

Contribution of the Japanese Technical Intern Training Programme to Socioeconomic Development of Trainees from Thailand and Laos¹

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I . Introduction

Thailand is the only country in the ASEAN region that was never colonized. It is also the only country in the region in which the monarchy still plays an active role in government and development. These two distinctive features -- non-colonization and the existence of an active monarchy system -- have been recognized by many scholars as positively-contributing factors to economic success that have given it an edge over other Asian countries, which have lost their monarchy systems and endured long periods of colonial administration. Thailand's unique history and style of democracy have contributed to the development of open market policies and helped Thailand become the largest economy among the ASEAN countries while dramatically reducing poverty, from 67 percent in 1986 to 11 percent in 2014 (World Bank, 2016). But despite all this, poverty, inequality and regional disparity continue to pose significant challenges to the development process of Thailand.

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One distinctive achievement of the Thai economy is its low unemployment (Its 1.2 percent rate is the lowest in the ASEAN region and among the lowest in the world). In spite of this, it is interesting to note that Thailand is a labor exporting country and a labor importing country. According to the Thailand Migration Report (2014), about four million migrants live in Thailand. The vast majority of them (3.25 million people) are from the neighboring countries of Myanmar, Cambodia and Laos. Outward migration is also significant according to this report. In 2012, 134,101 workers were deployed to other countries according to Thai government data. The Ministry of Foreign Affairs estimated that about one million Thais were residing overseas. There is no doubt that inward- and outward-migration are playing a great role in most areas of socioeconomic development in Thailand.

The situation in Laos, officially known as the Laos People's Democratic Republic (Laos PDR), is quite different. A landlocked country, surrounded by China, Vietnam, Cambodia, Thailand and Myanmar, it became independent from France in 1953, and was initially a constitutional monarchy under Sisavang Vong. After independence, a long civil war that took place until 1975, overthrew the monarchy and the Communist Pathet Laos movement came to power. Today, Laos is a single-party socialist republic². Beginning in 1986, it shifted its development strategy from a centrally planned economy towards an open, liberalized market-oriented economy under a socialist political framework. While Laos remains one of the poorest countries in the ASEAN region, in recent years it emerged as a rapidly growing economy. According to the Asian Development Bank (ADB, 2016:210-211), 72 percent of the labor force is engaged in agriculture and related activities, and 62 percent of the people get an income below \$2 (PPP) a day. Out-migration, guided by

² See <https://www.questia.com/library/101439610/a-short-history-of-laos-the-land-in-between> (Accessed 7, 2017) for further information on Laos's history, culture and its people.

the so-called labor export policy, plays a significant role in the social and economic development of the country. Southichack (2014) reported that 588,561 Laos-workers were employed in numerous countries around the globe in 2010. The top five host countries of these workers, ranked by the number of Laotian³ workers in them, were Thailand, the United States, France, Canada and Australia. He further noted that these workers remitted \$204 million ~ \$258 million to Laos in 2013, accounting for about 1.9 - 2.5 percent of the country's GDP.

Japan's Technical Intern Training Programme (TITP)⁴, which was introduced in 1993 in part to address Japan's labor shortage problem, offers benefits to both the labor-accepting country as well as labor-sending countries, resulting in a win-win situation for all participants. The labor-accepting country (i.e. Japan) is able to meet its labor needs to maintain agricultural and industrial production while protecting employment opportunities for its domestic labor force. For a labor-sending country, it can achieve multiple objectives such as the training of its unskilled workforce, helping to resolve unemployment problems, acquiring foreign exchange to fuel the national developments process, and improving the entitlements and living conditions of the trainees and their family members. Keeping these assumptions in mind, this study hypothesizes that the benefits to participating countries contribute to achieving stable social and economic development in Asia by establishing a firm relationship between Japan and countries that participate in its programs and this in turn leads to an integrated Asian economic region in the long-run.

³ Both Laotian and Lao will be used interchangeably to denote citizens of Laos.

⁴ See Ratnayake, De Silva, and Rie Kage (2016) for details of the modus operandi of the TITP.

A research was carried out to determine the extent to which the TITP has contributed to the development of the workforces -- a process referred to as 'human capital development' -- urgently required by Thailand and Laos for their ongoing industrial development and advancement out of developing country status. This paper presents part of the research findings, which examines the extent to which TITP has contributed to the socioeconomic development of the returned trainees of the two countries. It also investigates the level of socioeconomic development based on the nationalities and socioeconomic background of the trainees. An analysis of the TITP's contribution to addressing Japan's labor shortage and keeping down the costs of production, thus making Japanese products competitive in international market, is outside the scope of this study.

The data used to ascertain the above objectives was collected from two types of sources: primary sources (field surveys) and secondary sources (literature surveys). A structured questionnaire was distributed to Thai and Lao trainees who returned to their home countries (hereafter referred to as returnees) to collect information on the strengths and weaknesses of this programme. The survey was conducted in Thailand and Laos from July to December 2016 among 268 returnees from the two countries (166 from Thailand; 102 from Laos). In addition to the field survey, discussions were carried out on related matters with relevant government officials, representatives of sending organizations, including government authorities in Thailand, to support further analysis of the survey data.

II. Results and Discussion

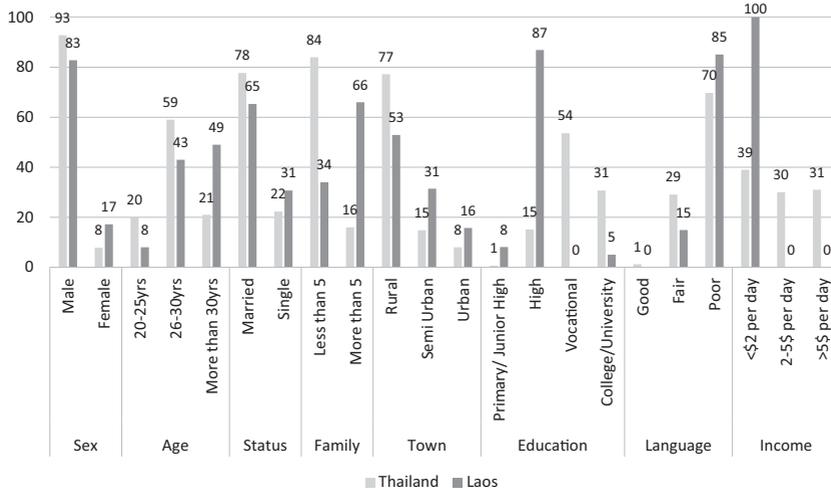
① Background of the Returned Trainees (Returnees)

Demographic and socioeconomic background: The background of the returnees of Thailand and Laos reflects the level of socioeconomic development of their

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home countries (Figure 1). For example, almost all Lao returnees belonged to the poorest stratum of the society (with an average per capita income level of less than \$2 per day) while less than 40 percent of Thais fell into this income bracket. Thailand not only has the largest economy in the ASEAN region, it also has the fourth largest per capita income and lowest poverty and unemployment rates⁵ in the region. Laos on the other hand largely remains a poor country of subsistence farmers. The levels of education of the trainees between the two countries also varied conspicuously: nearly 90 percent of the Laos-trainees had only high school education. By contrast, nearly 90 percent of the Thai trainees had vocational or university level education. This

Figure 1: Socioeconomic Background of the Returnees (%)



Note: Status - Civil Status; Family - No. of family members; Town - Home town where the returnees live; Language - Japanese language ability before departure; Income - Average income of the household

Source: Sample Survey, 2016 (sample size: Thailand: 166; Laos: 102)

⁵ Proportion of population below \$2 (PPP) a day in Laos PDR is about 62 percent (2012), but this remains less than four percent (2010) in Thailand. Moreover, the per capita income level in Thailand is more than three times higher than Laos PDR (World Bank, World Development Indicators, 2016; ADB, Key Indicators for Asia and the Pacific, 2015).

contrast is reflected in the existing standards of the education in the two countries. The adult literacy rate in Laos (72.7% in 2005) is substantially lower than in Thailand (96.4% in 2010).

It is also important to note that about two-thirds of the Lao returnees belong to large families, with five members or more. In contrast, nearly 90 percent of Thai returnees come from families with less than five members. The family size variation in these two countries is presumably a result of different birth and death rates, fertility rates, life expectancies, education levels, per capita incomes and various cultural factors⁶.

The Thai returnees were younger than the Laos returnees. Otherwise other socioeconomic factors among trainees such as sex, civil status and hometown (rural versus urban) were not significantly different, despite varied levels of economic development in the two countries. This reveals that although Thailand has a low unemployment rate and comparatively higher level of per capita income compared to Laos, similar forces -- namely lack of suitable opportunities to acquire suitable employment to improve their income at home, especially in the rural areas -- drove the Thai and Lao trainees to participate in the Japanese TITP. For example, about 90 percent of Thai-trainees and 83 percent of Lao-trainees are male, and most come from rural or semi-urban areas of their home countries. It is a commonly known fact that finding high-income employment in rural Thailand is very difficult because most industries and non-agricultural economic activity are concentrated in or near urban areas. The trainees said in interviews that among the reasons they decided to participate in the TITP were a desire to obtain practical knowledge and improve their capabilities through working

⁶ See, ADB, Key Indicators for Asia and the Pacific, 2015; and World Bank, World Development Indicators, 2016 for detail information.

Contribution of the TITP to Socioeconomic Development in Thailand and Laos with Japanese people, and this in turn would possibly help them get a high-paying job or start a successful business venture after returning home from Japan. At the same time, the trainees also said they believed that they might be able to save some money to improve their living condition after returning to their home country.

Trainees' awareness and reason for selecting TITP: According to the Japanese government, the primary aim of the TITP is to provide training in various fields for human resource development in Asia. However, it is noteworthy that 78 percent of Lao-trainees and 44 percent of Thai-trainees said that their main reason for applying to this program was to earn money and help their families (Table 1). The data in this Table also reveals that 72 percent of Lao returnees and 59 percent of Thai returnees had very little knowledge about the details and goals of the TITP before coming to Japan. The main reason for this is probably the different interpretations of the goals of the program by different parties involved. Policy makers in Japan interpret the TITP as a training program, which aims to help developing countries. The following statement by JITCO provides evidence to this notion.

There is a need to provide training in technical skills, technology, and knowledge from developed countries in order to train personnel who will become the foundation of economic and industrial development in developing countries. In an effort to address this situation, the Japanese government has created the "Technical Intern Training Program", an initiative that provides training for a specific period in industrial society to both youth and adult workers from all countries. The purpose of this program is to transfer skills to Technical Intern Trainees who will form a basis of economic development in their respective countries and play an important role in Japan's international cooperation and contribution. (JITCO, 2016).

However, both accepting organizations in Japan and sending organizations in Asia as well as the trainees themselves view the program as an employment opportunity, which helps both the trainees and firms. The survey found that 23 percent of the Thai returnees and less than 10 percent of the Lao returnees aimed to learn Japanese technology. The difference is probably due to the way the trainees are dispatched in the two countries. Government intervention may also have contributed to the different expectations that prevailed among the trainees in the two countries.

Table 1: Reason for Selection and Awareness of the Japanese TITP. %

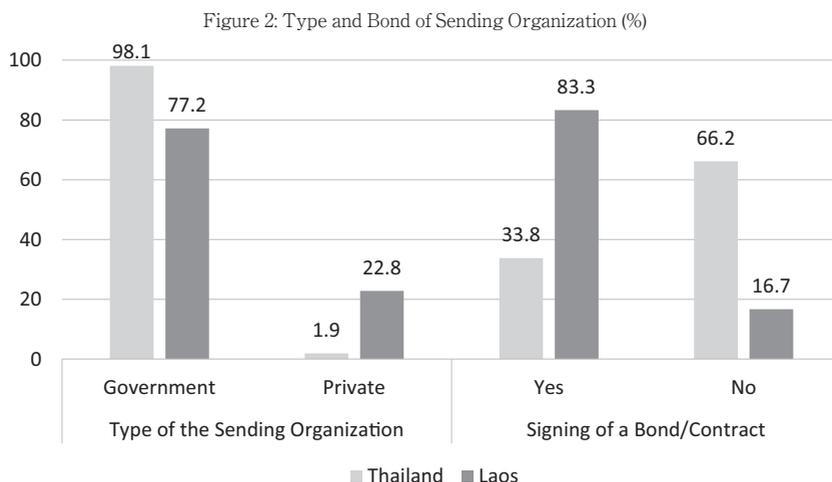
		Thailand	Laos
Reason for selecting TITP	To earn money and help my family	43.7	78.4
	To work in a foreign country	13.2	7.8
	To learn Japanese technology	23.0	7.8
	Recommended by family/friends at home	17.6	5.9
	Recommended by Sending Organization	2.5	1.0
Awareness of TITP	Didn't know anything	35.1	26.7
	Knew a little	59.1	71.7
	Knew well	5.8	1.7

Source: Same as Figure 1

Type, cost and bond with the sending organizations: The results of the survey on type of sending organizations revealed that nearly 98 percent of Thai-trainees and 77 percent of Lao trainees were dispatched by government organizations or government-sponsored organizations rather than private institutions (Figure 2). In this respect, the Ministry of Labor in Thailand and Ministry of Labor and Social Welfare in Laos have a major role in dispatching trainees to the Japanese TITP. The signing of a Record of Discussion (R/D) agreement with Thailand in 1994 and Laos in 1995 and their revisions in 2010 by JITCO -- that aimed to establish a cooperative frameworks with partner government organizations in both countries in order to ensure that Technical Intern Trainees (TITs) are accepted into Japan in a coordinated and

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It is important to note that in spite of the involvement of the Thai and Lao governments in dispatching trainees, one-third of the Thai returnees and 83 percent of the Laotian returnees said that they signed a bond (an agreement that requires the trainees to pay damages if they break the terms of their program such as overstaying or seeking illegal work) before their departure even though Japanese law clearly prohibits TITs from signing such bonds. The reason for this may be related to the strict government rules and regulations imposed on the sending organizations for trainees. Interviews with relevant institutions and officials in Thailand revealed that bonds or some type of agreement was necessary to ensure that the trainees fulfilled their responsibilities and returned to their home countries after the

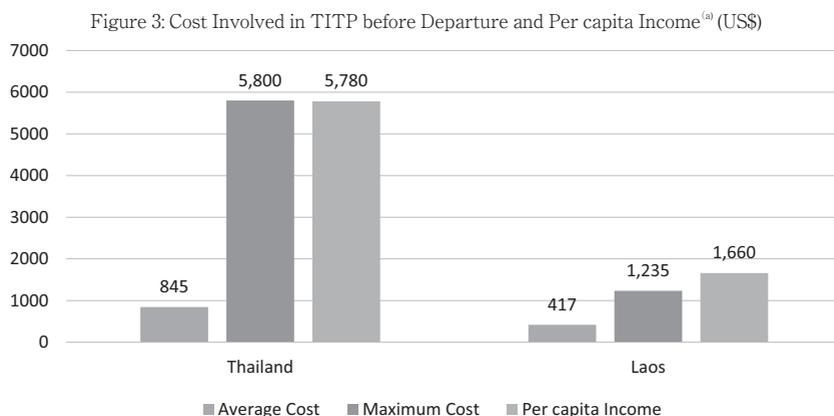


Source: Same as Figure 1

⁷ See JITCO, 2012 for further information on original R/D and its revised version according to change of the government Immigration Control Act.

termination of the training program in Japan. Sending organizations reiterated the point that bonds were necessary to prevent TITs from absconding (breaking their training agreements and seeking illegal work elsewhere) in Japan because the main purpose of trainees coming to Japan in the first place was to make as much money as possible within a short period of time.

Another important finding of the survey is that trainees had to bear a heavy financial burden before their departure (Figure 3). The cost variation from average to maximum was about seven times for Thai trainees and three times for Laotian trainees. Put another way, average pre-departure costs for Thai returnees was about one-seventh their per capita income, a considerable sum for the trainees as more than two-thirds of them earn less than five dollars per day. The maximum amount of pre-departure costs paid by Thai returnees was nearly equal to Thailand's per capita income. By contrast, average costs borne by Laotian returnees was about one-fourth of their per capita income, with all of them coming from households where the average income per head was less than two dollars per day (See also Figure 1).



Source: Same as Figure 1; World Bank, *World Development Indicators*, 2016; (a) Per Capita Income (Atlas Method) level of the two countries are for 2014.

The costs the trainees paid themselves before their departure was quite high compared to their per capita income level. Interviews with the trainees revealed that most of them had to borrow this money from friends and relatives. Some even had to mortgage or sell their properties (e.g. land). Many of them said that they were willing to bear these costs because they thought that they would earn back these costs plus make a lot more money by working in Japan for two or three years. This also reveals that the main aim of the trainees was earning money not learning technologies and work skills as the TITP was initially set up to do.

② Profile of the Accepting Firms and Nature of Work Performed

Table 2 shows data related to the classification of accepting firms, the classification of training programs by field and trainees' attitudes on the TITP based on the sample survey of returned trainees in Thailand and Laos. One interesting finding is that 92 percent of the Laotian returnees who participated in the survey worked in small firms with less than 10 employees -- so-called family-based micro-scale enterprises -- in Japan. By contrast, 40 percent of Thai returnees worked in large firms with more than 100 employees. The vast majority of the remaining Thai returnees worked at firms with 10-100 employees. The discrepancy between the work environments can be explained by the field of the technical training program conducted by accepting firms in Japan. Nearly all of the Laotian returnees were placed in agricultural enterprises, mostly so-called family farms with less than 10 employees in rural areas in Japan. Conversely, more than three-fourths (77%) of Thai returnees worked in relatively large-scale machinery and metal industry firms.

About 98 percent of Lao returnees and 89 percent of Thai returnees said that they worked about eight hours per day, with about 11 percent of Thai returnees admitting that they worked more than 10 hours per day. However,

Table 2: Accepting Firms and Trainees' Opinions on their Training Program in Japan, %

		Thailand	Laos
Number of Employees of the Accepting Firm	Less than 10 employees	11.3	91.8
	10 to 50 employees	27.8	6.1
	51 to 100 employees	21.2	2.1
	More than 100 employees	39.7	0
Field of Technical Training Program	Agriculture	8.6	96.9
	Construction	2.5	1
	Machinery and metal	76.5	1
	Apparel Industry	1.2	1
Time Spent per day for the Training (including overtime work)	8 hours	89.4	98
	More than 10 hours	10.6	2
Any Trainings in Holidays and Weekends	Yes	67.9	99
	No	32.1	1
Level of Technology Learned During the Training Program	Simple level	17.7	9.4
	Relatively Simple	23.8	33.3
	Average	45.1	52.1
	Quite Advance	12.2	5.2
	Very Advanced	1.2	0

Source: Same as Figure 1

nearly 100 percent of the Lao returnees and 68 percent of Thai returnees said they worked on holidays and weekends. This reveals that some work is best done without interruptions for holidays and weekends. With agriculture, for example, which employed almost all the Lao returnees, once cultivation starts workers have tasks that need to be done regardless of whether it is a week day, holiday or weekend. Some manufacturing plants also work 24 hours a day, seven days a week throughout the year and require the same continuous supply of labor. Even though they sometimes required trainees to work during the weekends and holidays, it seems that in general most of the accepting firms in Japan did not overwork trainees on daily basis, generally limiting workdays to eight-hour shifts.

Perceptions of the returned trainees about the level of technology they acquired during the training program are illuminating, with no significant view differences linked to nationality of or type of training received in Japan. About 42 percent of returnees from both Thailand and Laos said that the technology they learned from their host firms was simple or relatively simple. Nevertheless, 45 percent of Thai returnees and 52 percent of Laotian returnees said that they got an opportunity to learn average level of technologies from the host companies. It should also be noted that although more than three-fourths of the Thai returnees were engaged in manufacturing and metal industries, the functionality of the technologies they learned in the categories of 'quite advanced' and 'very advanced' was at a very low level of 13 percent. This variation of opinion may have been related not only to the needs of the accepting firms -- i.e. to keep trainees as laborers rather than trainees -- but also related to characteristics of the trainees such as education level, experience, Japanese language ability and their personal reasons for taking part in the programme. As discussed in an earlier analysis, the primary aim of Japanese firms accepting trainees was to meet their labor scarcity needs not train a workforce or engage in 'technology transfer' from Japan to Asia. For the trainees, earning money to help their families back home was their primary goal. Learning Japanese technologies and enhancing their skills was nice, but a secondary consideration. The contradictory aims of the trainees and Japanese firms can be recognized as major reasons for the dissimilar views by the returnees on the level of technologies they learned during their training program in Japan.

③ **Contribution to the Socioeconomic Development of Returnees**

Contribution of assets gained from TITP in fulfilling life expectations: Technical intern trainees typically go to Japan with various expectations about how the experience will improve their lives. During their three-year TITP stint in Japan, they gain various capitals (assets): human (knowledge and

skills)⁸, social (human relationships and networks), physical (technology) and financial (money) and they use these capitals in various combinations to address their expectations. The surveys of the TITs in Japan revealed that the trainees basically had six expectations in participating in the TITP and assets were gained in six areas (Table 3). In the surveys conducted in Thailand and Laos, the returnees were requested to identify which assets were useful in fulfilling their different life expectations.

Table 3: Contribution of Assets Gained from the TITP in Fulfilling Life Expectations, %

Life Expectation	Thailand					Laos				
	Capital/Assets Gained					Capital/Assets Gained				
	K	JL	M	T	SC	K	JL	M	T	SC
Find a better job	47.6	38.6	32.5	17.5	10.8	60.8	2.9	8.8	5.9	26.5
Work more productively	57.2	16.3	10.8	30.7	9.0	50	1.0	15.7	10.8	24.5
Start a new business	31.9	8.4	44.0	19.9	13.3	44.1	2.0	27.5	10.8	18.6
Have better social respect	27.1	13.9	28.9	13.3	40.4	42.2	2.0	32.4	9.8	17.6
Have better living condition	30.1	14.5	54.2	10.2	18.7	44.1	2.0	32.4	5.9	13.7
Support my family	16.9	4.2	79.5	5.4	7.2	54.9	1.0	26.5	4.9	16.7
Total Percentage Score	210.8	95.9	249.9	97.0	99.4	296.1	10.9	143.3	48.1	117.6

Note: K - Knowledge; JL - Japanese Language; M - Money; T - Technology; SC - Social Contacts

Source: Same as Figure 1

The Thai returnees said the most important capitals for finding better employment after returning to their home country were knowledge, Japanese language, and money. For the Lao returnees, knowledge, and social contacts were the most important capitals. There are more than 2318 Japanese subsidiary companies and joint ventures operating in Thailand that have factories, outlets and offices there (Toyokeizai, 2016:804). Many of the Thai returnees presumably hope to work for one of these companies and having Japanese language ability is obviously an asset for working at them.

⁸ Human capitals (knowledge, skills, and attitudes) gained during the TITP will be discussed in detail in the next part of this research to be published later in Saga University Economic Review.

The role of financial capital in finding a better job for Thai returnees is unclear, perhaps it relates to starting up a new business or developing an existing business. Our surveys in Asia also revealed that there are many returnees who have become Japanese language teachers and who have started their own Japanese language schools in home countries.

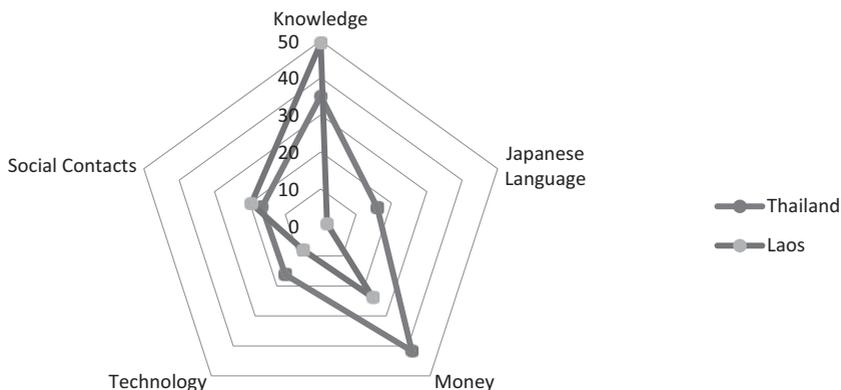
Since, Japanese companies view employees as part of their family unit, many companies maintain links with their trainees even after they return to their home countries. It is important to note that, in a relatively poor country like Laos, people have less social capital (particularly the 'bridging' capital, i.e. the relationships and networks between people of different organizations) than people in richer countries. Contacts with government and private organizations, and the improved socioeconomic status have helped returnees develop social capital. Contacts with Japanese companies as well as the contacts built up during the TITP experience in their home country have helped about one quarter of the Laotian returnees to find better jobs in Laos. Among the Thai returnees who returned to their previous jobs or started new jobs, 57 percent said knowledge gained and 31 percent said technology learned in Japan helped them work more productively. For the Laos returnees, knowledge (50 percent) and social contacts (24.5 percent) were mentioned as capitals that helped their work situation after returning home.

As would be expected a relatively high proportion of Thai returnees that started new businesses after returning home (44 percent) indicted the money saved during the TITP was the most useful asset they obtained from their experience in Japan. The second most important asset they said was knowledge (32 percent) followed by technology (20 percent). In the case of Laos, the three top capitals were knowledge, money, and social contacts. It is important to highlight the fact that the use of manufacturing technology used in Japan is very difficult to transplant to the trainee's home countries, since

there is no or a limited amount of absorptive capacity for such technology. However, the technology and knowhow used in micro and small-scale industries (e.g. crop and livestock farms, food processing, and construction) as well as simple technologies learned during their initial training can be adopted to a certain extent.

The final impact of the TITP expected at both Japan and the participating countries is higher socioeconomic status for the returnees and their families. The main resources said to be useful in achieving this end were social contacts, money and knowledge for Thai returnees and knowledge, money and social contacts for Laotian returnees. The main capitals useful for better living conditions and to support an extended family, were money, followed by knowledge, and social contacts for Thai returnees. For the Lao returnees, it was knowledge first, followed by money and then social contacts.

Figure 4: Average usefulness of capitals gained from Japan



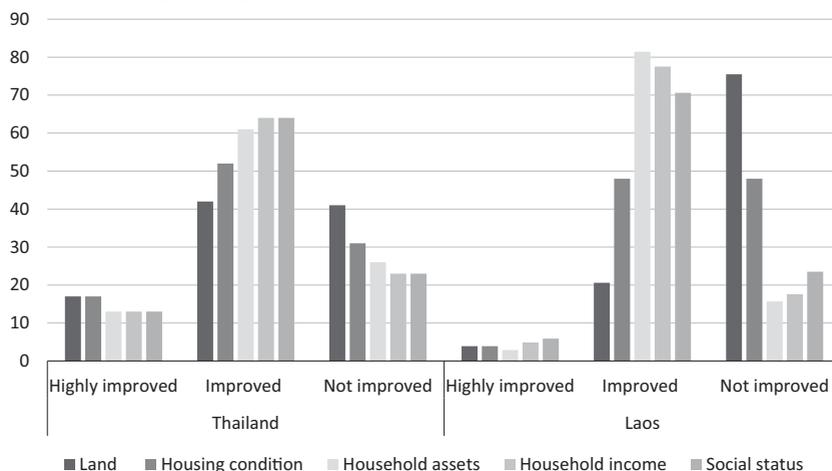
Source: Same as Figure 1

As Figure 4 illustrates the most useful capitals for Thai returnees were money and knowledge (average usefulness of 41.7 percent and 35.1 percent respectively) while the other three resources --- social contact, technology, and Japanese language --- had similar but less useful impacts (about 16

percent). For Lao returnees knowledge was the most useful resource (49.9 percent) followed by money (23.9 percent) and social contact (19.6 percent). The least useful were technology (8.0 percent), and Japanese language (1.8 percent). Variations can be attributed to individual TITP experiences in Japan as well as initial socio-economic endowments.

Improvement of socioeconomic conditions of the returnees: Previous surveys conducted in Japan and home countries with the TITs revealed that TITP contributes in many ways to improve the socioeconomic conditions of the trainees. The five main ways that the program helped them, reported by the TITs, were: 1. purchasing land or property for productive purposes (to cultivate crops or establish a business); 2. purchasing a new house or improving an existing house; 3. purchasing a vehicle or household appliance; 4. augmenting total household income, and 5. improving social status and recognition. As part of our study, Thai and Lao returnees were requested to indicate perceived improvement of their socioeconomic conditions due to the TITP in Japan in these five areas (Figure 5).

Figure 5: Improvement of Socioeconomic Status of the Returnees (%)



Source: Same as Figure 1

With the exception of land used for productive purposes, most conditions improved for the majority of the returnees from Thailand and Laos. Investments in land require a considerable amount of money, and it is not possible to expect the TITs to save such large sums of money during their three-year work period in Japan, unless they overstay to work for some more years in Japan. With regard to acquisition of land, a considerable difference was observed between the two nationalities. Many Lao returnees indicated they could not purchase land. This may have been due to their low income status before they left for Japan, compared to their Thai counterparts, or the fact they invested their money to purchase other assets as seen in Figure 5. While the percentage was higher among Thai returnees, both groups indicated that their housing conditions improved thanks to the TITP in Japan. Some constructed new houses; others added extra rooms and made improvements to their roof, floor, wall, kitchen and toilet. Improvements to household assets, including vehicles, was high in both groups but particularly high for the Lao returnees. Our surveys indicated that they purchased TVs, refrigerates, furniture, mobile phones, and vehicles including motorbikes and small trucks. Many countries offer duty free allowances to employees when they return home after working abroad as they contribute to inflow of foreign exchange and reduce the burden of unemployment. Many people use this duty free allowance to buy household assets such as TVs and refrigerators when they return home. Their income and social status have also improved as shown in Figure 5.

Future expectations of the trainees: With the presumption that continued training at TITP in Japan would further improve their socioeconomic status, the returnees were asked the following two questions: 1. If the length of the training program were extended from 3 years to 5 years, would you be interested in continuing on with the training program? and 2. If you have a chance to work abroad again, which country would you like to go to? The

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results in Table 4 show that in general, the majority of the returnees seem to have a positive perception about the TITP in Japan. However, country wise variations were observed. While three quarters of the returnees from Thailand said that they would like to stay longer in Japan, only half of the Laos returnees had that perception. Similarly, 78 percent of Thais want to work again in Japan, while only 41 percent of Lao returnees wants to go back to Japan. The differences in perceptions could be due to many reasons including type of sending and accepting organization, type of work and working conditions, social relations developed in Japan, language ability, and adaptability to Japanese culture and climate during the TITP period in Japan. As already mentioned, many organizations including mass media, NGOs, human right activists and lawyers have reported malpractices and abuses related to the TITP, including human rights violations and unlawful conducts. Some trainees paid huge amount of money to sending organization to participate in the program. Some even failed to recover their initial investment and ended up having to borrow money or mortgage property. It is natural for such returnees to have negative feeling about the TITP in Japan.

Table 4: Perception of TITP and Japan

Question	Thailand		Laos	
	Yes	No	Yes	No
Would you have continued training if it was extended to 5 years?	76	24	50.0	50.0
Where would you like to work next time?	Thailand		Laos	
Japan	78		41.4	
Korea	29		27.3	
Singapore	8		6.1	
Other	16		25.2	

Source: Same as Figure 1

III. Conclusion

The aim of this study was to examine the degree to which the TITP has contributed to the socioeconomic development of the participant trainees in Thailand and Laos. Data were collected from 166 Thai and 102 Lao participants in the TITP in Japan after they returned to their home countries. During the TITP in Japan, returnees gained various assets and capitals including human capital (knowledge, skills and attitudes), social capital (human relationships and networks), physical capital (technology) and financial capital (namely money). These capitals can be used in various ways to improve the lives of the returnees, including enhancing their work skills, raising their social status, and helping them support their extended family. According to the returnees the most useful capitals gained during the TITP were human capital, followed by financial capital, and social capital. The majority of the returnees were able to improve their socioeconomic status in the areas of housing, vehicles and household assets and raise their social status and income thanks to the TITP. The capitals gained however varied to varying degrees according to the nationality of the trainees. Many root causes may played a part in this, including socioeconomic endowments of the trainees, type of sending and accepting organization (industry, size, ownership, etc.), location of the accepting organizations, type of work and working conditions, type and location of lodging, social relations developed, language ability, and adaptability to Japanese culture and climate.

Problems and weaknesses associated with the TITP also exist. In many cases, the programme has failed to fulfill the objectives of its major stakeholders, i.e. Japanese policy makers, accepting organizations and the trainees themselves. The focus of this study was the trainees. Better strategies and approaches are needed make improvements in the socio-economic standard of the TITs. All of the Lao returnees and 40 percent of Thai returnees come from poor

Contribution of the TITP to Socioeconomic Development in Thailand and Laos households having an average per capita income level of less than \$2 per day. Although the TITP has helped poor trainees make some money and helped them gain a certain level of socio-economic status, it has not contributed significantly to alleviate their poverty, one of the primary goals of the programme. This implies that there is more room for improvement in the TITP, particularly in regard to reducing the costs of joining the TITP, reducing living expenses in Japan, and helping trainees to save money during their training period in Japan. Increasing the training period from three to five years would help the trainees earn more to improve their lives and ideally increase their work skills and Japanese language ability too.

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