

Advisory Panel of Experts on Ideal Form of Technical Intern Training Program and Specified Skilled Worker System Interim Report (May 11, 2023) (Excerpt)

No. 4 Direction of Discussions

1. Introduction (Viewpoints of Discussions)

Amid the increasingly severe labor shortage, foreign nationals are living in Japan and serving as integral pillars of Japan's economy and society. Given such circumstances, we must bear in mind that we should realize a society of harmonious coexistence with foreign nationals, safeguard their human rights, and strive to appropriately accept foreign nationals as important members of our industries, economy, and local communities. This will realize a diverse, dynamic society in which foreign nationals working in Japan can demonstrate their full potential and consequently contribute to easing the serious labor shortage. From these viewpoints, we intend to resolve the challenges facing the existing Technical Intern Training Program (hereinafter referred to as “TITP”) and Specified Skilled Worker System (hereinafter referred to as “SSWS”) and gain international understanding. To this end, we indicate the direction of discussions for each issue.

2. Regarding the purposes of TITP and SSWS

(1) How to design systems that reflect desirable purposes and actual needs

- The purpose of the current TITP is to make international contributions through human resource development, and the program holds as a basic principle that it must not be used as a way to cover labor supply and demand. Despite that, technical intern trainees are contributing as a labor force of Japanese enterprises, etc., and it has been pointed out that there is a gap between the purpose of the program and its actual roles. In light of such circumstances, it is undesirable to continue accepting trainees as workers in the future while stating international contributions through human resource development as the sole purpose of TITP. Therefore, we should consider abolishing the current TITP and establishing a new program aimed at securing and developing human resources. In other words, we need to face the fact that TITP is actually performing the function of not only developing, but also securing human resources, and thoroughly review the current program to reflect such reality of its roles.
- We should consider positioning the human resource development function of TITP to also be the purpose of the new program. This is because, by developing foreign nationals who have been accepted as unskilled workers into workers with a certain level of expertise or

skills, the program makes contributions to the domestic industries and Japan's economy through trainees continuing to work in Japan and playing active roles by making use of their skills, and the program also makes international contributions through trainees returning to their home countries and making use of their skills there.

- With regard to SSWS, we should conduct examinations from the direction of continuing to use the current system while reviewing the system and making necessary improvements and achieving a balance with the new program aimed at securing and developing human resources, in order to respond to the severe labor shortage. In this process, we will keep discussing the relationship with the new program, and also, considering that various challenges including the support for foreign human resources have been pointed out, we will discuss the details of how to decide the numbers of foreign nationals that can be expected to be accepted and the industrial fields that will accept foreign nationals, how to provide appropriate and effective support with a view to reviewing the roles of registered support organizations, and how to improve the governmental supervisory function and the support function for specified skilled workers, toward drawing up the final report.
- Regarding how individual-enterprise-type technical intern training should be handled and how we should smoothly shift from the current TITP to the new program, we will discuss the details toward drawing up the final report.

(2) Establishing a career-path that enables foreign nationals to continue to grow and to play active roles over the medium to long term (including how the job categories of the new program and SSWS should be designed)

- From the perspective of realizing an easy-to-grasp new program and SSWS through which foreign nationals can work and play active roles in Japan while advancing their careers, we should consider aligning the job categories of the new program with the industrial fields of SSWS so that the foreign nationals can smoothly move on from the new program to SSWS.
- In that process, we will consider reviewing all job categories and industrial fields of the current TITP and SSWS, after verifying the status of efforts being made for improving productivity and securing domestic human resources on the premise of the demand from the industries and the necessity of accepting foreign nationals, while basically adopting the concept of the industrial fields of SSWS in terms of securing human resources, and will discuss the details toward drawing up the final report.
- From the viewpoint of human resource development, we should conduct discussions in the direction of developing and assessing the essential skills and knowledge foreign nationals are to acquire, thereby visualizing the improvement of their skills, and creating a system under which they can engage in a wide range of work from a perspective of acquiring systematic capabilities with an eye to moving on to SSWS. As it is important to objectively

measure the proficiency level of the skills acquired, in this process we will discuss the details on how such assessment should be conducted, while also taking into account the status of operation of the trade skills test and technical intern training evaluation examination, etc., toward drawing up the final report.

- In addition, we will also discuss the details of creative efforts of accepting companies, etc. to provide incentives for foreign workers to continue working for the companies, etc. along with efforts to improve the treatment of the foreign workers and improve frameworks for their appropriate and efficient development in the companies, etc., toward drawing up the final report.
- In order for Japanese companies, etc. to be chosen as attractive workplaces, there is a need to create a mechanism whereby foreign nationals can make further use of the skills and knowledge they acquire in Japan. From such a viewpoint, we should consider applying the status of Specified Skilled Worker (ii) to other industrial fields and discuss how these industrial fields should be selected based on the necessity of such industrial fields, as an incentive for both foreign nationals and accepting companies, etc. If independent foreign workers who have acquired high skills live in Japan in the medium to long term with peace of mind and work while demonstrating their capabilities, it will contribute to Japan's industrial and economic development. Thus, toward drawing up the final report, we will discuss the details of how Japanese companies and other workplaces will be chosen as attractive workplaces, including the aspects of treatment such as the wage, and effective acquisition/assessment of skills, while taking into account the government's policy on acceptance of foreign workers.
- Moreover, in order to help foreign human resources advance their career, we should also consider whether measures could be taken to enable foreign human resources to play active roles in their home countries by capitalizing on the skills they have acquired in Japan.

(3) How to decide the numbers of foreign nationals that can be expected to be accepted (including the current treatment under SSWS)

- In order to appropriately respond to the domestic labor shortage under the new program which is also aimed at securing human resources and SSWS, toward drawing up the final report, we will discuss the details in the direction of increasing transparency and foreseeability by, for example, introducing a system whereby the efforts of ministries and agencies in charge of industrial fields are assessed, the status of labor shortage and the impact on the domestic labor market are assessed, and the numbers of foreign nationals that can be expected to be accepted and the industrial fields that will accept foreign nationals are decided based on opinions of various stakeholders, such as labor-management organizations, and evidence.

3. Regarding prevention of human rights violations and other measures for creating a mechanism that is beneficial for both foreign nationals and Japan

(1) How employer changes should be handled (for technical intern trainees)

- Under the current TITP, foreign nationals are trained by a single employer, in principle, so that they can acquire skills and knowledge systematically and efficiently within a limited time. With regard to the new program, however, we should conduct examinations in the following direction: while retaining to some degree the restrictions on employer changes specifically aimed at human resource development, we should enhance the rights of foreign nationals as workers because of the inclusion of securing human resources as a purpose of the program, and should ease the overall restrictions on employer changes in order to fulfill the purport of the new program and protect the target foreign nationals.
- As for how restrictions on employer changes should be designed, we will discuss the details toward drawing up the final report from a comprehensive viewpoint that takes into account the relationship with the purpose of the new program to secure human resources and human resource development, such as the time required for human resource development at the accepting companies, etc., the costs borne by the accepting companies, etc. at the time when foreign nationals come to Japan and during the human resource development, the securing of human resources and human resource development in the respective industrial fields and rural areas, the relationship with Japan's labor legislations, and the impact on the exercise of rights by workers.
- In addition, we will discuss the details on a relief mechanism for facilitating foreign nationals to exercise rights when there are human rights violations or law violations and measures for promptly securing a new employer, while taking into account the current operation status. In this process, given that a certain number of disappearance cases of foreign nationals could occur either under the new program or SSWS, we should conduct examinations by also giving consideration to the viewpoint that foreign nationals would neither become offenders nor victims of crime.

(2) How supervisory and support functions should be provided

A. How supervision and support should be provided by supervising organizations and registered support organizations (including whether they should continue to exist)

- In order to smoothly accept unskilled foreign human resources with insufficient Japanese language proficiency from overseas and carry out appropriate human resource development, etc., functions of supervising organizations under the current TITP,

including the international matching function, function to supervise and support accepting companies, etc. for properly accepting foreign nationals, and function to provide overall protection and support, etc. for foreign nationals spanning their working lives to everyday lives, as well as the function of the registered support organizations under the current SSWS to support foreign nationals are important.

- However, more than a small number of supervising organizations under the current TITP are incapable of preventing and addressing human rights violations and improper working conditions at accepting companies, etc., and it is necessary to strictly regulate or eliminate such organizations. In addition, registered support organizations under the current SSWS can be registered irrespective of whether they are corporations or individuals, and more than a small number of them are incapable of providing overall support for foreign nationals spanning their working lives to everyday lives. Therefore, we should consider reviewing how support should be provided by registered support organizations, and again strictly regulate or eliminate organizations that cannot fully perform their functions.
- In order to ensure that only excellent organizations that can appropriately perform the international matching function and the function to support the accepting companies, etc. and foreign nationals are approved as supervising organizations under the new program, we should conduct discussions in the direction of securing supervising organizations' independence from the accepting companies, etc. and their neutrality and tightening the requirements concerning supervision, protection and support. Moreover, in order to ensure that only excellent organizations that can appropriately perform the function to provide necessary support for foreign workers are approved as registered support organizations, we should conduct examinations in the direction of tightening the requirements concerning support. Toward drawing up the final report, we will discuss the details of these requirements, including how expenses should be collected from accepting companies, etc., while taking into account the current operation status.
- In order to enable accepting companies, etc. to use excellent supervising organizations and registered support organizations with peace of mind, we should conduct examinations in the direction of disclosing assessments of such organizations' business activities, and providing incentives to excellent organizations particularly in the areas of supporting accepting companies, etc. and protecting foreign workers.
- We should discuss how roles should be appropriately shared between support by supervising organizations and registered support organizations and support by local governments, etc. under the new program and SSWS, in terms of support for accepting companies, etc. and support for foreign nationals.

B. How the State should be involved and how the Organization for Technical Intern Training should be (including whether it should continue to exist)

- As support such as supervision, guidance, and consultation services which the Organization for Technical Intern Training has provided based on laws and regulations have certain effects and are indispensable for proper acceptance of foreign nationals, we should conduct examinations in the direction of continuing to use the organization by providing it with necessary resources according to its roles.
- Similar to technical intern trainees, foreign nationals who are Specified Skilled Workers (i) also need certain support spanning their working lives to everyday lives due to the level of their Japanese language proficiency and skills and knowledge, but there are limits to expecting accepting companies, etc. to provide all of such support. In addition, there are cases where it is appropriate for the State to provide guidance and supervision to accepting companies, etc. based on laws and regulations from a neutral standpoint. Accordingly, also with regard to SSWS, we should continue to discuss how appropriate and effective support can be provided by registered support organizations and how the governmental supervisory function should be carried out, while identifying and analyzing the actual conditions of acceptance and support.
- We should conduct discussions in the direction that under the new program ministries and agencies in charge of industrial fields would play the role of supporting a better acceptance for foreign nationals in consistency with Japan's foreign worker acceptance policy and other policies, based on circumstances specific to the respective industries, from the viewpoint of industrial policy, while giving consideration to the costs to be borne by accepting companies, etc. Specifically, we will discuss the details toward drawing up the final report bearing in mind that ministries and agencies in charge of industrial fields will mutually coordinate with industrial associations under their initiatives, and play roles including the following: assessing the efforts for improving productivity and securing domestic human resources made in each industry and the status of labor shortage after such efforts are made; providing support so that the accepted foreign workers would choose to work in Japan and be able to live and work with peace of mind; and ensuring appropriate acceptance within each industry. In addition, we should discuss further strengthening of these efforts by ministries and agencies in charge of industrial fields also with respect to SSWS.
- From the viewpoint of small- and medium-sized enterprises and micro businesses in rural areas securing and developing the needed human resources, not only ministries and agencies in charge of industrial fields, but also local governments should consider making efforts for developing environment where foreign nationals can work and live with peace of mind.

C. What sending organizations should be like and how foreign nationals should be sent based on the actual conditions and mechanism of the international labor market (including measures to reduce the burden of debts incurred before entering Japan and measures to further enhancing Memorandums of Cooperation [MOC])

- In the international labor market, job recruiters and job seekers are far apart. Therefore, there is a reality that a brokerage function works in the market through the intervention of supervising organizations and sending organizations, etc. with the parties concerned such as the accepting companies, etc. and foreign nationals themselves bearing the costs for employment placement. If unscrupulous brokers or sending organizations intervene in this process, and foreign nationals themselves bear unreasonable costs and incur substantial debts, it could have adverse effects on the foreign nationals' activities after coming to Japan. Therefore, further response measures such as eliminating unscrupulous brokers and sending organizations should be considered.
- Regarding this point, there have been indications that, even if a governmental organization itself were to perform the function of international employment placement, this will not eliminate the possibility that an unscrupulous broker will intervene before the governmental organization is reached. While taking that point into account, we will discuss the details of the brokerage function of the new program toward drawing up the final report from a comprehensive viewpoint, including international rules on the bearing of costs in employment placement, consistency with the sending system and relevant laws and regulations of the sending countries, the operation status of acceptance systems in other countries, cost-effectiveness, and the matching mechanism incorporating a significant information asymmetry between job recruiters and job seeker in the international labor market, so as to reduce the burden on foreign nationals in the international employment placement process as far as possible.
- Toward preventing collection of excessive fees, eradicating unscrupulous sending organizations, and ensuring appropriate operation of sending organizations, we should conduct examinations in the direction of strengthening international efforts for proper acceptance of foreign human resources, such as preparing an effective MOC with the other country, also under the new program.

(3) Efforts to enhance the Japanese language proficiency of foreign nationals (including how the costs should be borne)

- As it is important that foreign workers have a minimum level of Japanese language proficiency necessary for leading everyday lives and working lives when they come to Japan, we should discuss measures to ensure that foreign nationals have the necessary Japanese

language proficiency before starting work in Japan, such as setting Japanese language proficiency requirements for the test upon entry to Japan and post-entry lectures, while sufficiently considering the extent of burden caused to foreign nationals for the Japanese language study before coming to Japan and the impact on stable securing of human resources.

- As it is important for foreign workers to enhance their Japanese language proficiency even after coming to Japan and while continuing to work and live in Japan, and as such proficiency is also required for enabling appropriate skill formation and long-term work, we should conduct discussions in the direction of establishing a system that can help them gradually enhance their Japanese language proficiency, including creation of incentives for the accepting companies, etc. and foreign workers to voluntarily participate in Japanese language education.
- As for the costs and necessary support associated with post-entry Japanese language education for foreign workers, we should conduct examinations in the direction that while having the accepting companies, etc. bear the costs instead of foreign workers, in principle, the State and local governments should appropriately provide support such as development of a Japanese language education environment and increase the opportunities for Japanese language education, from the perspective that smooth working and skill formation of foreign workers contribute to the accepting companies, etc. as well as to the local industries and economy, and also from the perspective of providing livelihood support to foreign workers and enabling them to live in harmony with the other residents of their communities. On such basis, toward drawing up the final report, we will discuss the details of how roles should be shared and burdens should be borne between the accepting companies, etc. and the State or the local government, while taking into account the requirements and mechanisms concerning Japanese language proficiency under the new program.

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