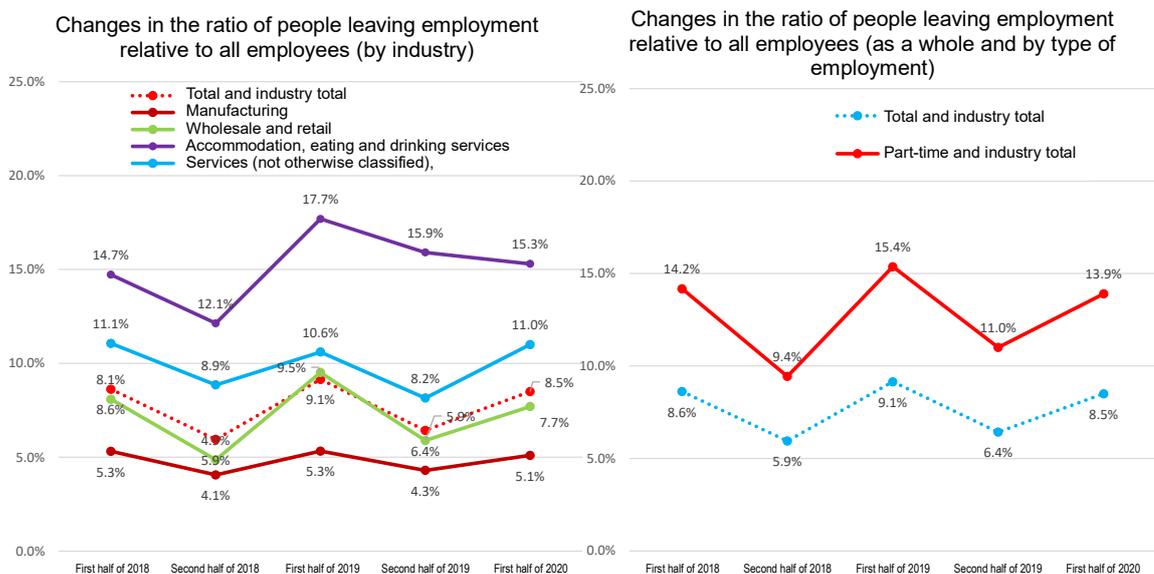
The ratio of foreign workers leaving employment relative to the total number of foreign workers by month differs significantly by status of residence. The ratio in Other industries (Activities other than those permitted, Designated activities, etc.) has continued to stay at a level higher by 0.4 points compared to that by the status of residence based on civil status since July last year. The ratio in the specialized and technical fields has consistently continued to stay at a lower level than other 2 statuses. It is considered that the specialized and technical fields are less likely to be affected by the economic effect of the COVID-19 pandemic than other industries.

The ratio of long-term residents among residents with status of residence based on civil status is the highest and is higher by one point than spouses of permanent residents and is higher by 1.5 point than and permanent residents and Japanese spouses. It is assumed that the high ratio of long-term residents was attributed to the fact that a high percentage of them are employed in dispatching and contracting business.



Since the Summary of Notification of Employment Status of Foreign Workers only deals with foreign workers, there is a limitation that no comparison with the employment situation of Japanese people can be made. For reference, the ratio of people leaving employment relative to all employees compiled from the Survey on Employment Trend* is shown by half a year. However, since the statistical targets and methods are different from one another, a direct comparison is not possible.

* The ratio of people leaving employment in the second half of each year obtained by deducting the number of people leaving employment in the first half of the year from the total number of people leaving employment in a year, which is divided by the number of regular workers at the beginning of the year.



(Source) Compiled by the Foreign Workers' Affairs Division from the Survey on Employment Trend (2019 & 2020)

Table 1 Number of regular workers by employment type company size, industry (middle classification), gender, and employment type

Table 15 Number of people leaving employment by gender, industry (middle classification), company size (GT/E) and reason for leaving

Table 15 Number of people entering into/leaving employment by employment type and gender

Table 21 Number of people leaving employment by employment type, industry (middle classification), gender, age and category

Reference table 1 Number of workers and labor migration rate by employment type, gender, company size (GT), and industry (large classification)

IV Analysis of foreign workers seeking employment

1 Trend in the number of foreign workers seeking employment at Hello Work

(1) Trend in the number of foreign workers newly seeking employment at Hello Work

The number of foreign workers newly seeking employment at Hello Work (total by status of residence) sharply increased in June by 1.9 times compared to the same month of the previous year to drop thereafter to 1.06 times, and it has continued to remain at 1.3 to 1.5 times compared to the same months two years ago. The number of foreign workers seeking employment has been constantly at a higher level than that of the general public (except foreign workers) compared to the previous year or two years ago. Therefore, it is considered that foreign workers are more likely to be affected by the economic fluctuation affected by the COVID-19 pandemic. The majority of foreign workers seeking employment are those with status of residence based on civil status (permanent residents, Japanese spouses, long-term residents, etc.).

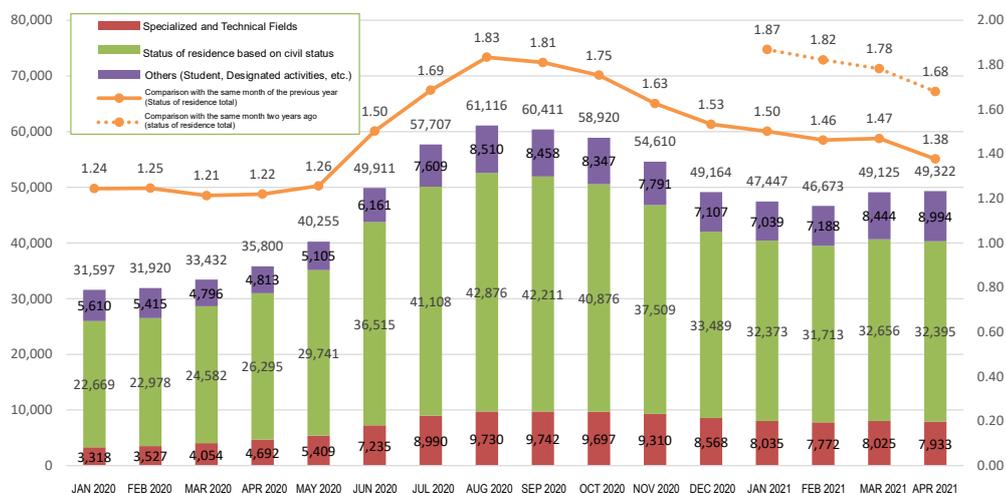
Trend in the number of people seeking employment by status of residence (by month)



(2) Trend in the active number of foreign workers seeking employment at Hello Work

The active number of foreign workers seeking employment (total number of unsuccessful job seekers for three months) at Hello Work (total by status of residence) sharply increased from June onward to reach 1.83 times in August and declined gradually. However, it has turned to increase this year to stand currently at 1.7 times. It is thought that the effects of the economy caused by the COVID-19 pandemic still remain. The majority of foreign workers seeking employment are those with status of residence based on civil status (permanent residents, Japanese spouses, long-term residents, etc.).

Trend in the active number of people seeking employment by status of residence (by month)

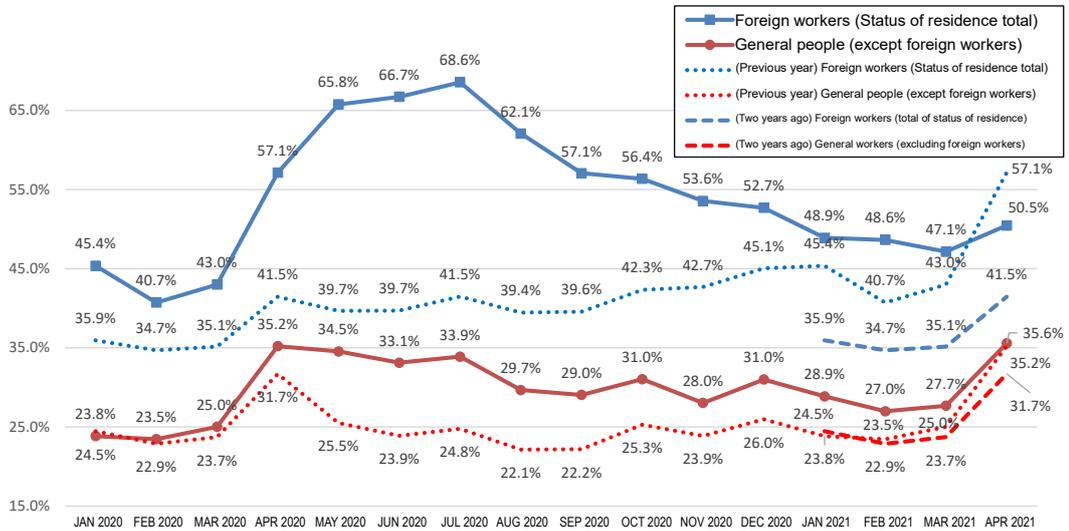


2 Trend in the ratio of foreign workers seeking employment at Hello Work who leave employment involuntarily

(1) Overview

The figure below shows trend in the number of people seeking employment at Hello Work (except those under employment) who leave employment involuntarily (for employer's reasons) in foreign workers and general workers (except foreign workers) separately. The ratio of foreign workers who leave employment involuntarily increased from April last year to reach about 70% in July and gradually decreased. However, it has continued to remain flat this year to stand currently at about 50%. When compared to the same months of the previous year, it is higher constantly and there was a difference of about 27 points in July last year, which gradually narrowed down. However, it has increased this year by about 10 points compared to the same months two years ago. When comparing the ratio of foreign workers with that of general workers (except foreign workers), the ratio of foreign workers was higher by a maximum of 35 points and is currently higher by about 15 points. Therefore, it is assumed that foreign workers are more likely to be affected by the economic fluctuation caused by the COVID-19 pandemic than Japanese workers.

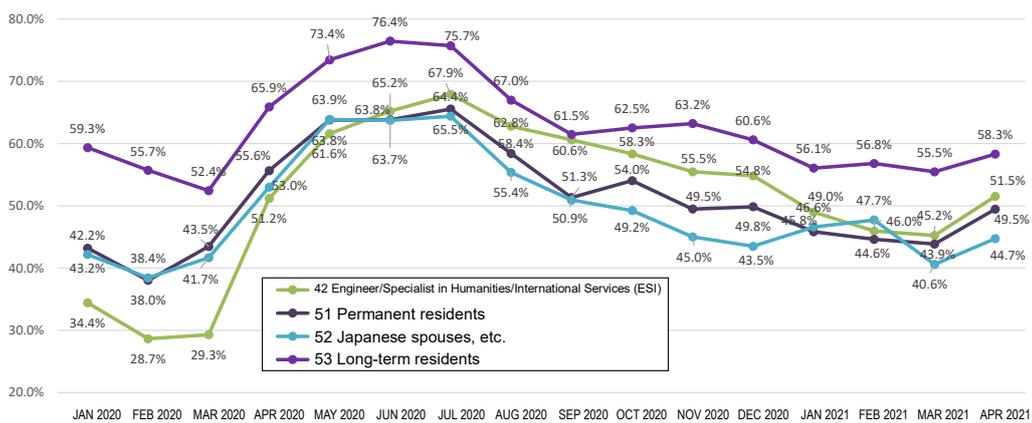
The rate of workers who leave employment for employers' reasons in general workers and foreign workers (people newly seeking employment)



(2) Trend by status of residence

The ratio of workers who leave employment involuntarily (for employer's reasons) depends significantly on the status of residence. The trend of the ratio is almost the same in the status of residence based on civil status. However, the value of the ratio is varied by status of residence. The ratio in long-term residents is the highest with about 10 points compared with Japanese spouses. The ratio in Engineers, Specialists in Humanities and International Services which was at a level lower by about 10 points than that of Japanese spouses in February to March last year has been higher than that of Japanese spouses from June last year onward.

The rate of workers who leave employment for employers' reasons (status of residence)



3 Trend in the ratio of foreign workers newly seeking employment at Hello Work in total foreign workers leaving employment

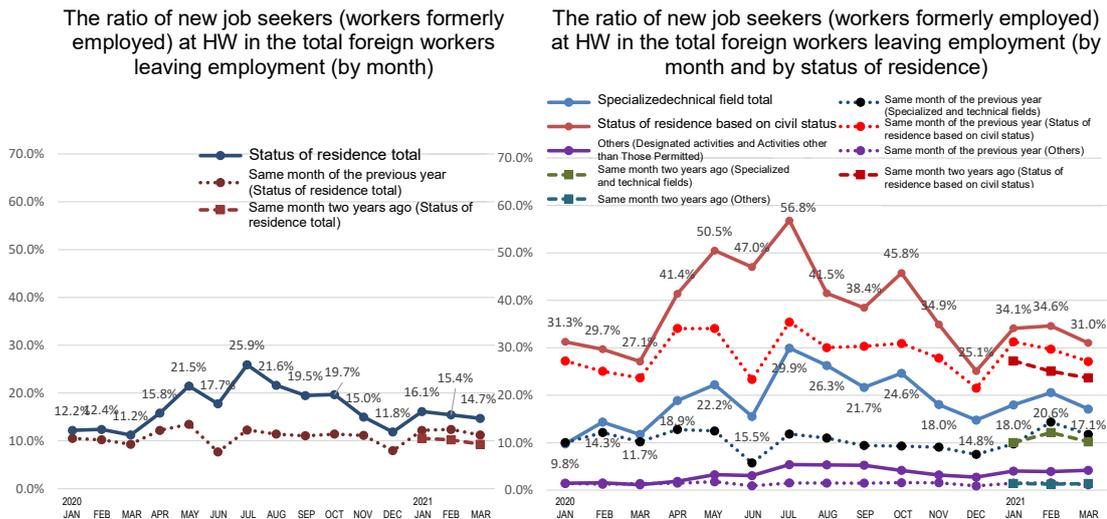
(1) Overview

The figure below shows trend in the number of foreign workers newly seeking employment

at Hello Work (except those under employment) in the total number of foreign workers leaving employment according to the Summary of Notification of Employment Status of Foreign Workers*. This ratio shows the ratio of use of Hello Work when seeking employment, and there are significant differences chronologically and by status of residence. The ratio in the specialized and technical fields was lower by a maximum of 30 points in July last year and is currently lower by about 15 points than that in the status of residence based on civil status.

The ratio of the total increased compared to the same months of the previous year from April onward to reach the highest point with 26% in July and declined thereafter. However, the ratio has continued to stay with an increase of about 15% this year, which is an increase of about 5 points compared to the same months two years ago. Chronologically, the ratio roughly matches the trend of the ratio of workers leaving employment involuntarily. The ratio in the status of residence based on civil status increased compared to the same months of the previous year from April last year onward to reach the highest point with 57% in July and the ratio has continued to stay with an increase of about 35% this year. In other fields, the ratio has increased by a few percent.

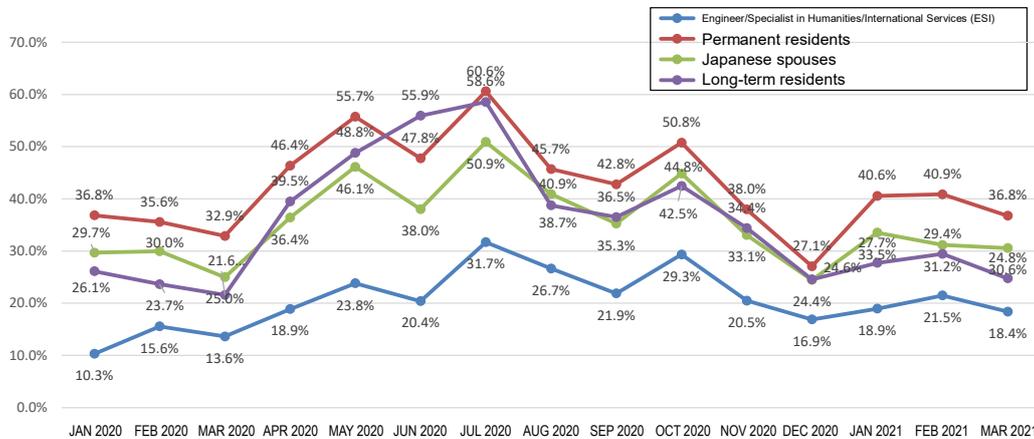
* The number obtained by dividing the monthly total of new job seekers (applicable only to people formerly employed) at Hello Work by the number of workers leaving employment in the Summary of Notification of Employment Status of Foreign Workers in the same month.



(2) Trend by detailed status of residence

There are significant differences depending on the status of residence. Although the ratio in permanent residents and Japanese spouses shows almost the same trend, that in permanent residents is higher by about 10 points. The ratio in long-term residents increased from April last year in a unique manner to reach the highest point with 60% in July and declined thereafter. However, the ratio is currently stable at an increase of about 30%. The ratio in Engineers, Specialists in Humanities and International Services in the specialized and technical fields which is lower than that of the status of residence based on civil status peaked at 32% in July to continue to stay at around 20%.

The ratio of new job seekers (workers formerly employed) at HW
in the total foreign workers leaving employment (by month and by detailed status of residence)



4 Trend in the ratio of the active number of foreign workers seeking employment (those not under employment) relative to the total number of foreign workers

Trend in the ratio*1 of the active job seekers of foreign workers (except those under employment) *2 at Hello Work relative to the total number of foreign workers*3 were analyzed. This ratio shows the percentage of unemployed foreign workers to the best of the knowledge of Hello Work. Incidentally, since the statistical targets and methods are different from those of the unemployment rate of Labor Force Survey, a direct comparison cannot be made.

The ratio of status of residence based on civil status (permanent residents, Japanese spouses, long-term residents, etc.) increased significantly from May last year to record a difference of 3.1 points compared to the same month of the previous year in August and declined thereafter. However, the ratio has picked up and increased by about 2 points this year compared to the same months two years ago. Chronologically, the ratio roughly matches the trend of the ratio of the active number of workers seeking employment.

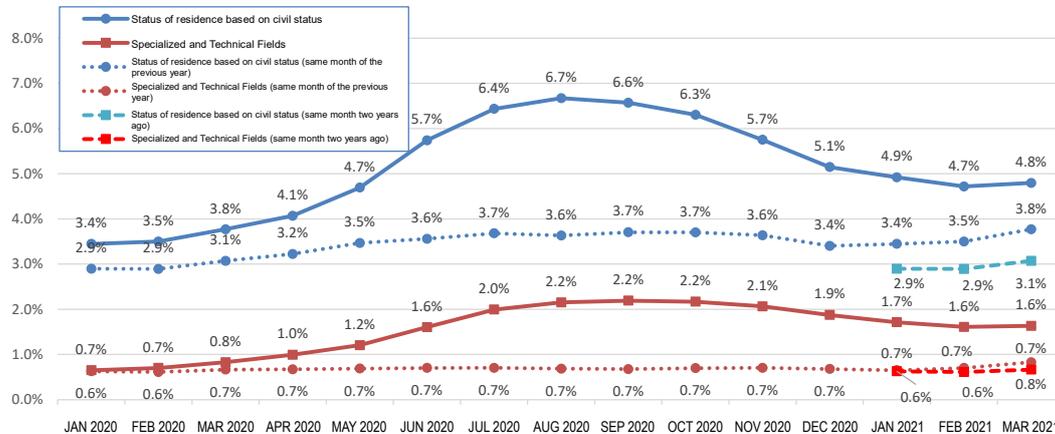
When compared to the same months of the previous year, the ratio in the specialized and technical fields continued to increase significantly from January this year to record an increase of 1.5% compared to the same month of the previous year in August and declined thereafter. Chronologically, the ratio roughly matches the trend of the ratio of the number of active job seekers. The fact that the ratio in the specialized and technical fields is lower than that in the status by residence based on civil status assumed that the utilization of Hello Work is low in the status holders of specialized and technical fields.

*1 Ratio = the number of active job seekers (except those under employment) at Hello Work / (total number of foreign workers + the number of active job seekers (except those under employment)) at Hello Work

*2 People leaving employment from self-employed business, unemployed people (people engaged in household, childcare, etc.) are included.

*3 Self-employed people are not included.

Changes in the ratio of the active number of workers seeking employment (except those under employment) relative to the number of foreign workers



5 Trend in the employment rate of general and foreign workers through Hello Work

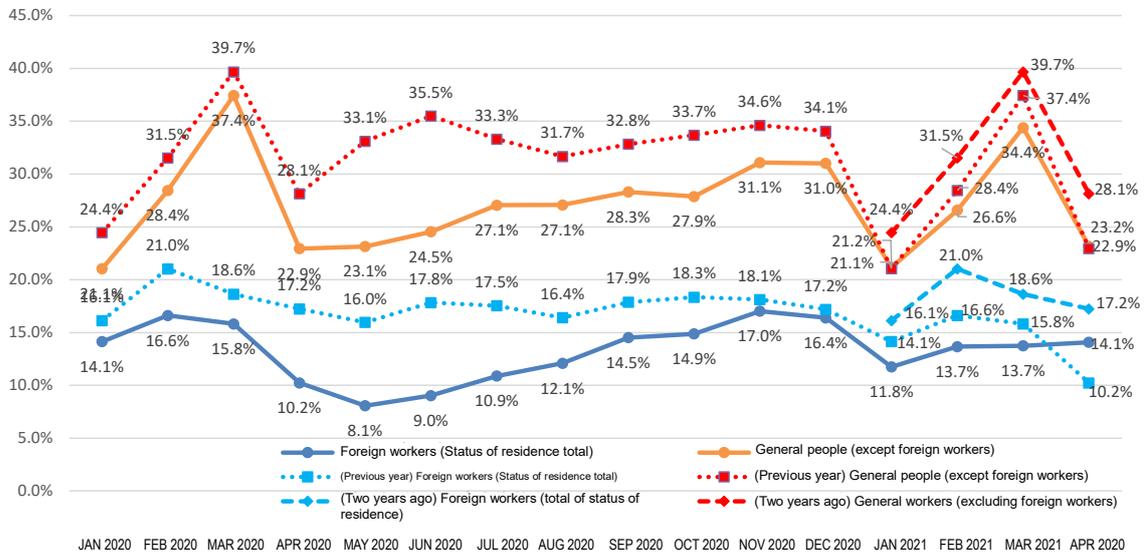
(1) Monthly trends

The employment rate* through Hello Work of foreign workers (total by status of residence) has continued to stay at a level lower by 15 points than that of Japanese. According to the analysis of Hello Work, this difference is mainly attributed to restrictions such as the communication ability and status of residence.

The rate of foreign workers (total by status of residence) decreased to 8% in May last year, which was a decrease by 8 points compared to the same month of the previous year, and gradually increased and remain at almost the same level as that of the previous year. This year, it has continued unchanged with a decrease of 7 to 3 points compared to the same months two years ago. The employment rate of general workers (except foreign workers) sharply decreased by 23% in April to remain at a low level and decreased by 11% in June last year compared to the same month two years ago. This year, it has continued to stay with a decrease of about 5 points compared to the same months two years ago.

* The value obtained by dividing the number of people entering into employment though Hello Work by the number of new job seekers at Hello Work in the same month.

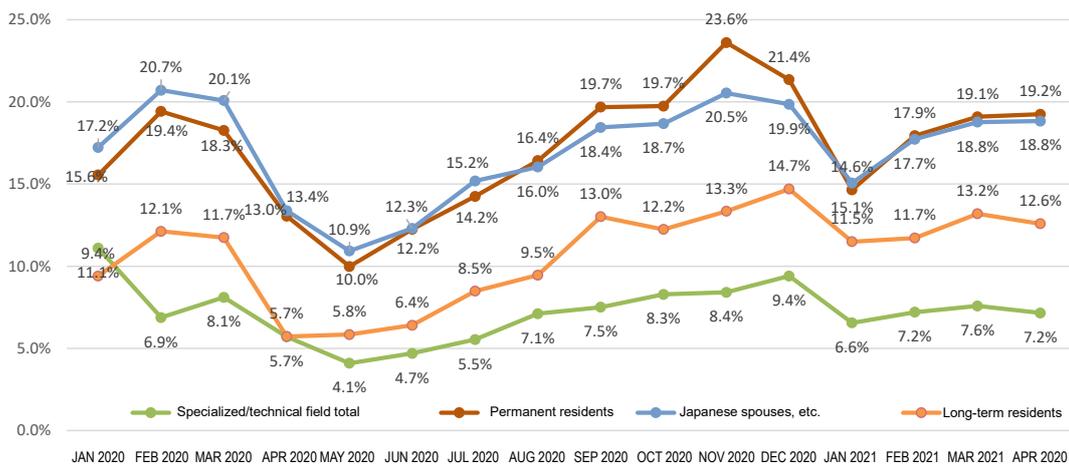
Employment rate of general and foreign workers through Hello Work (by month)



(2) Trend by status of residence

The employment rate through Hello Work differs depending on the status of residence. Although the trend in the rate of permanent residents, Japanese spouses and long-term residents are well in line with one another, the rate of long-term residents is relatively low. The trend of the rate in the specialized and technical fields is relatively lower than that of the status of residence based on civil status. According to the analysis of Hello Work, the trend is attributable to the restrictions in the types of jobs by status of residence and the resulting lack of job offers in the specialized and technical fields, and the lack of communication ability in the workplace of long-term residents.

Employment rate through Hello Work by status of residence (by month)

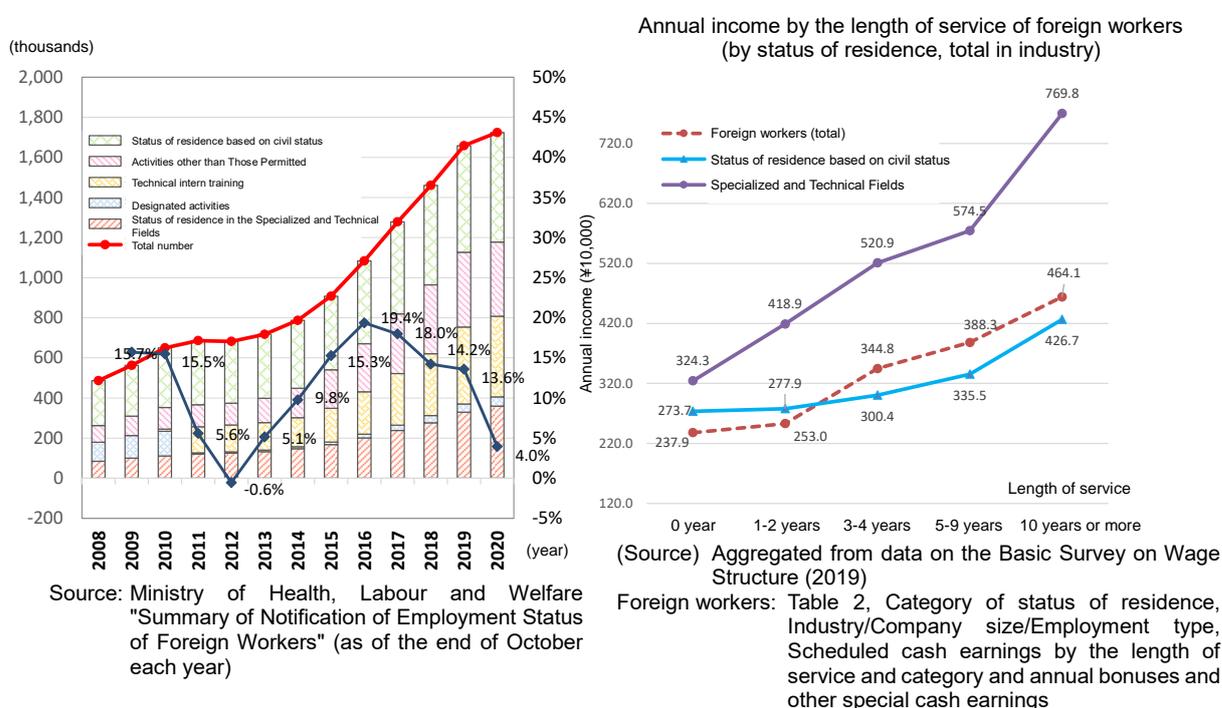


V Analysis of the wage structure of foreign workers

1 Trend in wages (by length of service) of foreign workers by status of residence

The number of foreign workers has increased about 2.5 times in the last 10 years, and the breakdown consists of foreign workers by status of residence based on civil status (32%), technical intern training (23%), and specialized and technical fields (21%). Although the annual income* of foreign workers increases with the length of service, the upward trend and wage levels vary greatly depending on the status of residence. The wage levels of foreign workers with status of residence based on civil status tend to be lower than average.

*The amount obtained by adding the scheduled monthly cash earnings multiplied by 12 to special cash earnings such as annual bonuses (the same shall apply hereinafter).



2 Analysis of the wage structure in the holders of the status of residence based on civil status

(1) Overview

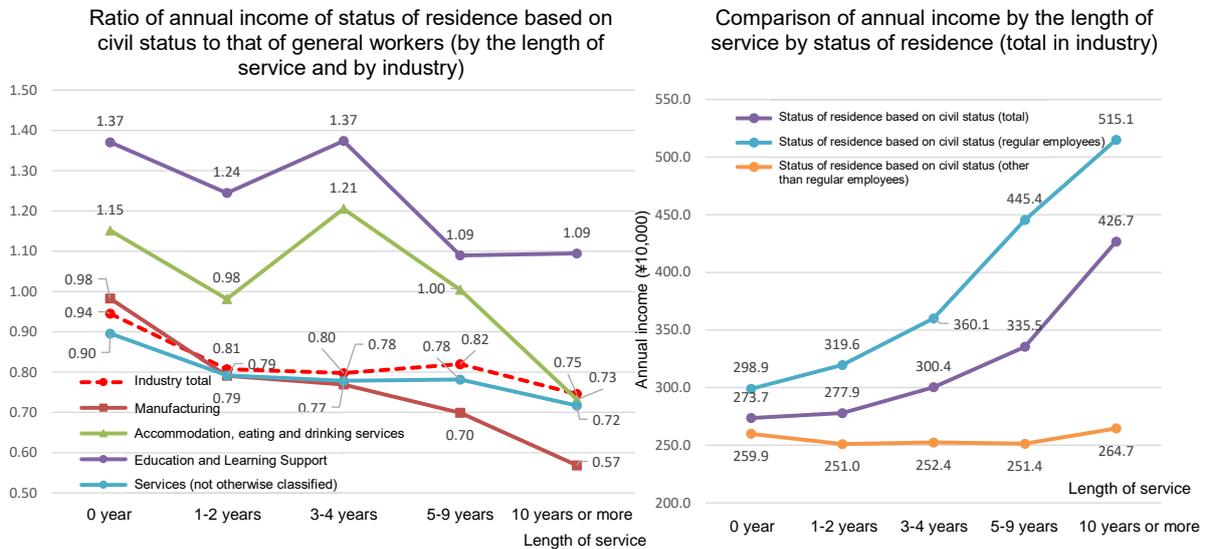
Focusing on the ratio of annual income* of foreign workers of status of residence based on civil status over the that of general workers, the annual income of those of the status in the Manufacturing industry (31%) and in the Services (not otherwise classified) (25%)*, consisting the majority of their employment, is continuously lower than that of general workers (total) and the gap tends to widen with the length of service.

Among foreign workers of status of residence based on civil status, the annual income of regular employees tend to increase by the length of service, however, the increase is hardly shown in non-regular workers.

* "10 years or more" of the total annual income of workers is a weighted average of 10 to 14 years, 15 to 19 years, 20 to 24 years, 25 to 29 years, and 30 years or more (the same shall apply hereinafter).

* The ratio over total industries, obtained from the Summary of Notification of Employment

Status of Foreign Workers (as of the end of October, 2019)



(Source) Aggregated from data on the Basic Survey on Wage Structure (2019)

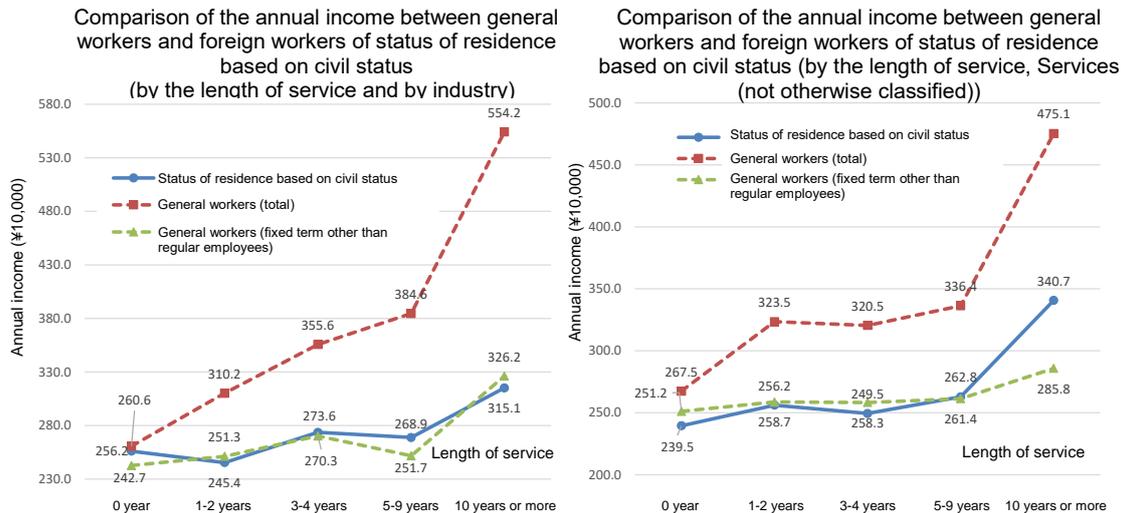
Foreign workers: Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by status of residence, industry/company size/employment type, length of service and category

General workers: Major industrial classification, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

General workers: By type of employment, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

(2) By industry

The annual income trend in the Manufacturing industry and Services (not otherwise classified) is in line with that of non-regular employees (fixed term). Thus, intensive assistance is necessary for these workers to change employment for stable employment.



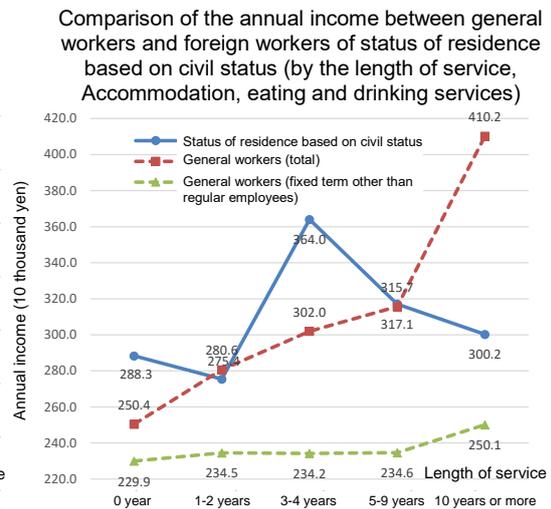
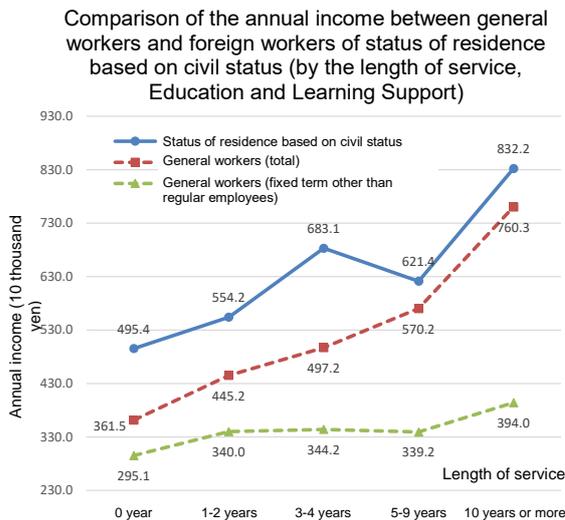
(Source) Aggregated from data on the Basic Survey on Wage Structure (2019)

Foreign workers: Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by status of residence, industry/company size/employment type, length of service and category

General workers: Major industrial classification, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

General workers: By type of employment, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

The annual income of foreign workers of status of residence based on civil status is superior to that of general workers (total) in Education and Learning Support industry. On the other hand, the annual income in the Accommodation, eating and drinking services industry declines after five years of service and there is a possibility that the ratio of regular employees with over 5 years of service has declined. Thus, intensive assistance is necessary to for those workers to keep regular employment.



(Source) Aggregated from data on the Basic Survey on Wage Structure (2019)

Foreign workers: Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by status of residence, industry/company size/employment type, length of service and category

General workers: Major industrial classification, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

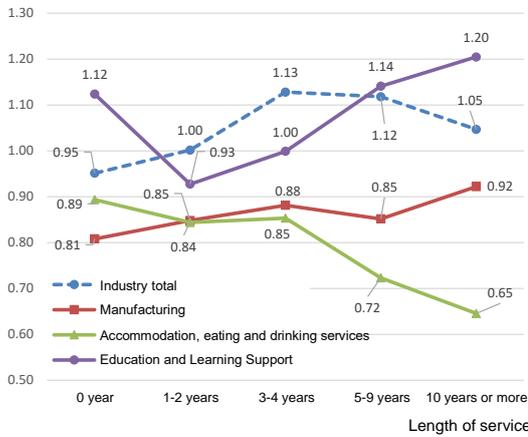
General workers: By type of employment, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

3 Analysis of the wage structure in the specialized and technical fields

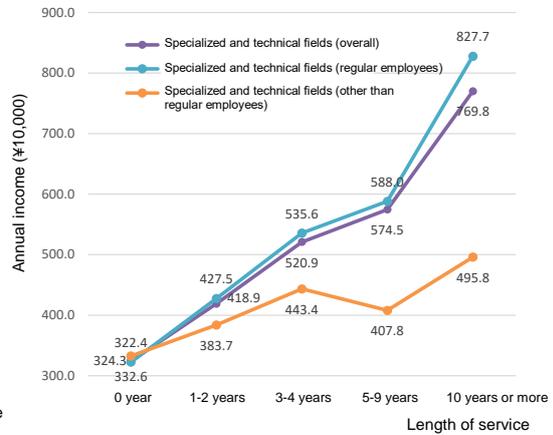
(1) Overview

Although the annual income in the specialized and technical fields is not different from the annual income of university graduates as an average, in the Accommodation, Eating and Drinking Services which accounts for 13% of the same fields, the annual income ratio tend to decline by the length of service. The annual income of regular employees increases by the length of service. However, the increase ratio of non-regular employees is smaller than that of regular employees.

Ratio of annual income in the specialized and technical fields to that of university graduates (total) (by the length of service and by industry)



Comparison of annual income in the specialized and technical fields by the length of service (total in industry)



(Source) Aggregated from data on the Basic Survey on Wage Structure (2019)

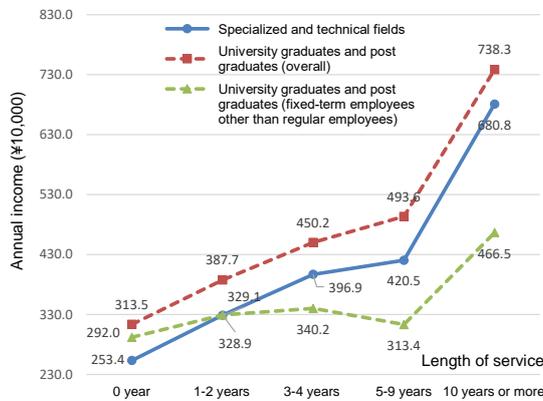
Foreign workers: Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by status of residence, industry/company size/employment type, length of service and category
 General workers: Major industrial classification, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category
 General workers: By type of employment, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

(2) By industry

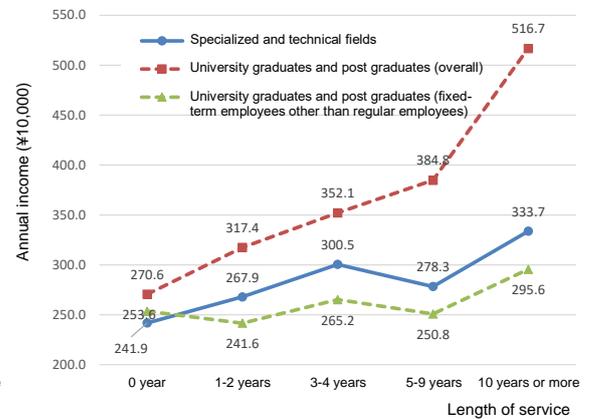
Although the annual income of foreign workers in the Manufacturing industry is slightly lower, it increases by the length of service in line with that of university graduates and post graduates (total). It assumed the differences in promotion to managerial positions, thus assistance is necessary in this regard.

On the other hand, the annual income trend in the Accommodation, Eating and Drinking Services is slightly higher and is in line with non-regular employees (fixed term) of university graduates. Since the number of foreign workers seeking employment in the industry is increasing due to the COVID-19, assistance is necessary for them to transfer to stable employment or other types of work considering the restriction of their status of residence.

Comparison of annual income by the length of service in the specialized and technical fields and university graduates (Manufacturing)



Comparison of annual income by the length of service in the specialized and technical fields and university graduates (Accommodation, eating and drinking services)

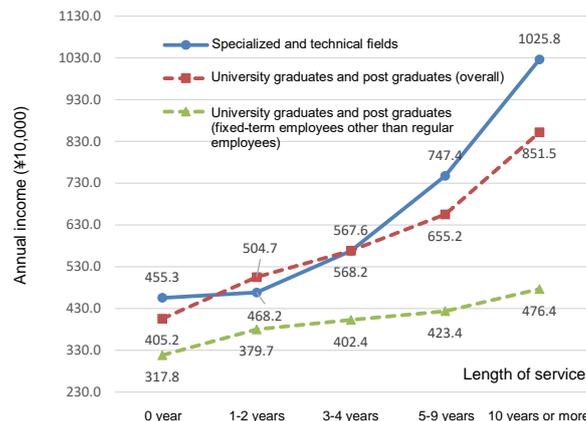


(Source) Aggregated from data on the Basic Survey on Wage Structure (2019)

Foreign workers: Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by status of residence, industry/company size/employment type, length of service and category
 General workers: Major industrial classification, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category
 General workers: By type of employment, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

The annual income in Education and Learning Support increases by the length of service at a slightly higher level than that of university graduates and post graduates except for the first 1 to 2 years.

Comparison of annual income by the length of service in the specialized and technical fields and university graduates (Education and Learning Support)



(Source) Aggregated from data on the Basic Survey on Wage Structure (2019)

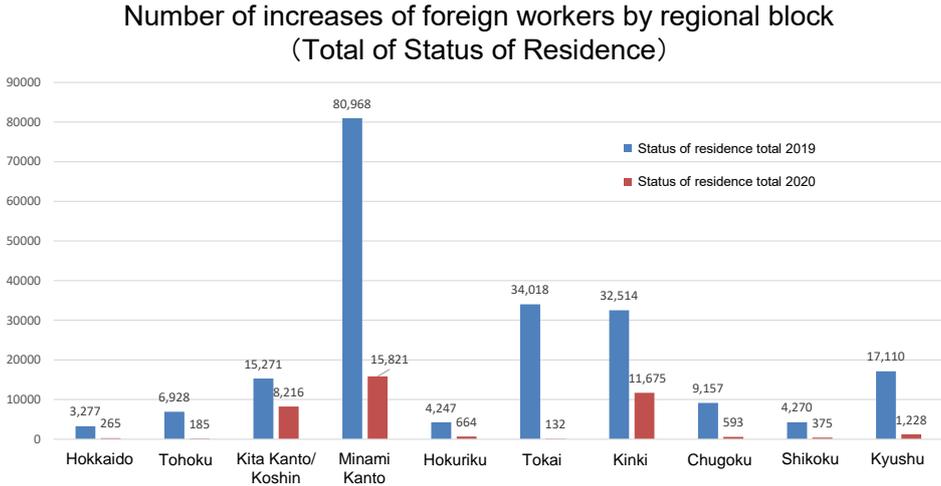
Foreign workers: Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by status of residence, industry/company size/employment type, length of service and category
 General workers: Major industrial classification, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category
 General workers: By type of employment, Table 2, Scheduled cash earnings and annual bonuses and other special cash earnings by age group, length of service and category

Appendix 3 Settlement of foreign workers in the workplace and local communities

1 Trend in the annual increase in the number of foreign workers by regional block

The figure below shows the annual increase of foreign workers by regional block according to the Summary of Notification of Employment Status of Foreign Workers*. In 2019, the number of increases in the metropolitan areas (Minami-Kanto, Tokai and Kinki) including Tokyo, Nagoya and Osaka was relatively high. In 2020, although the number of increases decreased due to the effect of the COVID-19, the fact that the number of increases in the metropolitan areas including Tokyo, Nagoya and Osaka is relatively high remains unchanged.

* The number obtained by deducting the number of foreign workers at the end of December of the previous year from the number of foreign workers at the end of December of each year. It needs to be taken into consideration that foreign workers are not necessarily working in the prefecture in which Notification of Employment Status of Foreign Workers is submitted by enterprise covered by employment insurance. Because the Notification can be submitted to Hello Work where the head office of enterprises locates as a whole. The number of foreign workers employed in enterprises with more than 1,000 workers accounts for 13% of the total (2020).

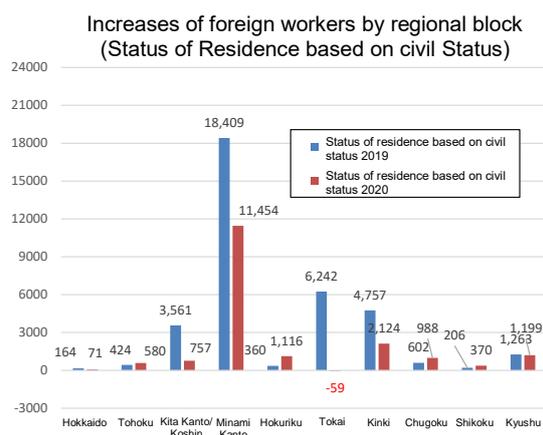
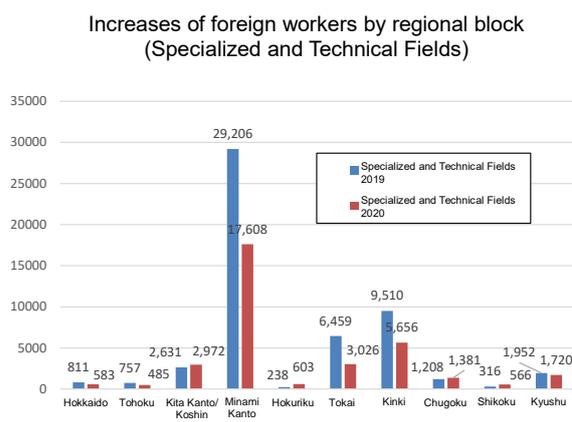


2 Trend in the annual increase of foreign workers by regional block and by status of residence

(1) Trend in foreign workers by status of residence in the specialized and technical fields and based on civil status

The figure below shows the annual increase of foreign workers with status of residence which allows an easy transfer of employment (status of residence by the specialized and technical fields and based on civil status). The increases of those in the specialized and technical fields is relatively high in the metropolitan areas including Tokyo, Nagoya and Osaka in 2019 and the same tendency continued in 2020 despite a decline in the number of increases due to the effect of the COVID-19.

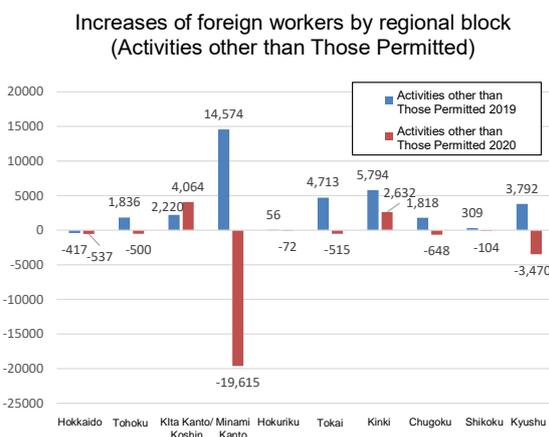
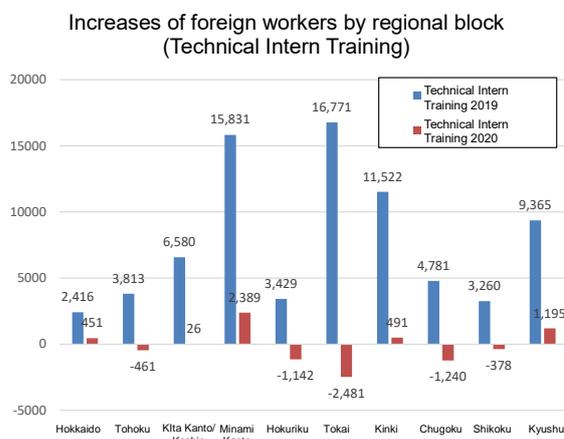
The increases of those of status of residence based on civil status is relatively high in the metropolitan areas in 2019. In 2020, however, the number of increases in the greater metropolitan area including Nagoya decreased due to the effect of the COVID-19.



(2) Trend in technical intern training and activities other than those permitted

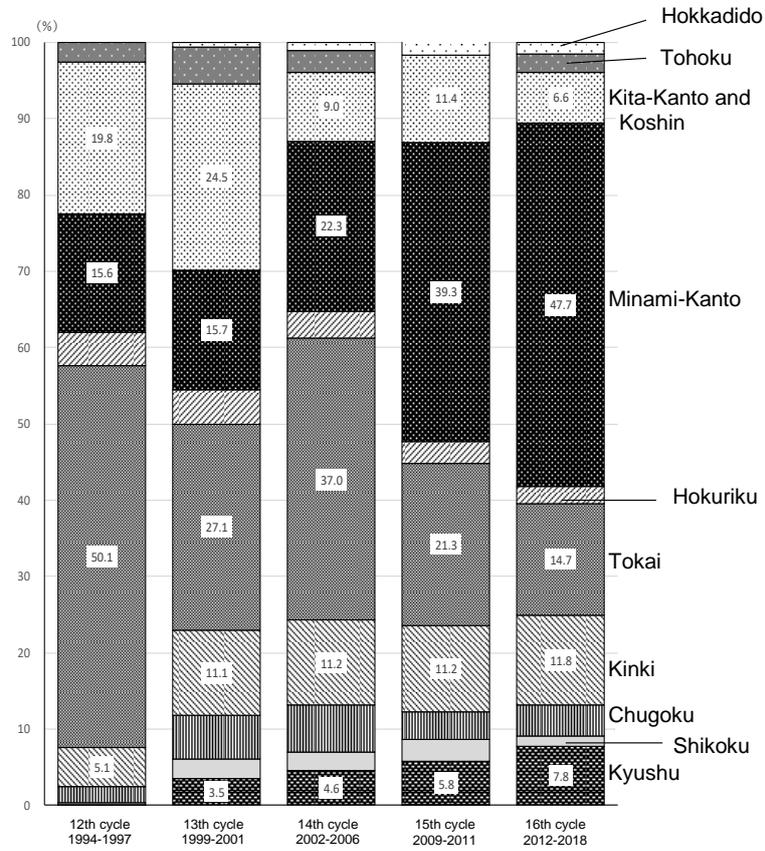
Although the number of increase of foreign workers in technical intern training is relatively high in the metropolitan areas including Tokyo, Nagoya and Osaka in 2019, the regional difference is smaller compared to the status of residence based on the specialized and technical fields and based on civil status. It attributed to the fact that the recruitment of interns is limited through supervising organizations. Although the effect of the COVID-19 pandemic is widely shown, some regional blocks such as Kyushu had higher increase than the metropolitan areas.

The number of increase of foreign workers of the status of residence in activities other than those permitted is relatively high in metropolitan areas, such as Tokyo, Nagoya, Osaka, and Fukuoka where there are many schools in 2019. In 2020, however, the number of increases declined in Tokyo, Nagoya and Fukuoka due to the entry restrictions in response to the COVID-19 pandemic.



For reference, the figure below shows the regional ratio of foreign workers over a longer period. Until 2006 (14th cycle), the number of increases in the Tokai block was the highest. From 2009 (15th cycle), however, the Minami-Kanto block ranked in the first place as a result of a change in concentration to Minami-Kanto. In addition, the ratio of Kyushu has been steadily increasing.

Breakdown of foreign workers increased in the expansion process (by region)



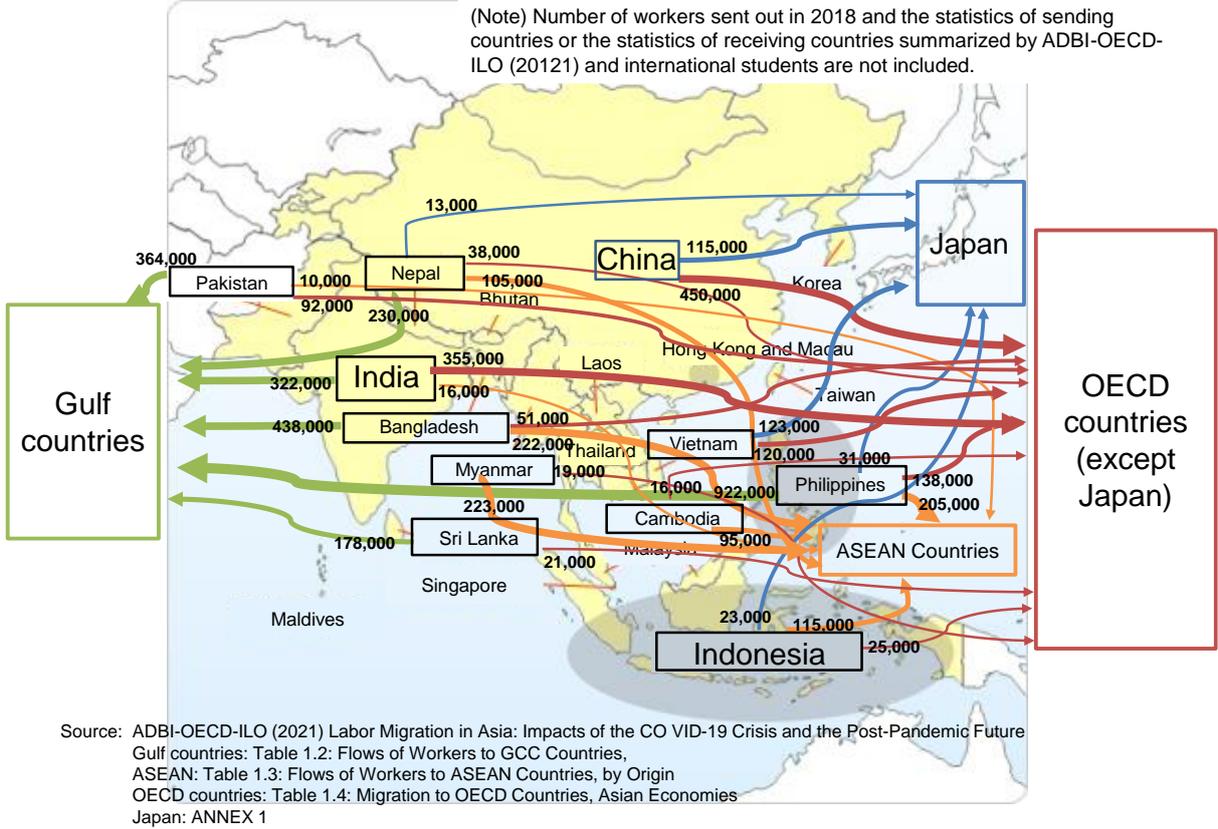
Source: Ministry of Labour "Summary of Notification of Employment Status of Foreign Workers", Ministry of Health, Labour and Welfare "Summary of the Report on Employment Status of Foreign Workers" and "Summary of Notification of Employment Status of Foreign Workers"

Appendix 4 Analysis of international labor movement

1 Flow of labor migration in Asian countries

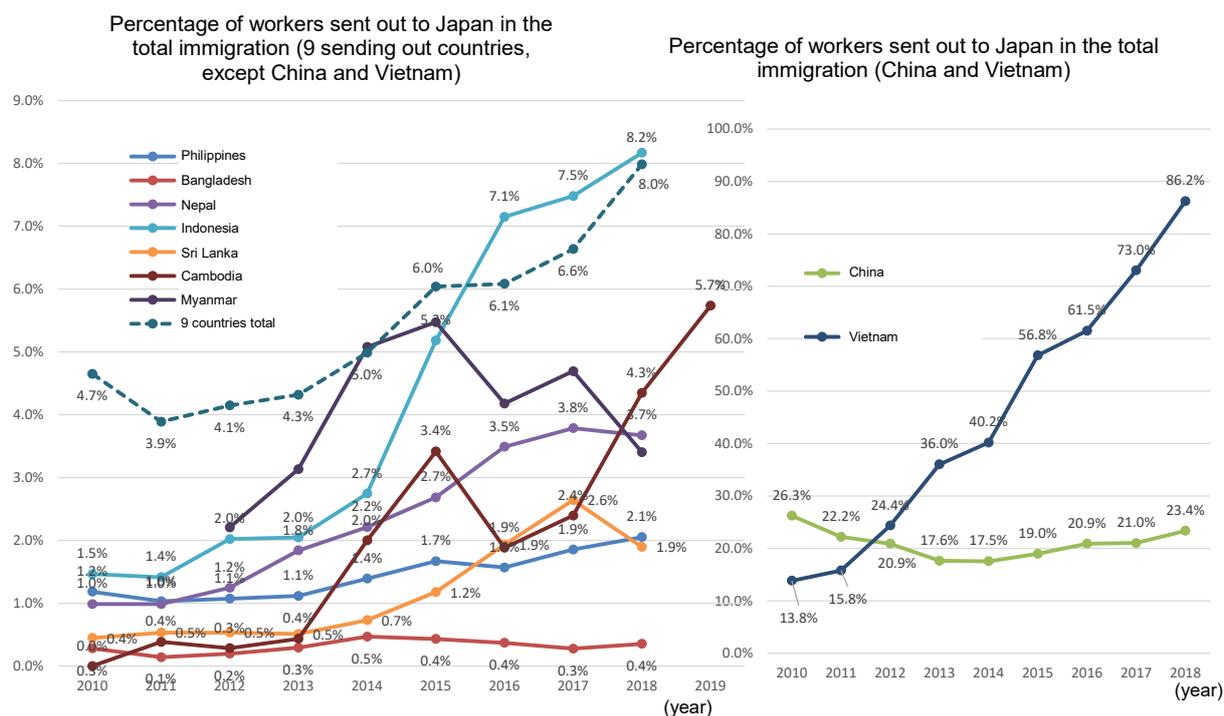
There are three corridors for labor migration from Asian countries to Gulf countries, Association of Southeast Asian Nations (ASEAN) countries, and developed countries (OECD member countries). The labor migration from Asian countries to Japan is regarded as a part of the one to developed countries. The main flows of labor migration in Asian countries in 2018 are shown below.

Main flows of labor migration in Asian countries (2018)



2 Trend in the ratio of workers sent out to Japan over the total immigration

The figures below show the trend in the ratio of the workers sent out to Japan over the total number immigrants in nine Asian countries in which Japan is among top 5 destination countries. Although there are large variations in the ratio from country to country, the ratio tends to increase in general. It shows that workers in Asian countries have high expectations for working in Japan.



Source : ADBI-OECD-ILO (2021) Labor Migration in Asia: Impacts of the COVID-19 Crisis and the Post-Pandemic Future
 Total number of workers sent out : Table 1.1: Outflows of Workers from Selected Asian, Number of workers going to Japan : ANNEX 1

3 Trend in by status of residence and nationality

Table below shows trend in the number of foreign workers by status of residence and nationality. In Vietnamese, "Technical intern training" is the highest with 49.2% followed by "Activities other than those permitted" with 30.8%. In Indonesian, "Technical intern training" is the highest with 62.3%. In Nepalese, "Activities other than those permitted" is the highest with 75%. Filipinos, Brazilians and Peruvians, "Status of residence based on civil status" is the highest.

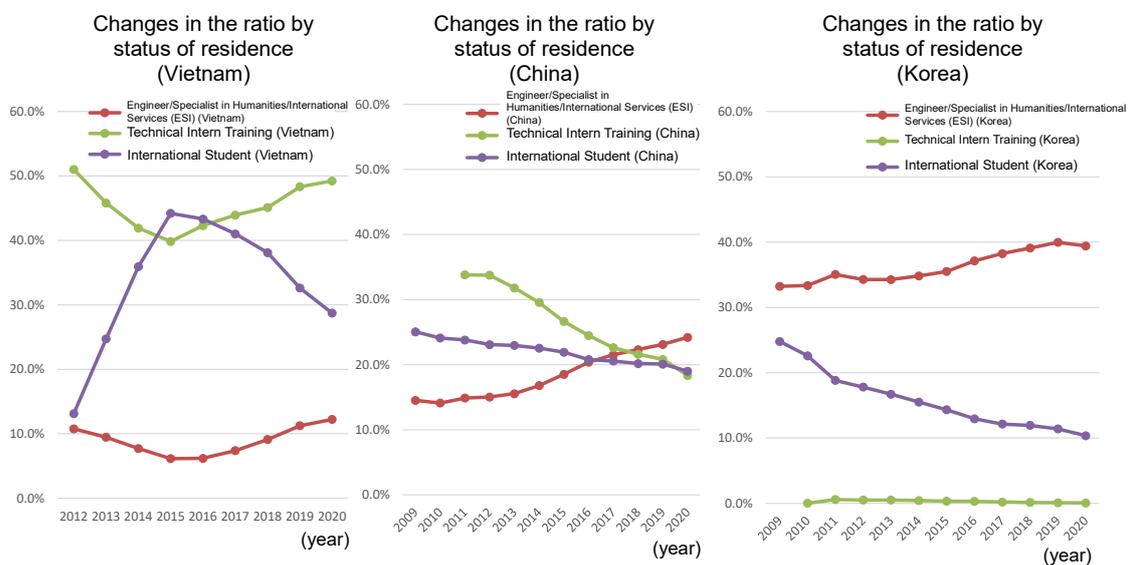
Status of residence	Total number	a. Specialized /technical fields	b. Status of residence based on civil status	c. Technical intern training	d. Designated activities	e. Activities other than those permitted
Total In Japan	1,724,328	359,520	546,469	402,356	45,565	370,346
Chinese	419,431	122,485	119,018	76,922	5,120	95,878
Koreans	68,897	30,719	26,789	38	3,084	8,260
Filipinos	184,750	12,537	129,235	34,590	5,207	3,176
Vietnamese	443,998	62,155	16,057	218,600	10,403	136,781
Nepalese	99,628	17,017	4,764	644	2,529	74,673
Indonesians	53,395	5,718	6,162	33,239	2,919	5,356
Brazilians	131,112	1,039	129,621	96	78	278
Peruvians	29,054	154	28,738	64	28	70
Others	294,063	107,696	86,085	38,163	16,197	45,874

Source: Ministry of Health, Labour and Welfare "Summary of Notification of Employment Status of Foreign Workers" (as of the end of October 2020)

4 International comparison of trend in the ratio of status of residence by the degree of economic development

(1) Trend in countries geographically close to Japan

The figures below show the trend in the ratio of status of residence of Korea, China, and Vietnam, which are geographically close to Japan derived from the Summary of Notification of Employment Status of Foreign Workers. The figures in these 3 countries show that the ratio of International Students declines by development of economy and the ratio of Engineer/Specialist in Humanities/International Services (ESI) increases. It reveals that the ratio of graduates of overseas universities among highly-skilled workers is increasing. The figures also demonstrate that the ratio of Technical Internal Training decreases by the progress in economic development.

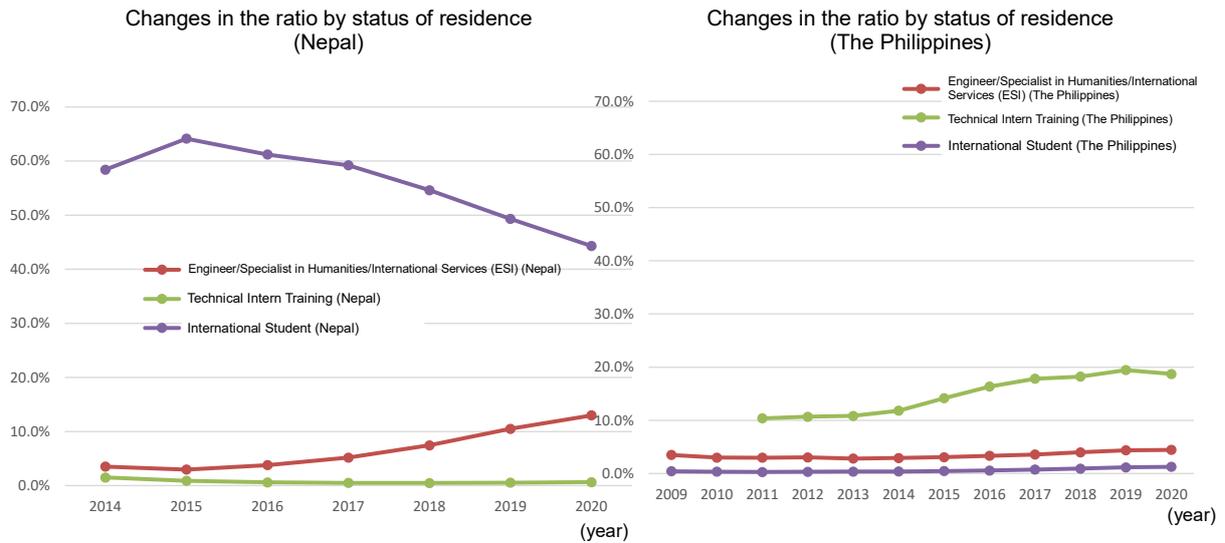


(Source): Ministry of Health, Labour and Welfare "Summary of the Report on Employment Status of Foreign Workers"(2009-2020) Appendix 1

(2) Trend in countries geographically relatively far from Japan

The figures below show the trend in the ratio of status of residence of the Philippines and Nepal, which are geographically relatively far from to Japan derived from the Summary of Notification of Employment Status of Foreign Workers. The ratio of International Student decreases over year and the ratio in the number of Engineer/Specialist in Humanities/International Services (ESI) increases. On the other hand, such a trend is not seen in the case of the Philippines. The ratio by the status of residence based on civil status is high in the case of the Philippines.

Technical Internal Training is hardly seen in Nepal and whereas the ratio in the Philippines keeps increasing. It imply that that a policy on Technical Internal Training difference varies in sending countries.



(Source): Ministry of Health, Labour and Welfare "Summary of the Report on Employment Status of Foreign Workers"(2009-2020) Appendix 1

5 Trend by nationality

Trend in the foreign workers by nationality are shown below. It reveals that the demand for life support services by nationality keeps changing every year.

◆ Trend in the number of foreign workers by nationality (composition ratio)

* The country with the highest and second ranked composition ratio is highlighted in red and blue, respectively.

	October 2010		October 2015		October 2021	
Total In Japan	649,982	100%	907,896	100%	1,724,328	100%
Chinese	287,105	44%	322,545	36%	419,431	24%
Koreans	28,921	4%	41,461	5%	68,897	4%
Filipinos	61,710	9%	106,533	12%	184,750	11%
Vietnamese	19,942	3%	110,013	12%	443,998	26%
Brazilians	116,363	18%	96,672	11%	131,112	8%
Peruvians	23,360	4%	24,422	3%	29,054	2%

Appendix 5 Analysis of the situation of domestic employment of international students

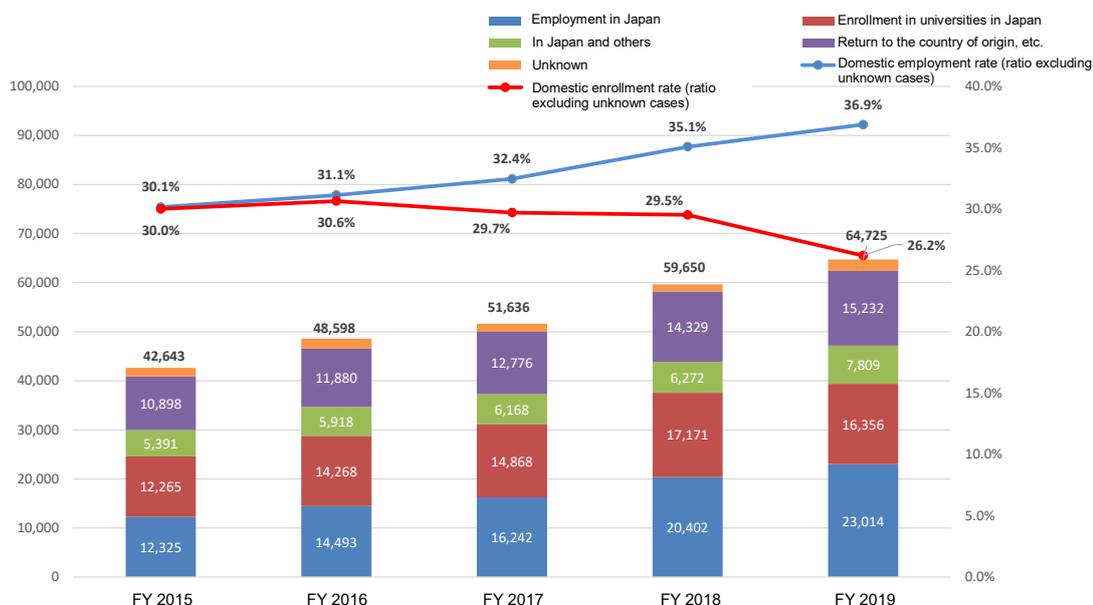
1 Trend in the career path of international students (higher education)

(1) Overview

The figure below shows the trend in the career path in the past five years of international students who graduated or completed of higher education institutions*. The rate of their employment in Japanese enterprises has been on the rise, showing an increase of about 7 points in five years and 36.9% in FY 2019. The actual number has been increasing as well. The enrollment rate for further education has been on the decline of about 4 points in five years and 26.2% in FY 2019.

* Universities (graduate schools, professional degrees, undergraduates), junior colleges, colleges of technology, vocational schools (specialized courses), preparatory education courses

Situation of career path of international students (higher education)



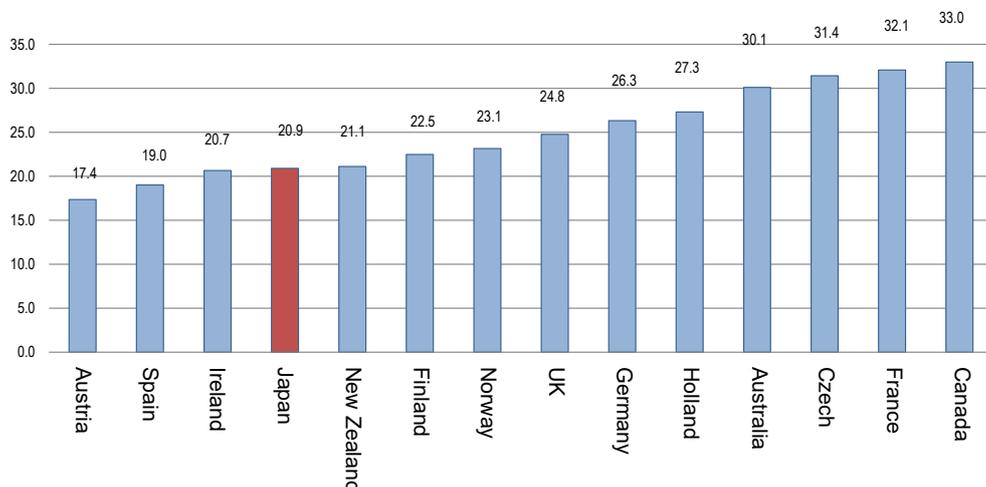
(Source) Japan Student Services Organization "Results of Survey on Career Status and Conferment of Degree Status for International Students" (2015-2019)

(2) Trend in the permanence rate of international students (higher education) in OECD countries

The figure below shows an international comparison of the remaining rate (the percentage of international students not renewing their student permits who stay on) of graduates of international students (including dropouts) of higher education institutions*¹ in 2008/2009. The remaining rate in Japan was 20.9%*² in 2008 to rank in the eleventh place in OECD countries. As the employment rate in Japan has been constantly increasing, the ranking has probably improved.

*¹ Estimation by the OECD. The number is obtained by estimating the number of incoming students and the number of enrolled students, including dropouts. International students in EU member states are limited to those from countries outside the EU.

*2 As the employment rate in Japan is calculated using the number of graduates as the denominator, the remaining rate is higher than that in the OECD (the employment rate of Japanese higher education institutions was 25.3% in 2008 and 36.9% in 2019. (Japan Student Services Organization 2008, 2019))



(Source)

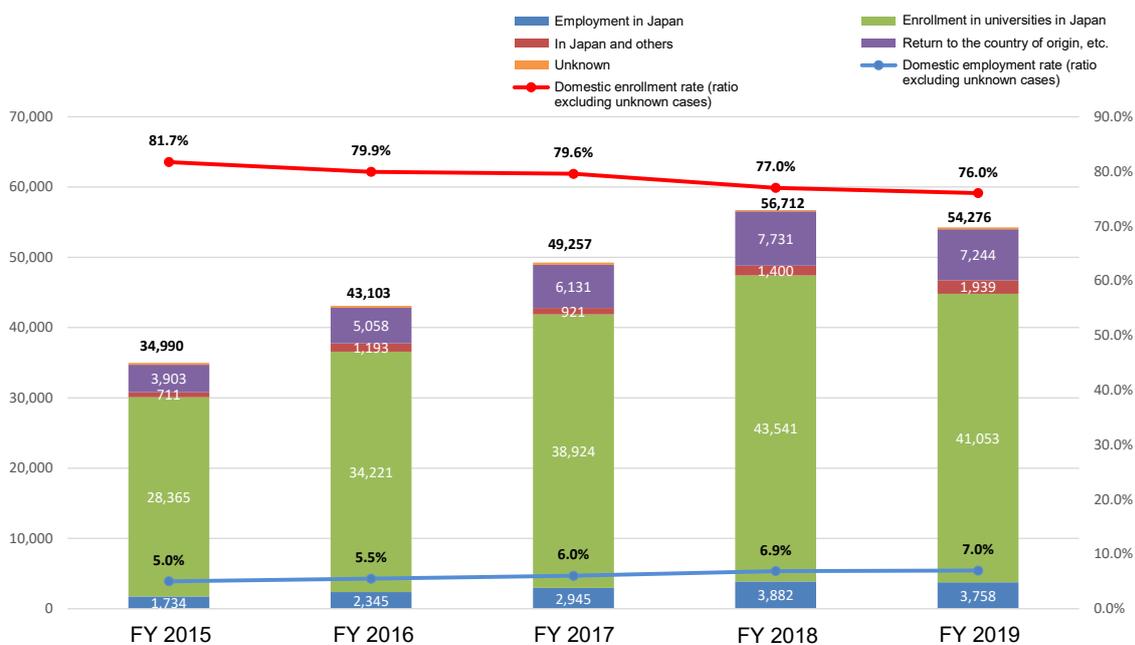
OECD (2011) International Migration Outlook 2011 - Part I

Figure I.8. Percentage of international students changing status and staying on in selected OECD countries, 2008 or 2009

Japan Student Services Organization "Results of Survey on Career Status and Conferment of Degree Status for International Students" (2008, 2019)

3 Trend in the career path of international students (language schools)

The figure below shows the trend in the career path of international students of Japanese language schools. Although the enrollment rate has been on decline (decline of about 4 points in five years), it remains high at 76% in 2019. The employment rate is only 7% (2019), but keeps an upward trend (2 points in 5 years).

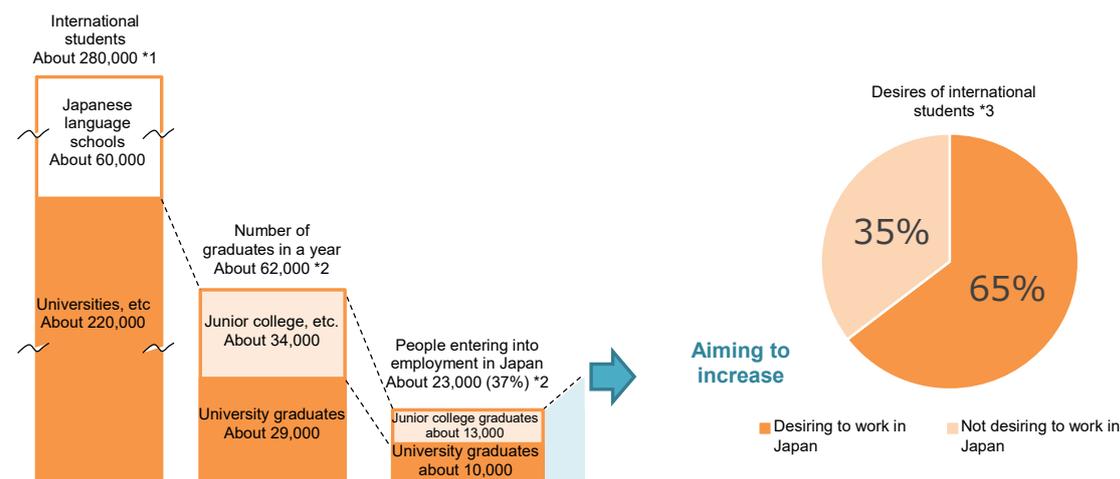


(Source) Japan Student Services Organization "Results of Survey on Career Status and Conferment of Degree Status for International Students" (2015-2019)

4 Issues for promoting domestic employment of international students (higher education)

(1) Trend in domestic employment of international students

While university graduates have the potential to be high-skilled workers, graduates of universities and graduate school are 29,000 among 62,000 graduates from higher education institutions every year. According to a survey on a desired future career path, although 65% of international students wish to work in Japan, only 35% of universities and graduate schools graduates are employed in Japan.



*1 Japan Student Services Organization "Results of Survey on Career Status and Conferment of Degree Status for International Students" ... 279,597 as of Dec 21, 2020 (218,783 at universities, etc., and 60,814 at Japanese education institutions)

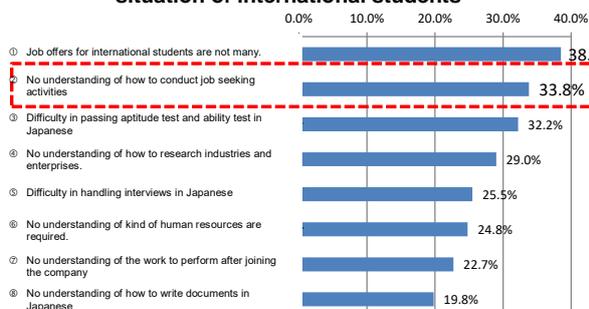
*2 Japan Student Services Organization "Results of Survey on Career Status and Conferment of Degree Status for International Students"... 62,411 international students graduated in FY 2019 (28,512 were university students (graduates & post-graduates and 10,490 entered into employment in Japan) *except unknown cases.

*3 Idem "Overview of Survey on Living Situation of Privately-funded International Students in FY 2018"... 3,682 people out of 5,704 who responded to the questionnaire to privately-funded international students responded that they wanted to work in Japan (multiple responses including enrollment for higher education in Japan, wishing to work in home country, etc. were allowed)

(2) Issues of domestic employment of international students

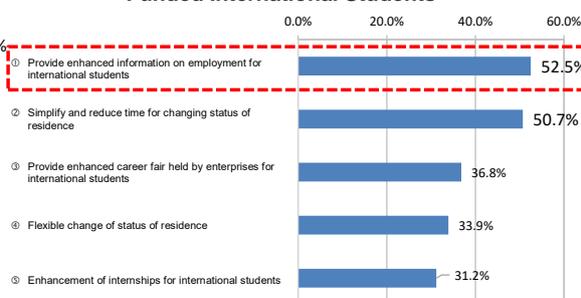
According to a questionnaire survey (multiple answers allowed) to international students and highly-skilled foreign workers, many of them refer to "their lack of understanding in employment seeking activities in Japan" and "enhancement of information on employment for international students", which suggests they are lacking of information on employment seeking activities peculiar in Japan.

◆ Survey results on employment and placement situation of international students



Source: Survey results on employment and placement situation of international students
March 2015 Ernst & Young ShinNihon LLC
(Survey commissioned by the Ministry of Trade, Economy and Industry)

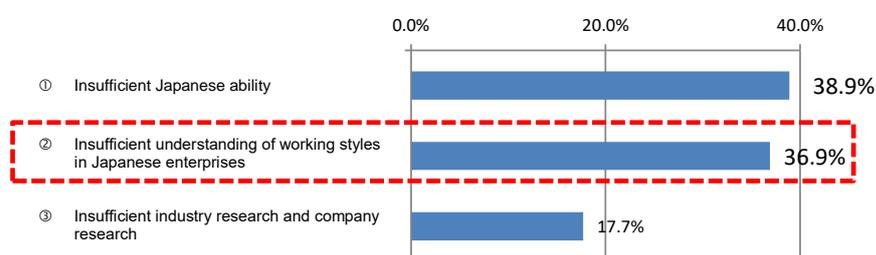
◆ 2017 Survey on Living Conditions of Privately-Funded International Students



Source: "2017 Survey of Living Conditions of Privately-Funded International Students" January 2019, Japan Student Services Organization

On the other hand, there are many enterprises which indicate that international students "lack the understanding of working practices of Japanese enterprises" in addition to their lack of communication skills when viewed from the perspective of enterprises. Therefore, the lack of information on the culture and employment practices peculiar to Japanese enterprises poses also an issue. For this reason, it is necessary for university and Hello Work to work together in order to provide international students with information on employment seeking activities from the early stages of studying in Japan so as not to lose employment seeking opportunities.

◆ Survey results on employment and placement situation of international students



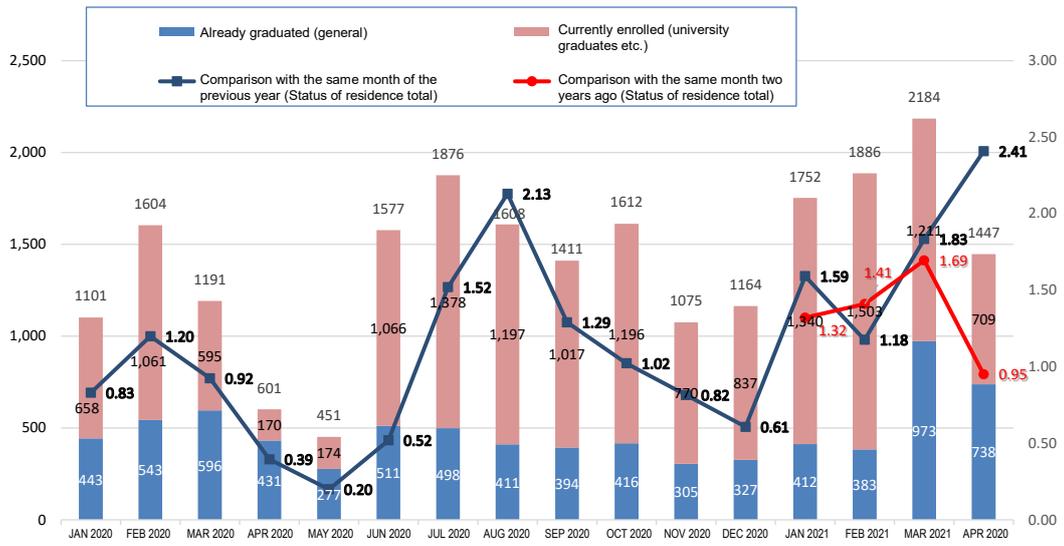
Source: Survey results on employment and placement situation of international students
 March 2015 Ernst & Young ShinNihon LLC
 (Survey commissioned by the Ministry of Trade, Economy and Industry)

5 Trend in new job seekers (multiple answers allowed) of international students at Hello Work

The number of international students newly seeking employment at Hello Work (those who desire to work in the specialized and technical fields after graduation, not including part-time jobs) dropped in May to 0.2 times compared to the same month of the previous year to sharply increase to 2.13 times in August. This year, it remains at 1.5 times compared to the same months of two years ago* and it currently stands at 0.95 times. Although many international students seek employment during their study, those who have already graduated account for 25 to 50%.

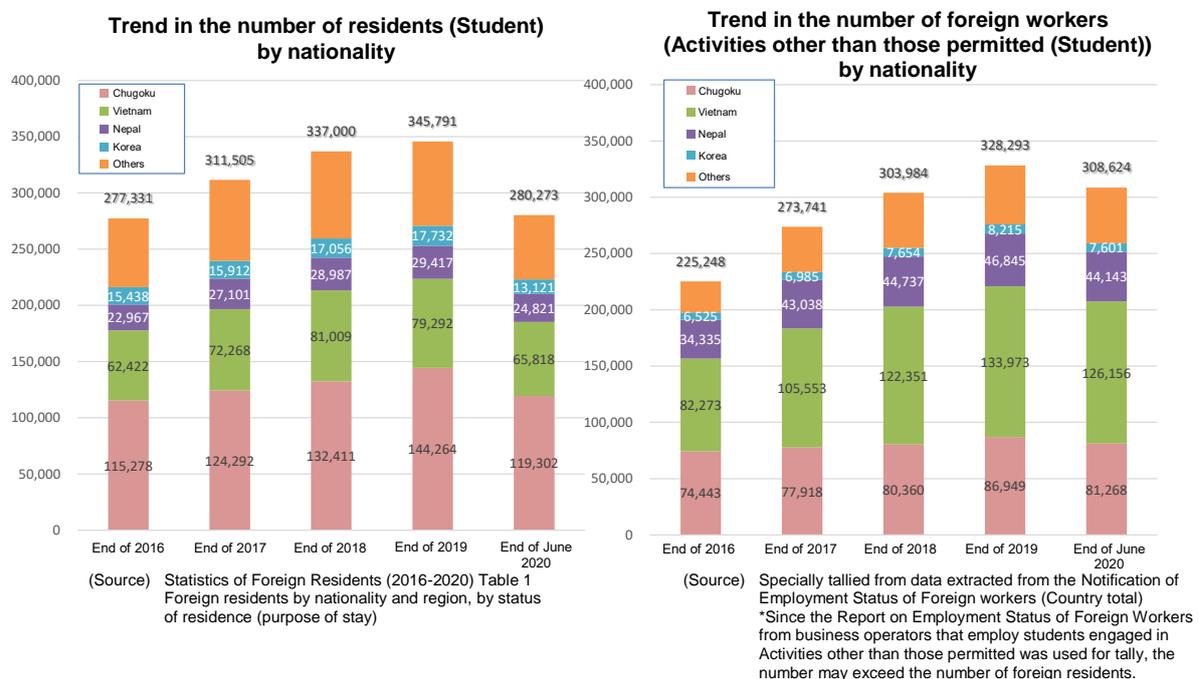
* Since it is considered that the employment situation from January 2020 onward is affected by the COVID-19, the data from January 2019 onward was compared to the data of the same months in 2019 from the perspective of comparison with normal years.

New job seekers of international students who desire to work in the specialized and technical fields after graduation (by month)



- 6 Trend in activities other than those permitted of international students (part-time jobs)
 (1) Trend in status of residents (International student) and foreign workers (Activities other than those permitted of international students (part-time jobs))

The figures below show the trend in the number of residents as "International student" in the Statistics of Foreign Residents and the number of foreign workers in "International students in Activities other than those permitted" according to the Summary of Notification of Employment Status of Foreign Workers. Although the number of residents as "International student" reached 346,000 at the end of 2019, currently, the number has declined to 280,000. The number of foreign workers in "International students in Activities other than those permitted" registered 328,000, currently, the number has declined to 309,000. In the number of residents by nationality, Chinese, Vietnamese and Koreans rank in the top three respectively, however, in terms of the number of workers, Vietnamese are the most numerous.



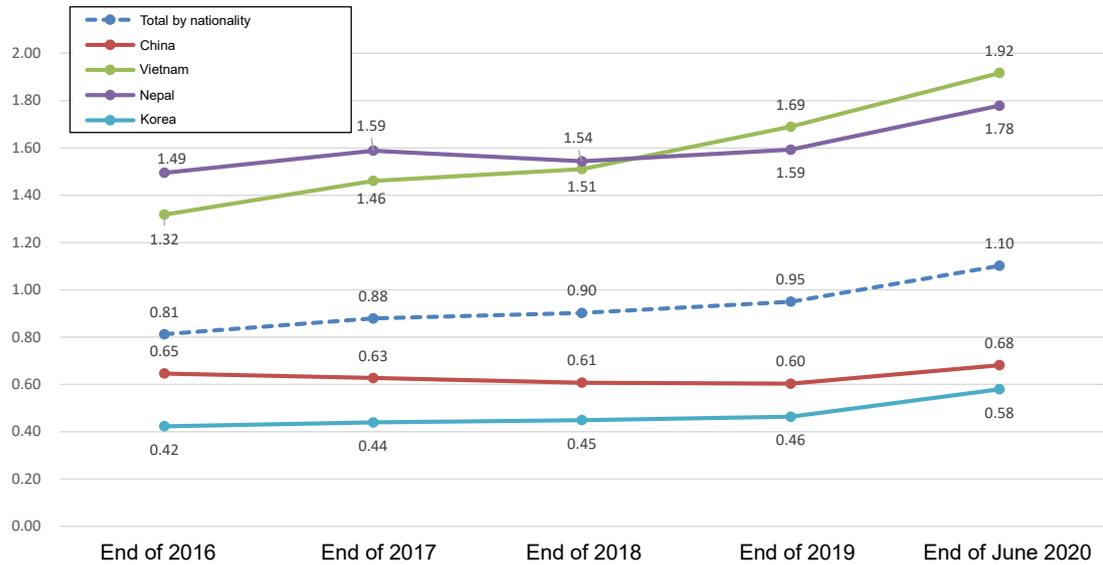
- (2) Trend in the ratio of the number of foreign workers (International Students in Activities other than those permitted) over the number of residents (International student)

There is wide variety by nationality in the ratio* of the number of foreign workers (International students in Activities other than those permitted) according to the Summary of Notification of Employment Status of Foreign Workers over the number of residents as "International students" in the Statistics of Foreign Residents. The ratio has increased recently in all nationalities.

Vietnamese and Nepalese are the highest by nationality, most recently, with 1.92 and 1.78, respectively. It assumes that one international student works in multiple places. On the other hand, the ratios of Chinese and Koreans are 0.68 and 0.58, respectively

*Number obtained by dividing number of foreign workers (International students in Activities other than those permitted) by the number of residents (International students)

Ratio of the number of foreign workers over the number of residents (International student)



(Source) Specially tallied from data extracted from the Summary of Notification of Employment Status of Foreign Workers (Country total)
 Statistics of Foreign Residents (2016-2020)
 Table 1 Foreign residents by nationality and region, by status of residence (purpose of stay)

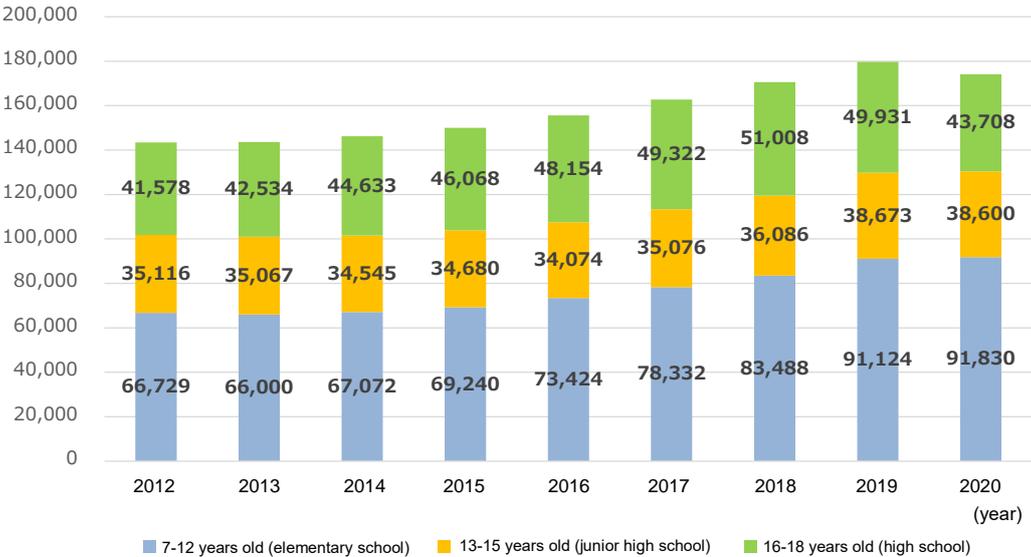
Appendix 6 Analysis of career-paths of children of foreign origin

1 Trend in the residence of children of foreign origin
 (1) Overview

The figure below shows the trend in the number of foreign residents under the age of 18*. Focusing on the number of foreign residents in the age group of 7 to 12 years old (equivalent to elementary school), 13 to 15 years old (equivalent to junior high school) and 16 to 18 years old (equivalent to high school), the number increased between 2012 and 2019 (as of the end of December of each year), it slightly decreased in 2020 (as of the end of June). Comparing 2012 with 2020, the number in 7 to 12 years old increased by about 38%, 13 to 15 years old about 10% and 16 to 18 years old about 5%, respectively.

- It should be noted that children in the age group of 16 to 18 years old (age equivalent to high school) includes those who have a status of residence for the purpose of working (who are not assumed to live with their parents for this reason).

Trend in the number of foreign residents

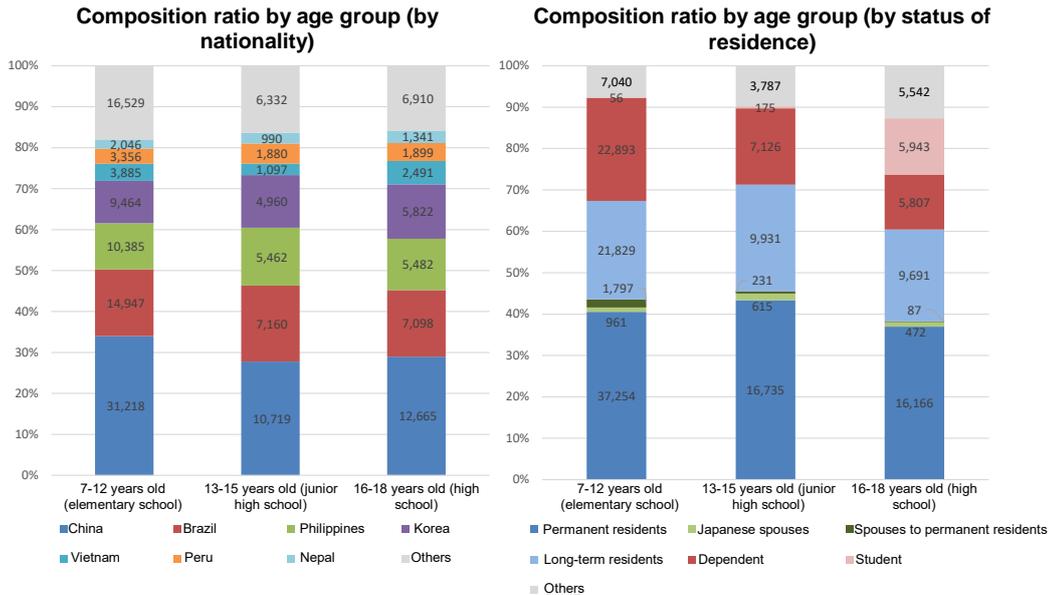


(Source) Talled from the "Statistics of Foreign Residents" (as of December 2012-2019, and as of the end of June 2020 only) of Immigration Service Agency of Japan

(2) Trend by nationality and status of residence

Chinese and Brazilians occupy nearly a half of the total number of foreign residents in foreign residents in all of the age groups of 7 to 12 years old (age equivalent to elementary school students), 13 to 15 years old (age equivalent to junior high school students) and 16 to 18 years old (age equivalent to high school students) by nationality.

Focusing on status of residence, permanent residents, long-term residents and dependents occupy a high parentage. In the age group of 16 to 18 years old (age equivalent to high school students), the ratio of dependents is lower than the other age groups (13.3%) and international students accounts for 13.6%.



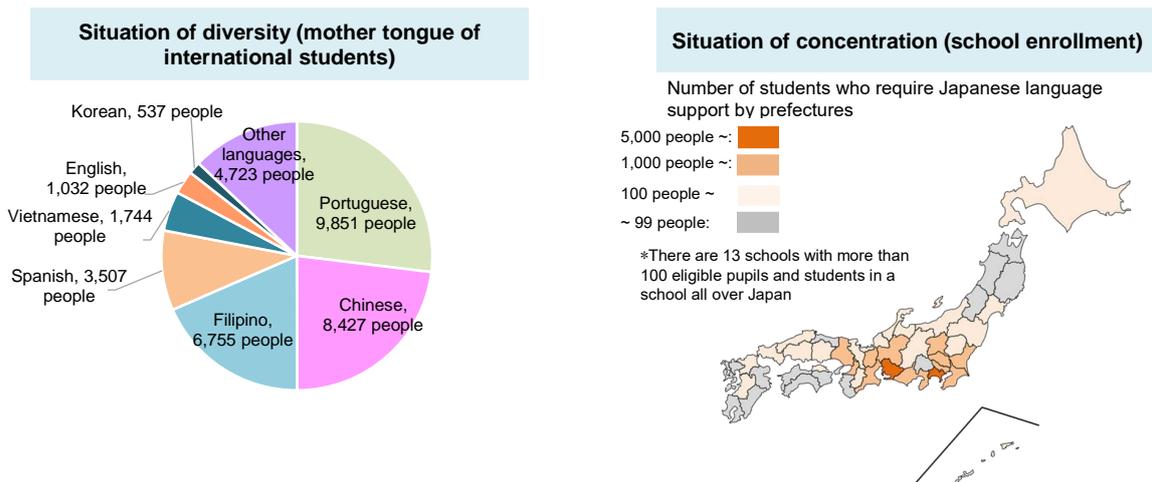
(Source) Derived from the “Statistics of Foreign Residents” (as of the end of June 2020) of Immigration Service Agency of Japan

2 Trend in education of foreign children

(1) Trend in enrollment of foreign children

If foreign workers wish to enroll their children in public compulsory education schools, they are accepted free of charge based on the International Covenants on Human Rights and are guaranteed to receive the same education as Japanese children. The number of children who need language assistance (including children with Japanese nationality) in public schools has increased by 1.5 times in 10 years (more than 50,000 children in FY 2018).

On the other hand, more than 20% of these children cannot receive special assistance for learning Japanese. In addition, according to the survey conducted in FY 2019, about 20,000 foreign children are not enrolled in schools or not confirmed their enrollment status.



***The number of foreign students enrolled in elementary and junior high schools who require Japanese language assistance: 36,576.**

Source: Ministry of Education, Culture, Sports, Science and Technology “Survey on the acceptance situation of pupils and students who require Japanese language lessons (FY 2018)”

(2) Trend in dropouts and career paths of high school students, etc. who need language assistance

The dropout rate for high school students, etc.* who need Japanese language assistance occupy 9.6% and is significantly higher than the average of 1.3% for all high school students, etc. In terms of their career path, the rate of the college enrollment of those who need language assistance is 42.2%. The rate of non-regular employment and the rate of those other than enrolling in college or entering into employment are 40.0% and 18.2%, respectively, which are higher than the average of all high school students, etc.

* "High school students, etc." refer to students in full-time and part-time public high schools, correspondence high schools, upper secondary education schools, and senior high school course of schools for special needs education.

* Data for all high school students, etc. have been compiled based on the "FY 2017 School Basic Survey (*1)", "FY 2018 School Basic Survey (*2)" and "FY 2017 survey on various issues related to problematic behavior of children and guidance to non-school attendance children (*3)".

1. Dropout rate

	Number of enrolled students	Number of dropped out students	Dropout rate
High school students, etc. who require Japanese language lessons (except students of special support high school).	3,933	378	9.6%
All high school students (except special support high school)	2,295,416 (※1)	28,929 (※3)	1.3%

2. Career status

a. College enrollment rate

	Number of students graduated from high school	Number of students who enrolled in educational institutions (*4), such as universities and vocational schools after graduating from high school	Enrollment rate
High school students, etc. who required Japanese language lessons	704	297	42.2%
All high school students, etc.	750,315 (※2)	533,118 (※2)	71.1%

(*4) Junior college, vocational schools and miscellaneous schools are included.

b. Irregular employment rate of people entering into employment

	Number of students who graduated from high school and entered into employment	Number of students who entered into non-regular or temporary employment after graduating from high school	Irregular employment rate of people entering into employment
High school students, etc. who require Japanese language lessons (only full-time/part-time/correspondence high school and latter course of secondary educational school)	245	98	40.0%
All high school students, etc. (only full-time/part-time/latter course of secondary educational school)	158,135 (※2)	6,746 (※2)	4.3%

(Rate of people who are not studying nor working)

	Number of students graduated from high school	Number of students who did not enroll in educational institutions nor enter into employment (return to home country) after graduating from high school (except unknown and death cases)	Rate of people who are not studying nor working
High school students, etc. who required Japanese language lessons	704	128	18.2%
All high school students, etc.	750,315 (※2)	50,373 (※2)	6.7%

Source: Ministry of Education, Culture, Sports, Science and Technology "Survey on the acceptance situation of pupils and students who require Japanese language lessons (FY 2018)"

3 Trend in the status of residence and career development of children of foreign origin

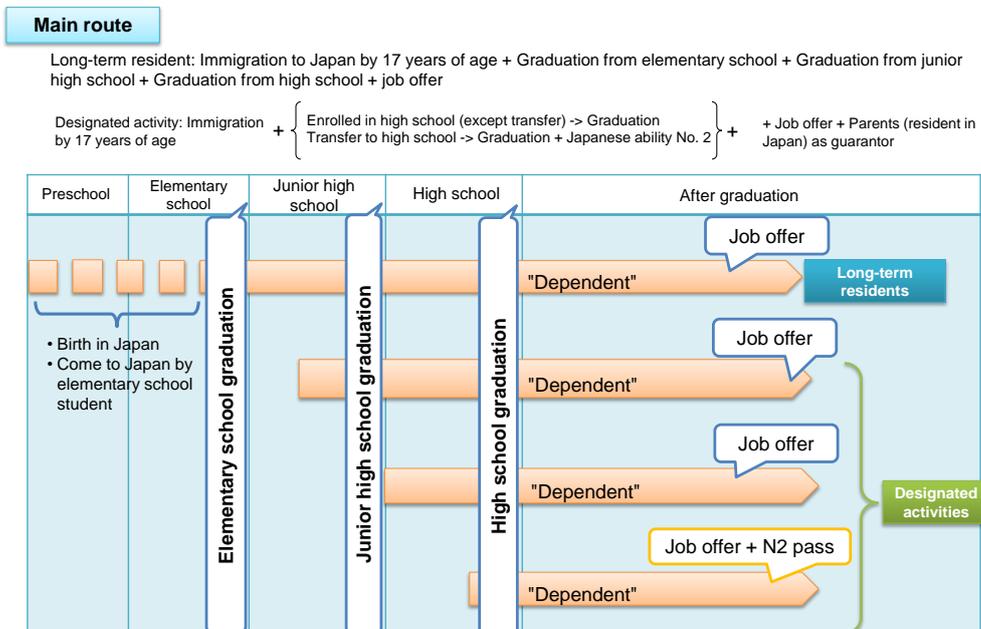
(1) Children of long-term residents such as Japanese descents

Foreign children who have a status of residence based on civil status generally can obtain a status of residence based on civil status in the same manner as their parents. For this reason, there is no restriction on employment in terms of status of residence. (Example: A child with a status of residence of a "long-term resident" is a "long-term resident", provided he or she is a minor and an unmarried biological child). On the other hand, in particular, many of long-term foreign workers like Japanese descents work as a dispatched or contracted worker. Their children choose to work as a dispatched or contracted worker in many cases.

	Number of workers (a.)	Number of workers working in dispatching and contracting business operators (b.)	Ratio of dispatching and contracting workers (b./a.)
Total of foreign workers	1,724,328	342,179	19.8%
With status of residence based on civil status	546,469	165,620	30.3%
With Brazilian nationality	131,112	69,013	54.6%
With Peruvian nationality	29,054	11,688	40.2%

(2) Children of foreign residents who are allowed to stay in Japan for employment

Children of foreign residents who are allowed to stay in Japan for employment generally stay with a status of residence of "Dependent". There are cases in which they are allowed to work for 28 hours a week or less after obtaining permit to work in activities other than those permitted. After graduating from high school, they are allowed to work without the restriction of 28 hours a week or less by changing their status of residence to "Long-term resident" or "Designated activity" under certain requirements based on the age of entry to Japan.



*Those who reside with a status of residence other than "Dependent" qualify for "Dependent" as the status of residence ("Student", etc) are also treated as "Dependent".

(Information) History of Japanese migration overseas

Period	Detail
1868	150 immigrants as agricultural workers traveled for the first time to Hawaii by arrangement of a private person.
Until 1884	The government focused on domestic migration and was reluctant in overseas migration.
1885	Against the backdrop of the economic depression in Japan, the "Government Sponsored Immigration to Hawaii" started.
1887-1897	Promotion of overseas migration was actively discussed and a little less than 30,000 people traveled to Hawaii by 1897
1906-1908	Against the backdrop of the deterioration of attitude of American people towards Japan, the emigration was sluggish.
1908	981 immigrants traveled to Brazil for the first time in 1891
1924-1928	The government implemented various migration policies to migrate the surplus population overseas. 23,000 people migrated to Brazil in 1933 alone, which marked the peak of the emigration.
1941	Since 1868, about 240,000 people migrated to South America with Brazil at the forefront (a little less than 190,000 people). The emigration was suspended because of the start of World War II.
1945	After the end of the war, the number of people coming back from overseas increased and overseas migration was actively discussed again.
1949	The "Resolution on Population Issues" was approved at the plenary session of the House of Representatives to promote migration.
1950	The population increased by 12 million people in the five years after the war due to the natural increase of the population coupled with the number of people coming back from overseas.
1952	Emigration to Brazil (Amazon) was resumed.
1954 - 1964	The government borrowed 15 million dollars from US banks and migration to countries other than Brazil, such as Paraguay, Bolivia, etc., was started sequentially. Postwar migration reached the heyday due to mass transportation.
1960	The standard of living of the people improved with the arrival of the high economic growth period and the number of emigrants started to decrease thereafter.
1961	Emigration became an issue due to the massive return of emigrants to Dominican Republic.
1962	As a result of the report of the Overseas Migration Council to the prime minister that "Migration should not be seen merely as a labor migration as in the past, but should be seen as a transfer of development capacity to the place", the focus was placed on the support of existing migrants rather than the massive migration.
From 1970 onward	Japanese enterprises started up their activities overseas and migration to developed countries increased.
1985	Following the report of the Overseas Migration Council to the prime minister, "migration" by permanent residents overseas was shifted to "long-term stay" by overseas expatriates, etc., and the number of Japanese residents overseas exceeded the number of Japanese permanent residents overseas in 1986.
1990	Since the enforcement of the revised Immigration Control Act, Japanese descent workers started to be accepted.

(Source) Compiled by the Ministry of Health, Labour and Welfare based on the "30th Anniversary Magazine of the Japan Overseas Migration Family Association" (1993), Japan Overseas Migration Family Association

Appendix 7 Overview of policy and research on international migration in major developed countries (Literature review of OECD documents and other sources)

I Acceptance scheme of international migration and responses in the COVID-19 pandemic in OECD countries

1 Basic concept of the acceptance of international migration in OECD countries

- (1) In many OECD countries, the supply of international migration to small and medium enterprises is intended to support the continuation of businesses rather than to increase productivity, and this is considered as one of the policies to enhance the continuity of low-productivity businesses. One of the important issues behind the migration policies is whether the labor demand is temporary or structural. If the demand is structural and if international migration are not complementary with the workforce that is readily available in own country and can be employed indefinitely, it is difficult to support the temporal migration (OECD (2009)).
- (2) For this reason, the management of temporal migration in OECD countries is mainly aimed to “help meet those labor market needs which cannot be satisfied through tapping domestic labor supply in a reasonable timeframe, without adversely affecting the domestic labor market” without obstructing the development of sending countries (OECD (2011)).
- (3) In the OECD, the skill levels are classified into two categories – people who have completed university graduate degree, upper secondary education or advanced vocational training are “skilled workers” and people below those levels are “non-skilled/low-skilled workers” (OECD (2008) p.127). Ideally, international migration should not substitute or displace domestic workers, but complement them, but this is actually difficult (OECD (2014)). Therefore, in the OECD and EU countries, non-skilled/low-skilled migrants are seen to have high risk of adverse effect to domestic residents with low education. For this reason, most OECD countries have imposed on stricter control on non-skilled/low-skilled immigrants with low education than those of high-skilled and established skill threshold. (OECD/EU (2016)). Some countries accept non-skilled/low-skilled workers without distinguishing between high skilled workers and low-skilled workers (OECD 2019).
- (4) The OECD recommended that the framework of temporal migration should include the following elements (OECD (2009)):
 - (1) A Mean to identify unmet labor needs;
 - (2) Work permit numbers commensurate with the extend of labor needs;
 - (3) Means for matching immigrant workers to jobs, either overseas or in-country;
 - (4) Efficient permit processing and delivery procedures
 - (5) Means for employers to verify the status of potential employees;
 - (6) Effective border control and workplace enforcement procedures

2 Mechanism for adjusting labor supply and demand of international migration in OECD countries

- (1) OECD and EU countries ask accepting enterprises for the implementation of the labor market test or establish numerical restrictions on the quota or the cap when accepting non-skilled immigrant workers (OECD/EU (2016)). The labor market test is a measure designed to ensure that domestic workers are not adversely affected when accepting non-skilled workers and the implementation method thereof varies from country to country. Most countries implement the labor market test rather than setting the cap on the scheme for

- accepting temporal non-skilled migration (OECD (2019)).
- (2) The purpose of the labor market test is to provide domestic workers with the opportunity to apply and to protect the wage in the sector. In the labor market test, employers must advertised a job vacancy, and also submit the job contract for review. Wages must meet minimum levels, although some countries require compliance with the collective bargaining agreement for the sector. Furthermore, to protect the domestic labor market, employers may be required to provide housing and cover transportation cost in addition to the clarification of wages and working conditions. If employers are allowed to deduct the costs from their salary, there are generally limits to the deductions allowed (OECD (2008) p.139).
 - (3) The overall purpose of setting an upper limit (cap) on the acceptance of temporal non-skilled migrants is to limit the acceptance to less than the labor demand and protect the labor market of domestic workers (OECD (2019)). The quota is settled on renewable temporal skilled labor (UK and US), temporal non-skilled labor (Italy, Israel, US) and seasonal labor (Italy, Spain, New Zealand and US). Some countries have sector-specific quotas for non-skilled labor (Korea, UK and Ireland). On the other hand, some countries have sector-specific quotas for permanent residents of skilled labor (Canada and Australia) (OECD (2019)).
 - (4) Many countries prepared a list of shortage occupations (LSO) to determine the quota (EMN (2015)). The labor shortage occupation list predicts future labor shortage by labor market research and a forecast of future supply and demand using a macro model (HWWA (2004)). The final allocation will be decided through negotiations between the employer and the government (Chaloff (2019)). Some countries have caps based on the total number of employment (Estonia and Austria).
- 3 Measures to exempt residence permits and promote labor migration in the COVID-19 pandemic in OECD countries
- (1) Many EU countries have taken measures to exempt their residence and work permits. Spain and Germany suspended the revocation of work permits for immigrant workers who lost their jobs due to the COVID-19 pandemic, while France and Italy extended work permits automatically or for a certain period of time (OECD/ILO/IOM/UNHCR 2020). Many European countries have allowed temporary overstay for a transit entry without any disadvantage in future visa applications (EMN/OECD 2020).
 - (2) In OCED countries, while labor demand for specific sectors decreased due to the COVID-19 pandemic, labor demand for agriculture, construction, healthcare, long-term care and IT-related industries increased. For this reason, the qualifications in the healthcare field have been temporarily relaxed. Italy, Canada and the US granted a provisional license to foreign doctors, and Spain provided a work permit without restrictions to international migration in the agricultural field and extended and renewed the residence permits in order to promote labor migration in the health services, while Germany promoted the certification of foreign qualifications for medical professionals (OECD 2020a).
 - (3) In the agricultural sector, the period of stay was extended, work permits for international migration in other sectors were extended and temporal international migration were introduced. The US extended temporarily the visa (3 years) for international migration in the agricultural sector, while Australia extended the period of stay of seasonal workers in the agricultural sector (ILO 2020a).
To secure additional labor force, Spain, Belgium, etc., allowed international students and asylum seekers to work under certain conditions. France and some EU countries relaxed

working hour restrictions for international students, while Canada and Australia removed the working hour cap for international students employed in essential services (OECD/ILO/IOM/UNHCR 2020).

4 Economic assistance for unemployed international migrants in the COVID-19 pandemic in OECD countries

- (1) Migration workers are one of the most vulnerable workers. The rise in unemployment rate seen in OECD member states was higher for migration workers than domestic workers. The unemployment rate of migration workers was higher by 2% than domestic workers in the US and the employment rate of domestic workers decreased by 3%, while that of migration workers decreased by 9% in Spain (OECD 2020b). In ASEAN countries, 32% of migration workers who responded to the survey are forced to leave their employment voluntarily or take unpaid leave due to the termination of employment contract. (ILO 2020b).
- (2) On the other hand, many migration workers are not covered by the social protection (wage subsidies, unemployment benefits and social security) in the COVID-19 pandemic. In addition to losing income due to involuntary unemployment, migration workers become into an illegal state because of the expiration of the visa or work permit and are unable to return home due to borderline restrictions (ILO 2020c).
- (3) In order to address these issues, G20- OECD member states are improving access and duration of unemployment benefits of migration workers under unstable employment. Spain suspended temporarily the conditions for unemployment benefits (employment of over 360 days in 6 months). Many countries implemented assistance for employees including migration workers (OECD/ILO/IOM/UNHCR 2020).
- (4) Since many of jobs of migration workers in the COVID-19 pandemic consist of non-regular work, the ILO emphasized that the extension of visas, amnesty, and the extension of work permits and residence permits allow international migration to access essential services and prevent them from being in an illegal state (ILO 2020c). Furthermore, to protect the occupational safety and health of migration workers, the ILO urges to provide adequate information and conduct special measures to deal with risks of infection due to communal and dormitory living (IOM 2020 a & b).

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II Case studies on labor migration, protection of human rights and assistance for skills in OECD countries

- 1 Ensuring adequate and appropriate international labor migration and employment placement
 - (1) The cost of employing migration workers is required for both highly skilled workers (skilled migrants) and non-skilled workers (low-skilled/unskilled migrants). However, the high cost is problematic for temporal non-skilled workers (low-skilled/unskilled migrants) due to their low wages. One solution is to conclude a bilateral agreement, including the selection of immigrant candidates by a joint selection committee. Intervention of public sector aims to increase transparency and reduce the cost imposed on workers. In Spain, Canada, France and Italy, agricultural and governmental organizations committed to recruit seasonal agricultural workers. In Spain and Korea, public organizations conduct recruitment of migrant workers (OECD 2008 pp.143-144).
 - (2) Korea concluded a bilateral agreement in the employment permit system of non-skilled workers in which a public organization provides a list of candidates to employers and this mechanism significantly reduced the cost of the employers to below 1,000 USD (OECD (2019)). Migration workers used to bear 3,000 USD for recruitment fees alone in the previous intern training program (Kyung (2013)), the major costs in the employment permit system have been reduced to an average of 1,385 USD (Abella & Martin (2014)).
- 2 Assistance for the return home by sending countries in the COVID-19 pandemic
 - (1) India, Sri Lanka, Nepal, the Philippines, Vietnam provided assistance for the return home of their citizens during the COVID-19 pandemic (ADB-IOECD-ILO (2021) pp.8-9). The ILO emphasized that a large-scale return home and repatriation operation needs complex operation and a close collaboration among multiple government agencies, local governments and governments of accepting countries. Specifically, they needed to prepare accommodation facilities for immigration and quarantine at departure and arrival (ILO 2020b).
 - (2) In addition to support for returning home, some sending countries in ASEAN countries provided financial support to those who are in difficulty to return home. The government of Philippines provided a cash of 200 USD from governmental funds (ADB 2020), and provided assistance, including consultation on a help desk, financial support for returning home. (ILO 2020b).
- 3 Measures for settlement in communities
 - (1) The challenge of temporal labor migration system is to find a balance between the acute labor shortage of employers and the ability of the workers to maintain bargaining power to reduce the chance for exploitation. The binding of workers' transfer is attractive for employers: If they suspect they will lose their workers to competitors. Employers are less likely to participate in the labor migration scheme. In the case that the scheme aims to provide labor to a specific sector, allowing workers to leave for other sectors undermines the labor shortage which justified their admission. (OECD (2019)).
 - (2) Although the temporal labor migration system in OECD countries requires an initial employment by certain employers, but generally allows them to transfer jobs. Almost no EU and OECD countries restrict the transfer of workers in different sectors and workplaces. Many countries outside Europe restrict workers to a specific sector or employer. In the US and Canada, Workers are bind to the employer who applies for their visas. In Australia,

workers are allowed to transfer their jobs in designated occupations (OECD (2019)).

- (3) In Korea, about 25% of migration workers apply for a job transfer and get approved (OECD (2019)). Approximately 40% of employers who utilized the employment permit system faced financial difficulties due to job transfers of workers. Although most of employers responded to raise wages and improve working environment and accommodation facilities to keep their workers, 25% of employers could not take any responses. In Korea, to be eligible to be a returning diligent migrant, there should be no voluntary change during stay. This policy plays a considerable role to prevent workers from voluntary job transfer. (OECD (2019) p.113). However, it is necessary to bear in mind that the overstay rate in the employment permit system is relatively high (about 15% in 2017) (OECD (2019) p.118).

4 Protection of human rights

- (1) In OECD countries, many temporary migration worker programs do not have specific provisions for sanctioning abusive employers beyond the standard civil and criminal penalties for labor law violation. The possibility of banning, black-listing, or excluding the employer from future recruitment, or withdrawing authorization for other migration workers employed by the same employer, is not always among the sanctions possible for the case of physical or sexual abuse and harassment. (OECD (2019) p.86). The 2014 EU directive on seasonal workers requires member states to "provide for sanctions against employers who have not fulfilled their obligations under this Directive, including the exclusion of employers who are in serious breach of their obligations under this Directive from employing seasonal workers."
- (2) In Canada, possible sanctions for non-compliance with the temporary migration workers scheme regulations include a recruitment ban of 1 to 5 years. The possible grounds for sanction is failure to ensure that the workplace is free of physical, sexual, psychological, and financial abuse. In the USA, violations investigated and confirmed following complaints from temporary migration workers may result in a recruitment ban for 1 to 5 years. (OECD (2019)).
- (3) Korea has introduced a point system for employers with an employment permit and imposes penalties (point reductions) against regulation violations, including deaths, violence, misconduct, harassment, non-payment of wages for migration workers. On the other hand, when appropriate accommodations are set up and training is conducted, bonus points are added. Although the allocation of migration workers is preferentially given to employers with higher points, even if they have penalties, they may be given allocation if they got bonus points enough. (OECD (2019)). In Korea, workers can monitor their own rights such as calculating cumulative retirement benefits by using applications (OECD (2019)). Australia allows workers to record the starting and leaving time of work by using the "Working Hours Record" application and to deal with any discrepancy with the working record of the employer (OECD (2019)).
- (4) In the COVID-19 pandemic, overstay of migration workers at risk of infection is subject to detention (ILO 2020a). The United Nations noted that the fear of arrest and detention may push undocumented migrant workers further into hiding and prevent them from seeking necessary medical treatment, with negative consequences for their own health and increased risk of COVID-19 spreading to others (UN in Malaysia (2020)). The United Nations emphasizes the importance of delinking fear of sanctions for violations and health concerns (ADBIOECDILO (2021) p.51).

5 Assistance for improving skill levels of non- skilled workers

- (1) Some countries incorporate vocational training in their countries in the temporal non-skilled worker scheme in the candidate selection process in a bilateral agreement (Spain and Korea). The vocational training in Korea focuses on basic language skills and safety activities in the workplace at the expense of public institutions based on a bilateral agreement. In Spain, at the request of the employer, training is conducted at vocational training institutions in sending countries at the expense of accepting country government. In both cases, these vocational trainings are basic vocation training ranging from one to two months (OECD (2008) p.145).
- (2) Under the Korean employment permit system, the maximum duration for employment is 10 years (2 cycles of 5 years). However, migration workers may obtain the permanent residence (E-7 visa) from 2017 according to the accumulated points, including practical work experience, income, age, Korean language ability, education level. Although obtaining permanent visa may work as an incentive for improving language ability and skills, only 600 visas were experimentally afforded in 2017 (OECD (2019) p.121).

6 Options for a long-term residence of non-highly skilled international migration

- (1) When labor demand is permanent, and work experience improves productivity within a specific employment relationship, temporary migration programs are ill-suited, and permanent programs should be considered. However, permanent migration is limited for low-skilled migrants. As an alternative, the renewable temporary permit has long been the normal pathway to permanence in many European countries. (OECD (2008) p.138).
- (2) In the EU, two EU directives on family reunification and permanent residence restrict the establishment of the residence period of the member countries. The directive on family reunification (2003/86/EC) requires the member countries to grant the family reunification right to migrants if the sponsor is holding a residence permit for a period of validity of one year or more (the directive allow to extend the minimum period to two years) and has a reasonable prospect for obtaining the right of permanent residence. Further, the directive on long-term residents (2003/109/EC) requires the member countries to provide the possibility of granting the right of permanent residence after 5 year legal stay (OECD (2019) p.122).
- (3) For this reason, most of the EU member countries allow temporal non-skilled migration workers to bring in their families if they stay for at least one year and meet the conditions on the income and housing (OECD (2019) p.125). In the seasonal worker program, continued compliance with seasonal work allows transfer to regular residence (after 2 seasons in Italy) (OECD (2019) p.123). In Switzerland, persons who have been employed for seasonal work for a certain period of time could obtain permanent residence after a temporal residence permit of one year. As results, the majority of Swiss labor migrants are non-skilled former seasonal workers (Martin et al. (2006)).
- (4) In the US, permanent employer-sponsored program for low-skilled workers is quite small. Only 10,000 “green cards” issued annually. The waiting list for approval is more than six years (OECD (2008) p.138). Although Canada used to set the maximum residence period to four years, it was abolished in 2016. Instead, restrictions to the employment of migration workers were prescribed (OECD (2019) p.122).

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III Definition of skill levels

1 Introduction

Many countries establish their acceptance program by classifying workers into high-skilled or skilled workers and low-skilled and non-skilled workers. This document reviews the concept of skill levels.

2 Concept of skill levels in the International Standard Classification of Occupations (ISCO)

- (1) The International Labour Organization (ILO) establishes the International Standard Classification of Occupations (ISCO) as an international standard for occupations to facilitate international comparison of statistics on occupation of each country. The ILO documented the International Standard Classification of Occupations (ISCO-08) in 2008, it classified similar job as one occupation. The similarities of job and aggregation of categories into upper stages are determined by skill. The concept of skill indicates an ability required for competent performance of tasks and duties and composes of two aspects – skill level and skill specialization (Nishizawa (2012) p.2-3,15).
- (2) Skill level is defined as a function of the complexity and range of tasks and duties to be performed in an occupation and classified by (1) the nature of work performed, (2) the level of formal education (defined in terms of the 1997 International Standard Classification of Education (ISCED-97)), and (3) the amount of informal on-the-job training and/or previous experience in a related occupation, required for competent performance of tasks and duties (Mair & Hunter (2018) p.3, Nishizawa (2012) Chart 2). The groups are arranged in descending order of skill levels and 8 of the 10 items classified in the major group correspond to one skill level, and the other 2 items correspond to one skill level in the sub-major group. The skill level applies to job and not to person. When people with different education levels engage in the same job, the skill levels are determined based on the nature of the work performed (Nishizawa (2012) pp.15-16, Chart 3).
- (3) The correspondence relation between skill levels and required levels of formal education (ISCED-97) is such where the Level 4 (high) corresponds to graduate school and university (bachelor's degree), Level 3 (high) to junior college and university, Level 2 (medium) to post-high school education (other than university) and lower and higher secondary education, and Level 1 (low) to primary education (Nishizawa (2012) p.16, Chart 2) (ILOSTAT level classification)).
- (4) Skill specialization is considered in four concepts: the field of knowledge required, the tools and machinery used, the materials worked on or with, and the kinds of goods and services produced. Within each major group, occupations are arranged into unit groups, minor groups, and sub-major groups, primarily based on aspects of skill specialization.
- (5) In the revision of ISCO-08, the ILO International Conference on Labour Statistics (ICLS) noted that experience should be considered as an independent dimension of skill level, and recognition of structured post-hiring training periods should be expanded. Because the current skill level does not fit the system in which workers are promoted through the internal job hierarchy based on past experiences, it cannot recognize structural post-hiring training periods as a part of the education level. (Mair & Hunter (2018) p. 23)

3 Evaluation of skill levels according to the Japanese Standard Occupational Classification

- (1) The Japanese Standard Occupational Classification (JSOC) prepared by the Ministry of Internal Affairs and Communications provides occupation classifications for statistical

purposes. The JSOC had maintained consistency with ISCO. However, JSCO had not maintained full correspondence with ISCO-88 and has adopted the part of it that fit the concept of JSOC (Nishizawa (2012) p.4).

- (2) The skill levels are not incorporated into JSCO because its concept does not fit the practices of the workplace in Japan. The skill level employs the levels of formal education as an operational definition. However, since no clear correspondence between education and occupation was not demonstrated in Japan, the applicability of the concept of skill level to the Japanese workplace is low. For example, the education of nurses is provided at the level of universities, junior colleges, and vocational schools for nurses. Furthermore, the job areas of engineers do not have clear demarcation with those of adept workers; thus, the definition of the area of technicians (level 3), who are the intermediate between engineers and workers, is hardly clarified (Nishizawa (2010) p.19).

4 Definition of unskilled workers in the International Standard Classification of Occupations

- (1) ISCO-08 defines "elementary occupation" as the skill level 1. Elementary occupation performs a simple, routine and repetitive task mainly by using his/her body and is characterized by (1) that no special qualifications, knowledge, skills, or experience are required for the execution of tasks, (2) that tasks can be executed on the first day of starting to work and (3) that a routine work is performed under the instructions of a supervisor and a matter that requires judgment is not attended to (Nishizawa (2012) p.70). ISCO-08 establishes the classification for janitors and assistants, manual labor in agriculture, forestry and fisheries, construction, manufacturing, and transportation, cooking assistants, open-air sales, etc.
- (2) The establishment of a major group of "manual labor workers" was deliberated in JSOC as a classification equivalent to "elementary occupation" of ISCO-8; however, it was rejected as inappropriate. Because the concept of the skill level is not incorporated into JSOC, tasks that correspond to manual labor are not limited within the definition of elementary occupation. It requires judgment in executing a task (discretion is necessary for the execution), and knowledge and skills specific to the task area are needed. For those reasons, the major group of "occupations such as transportation, cleaning, packaging" was established to classify the work not based on skill level, in which the nature of work is characterized by routine, and repetitive work performed manually (Nishizawa (2010) pp.32-33).

5 Skill level and international migration scheme

- (1) In order to avoid adverse effect of non-skilled migrant workers on their residents with low education, OECD and EU countries impose stricter control over non-skilled migrant workers with low education than skilled migrant workers. Many countries have established standards on skills of labor migration (OECD/EU (2016)), whereas some countries accept non-skilled workers by not distinguishing between highly skilled and non-skilled workers (OECD 2019).
- (2) OECD and EU countries classify the international migration program for skilled workers and non-skilled workers and there is no program focused on mid-skilled workers.

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