

# The Temporary Foreign Worker Programme in Japanese Style : the 20 years'history of the Technical Internship Programme (TIP)

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**The Temporary Foreign Worker Programme in Japanese Style:  
the 20 years'history of the Technical Internship Programme(TIP)**

**Chieko KAMIBAYASHI**

# The Temporary Foreign Worker Programme in Japanese Style: the 20 years' history of the Technical Internship Programme (TIP)

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## 1. Introduction: Problems of the Temporary Migration System

A temporary migration system is a system to introduce a foreign workforce temporarily when the need arises without permitting them to settle. In a word, it may be called a rotation policy or circulation policy of migration. Temporary migration systems have been set up as hard-reached solutions between employers who demand extra workforce and domestic workers and citizens who tend to refuse migrants. French acceptance of migrants in the 1960's up to 1973, Germany's Guest Worker (*Gastarbeiter*) Programme (1955-73), and the USA's Braceros programme (1942-64) are those kinds of temporary migration systems, and they still continue in different forms such as seasonal workers programmes in agriculture. And rapid economic growth has brought some temporary migration systems in such countries as Spain and Italy in southern Europe and in Taiwan, Korea and Malaysia in Asia, which had been known as emigration countries.

Japan also changed its status from an emigration country to an immigration country in the late 1980's. The first introduction of a foreign workforce took the form of illegal workers. Japan's immigration policy, which formerly has excluded any foreign low-skilled workers up to the present, in reality, opened a side-door to accept low-skilled workers in 1990 to cope with the new phenomena of illegal foreign workers. Those low-skilled workers are either Japanese-Brazilians (descendants of emigrants to Brazil) or foreign trainees, who later became technical interns under the Technical Internship Programme (TIP).

I classify this TIP as one kind of temporary migration system and will discuss its rooting process as a process of distorting Japanese immigration policy as well as a process of a foreign workforce being structured in Japanese society. And further, through checking the TIP, some defects in the temporary migration system will be revealed.

## 2. The Technical Internship Programme (TIP)

The TIP was set up for the purpose of technology transfer to neighbouring

countries in 1993. Enterprises accept foreign trainees in certain jobs specified under the TIP, they work as trainees for the first year, and for the second and the third year they work as technical interns on the same job at the same enterprises, if they pass official skills' tests. The upper limit on acceptable foreign trainees is not prescribed, but to secure the proper way of training, several conditions are required.

The first condition to be met is that every trainee has to be trained for the same job as he holds at home. This job requisite is to secure technology transfer and to curb trainees who come for economic purposes. In 2008, 62 jobs and 114 kinds of work processes are permitted for foreign trainees.

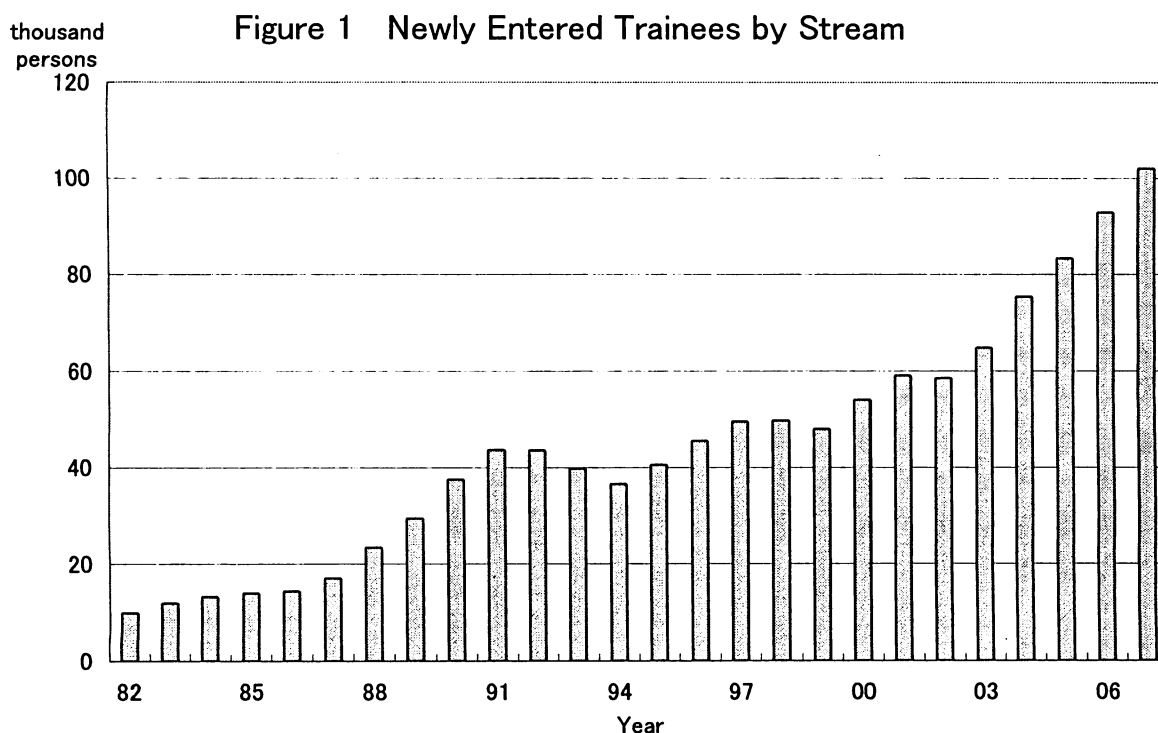
The second condition for accepting foreign trainees is that an accepting body should be a member of the association of SME (small and medium-sized enterprises). Visa status for "Trainees" had been either for blue-collar workers in Japanese subsidiary companies overseas or for government-sponsored trainees under ODA (Official Development Assistance). Association-managed trainees were newly created in 1990. And a quota is posed on each trainee accepting enterprise. In the case of association-managed trainees, every year 3 trainees are admitted for enterprises with 50 employees or less. Since they stay 3 years in total, any size of enterprise can accept 3 trainees and 6 technical interns at a time if those enterprises secure designated jobs according to the TIP rules. As far as the jobs and work in agriculture are concerned, only 2 trainees are accepted in a year. Japanese farms are mostly family-owned and run without any employees, so introducing any outside workforce, domestic or foreign, is very new to them.

The third condition of the TIP is the designation of training. For the first-year trainees, 1/3 of the year-long training period should be off-JT (off-the-job training), not OJT (on-the-job training). Thus they say that true skills' training can be accomplished and that the third condition prevents trainees from being exploited as cheap labour.

## 2-1 Acceptance of Trainees

Inflow of foreign trainees is increasing. Figure 1 shows a recent trend of accepting all types of trainees from government-supported trainees, individual enterprise-based trainees and association-managed trainees. The data starts in 1982 when the Amended Immigration Control Act of 1982 newly categorised a visa status of "Trainee" independent from "Student" status. Figure 1 shows that

about 102,000 trainees entered Japan in 2007. Those who changed their visa status from “Trainee” to “Designated activities”, which is given to technical interns under the TIP, are 54,000 in 2007 and 41,000 in 2006. In total, almost 200 thousand (200,000?) trainees and technical interns stayed in Japan in 2007. The number of new arrivals by the status of residence for employment was 81,000 in 2006; 93,000 newly-entered trainees in 2006 is a large number, but they were not entitled for employment. Foreigners who reside in Japan under work permit visa status are 163,000 in total, without mentioning those who can work under resident status based on civil status such as spouse, child of Japanese nationals, or Japanese-Brazilians under the status of “Long Term Resident”. The latter category of newcomers under civil status reached 55,000 in 2006. Therefore 93,000 trainees are still large in number here again.



Source: Immigration Bureau, *Annual Statistics of Immigration Control*, various issues

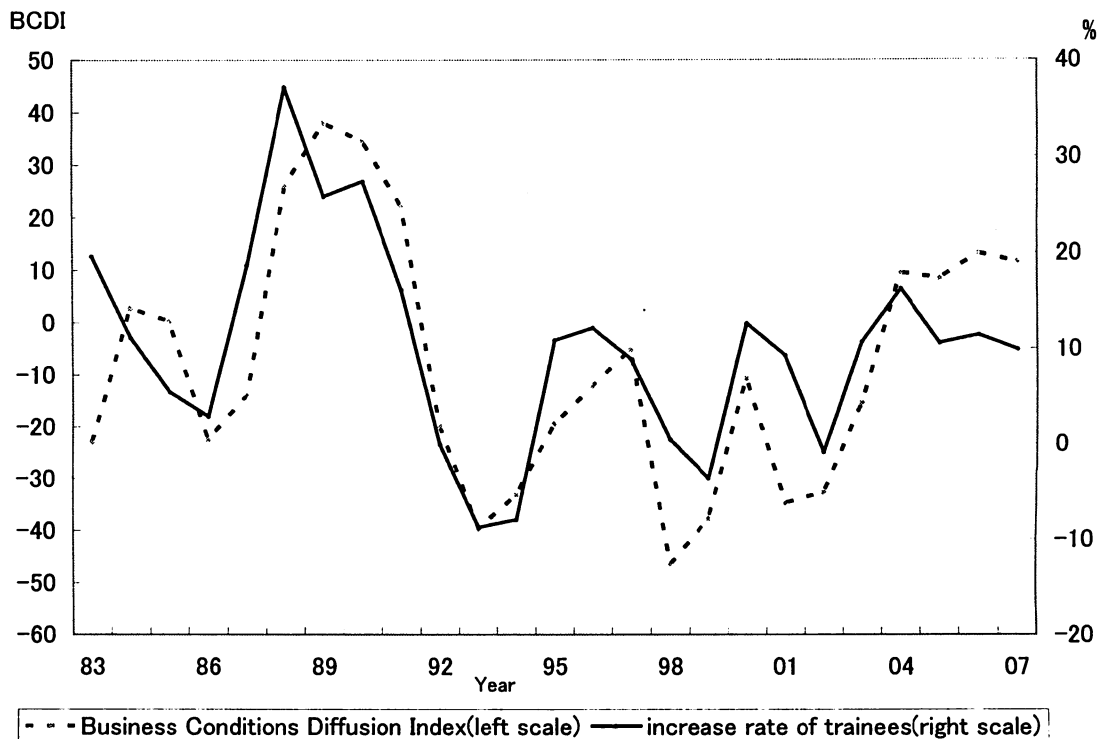
Table 1 Newly Entered Trainees in Recent Years

Year	2003	2004	2005	2006	2007
Number	64,817	75,359	83,319	92,846	102,034

Source: same as Figure 1

2-2 Business Conditions and the Acceptance of Trainees

Figure 2 Business Conditions D.I. & Increase Rate of Trainees



Note:

(1) Business Conditions Diffusion Index= “Favourable” – “Unfavourable”

Judgment Survey on Business Conditions by manufacturing enterprises

Source: Bank of Japan, *TANKAN (Short-term Economic Survey of Enterprises in Japan)*, various issues

(2) Increase rate is % change of newly entered trainees from previous year

Source: same as Figure 1

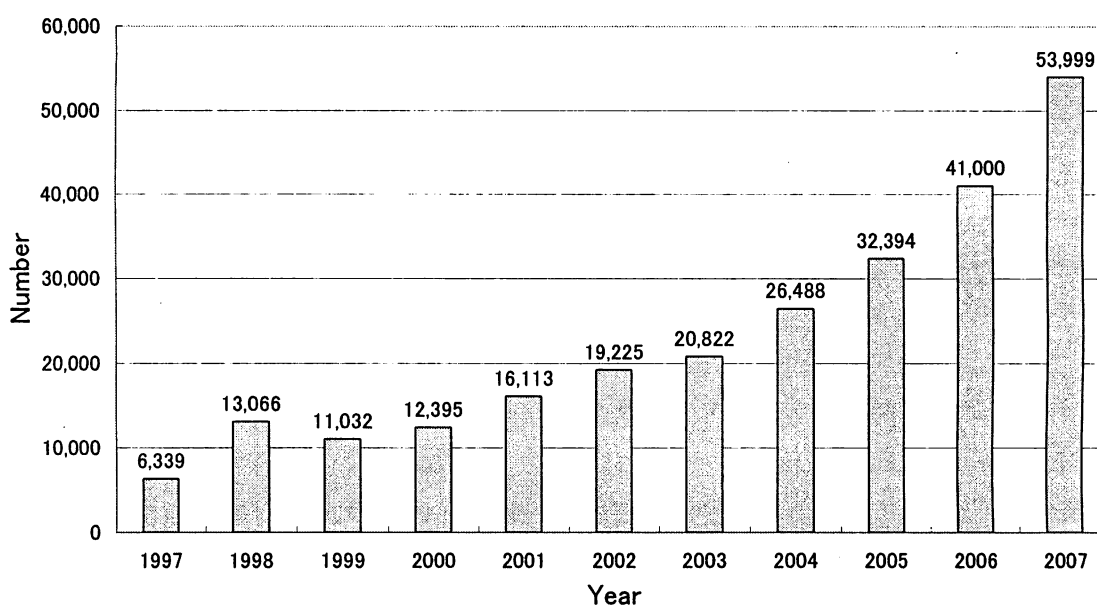
Figure 2 shows a relationship between business conditions and the increase rate of newly entered trainees each year over 26 years of time. The left scale shows a judgement of manufacturing enterprises called BCDI (Business Conditions Diffusion Index) measured every 3 months by the Bank of Japan. The index is an annual average percent each year between enterprises who called their business conditions favourable minus those who called them unfavourable. Downward lines show economic slowdown; upward lines show economic upturn. Interestingly enough, the BCDI looks to be linked with the number of trainees.

Therefore, from the Figure 2, we can infer that the trainees' acceptance is more for the purpose of economic reasons than for the purpose of technology transfer.

### 2-3 The Technical Interns and Accepting Industries

Among association-managed trainees, almost half of them changed their visa status to technical interns under the TIP. As the association-managed trainees increase, the number of technical interns' increases, and further more, the moving rate from trainee to technical intern is also increasing, from 22.2% in 1996 to 49.2% in 2006. As a result, the total number of technical interns is growing (see Figure 3).

Figure 3 Number of Trainees who moved to Technical Interns



Note: The number is that of those who passed the technical interns' test, so the number includes technical interns who returned during the internship period.

Source: JITCO, *JITCO White Paper*, various issues

Accepting industries in the TIP are shown in Table 1. The Textile and Garment industry has been one of the major accepting industries. A characteristic of the textile and garment industry is being labour-intensive. Therefore, it consists of SME, and most workers in this industry are female. Though workers are mostly male, the same is true for the machinery and metal industry, such as casting, welding, and heat treatment. The ratio in agriculture is still small, 6.5% in 2006, but its rate of increase is getting bigger. Since the

purpose of the TIP is technology transfer, the present acceptable industries are limited either to manufacturing or to fishery and agriculture, but other service industries claiming a labour shortage, such as the cleaning or catering industries, also demand their jobs to be acknowledged as the TIP jobs.

Accepting enterprises in the TIP are mostly SME. In 2006, in total accepting enterprises, 36.9% are small enterprises with 1 to 9 employees. Technical interns are mainly from China (80.5% in 2006), Indonesia (6.7%), and Vietnam (6.4%), mostly east and south-east Asian countries.

Table 1 Number of Technical Internship Applicants by Industry

	2004	2005	2006	
			number	ratio
Agriculture	1,837	2,758	3,341	6.5%
Fishery	341	280	304	0.6%
Construction	2,424	2,659	3,930	7.7%
Food Processing	4,158	4,844	6,117	12.0%
Textile/Garment	13,162	14,289	15,072	29.5%
Machinery/Metal	7,334	8,903	12,557	24.6%
Others	5,560	7,260	9,695	19.0%
Total	34,816	40,993	51,016	100.0%

Source: same as Figure 3

Most technical interns are young males and females. For the enterprises which cannot secure a young workforce, those young technical interns are valuable. In 2006, 76.7% of 51,000 the TIP applicants were under 29 years old, and 56% of them were female. At many workplaces with technical interns, Japanese employees are either old regular male workers or old female part-time workers. Young diligent trainees and interns are too valuable to be refused even if they are unfamiliar with the Japanese language and Japanese customs.

#### 2-4 Sending Countries

The main country sending trainees & interns is China; its ratio is 80 % (see Table 2). Then Indonesia and Vietnam follow. The reasons why China has been a main country sending trainees and interns are found in the historical context and the geographical context. Historically, the TIP's original form of an association-managed training system began with China. And geographically,



China is a neighbouring country to Japan. From the viewpoint of the enterprises accepting trainees and interns, neighbouring does not necessarily mean cultural similarities, but the transportation costs they pay are cheaper. And furthermore, if the enterprises accepting trainees and interns wish not to attract attention to their hiring technical interns in their community, there is the merit that the appearance of Chinese is close to that of Japanese.

As far as China, the country sending trainees and interns is concerned, they keep a policy of sending workforce to neighbouring countries as temporary workers, and sometimes they provide trainees with Japanese language lessons beforehand. The hours spent on that training are counted as off-JT when they finally come to Japan, which saves the training cost of accepting associations.

Table 2 Number of Technical Internship Applicants by Nationality

	2004	2005	2006	
			number	ratio
China	27,581	34,095	41,072	80.5%
Indonesia	3,071	2,193	3,438	6.7%
Vietnam	2,268	2,640	3,266	6.4%
Philippines	1,379	1,491	2,083	4.1%
Thailand	339	369	702	1.4%
Others	148	205	660	7.4%
Total	34,816	40,993	51,016	100.0%

Source: same as Figure 3

### 3. Technical Trainees' Period from 1982 to 1989

The rooting process of the TIP can be divided into 3 periods according to the trainees' accepting system, the purpose of trainees' acceptance and the number of accepted trainees. These periods may be called the "Technical Trainees' Period", the "Technical Interns' Period" and the "Dispatched Interns' Period".

Early forms of foreign trainees in Japan were sponsored by the government under ODA (Overseas Development Aid), such as JICA (Japan International Cooperation Agency under the sponsorship of the Ministry of Foreign Affairs) or AOTS (Association for Overseas Technical Scholarship under the sponsorship of the Ministry of Economy, Trade & Industry). The number of trainees was so small that there was no specified visa category for trainees.

But in 1982, for the first time, the visa category “trainee” was set up to further enhance the reception of trainees. At that time those trainees were called technical trainees to learn and to develop their industrial skills at big Japanese factories. Only 9,973 entered in 1982 under trainee visas. The trainee visa was given as a status, in other words, their activities were not limited by this visa status. Later with an amendment of the Immigration Control Law in 1990, the visa status of trainee could be given only to trainees’ activities, which prohibited any working activities under this visa. In the first period of technical trainees’, no illegal trainees appeared by any means because of their visa definition.

Besides government-sponsored trainees, individual enterprises which possessed affiliates overseas could accept trainees. Those affiliates were mostly in the manufacturing sector, and those trainees were called “industrial trainees” or “technical trainees”. This enterprise-managed training system, which was named so when the association-managed training system was created, has been carried out by large and famous Japanese enterprises because only large enterprises possessed enough know-how and capital to run affiliates overseas. At that time it was common knowledge that foreign trainees were employees of Japanese affiliates overseas. They were sent to Japan to be future core workers and foremen at the shop-floor level.

As early as the 1980’s, few enterprises directed their attention to the technical trainees as a source of workforce, but there were some pioneers in accepting foreign trainees. Look at these cases in the following section.

### 3-1 Two Cases of Association-managed Trainees

The origin of the association-managed training system can be found in the two following cases: the Union of Gifu Japan-China Friendship Trainees Acceptance Cooperatives (UGTAC) and *Kaikenkai*. The former organization is a consolidation of garment enterprises in Gifu prefecture, the middle region in Japan whose local industry is garment manufacturing. Their first approach to China began as early as 1979, just after diplomatic relations with China were re-established in 1976. Some delegates from the garment industry and members of the Gifu prefecture council visited China to accept trainees for the purpose of Japan-China friendship. The mission resulted in the acceptance of 48 trainees in 1981, the year the new Immigration Control Law passed the Diet, and also the year “trainee” visa status was newly categorised. As far as their

accepting system was concerned, the original organization of UGTAC set up overseas affiliates in China. The association of garment enterprises itself set up a company for the purpose of securing trainees who could be sent to Japan. In 1993, the TIP was formally acknowledged, their acceptance of trainees increased to 500 persons in 1994, and the total number of accepting associations under UGTAC reached 20. At present UGTAC proposes a re-training programme of technical interns which enables interns to work 2 more years and acts against the abolishment of the TIP proposed by some Diet members in the majority party.

Another case of *Kaikenkai* is an association of iron casting enterprises located in Kawaguchi City, whose location is on the outskirts of Tokyo. The casting business is a one which consists of “3 D” (dirty, dangerous, and difficult) jobs. The location of Kawaguchi prevented their industry from recruiting young Japanese workers because they were able to access various jobs in Tokyo. *Kaikenkai* first accepted 21 trainees in 1983. Their acceptance was 7 years before the year when the association-managed training system, now called Industrial Training Programme (ITP)<sup>1</sup> was formally acknowledged.

With above two cases, it was their finding that even SME could accept foreign trainees by setting up affiliates overseas. Their cases served as models of association-managed training which was later institutionalized.

### 3-2 An Innovation of the Association-Managed Training System

A characteristic of the technical trainees' period is the self-help behaviour of SME, which set up their own overseas affiliates to secure trainees as their workforce. Both the garment and casting industries are typical local industries where young workers hesitate to come in. The wages in the garment industry are not high enough to attract young workers. Wages in the casting industry are not as low as in the garment industry, but the workplace environment in the casting industry is not desirable, for the process of casting itself requires high temperatures and produces iron dust. Even the world-famous auto industry, in which manufacturing process casting is indispensable, cannot secure enough young workers. Young workers tend to switch their jobs from auto factories in rural areas to service industry jobs in metropolitan areas. As a result, SME in the casting industry are faced with many difficult problems. Both UGTAC and

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<sup>1</sup> ITP includes both association-managed and enterprise-managed training systems. ITP was created to add another category of training system to the present enterprise-managed training system.

*Kaikenkai* innovated a way to secure workforce by negotiation with organizations that send workers and with the Chinese and Japanese governments. Their acceptance of trainees can be called an innovation for they had to clear so many new hurdles as to selecting organizations that send workers, making contracts, getting agreement from the Chinese and Japanese governments, and managing trainees. Through this process they have accumulated some know-how on the temporary migration system.

Thereafter, their acceptance of Chinese trainees was noticed by other SME in a similar position, that is, by either different industries in the same region or the same industry in different regions. Many of them asked the Immigration Bureau about the legal rule for accepting foreign trainees other than under the individual enterprise-based training system. They asked for clear and fair regulations on accepting foreign trainees. The Immigration Bureau then announced "Pre-entry examination criteria concerning foreign trainees" in July of 1989. It checks every little thing on overseas affiliated or merged enterprises. Observing these criteria, some de facto practices would be pointed out. First, many associations of SME applied for acceptance of foreign trainees' under the premise that they would set up affiliates overseas in the near future. Second, on the side of the Immigration Bureau, they try to exclude any paper companies overseas written on the application form.

Once there is a clear rule for accepting trainees, then anyone can follow the rule without infringing the Immigration Control Law. At that time in 1989, already the acceptance of foreign trainees among SME was spreading. The number of newly entered trainees in 1989 was 29,486; they increased to almost 30,000.

To conclude the first stage of the TIP, the technical trainees' period, it should be noted that technical trainees at that period still possessed some features of students and international friendship to some extent. Those trainees entered and lived in Japan under the visa category "trainee", which was close to "student".

And compared with the later period, in the first stage of the TIP the role of local governments or other public corporations and chambers of commerce was larger. Since the TIP is a business across borders, without public help it could not run well. It is true that for some SME and for some local governments those technical trainees turned out to be indispensable workers, but yet trainee-accepting enterprises and local governments tried to keep the good cause

of technology transfer. And as long as the good cause was kept, local governments which worried about the local economy never refused to help SME that needed workers.

#### 4. Technical Interns' Period from 1990 to 1999

##### 4-1 Foundation of the Association-Managed Training System

This second period is marked by two facts: one is that the new Immigration Control Law of 1990 established the association-managed training system, and the other is that the number of accepted trainees exceeded 30 thousand (30,000?).

The new law's intention was mainly to discourage illegal workers. One way was the carrot and the stick: it punished employers who employ illegal workers and at the same time it opened a road to secure a low-skilled workforce either as Japanese-Brazilians or as association-managed foreign trainees. But technically speaking, this association-managed training system is not prescribed in the law itself; the law only prescribes the new visa status of "Trainee" as an activity, not a status. What that meant is that those who enter Japan under the visa status of "Trainee" are prohibited from working or earning money in any form.

Following the new law, an Ordinance by the Minister of Justice permitted the association-managed training system. In other words, the acceptance of trainees among SME has never been an agenda in the Diet. When public opinion did not achieve a consensus on the introduction of foreign workers, the creation of a new route for securing a foreign workforce might have been too risky to be scrutinized in the law-making process. In exchange for permitting foreign trainees to come in, several regulations on the TIP, such as training methods, numbers to be accepted, and the definitions of acceptable bodies, were attached to discourage trainees' numbers.

To precede the new association-managed training system, the government set up a new independent organization called JITCO (Japan International Training Cooperation Organization) in 1991. Thereafter, JITCO has been a central body which is in charge of the TIP. Since bilateral agreements between countries that send and receive workers are indispensable for the management of the TIP, some kind of public cooperation like JITCO serves well for trainee-accepting enterprises as a supervisory body.

##### 4-2 The Technical Internship Programme

Although the new training programme was introduced in 1990, the major

concern among trainee-accepting enterprises was the period of training. Since various costs for trainees' acceptance were covered by the enterprises that accepted them, their next demand was to prolong the training period from 1 year. Then in 1993, the Technical Internship Programme, which permitted trainees to work another year after 1 year of training, started. The basis is the same as the association-managed training system in the Ministerial Ordinance by the Minister of Justice.

The second-year trainees are called technical interns, and they are entitled to employee status. In 1997, another year of the working period was further permitted, and up to now the TIP has been recognised as a three-year programme. Recently, there are certain demands to prolong the internship period to 5 years in total, calling it "retraining". If the training period should be 5 years long, however, it will be doubtful that the TIP could be called a temporary migration system any more.

As for the acceptable jobs under the TIP, they began with only 17 jobs. Then in 1999, it increased to 55 jobs, and at present, in 2008 it increased to 62 jobs. Therefore, from the point of the traineeship and internship period and from the point of acceptable jobs, the TIP has been in danger of losing the original purpose of training and technology transfer.

The TIP has been expected to accomplish two contradictory purposes. One is to open a legal route to introduce low-skilled labour as foreign trainees, that is, to curb the number of illegal workers. The other is to curb the number of foreign trainees who work as cheap labour. Some regulations on the TIP are believed to be necessary in order to secure proper traineeship and internship as well as to secure proper technology transfer.

But once the TIP was set up, the function of the TIP has turned out to be a legal route to accepting foreign labour. The Japanese economy suffered in 1991, and the following years are called "a bubble burst economy". But still those enterprises that had accepted foreign trainees continued to accept them in the 1990's. The acceptance of foreign labour is no more under the influence of the economy, but it is a matter of necessity in the Japanese industrial structure, which relies heavily on the manufacturing sector.

Then the next section deals with the changing process of the TIP.

## 5. The Dispatched Interns' Period from 2000 to the Present

### 5-1 Some Changes on the Part of the Labour-Demanding Side

The third period can be called the dispatched interns' period. Under the present TIP, trainees or interns are prohibited from being dispatched. They are obliged to get training or to work at workplaces which are listed on their visa applications. But the understanding among trainee-accepting enterprises on the TIP is changing in such a way that the TIP is a system of introducing foreign labour. The number of newly-entered trainees reached as many as 50,000 in 2000, and it exceeded 100,000 in 2007. From 2000 to 2007, its increase rate was around 10% a year with the exception of the year 2002.

The marked change in this period was that several jobs in agriculture and fishery were permitted as the TIP jobs: horticulture, pig and chicken farms, fish processing and vegetable and dairy farms. An acceptance of trainees in the primary sector symbolizes the changing nature of the TIP. The TIP began with the manufacturing sector where industrial skills are necessary. But skills in the primary sector contain some skills and knowledge on weather, soil, and specific plants, all of which have much to do with geographical conditions and eating habits. While many developed countries accept foreign seasonal workers in agriculture, they admit those workers are un-skilled. To include agricultural jobs in the TIP may be equal to saying that the TIP is a labour introduction system.

The second change can be observed among trainee-accepting associations. Originally they were self-help associations whose members were SME in the same industries, and the purpose of the associations was to secure workforce, not to gain profits from their activities. Local governments helped those associations not because they ran labour-providing business, but because those SME were indispensable in the local economy. But once the TIP gained recognition, many associations for SME entered the TIP business. The TIP unintentionally has created the new field of a labour-providing business. Those associations are called associations of different sectors, for they dispatch trainees and interns legally to whomever asks for foreign labour. Founders of these associations are either former staff of associations of the same sector or staff members of chambers of commerce, or owners of temporary workers' agencies. These new entrants in the TIP activity or the owners of newly set-up associations have gained know-how of foreign workers' agency business through their former careers. They think this manpower agency business is more prosperous than to

accept trainees and to employ technical interns for the purpose of manufacturing. Since they take the TIP as business, they try to make a bigger contract with enterprises who are interested in employing foreign workers.

The third change has to do with recent trends in the Japanese labour market. The flexibility of the labour market, or an increase of temporary workers, is a key word. Japanese enterprises, especially those in manufacturing, have relied more on those temporary workers<sup>2</sup>. The newly-amended Worker Dispatch Law of 2003 enabled manufacturers to receive dispatched workers. The law itself accelerated the increase of temporary workers, as well as the enactment of the law owed a great deal to the increasing trend toward labour market flexibility. The TIP has been considered as a form of employing foreign workers in the first and second period of the TIP's rooting process, but in the third period it has come to be considered as a form of employing temporary labour. Temporary workers' agencies enlarged their business not in a good economy but in a weak economy, for those workers are necessary in time of dim economic prospects. Then, if a technical intern is considered as a temporary worker, employers should not be limited to SME; large enterprises also should be included. Until the second period, the TIP had been considered as a programme for SME; large enterprises should accept trainees as enterprise-based trainees, not as association-managed trainees. But in the third stage, large enterprises begin to employ technical interns and trainees in the place of temporary workers or dispatched workers.

Historically, Japanese temporary workers had consisted of farmers during winter time up till the 1980's, and after that they consisted of young un-skilled Japanese workers and Japanese-Brazilians. As the labour-providing source of Japanese-Brazilians is drying up, the TIP seems to some enterprises a good source of securing low-skilled workers. While the Japanese-Brazilians' turnover rate is high, technical interns stay as long as 3 years, which enables enterprises to better plan their manpower and to reduce recruiting costs. The turnover rate of Japanese-Brazilians is high because they have the right to choose their employers. As for trainees and interns under the TIP, there is no category of turnover rate, because they cannot move to another employer.

However, a 3 year-contract denies freedom of movement for technical interns. If they refuse to work at some enterprise, the only solution is to go home. If they go home before their 3 year-contract term expires; their debts at

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<sup>2</sup> According to a Working Structure Basic Survey, the ratio of atypical workers to total employees was 35.5% in 2007, but it was only 19.7 % in 1987.



home cannot be paid off. Even if it is managed legally, the TIP as a temporary migration system shows some vital defects of denying human rights. P. Martin says, "Logic and experience suggest that freedom to change jobs in the host country labour market can be a powerful protection for migrants, allowing them to escape abusive employers." [Martin, 2007:31]. It is true that developed countries do not approve freedom of movement for temporary workers, but a 3-year contract might be too long to be called temporary.

## 5-2 The Fall of Trainee Allowance

As the TIP has rooted in Japan, the average monthly allowance for trainees has fallen, while for technical interns, the monthly wage has stayed almost at the same level due to a minimum wage regulation (see Figure 4).

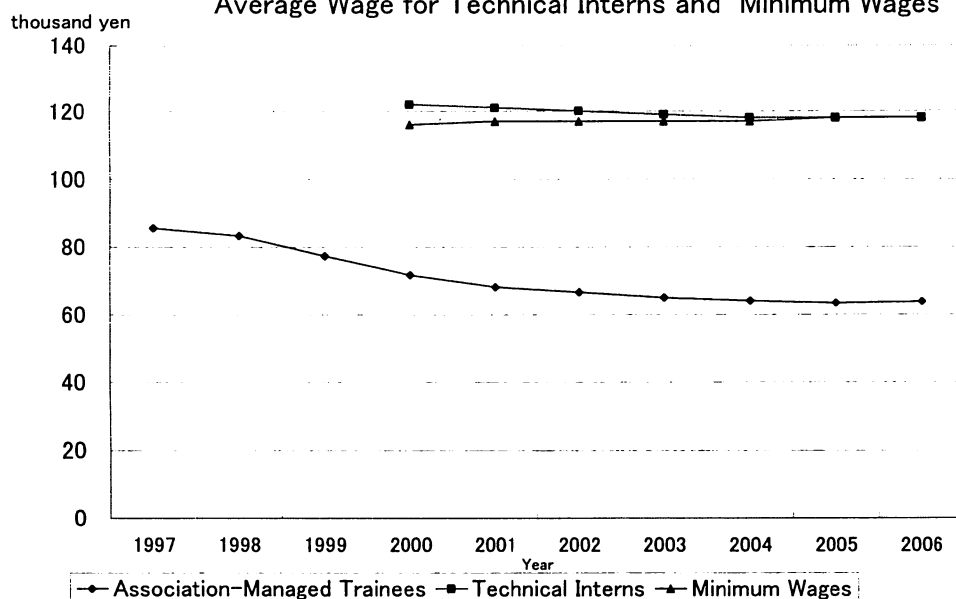
In 1997, the average trainees' allowance was as much as 84,567 yen (about €530, 1€= 160 yen), but 10 years later it fell to 63,800 yen (about €399). A technical interns' wage was 122,000 yen (€763) in 2000 and 118,000 yen (€738) in 2006.

Two factors may explain this fall. One is a gender balance. Among technical interns, the female ratio is increasing. The ratio of female interns was 55% in 2006 compared to 33% in 1997. The wages of female interns are lower than those of males, so the increase in female interns lowers the average wage.

The other factor is competition. The rooting process of the TIP has created a new labour market in Japan, and newly-formed associations that accept workers and newly-formed companies that send workers from overseas try business activities under the TIP. From interviews with delegates in Japan from Chinese companies that send workers, they criticized the fall in the trainee allowance and said that in order to save business chances they had to make a concession over the amount of the allowance.

Not only from a standpoint of human rights, but also from an economic point of view, the surroundings of trainees and technical interns seem to be worse. A new proposal from the Ministry of Health, Labour and Welfare suggests that trainees should be entitled to be workers which can be protected by the labour law. That must be a necessary measure.

Figure 4 Average Allowance for Association-Managed Trainees, Average Wage for Technical Interns and Minimum Wages



Note: (1) The average monthly allowance for association-managed trainees intends to cover all living costs, but it excludes such costs as transportation, housing, insurance, and often gas and electricity. Legally, trainees are not entitled to get wages, since they do not possess the right to work.

(2) The average monthly wage for technical interns means only the basic allowance and excludes such allowances as over-time, holiday-work, and midnight work.

Source: Same as Figure 3 and data from the Ministry of Health, Labour and Welfare (MHLW), cited from [House of Representatives Research Bureau Legal Research Division, 2008:52, 62]

### 5-3 Institutionalization of the Labour-Supplying Side

The rapid spread of the TIP in the third stage is owed partly to some changes on the labour-supplying side. While 80% of association-managed trainees come from China, China's associations that send workers have institutionalized the trainee-sending business. In China, the workers' dispatching business called "workers' exports" has been brisk after the deregulation, and many private enterprises gained access to the market. The number of trainees they sent to Japan increased by 10% from 2003 to 2006. In 2006 the number of newly-entered Chinese trainees reached to 55,811 persons.

With this rapid increase, there emerged many illegalities and violations of the Immigration Law such as fake passports, no labour contracts, sublease of trainees and interns, and absconding. In 2002, China enforced a law to put these groups that send workers under control. A process of institutionalization on the part of the labour-supplying side began in accordance with the TIP's rooting in Japan, or with the increase of associations of different sectors in Japan.

Another reason for the institutionalization of groups that send workers is that there emerged several countries which are ready to accept a foreign workforce. Korea, Taiwan, Singapore, and Hong Kong have accepted foreign workers, but especially Korea's decision to introduce low-skilled workers in 2004 opened a new and legal market for foreign workers, who can work from one year up to three years.

When developed countries in Asia are ready to accept low-skilled workers, Japan will be only one destination of migration among others. Groups that send worker have every reason to prepare workers for either Japan or neighbouring countries. The TIP now is influenced by the immigration policies of neighbouring countries, and those policies make the TIP work more as a temporary migration system.

## 6. The Rooting of a Temporary Migration System

The TIP has been implemented for almost 20 years in Japan since the association-managed training system was set up. In the rooting process of the TIP, the traineeship program, which was intended to enhance industrial skills, has turned into one to teach the Japanese language and basic skills necessary for the workplace. In other words, its rooting process has seen a change from technology transfer to a temporary migration system. Now every industrialized country has reached the stage where migration from less developed countries is needed. Japan, especially, is one of the most aged societies in the world, so migration some day in the near future is a very possible choice. But as is always the case with a temporary migration system, it has the great defect of limiting migrants' freedom of movement.

The Japanese TIP also possesses the same kind of defect. If any kind of temporary migration system were to be maintained for the local economy, then traineeship should be abolished, and trainees should be turned into be real workers who enjoy the same rights as domestic workers.

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