

**JAPAN'S FOREIGN POLICY ON MIGRANT WORKERS:
IMPLEMENTATION OF THE SPECIFIED SKILLED WORKERS (SSW)
POLICY IN OVERCOMING LABOR CRISIS**

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Abstract

This study discusses the immigration policies implemented by Japan's government to overcome labor problems. This study aims to analyze Japan's demographic conditions through the concept of human capital, as well as analyze the Specified Skilled Workers (SSW) policy implemented by the Japanese government as an effort to deal with demographic problems in the country through the concept of foreign policy. There are 4 variables in the concept of foreign policy, namely: the reasons for forming the policy (Input), the strategy for implementing the policy (Process), the interests to be achieved in the policy (Output), and the impact of implementing the policy (Outcome). Using a qualitative method with an exploratory approach, this study shows that Japan is facing a labor crisis, so the Japanese government makes policies related to the acceptance of foreign workers to fill the workforce vacancies in sectors that require skilled and expert workers. Japan cooperates with 14 to bring in foreign workers based on their skills and expertise.

Keywords: Foreign Policy, Human Capital, SSW

INTRODUCTION

Japan is one of the developed countries with the industrial and technology sector, which is located in the East Asia Region. Even so, Japan faces problems regarding demographic conditions. Demographic problems in Japan are caused by a decrease in the number of births and an increase in the growth of the elderly population

(Terapulina, 2021). This phenomenon has occurred since 1975, namely after World War II (Widiandari, 2016). At that time, the number of births in Japan experienced a deficit and continued to decline, which is then expected to continue to decline until now.

The number of birth rates is a determining factor for the number of productive age workers who function as substitutes for previous workers. The decline in the number of babies born in Japan since the post-World War II until now has resulted in the demographic composition changing into an elderly society which can also be called an aging population. The aging population phenomenon has become a global issue experienced by countries in the world (WHO, 2022). Phenomenon aging population impact on the problem shrinking workforce or depreciation of the workforce which greatly affects the productivity and economic competitiveness of a country (D, p. 45). Aging Population experienced by Japan is the productive age crisis, where the majority of local workers are workers who are entering non-productive age so that it has an impact on a lack of productive workforce. Therefore, the Japanese government made a policy to bring in foreign workers to fulfill its workforce, one of its policies was policy Specified Skilled Workers (SSW).

Specified Skilled Workers (SSW) is a new immigration policy made by the Japanese government by adding 2 categories of residency status for foreign workers, namely skilled workers and skilled workers (Intan, 2020). The policy is contained in the amendment Immigration Control and Refugee Recognition Act in December 2018, and took effect on April 1, 2019. Foreign workers through SSW can work in Japanese companies with the same rights and obligations as local Japanese workers.

There are 14 sectors that require foreign workers through the program Specified Skilled Workers (SSW), namely elderly nurses, building cleaning management, machine parts and tooling industry, machinery, electricity, electronics and information industry, construction industry, shipbuilding and ship engineering industry, car repair and maintenance, aviation industry, accommodation industry, agriculture, fisheries and aquaculture, food and beverage manufacturing and the food service industry

(Directorate General of Immigration, 2019). One of the sectors that requires the most workforce is elderly nurses, bearing in mind that the elderly population in Japan is very high and continues to increase.

RESEARCH METHOD

The method used to review this research is a qualitative method that will build arguments through literature studies. According to Bogdan and Taylor cited by Moleong, qualitative research will produce data in the form of word descriptions based on the writings of other researchers or based on observations made by the author (Moleong, 2001). In this study the authors used exploratory research methods. Explorative research aims to describe the state of the phenomenon (Simanjuntak & Purba, 2012).

In this study, exploratory research aims to gain more knowledge about the implementation of one of the policies on foreign workers in Japan, namely Specified Skilled Workers (SSW). Explorative research is also research that aims to describe the causes of something happening, and find out new information about the problems that are happening (Mudjiyanto, 2018). In this study, researchers seek to understand phenomena, as well as describe the causes of their occurrence, and find out how policies are implemented Specified Skilled Workers (SSW) against foreign workers in Japan. This study uses the concept of human capital to describe the general condition of the Japanese workforce. Furthermore, the concept of foreign policy is used to analyze the response of the Japanese government in overcoming the labor crisis. The concept of foreign policy is also used to analyze the causes to the effects of implementation of the Specified Skilled Workers (SSW) policy.

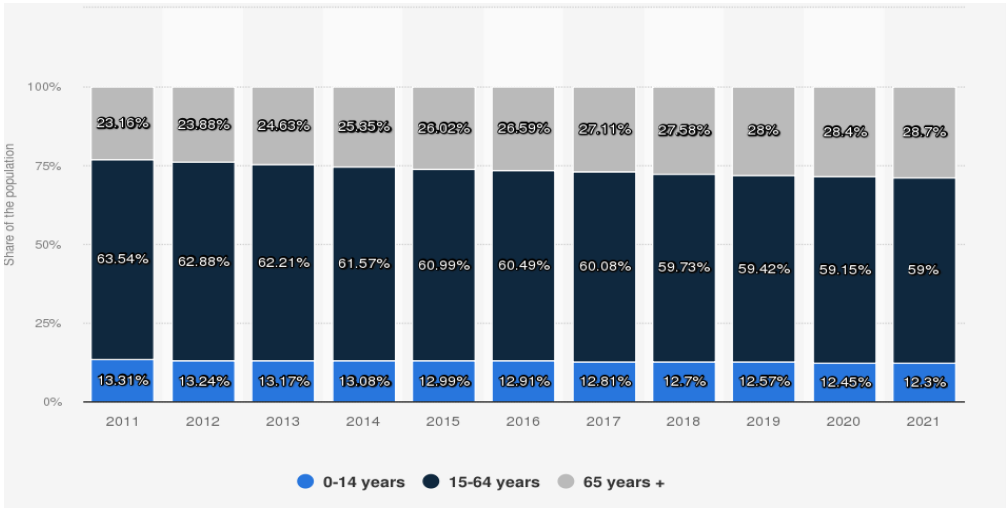
RESULT AND DISCUSSION

Conditions of Human Resources (HR) in Japan

Labor or human resources is one of the production factors that affect a country's economic growth. Human resources are considered as human capital which greatly influences economic growth. Economic growth is one of the problems of a country's economy in the long run. Japan as a country with the largest economy in the world,

Japan always strives to maintain its country's economic growth. However, the reality is that Japan is facing demographic problems that cause labor problems in the country, resulting in a reduction human capital. The demographic problem faced by Japan is the decline in the birth rate, which is called a phenomenon Shoushika (Terapulina, 2021). This phenomenon will threaten the sustainability of Japan in the future. A reduced population of children or the birth of babies will have an impact on an increasingly aging generation (Suryadi, 2019). As a result, industry in Japan will be mostly occupied by workers of non-productive age which can have an impact on the output of an industry.

This phenomenon began in the aftermath of World War II, when it was a period of major growth for the Japanese economy. The end of World War II caused Japan to experience hyperinflation caused by the increasing demand for national reconstruction as a result of the war which was then followed by low production capacity. Thus, from the mid-1990s to the present, Japan experienced a drastic decline in the number of working age population. In order to maintain and increase the productivity of its industry, the Japanese government makes policies related to the acceptance of foreign workers.



(Source: Statista Research Department, 2022)

Figure 1. Japanese Population Based on Age

Based on the graph, it can be seen that the population aged children (0-14 years) and productive age (15-64 years) continues to decline slowly every year. Meanwhile, the aging population (65 years and over) continues to increase every year. This proves that sooner or later Japan will lose its population of productive age in the country (Japan Ministry of Health, 2020). However, as a large country, Japan must continue to maintain its country's economy by requiring more workers. The labor shortage is becoming increasingly serious as the country's population declines.

This is a problem for Japan because the country's aging population will have a negative impact on a number of important factors, such as a decrease in the number of productive working age economies who contribute as a workforce and an increase in the state's burden to allocate funds. For elderly care, such as pensions and other benefits, although the provision of pension funds to employees over 65 years is paid by the employer where they work.

The labor crisis in Japan is expected to continue to worsen with an estimated population decline of 100 million by 2050, while the aging population will continue to increase from 28% to 38% (Jones & Seitani, 2019). Sustaining employment and economic growth is critical for Japan to achieve fiscal sustainability. Labor problems have an impact on the reduction human capital, so that the Japanese government is trying to fulfill human capital in order to maintain and increase economic productivity.

Japanese Government's Efforts in Improvement Human Capital

The problem that Japan is currently facing is the labor crisis, which will have an impact on several sectors in Japan, especially on the country's economic growth. As a large country, Japan needs to maintain and even increase the country's economic activity through improvement human capital by implementing policies against foreign workers to send human capital from a partner country. The increasing labor crisis prompted the Japanese government to take steps to open immigration for foreign workers. Following are some of Japan's efforts to bring in foreign workers as an effort to increase human capital to increase productivity.

Policies related to foreign workers or immigrants in Japan are the result of a combination of immigration policies that regulate the terms and conditions of the bureaucratic workforce to Japan, which can be said to be a form of selection principle and also employment policies that regulate the employment of workers who have entered Japan as a form of integration principle. . The Japanese government's policy regarding the acceptance of foreign workers is regulated in Immigration Control and Refugee Recognition Act, based on joint considerations and their impact on industry and public welfare in Japan (Yamada, 2010). The following is the dynamics of foreign labor policies in Japan.

Table 1. Dynamics of Foreign Worker Policy

Year	Policy
1989	Amendment Immigration Control Act - acceptance of foreign workers of Japanese descent
1991	Formed The Japan International Training Cooperation Organization (JITCO)
1993	Formed Technical Intern Training Program (TITP) under the auspices of JITCO
2014	The Japan Revitalization Strategy – Expansion of internship vacancies including for Small and Medium Enterprises (UKM) for participants TITP
2016	Amendment Immigration Control Act – TITP Evaluation, apprentices who have returned to their home country can continue to work for the second phase
December 2018	Amendment Immigration Control Act – Policy Specified Skilled Workers (SSW) which was realized in April 2019.

Policy Specified Skilled Workers (SSW)

Program Specified Skilled Workers (SSW) or skilled workers is one of the Japanese government's programs to accept foreign nationals with certain classifications of expertise and skills to work in Japan as an effort by the Japanese government to overcome the labor crisis in several sectors, even in Small and Medium Enterprises (UKM) (ISA, 2019). Specified Skilled Workers (SSW) is the status of residence status of residence for foreign nationals in Japan who work in jobs that require sufficient knowledge or experience in certain industrial fields (ISA, 2019). This policy is a response from the Japanese government to the previous policy which experienced controversy because it was considered to exploit foreign workers.

Policy Specified Skilled Workers (SSW) passed by Japanese Prime Minister Shinzo Abe in an amendment Immigration Control and Refugee Recognition Act in December 2018 which realized in April 2019. Amendment Immigration Control and Refugee Recognition Act 2018 was enacted for two reasons, namely (Rehm, 2021):

- 1) The creation of the SSW visa category for the first time establishes a regulated pathway (front door) for the admission of a large number of low- and medium-skilled workers, with a limit of 345,150 over five years.
- 2) The SSW Visa (ii) provides a pathway to permanent residency and regulates family migration, and the Comprehensive Action, which includes a policy that recognizes long-term settlement and the need for social integration.

The SSW policy consists of type 1 residence permit status and type 2 residence permit status. Workers with type 2 residence permit status can occupy jobs in 14 sectors, namely (ISA, 2020): nursing, building cleaning management, construction industry, machine component industry and equipment, equipment and machine industry, electricity, electronics and information industry, shipbuilding and ship engine industry, car repair and maintenance, aviation industry, hotel industry, agriculture, fishery and aquaculture, food and beverage production, and industry service food. Whereas workers who have type 2 residence permit status can occupy 2 work sectors,

namely the construction industry and the shipbuilding and ship engine industry (ISA, 2020; ISA, 2020).

This SSW policy is a residence permit status policy for foreign workers in Japan in accordance with the skills in the specified field of work. In August 2020, 12 countries joined the Specified Skilled Workers policy collaboration, namely the Philippines, Cambodia, Nepal, Myanmar, Mongolia, Sri Lanka, Indonesia, Vietnam, Bangladesh, Uzbekistan, Pakistan, and Thailand (ISA, 2020). However, according to the website Immigration Service Agency of Japan, there are 14 countries that have collaborated with Japan regarding this SSW policy, namely the 12 countries plus India and Malaysia (ISA, 2021).

The SSW policy aims to transfer potential foreign workers to Japan. Based on the concept of human capital which states that qualified individuals are investments or assets of a company, this SSW policy seeks to maintain potential human resources to continue to contribute well to the productivity of a company in Japan. By classifying 2 categories of skilled workers in the SSW, the Japanese government requires human capital in 14 corporate sectors in Japan. Among them: 60,000 workers for elderly nurses, 37,000 workers for building cleaning, 21,500 workers for manufacturing, 40,000 workers for construction, 13,000 workers for shipbuilding and ship engine manufacturing, 7,000 workers for car repair and maintenance. Airport ground handling and aircraft maintenance required 2,200 workers, agriculture required 36,500 workers, accommodation services required 2,200 workers, fish farming 9,000 workers, food and beverage processing 34,000 workers, and the food service industry 53,000 workers.

Policy Implementation Strategy Specified Skilled Workers (SSW)

The SSW policy was ratified through amendments to the Immigration and Refugee Control Act in December 2018, then implemented in April 2019. The strategy adopted by Japan in implementing this SSW policy is to classify workers based on expertise in 14 sectors provided by the Government of Japan, as for visa classification SSW is divided into 2 categories, namely: type 1 and type 2. The differences between SSW types 1 and 2 will be explained in the following table.

Table 4. Differences between SSW Type 1 and SSW Type 2

Type	Skilled Worker (Skilled Workers) (i)	Member Employees (Skilled Workers) (ii)
Duration	According to the contract, it can be extended in stages for a maximum of 5 years	Minimum 5 years, can be extended, according to the needs of the company
Skill Level	Pass the skills test, excluded for alumni of the Japanese apprenticeship program/TITP	Pass certain skill tests with honors expert
Japanese Language Proficiency	JLPT level N4 or JFT Basic (equivalent to level A2), alumni are exempt TITP	It is not required to pass the language test, but the skills test uses Japanese with a high degree of difficulty
Family member residence permit	Not allowed	It is possible, with permission.
Notes	Can change jobs in opened category (by passing skill test)	Can change jobs in opened category (by passing skill test)

(Source: Ministry of Manpower of the Republic of Indonesia, 2020)

Based on the table above, it can be seen that this SSW policy is a continuation of the program TITP because in the regulations, alumni are apprentice participants TITP

can proceed to Skilled Worker stage type 1 or type 2 with easier regulation. As for newcomers, Language and skills training is required for approximately 6 months. In addition, the Government of Japan offers some support in implementing this SSW policy, namely there are 10 assistance for migrant workers who work under this SSW policy, which are as follows (Japan, 2021):

- 1) Skilled worker participants or Skilled Workers receive direction regarding the contents of the work contract and the contents of the work from the company before receiving a residence permit status.
- 2) Skilled worker participants also receive pick-up service when they come to Japan and return to their country from the company. The company will accompany skilled worker participants from security checks at the airport to returning home.
- 3) Skilled worker participants also receive guaranteed housing and other needs from the company. The company will help to open a bank account for electricity and other needs.
- 4) The company will accompany skilled workers to teach daily life in Japan.
- 5) The company will also assist in processing procedural documents.
- 6) Skilled workers will also receive guidance for Japanese language training
- 7) Skilled workers will also receive consulting services, and consultations can be carried out using the language of the country of origin.
- 8) The company will assist migrant workers to have the opportunity to talk with local residents.
- 9) The company will also provide directions for further job orientation if workers are asked to leave a company.
- 10) The company will hold meetings with skilled workers every three months as a form of evaluation of problems at work

Japan cooperates with partner countries to prepare the human resources of each country through Japanese language courses and skills training according to the fields of interest through organizations determined by each country. Japanese language

courses are conducted through Japan Foundation Test for Basic Japanese (JFT-Basic). JFT-Basic is a test standard that aims to assess the level of proficiency in Japanese required by foreign nationals who will live in Japan. It aims to make it easier for foreign workers in everyday life in Japan.

All forms of guarantees above are Japanese strategies in implementing policies Specified Skilled Workers (SSW) to increase the attractiveness of sending countries to be able to transfer more labor. Significant differences between policies TITP and this SSW is on wages, where workers TITP earn little wages so they experience exploitation and discrimination. Meanwhile, workers in the SSW category receive wages and rights that are equal to local Japanese workers

Impact of Policy Implementation Specified Skilled Workers (SSW)

Policy Specified Skilled Workers (SSW) had an impact on the return of Japan's image and the establishment of cooperation between Japan and 14 labor-sending countries. In addition, this has an impact on the legal fulfillment of workers in Japan with detailed data as follows.

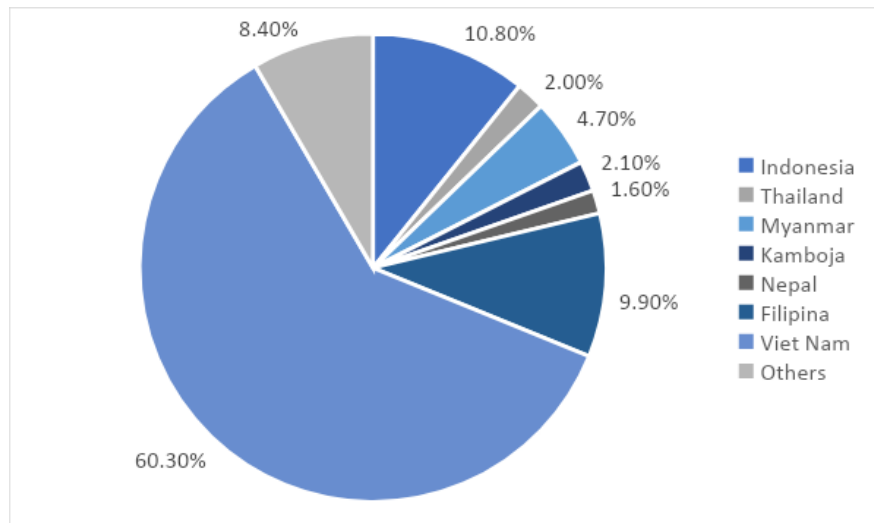
Table 2. Number of SSW Foreign Workers in Japan 2021

Negara	Jumlah	Persentase
Vietnam	23.972	62.5 ↑
Filipina	3.591	9.4 ↑
China	3.194	8.3 ↓
Indonesia	3.061	8.0 –
Myanmar	1.733	4.5 ↑
Thailand	827	2.2 ↓
Kamboja	767	2.0 ↓
Nepal	518	1.4 ↑
Lainnya	674	1.8 ↓
TOTAL	38.337	100

data per September 2021

(Source: Wiratama Japanese Course, 2021)

The data above shows that, in September 2021 the SSW program brought 38,337 workers to Japan. Vietnam has become a country that dominates the fulfillment of labor in Japan through the scheme SSW although it was recorded in 2019 that foreign workers in Japan from Vietnam were the most workers who experienced discrimination. Through Memorandum of Cooperation, the Japanese government invited the Vietnamese government to cooperate in making the SSW policy process successful. Not only Vietnam, the Philippines is also one of the countries that sends the second highest number of workers to Japan with 3,591. Cooperation between the Philippines has been established in Japan Philippines Economic Partnership Agreement (JPEPA).



(Source: Immigration Services Agency of Japan, 2022)

Figure 2. Graphic of Total SSW Foreign Workforce Based on Country in June 2022

In June 2022, the number of foreign workers in Japan under the SSW scheme is fulfilled as many as 87,472 skilled workers. Viet Nam is still the country that fills the most labor vacancies in Japan through the SSW program. Viet Nam brought in as many as 52,748 skilled workers, even though workers from Vietnam experienced a lot of exploitation and discrimination in the previous policy. Then Indonesia became the second country as the largest sender of labor in Japan through the SSW scheme by

bringing in 9,481 skilled workers. This proves that Japan managed to restore its image after the controversy that occurred in the previous policy. In addition, the SSW policy is able to bring in foreign workers according to the skills and expertise needed by Japan with the following details.

Table 3. Acquisition of SSW Foreign Workers by Sector June 2022

No	Sector	Amount	Percentage
1	Food and beverage manufacturing industry	29.617	33,90%
2	Machinery and electronics industry	17.865	20,40%
3	Agriculture	11.469	13,10%
4	Nurse	10.411	11,90%
5	Construction	8.493	9,70%
6	Restaurant Business	3.199	3,70%
7	Other	6.418	7,30%
TOTAL		87.472	

The workforce acquisition of 87,472 workers in the third year of implementing the policy, namely 2022, is a small number compared to the Japanese government's initial target of bringing in 345,000 workers in a period of 5 years. The acquisition of the number of foreign workers in the SSW policy did not meet the target number expected by the Japanese government due to the outbreak of the Covid-19 at the end of 2019 which had an impact on different policies regarding the entry and exit of citizens. However, the number of 87,472 skilled foreign workers is sufficient to fill the labor vacancies in sectors that require expertise in Japan. This proves that in the implementation of this SSW policy, Japan is able to fulfill manpower in 14 sectors by bringing in foreign workers who have skills and expertise. This is also not a failure for Japan, because the quantity of workers is no longer a priority for Japan but the Japanese government prioritizes fulfilling skilled workers.

Conclusion

Based on the description above it can be understood that Aging Population is a major phenomenon faced by various countries, especially Japan. Japan as a country with a large economy is very concerned about this phenomenon, because this phenomenon can have a major impact on the productivity of the country's economy. Japan, which is a homogeneous country, tends to be closed to bringing foreign nationals into the country. However, with various encouragements the Japanese Government made several policies related to labor to be able to bring in foreign workers to the country. The initial policy of the Japanese government regarding this matter is Technical Intern Training Program. However, this policy experienced a lot of controversy from both program participants and from partner countries so it underwent several changes. Even though it has undergone several changes, this policy is still controversial from several parties because it is considered to exploit and discriminate against program participants.

The results of this study indicate that a country needs human capital to maintain economic growth. In this case, Japan seeks to bring in foreign workers to its country, because labor is an investment or an asset in Japan's economic development. This is the background to the emergence of policies Specified Skilled Workers (SSW) on amendments of Immigration Control Act (ICA) in December 2018. The SSW policy was then realized starting April 2019. By offering many guarantees and convenience in sending and receiving foreign workers to Japan. Through cooperation agreements in the MoC with 14 countries, the Japanese government aims to restore the image of Japan to the controversies that occurred in previous policies. In addition, the Japanese government also has an interest in meeting labor needs. Japan brought in 87,472 in June 2022 which is quite low compared to the initial target of the SSW policy. However, the number of 87,472 skilled workers obtained by Japan was not a failure for Japan, because the quantity of workers was no longer a priority for Japan but the Japanese government prioritized fulfilling skilled workers. This proves that the Japanese government can fill the vacancy in the workforce in sectors that require expertise.

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