Workforce Development with Japanese Technical Intern Training Program in Asia: Opportunities and Challenges

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I. Introduction

It is widely recognized that most developing countries have given priority to enhance subject knowledge at the classroom level in their education system without improving student’s practical knowledge in the field and social values. By contrast, Japan realized the need to teach practical field knowledge and social values after the Meiji Restoration in 1868 and since then has attempted to develop human resources by giving equal importance to subject knowledge, practical knowledge and social values\(^1\) starting from the elementary school level. The reasoning has been that people with such training could work as a team in various industrial sectors to meet people’s needs. This approach to education has helped the Japanese not only to modernize their economy within a short period, but also to overcome a wide range of economic or natural disasters that affected their country in the past one and half centuries.

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\(^1\) In this study, social values are defined as the improvement of the following aspects of the workforce: discipline, attitude, sense of responsibility, mutual understanding, team work, commitment to work, ability to adapt to changes of the work place, self-confidence, honesty, loyalty to duty, obedience to rules and regulations, etc.
The Technical Intern Training Program (TITP) in Japan started accepting young people in Asia who are active in the workforce in their home countries in 1993. Japanese firms employ them as trainees and allow them to work with Japanese people, creating various opportunities to learn not only technologies but also Japanese work ethics and social values. Japan believes these trainees will contribute to socioeconomic development of their home countries while helping Japanese firms to solve their labor scarcity problem.

The main aim of this study is to examine the opportunities and challenges of the TITP during its two decade history. The analysis is based on secondary data and interviews conducted in Japan and selected Asian countries including Vietnam, Indonesia, Thailand and Sri Lanka.

II. Opportunities of the TITP

During the last two decades, Japan, through the TITP, has trained about 1.5 million young people from more than 35 countries in the developing world, with more than 90 percent of them coming from Asian countries and China, Vietnam, Indonesia, Philippines and Thailand making up the top five sending countries. These five countries accounted for about 84 percent of the total trainees accepted from developing countries\(^2\). The vast majority of this huge number of Asian people have long since returned to their home countries after being trained in more than 72 fields in agricultural and industrial sectors in Japan. One important question we are concerned with here is: How much have these trainees contributed to the development process of their home countries. No comprehensive academic studies on returned technical trainees from Japan have been done, but policy makers in both sending

\(^2\) The data includes only Trainees and Technical Intern Trainees (i-a), extracted from various issues of JITCO White Papers.
countries as well as accepting countries believe that these trainees have contributed in various ways to the socioeconomic development of their home countries. Available data and analysis information has given mixed opinions and revealed both positive and negative sides on the contribution of TITP to economic development in Asia. Negative opinions prevail in the international academic and policy-making communities, especially in the United States. In our study we have learned that although the TITP has many flaws and some serious problems have arisen — mainly due to violations of rules and regulations by accepting firms in Japan, sending agencies in Asia and the trainees themselves — the program has contributed directly and indirectly to social and economic development of Asia. One can also safely say the TITP has helped to alleviate labor shortage faced by Japanese firms, especially SME, to an extent and has contributed to friendly, long-term business relationship between Japan and Asia.

According to 20th anniversary issue of IM Japan’s magazine (2014:191), IM Japan alone has supported 37,000 technical trainees, mainly from Indonesia, Thailand and Vietnam during the last 20 years. Among these, about 3000 Indonesian trainees have established their own business ventures based on the knowledge and capital they had acquired during the training period in Japan. The Executive Chairman of the IM Japan emphasized that his organization was able to positively contribute to international society through promoting international mutual understanding in developing countries. He further said that his institution has contributed to the development of international leaders by providing trainees with the opportunity to learn about work ethics and the work habits of Japanese workers, which has helped them to become leaders and entrepreneurs after

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3 アイム・ジャパン, 「羽ばたくアジアの若者たち～技能実習生と受入企業の20年の歩み～」．外国人技能実習制度20周年記念誌．公益財団法人 国際人材育成機構, 2014
returning to their home countries.

According to IM Japan’s survey on returned trainees, more than three thousand trainees have established their own companies in industries that range from the manufacturing of machine tools to processing agricultural and fisheries products. Figure 1, shows the type of acceptance companies that worked with IM Japan. These companies trained the 37,000 young people mentioned before that originated mainly from Indonesia, Vietnam and Thailand during the last 20 years. Figure 1 reveals that more than 75 percent of accepting or implementing firms sponsored by IM Japan are manufacturing companies. The intern trainees who worked in these firms -- simply by working at work places in Japan -- received some knowledge about manufacturing technologies and some insight into work habits and work ethics in Japan. According to IM

Figure 1: The Type of the Acceptance Companies in Japan (1993-March 2013)

Source: アイム・ジャパン (2014)「羽ばたくアジアの若者たち～技能実習生と受入れ企業の20年の歩み～」、外国人技能実習制度20周年記念誌、公益財団法人 国際人材育成機構、P. 179
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Japan the knowledge they picked up in Japan -- combined with their own savings and money provided by IM Japan through partnerships with government agencies in the interns’ home countries -- helped the intern trainees initiate various business activities in their home countries. By creating small scale enterprises, the returned trainees have created direct and indirect employment opportunities for people in their home countries within a short period of time. The activity of the returned trainees also contributed to friendly relationships based on mutual understanding between Japan and the countries of the returned trainees.

In earlier studies we carried out in Thailand and Sri Lanka we found three types of activities among returnees: 1) the money and knowledge they had acquired during the training period in Japan helped them launch small-scale business venture (as also noted by IM Japan in its 20th Anniversary Magazine); 2) knowledge they acquired in Japan helped them find suitable employment in a Japanese firm operating in their home country; and 3) money earned in Japan helped them build a new house and/or buy modern household goods, vehicles, electrical items, etc. It is interesting to note that the majority of the Thai returnees found work in Japanese firms or engaged in activities with comparatively higher wages than their Thai counterparts who had not worked in Japan. The majority of Sri Lankan returnees used their knowledge and savings to build new houses and/or buy various assets such as vehicles. Few found work in a company. However, our earlier study in Sri Lanka revealed, some returned trainees launched small business ventures such as opening up a small shop for selling local goods, establishing a Japanese style small family farm, importing used-automobile parts from Japan, etc. The following testimony of a Sri Lankan trainee provides further understanding into how the TITP has contributed to the socioeconomic development in the home countries of the trainees on a very small, microeconomic level.

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“I was working as an intern trainee for a machinery and metal firm in Japan for three years. Thanks to this program, I was able to learn the working culture of the Japanese, especially the commitment of the Japanese workers as a team to their work, and save about 1.4 million yen [about $14,000] during this period. I used my savings and knowledge to fix up and improve my old house and buy a small used-vehicle and open a small shop near my house. Although I am still not getting a large profit from my small business, now I am having an economically independent life with my family. If possible I would like to work again in Japan in the future.”

This example serves as an illustration of the way that the work experiences of the returned trainees in Japan have not only contributed to improvements in their lives but also contributed in small ways to the economic development of the home country and friendly relations and long-term economic links between Asia and Japan.

III. Major Challenges of the TITP

Various kinds of misconducts and malpractices by some accepting or implementing organizations in Japan participating in the TITP have drawn media attention and been criticized by domestic and international organizations. Addressing the misconducts and the criticism are among the greatest challenges for the TITP. At the domestic level, the mass media, NGOs, human right activists and lawyers have spoken out about the malpractices of the program. The US Department of State, through its reports on human trafficking and human rights, is one of the international organizations that have criticized some elements and outcomes of the TITP. Both domestic and international groups point out that unlawful incidents continue to occur and have increased rapidly during the two decade history
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of the TITP.

According to the findings of the Immigration Bureau of the Ministry of Justice in Japan (JITCO, 2011:47-48; JITCO, 2016:1-2), misconducts by accepting organizations increased at an unexpectedly high rate during the period 2010-2015. Table 1 shows that 273 organizations were cited for misconducts in 2015, an increase of 67.5 percent from 2010. Supervising Organization Type (SOT) firms were responsible for 270 misconduct incidents, or about 98.9 percent of the total. To review, SOT firms accept intern trainees and arrange training at their member companies (Implementing Organizations) in Japan. SOT firms are the dominant accepting organizations of the TITP, accounting for about 90 percent of the intern trainees in Japan. It should also be noted that the 370 misconducts reported in 2015 were carried out by 273 organizations. This reveals that sometimes one organization was responsible for more than one improper act and many different firms engaged in misconduct in 2015. The unlawful incidents that took place at accepting organizations as noted by JITCO (2016: 2) are broken down as follows: A) 138 (37.3 percent) cases of malicious infringement of human rights including non-payment of wages; B) 62 (16.8 percent) cases of the use or presentation of counterfeit or forged documents; and C) 39 (10.5 percent) cases of discrepancies in regard to the training and technical internship plan. Japan’s Ministry of Health, Labor, and Welfare (MHLW) investigated 3,918 workplaces that employed intern trainees and found violations of working hours, safety standards, payment of overtime wages, and other regulations at 2,977 workplaces (US Department of State, 2016). It should be noted that the MHLW’s finding is 11 times higher than the JITCO’s findings.

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4 See JITCO (2011: 147-148; 201:1-2) for further information of these incidences of improper conduct of different types occurred in Japanese accepting organizations.
The Annual Human Traffic Report of US Department of State has used strong words such as ‘human trafficking’, and ‘forced labor’ to criticize the TITP every year for the past decade. The following statement is from the 2011 report:

*Japan is a destination, source, and transit country for men, women, and children subjected to forced labor and sex trafficking. Migrant workers from Asian countries are sometimes subject to conditions of forced labor. Although the Government of Japan has not officially recognized the existence of forced labor within the TITP (including Industrial Trainee), the media and NGOs continue to report abuses including debt bondage, restrictions on movement, unpaid wages and overtime, fraud, and contracting workers out to different employers – elements which contribute to situations of trafficking. The majority of trainees are Chinese nationals who pay fees of more than $1,400 to Chinese brokers to apply for the program and deposits – which are now illegal - of up to $4,000 and a lien on their home. An NGO survey of Chinese trainees in Japan, conducted in late 2010, found that workers’ deposits are regularly seized by the brokers if they report mistreatment or attempt to leave the program. Some trainees also reported having their passports and other travel documents taken from them and their movements controlled to*
The recruiting and accepting system of trainees in the TITP in both sending and accepting countries may be one of the main reasons for the pathetic situation of the trainees. As discussed in the foregoing analysis, most of the interns have come to Japan under contracts between overseas recruitment groups and domestic recipient organizations in which a large number of rules and regulations have been violated. Foremost among the violations has been -- although it is prohibited to pay or sign a bond with local sending institutions according to the Japanese law -- the well-known secret that most intern trainees have paid large amounts of money to cover their travelling expenses and other fees charged by sending agency middlemen. Most of the trainees have borrowed this money from their relatives under an agreement that it will be paid back after the trainees return from Japan. This gives the sending organizations in the home country and accepting organizations in Japan leverage over the trainees. According to an article in the Japan Times (November 24, 2014), a loan borrowed by a Chinese intern to take part in the TITP left him a virtual slave to Japan’s labor-hungry construction industry because he could not go back to China without having made enough money to repay the debt. The Director of Solidarity Network with Migrants Japan, a Japanese NGO, told the Japan Times that the TITP is “a system of slave labor. You cannot just quit and leave. It’s a system of human trafficking, forced labor” (Japan Time, November 23, 2014).

Another sorrowful outcome of the TITP is that a large number of young trainees in their 20s and 30s have died or committed suicide during their

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5 See 朝日新聞 (2015年12月20日) for further information on the broaching promises given by brokers of sending countries and their worst effect on trainees themselves and their families in home country.
training program in Japan. According to JITCO’s findings, 370 trainees invited to Japan under this program since 1992 have died. Of these 37 (10 percent) committed suicide. A total of 101 of the deaths (27 percent) among these young trainees were blamed on brain and heart illnesses (JITCO, Various Issues; Japan Times, August 14, 2014). The annual death rate of interns is around 19 people a year. There is no doubt that this will have a negative effect on the image of the TITP, Japan and its people among the people in Asia in the long run. The causes of deaths among foreign trainees trained under TITP are illustrated in Figure 2. It is important to note that JITCO has not recognized most these incidents as work-related deaths, or those that occurred as a result of their work environments. However, many NGOs, human rights activists and experts on this subject have noted that many trainees are exploited to the extent that some die or commit suicide from overwork (karoshi in Japanese)⁶. It is a commonly known fact that the people who have participated in TITP do not have sufficient knowledge or ability to seek justice or compensation from the Japanese firms that exploit them because most of the young Asians that participate in the TITP, belong to the poor strata of the society and are assumed to have relatively low levels of education and possess limited Japanese language abilities. As a result, the families of trainees who died while participating in TITP accept whatever compensation offered by the Japanese firm because the main purpose of trainees is to help their families economically as much as possible. The following finding of the US Department of State (2011) on this subject addresses this issue.

*Most cases of abuse taking place under the TITP are settled out of court or through administrative or civil hearing, resulting in penalties which are not sufficiently stringent or reflective of the*

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⁶ See Japan Times (August 14, 2014) for more detail on this subject.
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...heinous nature of the crime, such as fines. For example, in November 2010, the Labor Standards Office determined that a 31-year-old Chinese trainee officially died due to overwork; although he had worked over 80 hours per week for 12 months preceding his death without full compensation, the company received only a $6,000 fine as punishment and no individual was sentenced to imprisonment or otherwise held criminally responsible for his death.

Figure 2: Causes of Death among Foreign Intern Trainees (1994-2014)

The other major challenge of the TITP is the trainees absconding before they finish their training program. Figure 3 illustrates how this practice increased during the period 1995-2015. The data in the Figure reveals that, during the 20 year period, about 31,196 trainees moved to the illegal labor market after working a few months at their TITP firms. The annual absconding rate has been about 1,485 people a year, increasing at a rate of about 68 percent per year since 2011. This recent trend may have been
closely related to the dramatic increase in the number of interns in recent years and amended laws related to TITP put into effect in July 2010. One of the most serious effects of absconding has been an increase in costs to both sending organizations in Asia as well as accepting firms in Japan. This situation poses dilemmas for the perpetuation of the TITP, its sustainability in the long run and its ability to address labor scarcity in Japan while helping the development process in developing countries. An argument can be made that absconding from the original workplace is not necessarily a bad thing in terms of the overall labor market since these trainees often find similar work (usually 3K work for which there is a labor shortage). There is the added bonus for the trainees that absconding often allows them to escape from poor or exploitive work conditions and find jobs with better working conditions and higher pay within Japan.

Figure 3: Number of Absconded Foreign Intern Trainees (1995-2015)

Source: JITCO, Various Issues, 朝日新聞, 2015.12.20 (Note: 2015: until October)

The above noted negative outcomes of TITP have largely correlated with the increase of malpractices of accepting firms. This has occurred despite the
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Japanese government’s various rules and regulations aimed at improving the TITP. For example, the Government of Japan imposed a ‘length of acceptance ban’ of one to five years and other penalties to punish firms accused of malpractice. However, the malpractice situation has not improved even with the tougher immigration laws. Many people in Japan and outside feel that the Japanese government has not made adequate efforts to prevent malpractices despite credible and sometimes shocking reports of the mistreatment of foreign workers

The US Department of State (2011) credited the Japanese government with taking steps to reduce practices that increase the vulnerability of TITP workers to forced labor, but condemned it for failing to identify victims of forced labor despite ample evidence that many workers in the TITP face abuse indicative of forced labor. The US Department of State has further noted that the government of Japan has no specific protection policy for victims of forced labor and it has never identified a victim of labor trafficking although again there is ample evidence that its exists in some form.

Developing an effective strategy to reduce TITP malpractices largely depends on the host organization’s and JITCO’s regular monitoring and supervision of employers and technical trainees, especially if they have been red flagged for improper behavior. Simply blaming government rules and regulations doesn’t accomplish much. Many studies have found that the host organizations and JITCO, which receive fees from the businesses and organizations they are supposed to supervise, are not doing their job satisfactorily. According to a Japan Times article (August 14, 2014), host organizations have failed to identify any illegal acts by employers against intern trainees even though there is much evidence that illegal acts are being

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carried out. It further noted that JITCO, which is commissioned by the central government, is supposed to regularly supervise and advise employers and hosting organizations, but it is clearly not doing this. Particularly surprising is the fact that only 30 percent of the entities blacklisted by the immigration authorities were visited by JITCO officials during a three year period. One lawyer told the Japan Times that it is difficult to expect JITCO to exercise oversight functions because it probably does not want to lay a finger on the participating businesses and organizations (Japan Times, August 14, 2014).

It should also be noted that all these problems may be strongly correlated with a general lack of awareness by the general public about the TITP and its problems. As we discussed in earlier studies, intern trainees in Japan have very limited freedom of movement from their workplaces to the outside world and limited communication with Japanese in their local communities. When conducting our research, we were surprised that most relevant authorities, including JITCO officials, refused to give us permission to conduct questionnaire surveys of intern trainees working in various firms in Japan.

The following major problems we feel are directly linked to lack public awareness about the TITP and its problems: 1) the failure to publicize contributions of the program to the development process in sending countries in Asia and the labor shortage in Japan; 2) the prevalence of a strong focus on the negative aspects of the program based on a relatively small number of cases; and 3) an inability to find solutions that treat the root causes of the TITP’s problems. Finally, it should be emphasized that if Japan expects to continue operating the TITP as an effective international cooperation activity of its foreign aid policy and tool to tackle the labor shortage problem in its SMEs, the program must be opened to general public
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scrutiny in Japan.

IV. Conclusion

The ‘mismatch’ of the ‘two-pronged’ objectives of TITP (promoting development in developing countries while providing labor for labor-hungry businesses in Japan) and the different, often contradictory, objectives of the main stakeholders in the TITP (sending organizations in Asia, policy makers and accepting organizations in Japan) lie at the heart of the TITP’s problems. The intern trainees view the program as an employment opportunity rather than a training program that allows them to earn money to help their families in their home country. Accepting or implementing organizations in Japan consider the program as an effective and profitable means of solving their labor shortage problems. Despite this, Japanese policy makers continue to insist that the TITP is a major part of its international corporation which aims to transfer knowledge, skills, and technologies to developing countries.

This mismatch of objectives and perceptions has caused a mixed basket of results that include success as well as failures. For example, although the TITP has strongly emphasized that its main purpose is to provide training in technology and management and transfer technology from Japan to developing countries, a study done by us earlier found that the program has not been useful in improving the skills of intern trainees in technical matters, management, computer operation and other important areas of technical knowledge. However, the trainees did gain knowledge about Japanese work ethics and habits, make contacts and earn money which helped them in their home countries. It is noteworthy to point out here that the opinions on the

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level of knowledge that trainees gained varied considerably according to their country of origin and this was largely correlated with the level of economic development of their place of origin as well as similarities/differences in sociocultural practices between Japan and the sending country of the trainees.

The main reason the trainees did not acquire many technical skills during their stay in Japan is that for the most part, the tasks requiring knowledge about advance technologies were carried out by Japanese employees while the work duties allocated to foreign trainees were mostly labor-intensive, mundane manufacturing tasks. This was a common practice among most of the firms that utilized intern trainees in their manufacturing activities. Poor government policy making, inadequate oversight and supervision and ineffective methods used to achieve the TITP’s goals are among the other reasons why the TITP has fallen far short of achieving what it was designed to do.

The ‘remoteness’ of the TITP to the general public is recognized as another serious problem with the program. Lack of public awareness of and exposure to the program and its participants has resulted in an emphasis placed on the negative impacts of the program and the failure of the trainees to interact with Japanese society. The intern trainees working in Japanese firms are often not allowed sufficient freedom of movement or communication with their local communities. As a result, the interns’ two or three year stay in Japan is mainly limited to factory and dormitory life with their fellow country men or women. They are highly isolated from the general public in Japan. It is interesting to note that although the number of interns has increased in all 47 prefectures, mostly in SMEs, knowledge about this program by the general public remains poor. It is also surprising and unfortunate that most of the accepting organizations in Japan do not allow
any studies on the interns. As a result, domestic and international criticism of the TITP persists while attempts to study the problems that lead to the criticisms are thwarted. Put another way, the remoteness and isolation of the TITPs participants becomes a major obstacle in the understanding of various problems faced not only by intern trainees but also by sending and accepting organizations. Moreover, this closed environment contributes to a lack of development of friendly relationships between the people in Japan and Asia through the intern trainees.

The Japanese government’s strict rules and regulations and its prolonged processing time have also been found major obstacles that affect the efficiency of the program. Many of the sending institutions as well as accepting firms expressed that complicated and time-consuming procedures make it difficult to expedite the recruitment of trainees as planned. Sometimes, Japanese government authorities decline to issue a visa at the last moment after a lot of time was spent getting the documentation together. This not only poses an unnecessary financial burden on both sending and accepting institutions, but also threatens the program as a whole by giving it a bad reputation.

The prevalence of a large number of middlemen, or so-called brokers, in both sending countries and Japan is seen as a major reason for emergence of the negative impressions of the program and the use of words like ‘human trafficking’ and ‘forced labor’ to describe aspects of it by domestic and international human rights organizations and media sources. The presence of brokers is most pronounced in the ‘supervising organization type’ (SOT) procedure compared to ‘individual enterprise type’ (IET) one. An increase in the number of brokers have also caused the costs for interns as well as sending and accepting organizations to surge. It cannot be emphasized enough that trustworthy organized channels such as IM Japan for sending
and accepting of interns is urgently required for the TITP to overcome its problems and negative image and develop it into a win-win program for both Asia and Japan.

The other important finding of the study is that the Japanese government has given inadequate attention to enforcing laws against the people who are responsible for misconduct in the accepting firms. According to many studies, law violations associated with the TITP, have mainly been settled through administrative or civil hearings, with the decisions generally favoring Japanese employers rather than the intern trainees. This laxity of the government may be related to the negligible share of interns in the total labor force in Japan and lack of comprehensive studies conducted by specialists on the subject. According to available data, interns accounted for only about 0.25 percent of the total labor force in 2015.

The present study was mainly based on literature from the mass media, NGOs, the US Department of State, and IM Japan survey materials. Although the present study attempted to minimize the limitations of the literature survey by extracting findings from our previous field surveys with officials and representatives in sending and accepting firms in both Asia and Japan, as well as with intern trainees in Japan, returned trainees, NGOs in Japan and researchers, it goes without saying that the findings of this study can only be expressed with strong limitations and caveats because of a lack of data. Therefore, to go forward with this research it is important to conduct a comprehensive survey in all prefectures encompassing a large sample of trainees in various fields to get a complete picture of the situation and make effective policies towards addressing the goals of the TITP — namely to help underdeveloped countries in Asia to develop and address the labor scarcity problems of Japanese firms. There is no doubt that this effort will contribute to achieve sustainable economic prosperity for both Asia and Japan while
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making a strong socioeconomic relationship based on mutual understanding.

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