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## The Financial and Economic Inclusion of Migrant Workers in Japan: A Case Study of the Technical Intern Training Program in Hokkaido

Stacy Shimanuki  
*University of Pennsylvania*

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# The Financial and Economic Inclusion of Migrant Workers in Japan: A Case Study of the Technical Intern Training Program in Hokkaido

## Abstract

Although the overall situation of migrant workers (TITPs) in Japan is relatively better than their counterparts in other regions of Asia due to higher regulation of migration, salary, and working conditions, there are still many issues to be addressed. The three main pain points of unstable salary, high debt, and lack of job standardization or mobility are largely due to a misleading history and structure of the TITP system in the first place, as well as an unnecessary and often abusive multi-level broker system. To resolve these root issues, this paper advocates for an eradication of secondary brokers, as well as an overhaul of most of the TITP system to the newly-created and much more stable Special Visa system, which would require the Japanese public to first learn to accept and embrace migrant workers as a necessary addition to Japanese society – not to mention, as fellow human beings with families to provide for and life dreams to pursue.

## Keywords

migrant worker, Southeast Asia, Japan, debt trap, immigration system

## Disciplines

Business | Japanese Studies | Labor Economics

## Comments

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**The Financial and Economic Inclusion of Migrant Workers in Japan:  
A Case Study of the Technical Intern Training Program in Hokkaido**

Stacy Shimanuki

Under Guidance of Professor Harbir Singh, University of Pennsylvania

and Professor Naomi Chi, University of Hokkaido

Social Impact Research Experience 2022

The Wharton School at the University of Pennsylvania

## Abstract

Although the overall situation of migrant workers (TITPs) in Japan is relatively better than their counterparts in other regions of Asia due to higher regulation of migration, salary, and working conditions, there are still many issues to be addressed. The three main pain points of unstable salary, high debt, and lack of job standardization or mobility are largely due to a misleading history and structure of the TITP system in the first place, as well as an unnecessary and often abusive multi-level broker system. To resolve these root issues, this paper advocates for an eradication of secondary brokers, as well as an overhaul of most of the TITP system to the newly-created and much more stable Special Visa system, which would require the Japanese public to first learn to accept and embrace migrant workers as a necessary addition to Japanese society — not to mention, as fellow human beings with families to provide for and life dreams to pursue.

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## **Introduction**

Of the over 164 million migrant workers in the world in 2017, the International Labor Organization (ILO) estimates that 20 percent are located in Asia. Specifically, Singapore and Japan are two of the largest hosting countries, with up to 1.4 million migrant workers in each of these advanced economies, mainly hailing from Southeast Asian countries with less opportunities for high-paying employment like the Philippines, Vietnam, Thailand, and Indonesia. This population, and the remittances they send, are crucial to the economies of both the host country and the home country, not to mention the individual families that rely on the steady incomes earned abroad and sent home via bank accounts, brokers, remittance mobile applications, or even regular mail each month.

Historically, migrant workers (hereafter referred to as MWs) throughout Asia have very little access to financial services; the majority are unbanked and rely on black market providers which specifically target migrants for short-term loans and remittances. This research is important given the scale of its impact on national economies, the global economy, and individuals. In 2018, migrants contributed \$689 billion in remittances, of which \$528 billion was sent to developing countries, driving their economic development. Moreover, each major aspect this research involves is growing rapidly in both amount and impact, including the global migrant population and remittance market, the economies of Southeast Asian countries, and the digitization of financial services. The financial inclusion of migrant workers is the intersection of these three major global trends, and will continue to grow increasingly relevant in academia, business, and most importantly, human lives and society. Particularly as the current COVID-19 pandemic is sweeping the globe and transforming the behaviors of both consumers and firms, access to financial services is increasingly dependent on online channels,

which creates large burdens for migrants but also contains the potential to shift the market to a more migrant-friendly and efficient system long-term.

This paper seeks to explore the current and historical state of the migrant worker system and experience in Japan specifically, as a case study of a country whose migrant worker system has undergone much worldwide attention and critique,<sup>1</sup> relative structurization, and recent change. Specifically, after providing a brief overview of Japan's Technical Intern Training Program (TITP) and surrounding context, it will argue that while migrant workers in Japan maintain adequate financial inclusion, they suffer from economic disinclusion such as unstable salary, debt traps, and lack of job mobility. It will analyze the causes of these pain points as due to the practices of secondary brokers and the TITP structure overall. Finally, it will offer potential solutions and issues for further research.

This research project and paper were made possible by the sponsorship and support of Professor Harbir Singh in the Management Department and the Social Impact Research Experience (SIRE) Program at the Wharton School of Business at the University of Pennsylvania; Professor Naomi Chi in the Graduate School of Public Policy, the Nitobe College, and the Visiting Scholars Program at the University of Hokkaido; and all others who provided support through interviews and other interactions.

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<sup>1</sup> Ford, 2020. Japan's Technical Intern Training Program (TITP) has been disparaged by world organizations such as the UN as a "slavery-like" system.

## **Connection to Previous Research**

Migrant workers (MWs) — the term itself containing nuances of negative connotations clearly distinguished from other categories of foreigners in East Asian countries — experience a primary pain point of financial disinclusion, the active blocking of basic income and economic protections seen through unstable salary payment and abusive loan systems that create crushing debts of up to \$20,000, as well as a secondary pain point of financial disinclusion, the lack of access to services such as remittances and secure saving opportunities. The cause for the former is generally an abusive labor system that fails to provide immigrant status protections, minimum or regulated wages, direct salary disbursement through bank accounts rather than through brokers or in cash, and direct job-search opportunities. As a result, MWs are forced to navigate non transparent and unstable systems of broker companies, hidden fees, abusive loans, and excessive dependence on their employer and/or broker for legal status in countries such as Singapore. The main cause of the secondary issue is financial illiteracy, where migrants' lack of financial and digital literacy skills prevents them from opening a bank account or accessing formal remittance services in 85 percent of cases, accessing saving or investment opportunities, and particularly navigating all of the above systems in an increasingly digital post-COVID world.

Foreign workers in Singapore, as in many other countries, face extremely difficult migration barriers, working conditions, and living conditions. First, the cost of finding a job in Singapore and migrating is enormous, up to S\$10,000 per job, with an average monthly salary that can range from S\$500 to S\$2,000 after deductions. Because few migrants have the funding to pay this sum up-front, many fall into a “debt trap” with their labor brokers, whom many in the academic and public sector

communities decry as loan sharks. Once securing a position and starting that job, foreign migrants' working conditions are largely unregulated, and living conditions in particular can be extremely dismal and even dangerous. Recent COVID-19 outbreaks in the employer-arranged migrant worker housing has amplified awareness of this issue in particular in the past couple years, given that by July 2020, 94 percent of Singapore's 44,000 COVID-19 cases occurred in these dorms.<sup>2</sup>

Beyond tangible treatment, MWs also face largely negative connotations, stereotypes, and discrimination. In the words of former Prime Minister Lee Hsien Loong, “[Singapore] should make an important distinction between foreign workers...and citizens. Foreign workers are transient. We need them to work in the factories, in the banks, hospitals, shipyards, construction projects. When the job is done, they will leave. When there are no jobs here, they will go...So, please bear with the larger numbers for the time being.”<sup>3</sup> Member of the Singaporean Parliament and Co-Chairman of the NTUC-SNEF Migrant Workers Center Yeo Guat Kwang expressed similar sentiments: “When we look at the migrant workers' issue, we are not looking at it from the perspective of human rights. We are looking at it on a need basis.”<sup>4</sup>

Beyond a singular analysis of Japan, this paper seeks to contextualize the Japanese migrant worker system with similar systems in Singapore, as well as Taiwan and South Korea, particularly focusing on differences in each country's pain points, policies, and potential solutions that could be cross-applied to other countries' systems.

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<sup>2</sup> Chin, 2020.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.



## Methodology

My research of this topic is three-fold in approach and type of source. The first is a simple literature review of existing academic and private research and data on migrant workers in Japan, which is generally limited given the controversial and political nature of the issue.

The second type of source is non-academic news articles, journalistic books, and university interactions. In particular, Japanese-language books from the University of Hokkaido library proved helpful, as they included more detailed information and greater variety of perspectives than most academic or other material available online or in the United States. For example, multiple books or pamphlets consisted of first-hand accounts of MWs or those who interacted first-hand with MWs, either in interview format or testimonial format, such as the publications “ルポ 技能実習生 ちくま新書” (Rupo ginō Jisshūsei), “表象のベトナム表象の日本” (Hyōshō No Betonamu, Hyōshō No Nihon: Betonamujin Jisshūsei No Ikiru Kūkan), and “日本の労働市場開放の現況と課題” (Nihon No rōdō shijō kaihō No genkyō to Kadai). This category also includes presentations and interactions with the Nitobe College course on foreign workers in Japan taught by Professor Naomi Chi.

My third type of resource is first-hand interviews with migrant workers and other relevant parties, as well as casual observation of places and materials of interest. My key interviews consisted of one with Interviewee A<sup>5</sup>, a representative in the administrative division of a migrant worker management organization (管理団体) in Sapporo, which is essentially the host-side broker company.

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<sup>5</sup> I have removed the name of this interviewee to protect their privacy, as well as all following interviewees mentioned in this paper. This interview was conducted in Japanese, on August 8, 2022 at the University of Hokkaido by introduction of Professor Naomi Chi.

Interviewee A, who had been working there for five years as a scrivener applying for visas and other legal paperwork, was able to share the details of the structure of the company, their main functions and challenges, their relationship with partnering broker companies in sending countries, and the migrant experience that they witness. I also spoke with Interviewee B, a Japanese language teacher who had taught TITPs in Vietnam as well as in Hokkaido. They were able to particularly share information about one of their former students, , a Vietnamese man who spent three years as a TITP in Hokkaido, giving me a glimpse into the migrant worker perspective.

Finally, I engaged in a number of casual conversations with Japanese residents in Sapporo about migrant workers, and specifically those located in Hokkaido. From these conversations, I was able to observe the wide range of knowledge levels that people had about migrant workers, as well as their overall attitudes to migrant workers and the TITP system. For example, some Japanese people had a strong knowledge about TITPs, including which industries they mainly served in, which areas within Hokkaido in which they were concentrated, and even personal experience working with them. On the other hand, others didn't know much about the TITP experience or system beyond the fact that there are a number of them in Hokkaido and that there is an increasing amount of media attention in the past few years; however, many expressed interest and some even felt that they ought to know more given the struggles surrounding the issue. Still others had the opinion that although the TITP system had a bad reputation and media attention in Japan generally, the situation in Hokkaido specifically was much better. All of my interviews, as well as casual conversations, were conducted in Japanese, which allowed me access to perspectives that I otherwise would not have been able to reach; however, that also leaves my research open to any translation errors or misunderstandings due to language.

## Background

### *Overview*

Japan has historically had an extremely low foreign population and an even lower immigrant population. In 2018, 2.64 million foreigners resided in Japan according to the Ministry of Justice data, constituting a mere two percent of the Japanese population. However, within those statistics, the year-on-year increase of particular nationalities was as high as 28 percent for Chinese migrants and 17 percent for South Korean migrants. Of these migrants, roughly 1.46 million were migrant workers employed at 220,000 Japanese companies, constituting an 11 percent year-on-year increase of both migrant workers and companies employing migrant workers.

However, due to its aging population and need for labor, particularly in the sectors seen as the “3Ks” — *kitanai* meaning dirty, *kitsui* meaning demanding, and *kiken* meaning dangerous — Japan created a migrant worker system under an innocuous name: the Technical Intern Training Program (TITP), which was theoretically meant to place migrants in short-term internships to learn technical skills, but de facto constituted a migrant labor system comparable to the systems in South Korea, Taiwan, Singapore, and Hong Kong. Of the total migrant workers in Japan, 34 percent were on the standard working visa; the percentage of TITPs increased by 20 percent.<sup>6</sup>

### *Care Workers in Japan*

Of course, TITPs are not the only foreigners working in Japan. Japan is actually unique among other countries in the region in that it distinguishes between domestic workers and non-domestic

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<sup>6</sup> Chi, 2020.

workers. Where most other countries' migrant workers mainly fall into a few main job categories, namely domestic workers (who care for either the elderly or for children) and factory or construction workers, Japan has a specific system for care workers (介護士) who are on a special visa status called an Economic Partnership Agreement (EPA). This process is much more rigid and structured, including four years of job training, a national certification exam with a 60 percent pass rate, a Japanese language ability of intermediate or higher (JPLT score of 3) and either three or more years of experience or graduation from a professional school.<sup>7</sup>

This system first started in 2004 when Japan created a New National Strategic Special Zones government program for foreign domestic workers from the Philippines, and then shortly thereafter from Vietnam and Indonesia. The “care deficit” of Japanese women entering the workforce, as well as Japan's elderly population increasing, pushed government efforts to sign these Economic Partnership Agreements with various Southeast Asian countries.

In 2016, Japan relaxed restrictions to allow migrants to become care workers in designated Japanese cities with less requirements of: 18 years old, single, one year or more of experience in domestic work, and referral through a broker. This pilot program led to the creation and flourishing of six main household staffing service companies such as Pasona.

The attitudes and experiences of migrant care workers and those associated with them varied. For example, a Filipina instructor who trained housekeepers in Manila prior to their migration to Japan strongly believed that attitude was as important as skills in order to succeed in Japan. A Japanese founder of a housekeeping company instead disparaged the Japanese system of requiring more

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<sup>7</sup> Chi, 2020.

qualifications for foreign care workers than for Japanese ones, advocating for relaxed regulations. A third voice mentioned that many migrant care workers who earn their license in the EPA program still return to their home country due to bad working conditions and long hours.<sup>8</sup>

### *TITP*

Prior to the creation of the TITP system, immigration law mainly allowed for highly skilled workers, foreign permanent residents such as the Zainichi Korean population, foreign spouses (sometimes referred to as “marriage migrants”), international students, care workers on the EPA status, and those of Japanese descent such as Nikkei-Brazilians. Nikkei-Brazilians, or those of Japanese descent whose families had immigrated to Brazil (largely due to inability to economically survive the increasing wealth gap during Japan’s economic bubble period), in particular came to Japan in waves in the 1990s, taking less-skilled jobs such as in factories and food services due to the segmented labor market.

The TITP brought in waves of new migrant workers mainly from China and Southeast Asian countries such as Vietnam and the Philippines. In recent years, the percentage of Chinese TITPs has severely declined, matching an equally severe increase in Vietnamese TITPs. However, this system received heavy international backlash and media attention for abuse towards its migrant workers; an internal Japanese government investigation found that over 70 percent of employers of migrant workers had violated applicable labor laws. Externally, a United Nations report disparaged the system as “slavery-like.”

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<sup>8</sup> Chi, 2018.

To address these issues, as well as the 1.2-million-person labor shortage (due to low birth rates of less than 1.5), Japan overhauled their policies in 2018. First, they increased oversight by job-placement agencies, rather than relying on the Chamber of Commerce, trade unions, and agricultural cooperatives. Second, and more importantly, they created an official labor migration policy (rather than the previous de facto labor migration system under the title of “technical interns”) with two new visa categories: Specified Skill Type 1 and Type 2 visas.

Specified Skills Type 1 visas are restricted to those who either completed three years of TTTP or pass both a technical skills exam and a Japanese language exam. This visa is valid for five years and does not allow for bringing family members, but allows the migrant worker to work in one of 14 industries such as caregiving, industrial machinery, electronics, construction, agriculture, fishery, manufacturing, food services, etc. The legal process must be conducted through official job-placement agencies in the sending country (送り出し機関) and hosting country (管理団体), who match prospective migrants with employers and prepare the contracts before applying for visas.

Type 2 visas maintain stricter requirements but also allow more flexibility and privileges: applicants must have completed three years of the TTTP and seek work in construction or shipbuilding industries, but they can remain in Japan longer, can apply to bring their family over with them, and may be eligible for permanent residency. At the time of the creation of this policy, Japan expected to grant 340,000 of these two new visas combined.<sup>9</sup>

Responses to this policy change were largely optimistic: Toshiro Menju, the Director of the Japan Center for International Exchange, called the move a “historic shift, worthy of being called ‘the

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<sup>9</sup> Chi, 2020.

year immigration began” in Japan. Local prefectural governments have also taken action to establish supportive policies and departments, such as in Yamagata and Nagano.<sup>10</sup>

## **Pain Point**

### *Non-Issue: Financial Inclusion*

Contrary to expectations of low financial inclusion based on the experience of migrant workers in other economies such as Taiwan and Singapore, both TITPs and foreign caregivers in Japan seem to have relatively adequate access to financial systems and resources. The majority of TITPs in Hokkaido hold bank accounts with the Postal Bank of Japan (ゆうちょ銀行), especially Vietnamese TITPs, which occasionally brings about issues such as the bank unlawfully holding MWs’ passports, but in general MWs seem to have full access to the banking services. This includes over-the-table remittance services (送金) through banking institutions,<sup>11</sup> unlike the common practice of specialized remittance companies or informal remittance services in Taiwan and Singapore. This finding allowed the focus of this research paper to shift to the comparatively sharper pain point for MWs in Japan: economic disinclusion.

### *Economic Disinclusion: Unstable Salary*

While TITPs in Japan do not experience much financial disinclusion compared to migrant workers in nearby regions, they do experience similar issues of economic disinclusion, although

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<sup>10</sup> Chi, 2020.

<sup>11</sup> Nitobe College, 2022.

arguably to a lower extent and with a decreasing trend in the past few years due to recent policy overturn. This paper will argue that TITPs suffer from three main types of economic disinclusion: unstable salaries, high debt, and lack of job standardization or mobility.

On the first issue of unstable salaries, there are two particular aspects of the TITP system that engender economic instability. The first is the absence of working overtime and receiving overtime salary (残業代), which was introduced as a government measure meant to increase the living and working standards of TITPs in recent years. However, many TITPs' main reason for migrating to Japan is to earn a higher salary than what they could earn in their home countries, save up, and then return home as quickly as possible to provide for their families and ideally experience greater socioeconomic mobility back home. The system of working up to 20 to 40 hours overtime every month was a major source of income, and so the policy to eradicate that also elongates the number of years that they must work in Japan. Moreover, TITPs often expect to be able to work overtime. Before they receive their job assignments and migrate to Japan, they often ask during interviews with potential employers how much they will be able to work overtime; however, upon arriving, the actual amount varies greatly, and is usually less depending on the business, season, etc.<sup>12</sup>

The second cause and aspect of unstable salaries for TITPs, particularly in Hokkaido, is the extreme seasonality of the work. Unlike other parts of the country, most of the TITP-heavy industries in Hokkaido vary in amounts of work required by the season. For example, the farming season lasts for around six months, from November through April or May. Scallop fishing only lasts a few months of the year, which are not even connected, such as February, July, and November. Food processing is

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<sup>12</sup> Interview A, 2022. See footnote 5.



slightly more regular but also depends on the food product. When a particular industry is not in their main season, the employers often have little work to give the TITPs, and consequently also pay the TITPs less since they are generally paid on an hourly basis.<sup>13</sup>

### *Economic Disinclusion: High Debt*

While there is currently an official cap on the amount of debt that a TITP can take out to fund their migration to Japan, which is roughly 400,000-500,000 JPY (~\$4,000-5,000), in reality TITPs tend to take on much higher levels of debt unofficially.<sup>14</sup> Not reported on their official immigration applications or other TITP documents, this unofficial debt can range up to multiple years worth of an individual's salary in Japan, and the lack of oversight can lead to abusive loan shark behavior. Some even paid migration fees to their brokers of up to five times their annual salary, putting their land titles back up as collateral.<sup>15</sup>

For example, Subject A, a TITP from Vietnam in Hokkaido, spent one year working to pay off his debt to his broker back home. Subject A also had other living expenses such as 20,000 JPY of rent per month for a room he shared with five other employees who all earned higher wages than he did due to his TITP status.<sup>16</sup>

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<sup>13</sup> Interview A, 2022. See footnote 5.

<sup>14</sup> Ibid.

<sup>15</sup> Sawada, 2020.

<sup>16</sup> Interview B, 2022. I have removed the name of this interviewee to protect their privacy; this interview was conducted in Japanese, on August 1, 2022 in Sapporo, Japan.

### *Economic Disinclusion: Lack of Job Standardization & Mobility*

While many TITPs have good experiences in Japan, and perhaps even majority after the recent policy changes, the experience can widely differ by employer as well as by broker. In general, the migration process starts in the sending country with around three months of training, including Japanese language training operated by a broker in the capital of the sending country such as Hanoi. After training, the migrant worker is assigned to a company or individual employer in Japan and moves over. For those that are assigned to a farming cooperative (農協), they undergo another month of training in Japan before being assigned to an individual farm. However, once with individual families, each TITPs experience can differ greatly, which leaves room for potential abuse.

For example, Subject A underwent in-Japan training with a cohort of around 20 TITPs, who were then assigned to 12 employers. The majority of the cohort were treated like family by their farming household (農家), but Subject A was severely mistreated after he complained about missing salary payments. Because the TITP visa does not allow TITPs to change their employer, Subject A had no choice but to either accept the lower salary or leave.<sup>17</sup>

According to a Japanese management company of TITPs in Hokkaido, the majority of the salary mispayment and other violations are from smaller employers such as individual households, whereas the larger companies that employ TITPs are more standardized, technologically-advanced, and professional in their treatment of TITPs, including accommodation for non-native Japanese speakers.<sup>18</sup>

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<sup>17</sup> Interview B, 2022. See footnote 16.

<sup>18</sup> Interview A, 2022. See footnote 5.

## **Analysis**

Given the primary and secondary sources examined, this paper argues that there are two major causes of the pain points described above. The first is a broker system, which is much improved by the recent policy changes, but still leaves ample room for abuse, particularly at the secondary and tertiary broker level in the sending country. The second is the nature of the TITP system itself in still being an “internship” program in name rather than a “migrant labor” or “migrant worker” system, as well as not having adequate access or critical mass in Japan’s newer official migrant worker status called the Special Type Visa.

### *Multi-Level Broker System*

The oversight and standardization of main brokers both in the sending country (called sending organization 送り出し機関) and Japan (called management organization 管理団体) seem to have improved over the last few years and are now well-regulated, value-adding steps in the migration process. For example, a Japanese management organization in Sapporo maintains an organizational structure that focuses on providing services to TITPs while they are working in Japan. A couple decades old, this organization employs twelve staff, of which there are five agents (who conduct site visits and help TITPs solve problems) and five translators for those agents (four of which speak Vietnamese, and one of which speaks Mandarin Chinese). This organization, which is considered relatively small compared to ones on the Japanese mainland) processes and matches 100 new TITPs per year, managing around 300 TITPs at any given time, coordinating with 30 to 40 employers and six different sending organizations (three in Vietnam and three in China). Beyond the employer matching

and visa paperwork, their main role is to provide support services to TITPs such as accompanying them to the hospital when sick or interfacing with police authorities if any issues arise. They also conduct site visits monthly (or quarterly after the first year) to interview both the employer and the TITP, ensuring with the latter that the salary is correct and that the TITP is actually learning technical skills through their work.<sup>19</sup>

The main sending organizations also undergo relatively strict oversight and are consequently more standardized. Of the two months of training that is required by the Japanese government (one month in the sending country and one month in Japan), they often operate one or both training programs, as well as non-legally-required additional training in the sending country. These trainings consist of Japanese language and culture for daily life, as well as Japanese labor laws and immigration laws.<sup>20</sup>

Neither official management organizations nor official sending organizations are legally allowed to lend potential TITPs the funds required for migration; however, unofficial brokers that interact with the TITPs before they reach the official sending organizations often do provide such loans, often with little to no oversight or regulation, leaving room for abuse and loan shark behavior.<sup>21</sup> It is at this step that prospective TITPs are most at risk of financial and other mistreatment, with little options for redress.

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<sup>19</sup> Interview A, 2022. See footnote 5.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

### *TITP Structural History*

The second main cause of these issues is the history of TITP as an unofficial migrant labor system without that official designation, which leaves the employer to decide the employer-TITP dynamic, often with little oversight, regulation, or preparation. In 2019, Japan instituted a new visa status, the Special Technical Skills Visa (特定技能ビザ). This system, the first official migrant worker system in Japan, has much better treatment for the migrant workers, including legal privileges such as being able to change their place of employment, whereas a TITP can only change their employer through the management organization if they have certain issues with their employer (usually proven violations). Special Visa holders are also allowed to work for multiple companies, which means that they could work for different industries in their respective heavy seasons rather than forgoing salary during the off-season of any particular industry. The employers for the Special Visa are generally the same industries and types of companies as for the TITP program,<sup>22</sup> which reinforces the fact that the TITP was a migrant labor system all but in name in the first place. However, while the Special Visa program is an enormous improvement in theory, it is limited to those who have already completed the TITP for three years and so comprises very little of Japan's current migrant workers in reality.

Moreover, the backgrounds and types of employers range from single individuals or households (such as scallops fishermen or dairy farmers in Hokkaido) to larger companies (largely food manufacturers such as those producing convenience store side dishes コンビニ総菜). While employer companies can hire as many as 20 TITPs each, the majority of TITPs are still employed by the individual category, which are less predictable or consistent. The employers are also only required to

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<sup>22</sup> Interview A, 2022. See footnote 5.

attend a one-day workshop to employ TITPs, which consists of information about TITP-relevant laws and cultural points to be aware of.<sup>23</sup>

## **Solutions**

Based on the research and analysis presented in this paper, the main solutions for TITPs' current pain points are twofold: first, to eliminate the role and presence of secondary brokers; and second, to reform both the TITP system and the Special Visa system.

Regarding the eradication of secondary brokers in sending countries, the governments of sending countries ought to strengthen education and information sharing about the official sending organizations so that prospective TITPs have knowledge of and access to the official brokers directly without having to go through multiple middle men. Either Japan or the sending country also ought to either mandate that the employer cover the migration costs (as Vietnam has recently asked Taiwan to do), or provide loans to the TITPs directly to cover these costs (so that they don't have to take out informal loans that could be abusive). Japan should also consider a direct-hire system, which South Korea has recently implemented, to bypass the need for a broker to match TITPs to employers (and charge large fees for finding that employment), which would allow for the broker role to decrease to a more quantifiable and tangible service-provider role. This would completely resolve the high debt issue described previously.

Second, the TITP system itself ought to decrease and shift to an increase in the Special Visa system. Many of the jobs and industries currently under the TITP (that are not specifically technical

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<sup>23</sup> Ibid.

skill-related) should be transferred to fall under the Special Visa system; this also would require the Special Visa system to loosen its eligibility requirements to no longer require prior TITP experience. This would solve the unstable salary issues caused by the seasonal nature of work in Hokkaido, as they could work multiple seasonal jobs similar to the seasonal migration system in California. For migrant workers that remain in the TITP category, their compensation scheme should shift from the current hourly wage to a monthly wage to increase salary stability.

Finally, both accompanying and enabling these changes, Japan ought to take steps to shift public perception of migrant workers towards a more positive one. One of the most stated reasons for the unclear naming of the TITP system (as well as the current small size of the Special Visa program) is that the Japanese public has traditionally been unwilling to accept migrant labor; reducing this prejudice is the first step to creating a sustainable migrant labor source which Japan so clearly requires. A more positive public perception would also ideally motivate the employers of TITPs to complete more training so that they can more thoroughly understand the situations and backgrounds of their TITP or Special Visa employees and thus be able to interact and manage them more empathetically and effectively.

## **Conclusion & Further Research**

Although the overall situation of migrant workers (TITPs) in Japan is relatively better than their counterparts in other regions of Asia due to higher regulation of migration, salary, and working conditions, there are still many issues to be addressed. The three main pain points of unstable salary, high debt, and lack of job standardization or mobility are largely due to a misleading history and

structure of the TITP system in the first place, as well as an unnecessary and often abusive multi-level broker system. To resolve these root issues, this paper advocates for an eradication of secondary brokers, as well as an overhaul of most of the TITP system to the newly-created and much more stable Special Visa system, which would require the Japanese public to first learn to accept and embrace migrant workers as a necessary addition to Japanese society — not to mention, as fellow human beings with families to provide for and life dreams to pursue.

Further research would probe whether Japan's current migrant caregiver system, which is highly regulated and tends to experience high satisfaction levels for both the migrant caregivers and the Japanese employers and patients, could transfer to the non-caregiver TITP and Special Visa systems. It would also explore specific and actionable information-sharing initiatives: to influence public perceptions surrounding migrant workers, as well as initiatives to reach prospective migrant workers in their hometowns before they enter the broker process. As with many policy issues, any long-term and sustainable solutions necessitate not only a cooperation of public and private actors, but also the active support of the public itself.



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