

Interview with Misa Matsuzaki, CEO, WORK JAPAN Co., Ltd.

Integration of Foreign Labor in Japanese Society: an Entrepreneur Aims at Achieving Diversity in Japan

By Japan SPOTLIGHT

The government of Japan decided to introduce a new status of residence – the “Specified Skilled Worker” – in April 2019 based on the amended Immigration Control Act. It also decided to make improvements to help the rapidly increasing number of foreign “residents” in Japan, such as by the provision of multilingual information by public institutions. The policy aims to address the gap between declining labor supply due to depopulation and the rapid aging of society.

Following this drastic change of policy to accept more foreign laborers, we will need to implement measures to integrate these workers into Japanese society. This goal must be shared by the government and private businesses. One entrepreneur working on this challenging task is Misa Matsuzaki, CEO of WORK JAPAN Co., Ltd. She talked to *Japan SPOTLIGHT* about her experiences.

(Interviewed on Dec. 10, 2019)

Self-Introduction

JS: Could you please introduce yourself and your business?

Matsuzaki: I have been engaged in several start-ups and WORK JAPAN is not the only company I began. My first start-up in 1997, when I was 26 years old, was a company exporting used cars. We exported Japanese used cars overseas to Africa, Latin America and other Asian countries. The company got listed on the Tokyo Stock Exchange’s Mothers market (“Market of the high-growth and emerging stocks”) in 2004 and I resigned as CEO of the company in 2009.

Then, as I had been investing in the venture capital fund Beenext, a venture capital for start-up companies in India and South East Asia, I had a chance to meet the founder of Work India in November 2016, a company engaged in matching business between blue collar workers and corporations. I was fascinated by its interesting business concept, and became interested in starting the same business in Japan. So I founded WORK JAPAN in July 2017. Even before that, I had started up People Worldwide in 2014, working on introducing foreign blue collar workers to Japanese companies. At this moment, I am finishing this business and concentrating my efforts on WORK JAPAN, developing software applications to provide information on recruitment for foreigners in Japan.



Misa Matsuzaki

Background to New Business

JS: Could you explain about the background to your new business?

Matsuzaki: Yes. There is a reason why we shifted cross-border matching into domestic business matching for foreign workers in Japan. When we started People Worldwide in 2014, our technical intern training program was the only system which could provide foreign blue collar workers in Japan with a legal visa, qualifying them to work in Japan legitimately. We took advantage of this system and introduced foreign workers to Japanese companies. But we found this had a serious demerit – namely that foreign workers could not change jobs under this

system. Thus they had no choice but to go back to their home country after quitting their job, as they could not get another one. No matter how bad their working environment was or the discriminatory treatment they suffered in the work place, their only option was to quit and go back to their country immediately.

Many of these workers were actually coming to Japan through a commission agent who introduced them to the Japanese companies and they were paying back expensive commission fees to those agents every month or year. So if they quit their job they would still have debts. Due to these circumstances, they found it difficult to quit and could not help but suffer in silence. The media occasionally reported on technical intern trainees who had gone missing. This showed that in reality there were some foreign workers who were

simply keen on moving to a new work place where they would be fairly treated and could work under better conditions. This was considered as going “missing”. It is true that there were some Japanese employers who were not concerned about applying unfair treatment to foreign workers, but if we asked them to improve their attitude they would change agent and we would be very unpopular with employers. So having noticed this enormous demerit of the technical intern training system, we became very skeptical about continuing with it.

Meanwhile, according to the Ministry of Health, Labour and Welfare of Japan, there will be an estimated shortage of around 6.4 million workers in Japan by 2030. You can see this is a big figure, assuming that the current Japanese working population is 60 million among the total population of 130 million. The non-permanent working population is 20 million. Most of this labor shortage would be blue collar workers, such as in factories, construction sites and caregiving facilities. It is now roughly estimated by the Japanese government that this labor shortage could be filled with 1.0 million new female workers, 1.6 million elderly workers, 0.8 million from the foreign labor force and 3.0 million to be saved by raising labor productivity. But it is difficult to imagine that senior people used to clerical work in business offices could start working in a factory for packing lunch boxes at midnight or at a construction site. In this regard, the figure expected for the foreign labor force could also be underestimated, and even too optimistic. More foreign workers will be needed to fill the estimated shortage in 2030.

I was concerned in light of our experience that expanded use of the technical intern training system would lead to an increase in misfortunes for foreign workers or in the number of illegal foreign workers. After having talked with Kanae Doi, a Human Rights Watch representative of Japan, we had a chance to talk with Taro Kono, then the foreign minister, about this issue. Following our meeting, an advisory board to Ministry of Foreign Affairs of six private opinion leaders was set up to discuss this issue. The policy recommendation on “measures for foreign workers” adopted by the board was reflected in the Japanese government’s basic policy guideline for FY 2018, and eventually in April 2019 the visa for “Specified Skilled Worker” was created. With this visa, the first for blue collar workers in Japan, a foreign laborer can change job. Though this is a rather complicated system that needs to be improved and the industrial sectors which could be beneficiaries are limited, I believe that 2019 is the first year in which a foreign worker has been officially acknowledged as a part of the Japanese labor force.

In the United States and United Kingdom, which have accepted foreign workers for a long time, they consider the issue from a long-

term perspective and work on accepting them not only as a labor force but also as friends and colleagues living together for a long time. Meanwhile, in Singapore or Hong Kong, they provide such foreign workers only with short-stay visas and in limited age groups, clearly trying to accept them only as part of the labor force.

I am often asked which direction Japan would choose to take. The current system seems to consider only the labor force, but in the long term I believe it would be better to accept foreign workers as part of the nation in the interest of economic growth and innovation. At WORK JAPAN, we would like to contribute well to the realization of such acceptance.

Specific Services Provided

JS: What kind of services do you provide for foreign workers?

Matsuzaki: We have developed a software application program that provides recruitment information specifically for foreigners in numerous languages. Job seekers find the relevant information on recruitment in our program and apply for jobs with Japanese companies. Without using any paper materials or website media, we manage this matching business simply with this software application. This is an important characteristic of our business operation.

JS: There are some foreigners living in Japan who cannot understand English, and there may be some cases in which they can understand simple Japanese better than English. How many languages do you have in your program?

Matsuzaki: We have eight languages – English, Simplified Chinese, Traditional Chinese, Portuguese, Burmese, Vietnamese, Simple Japanese and Japanese in our application program. In setting up the dates and venues for job interviews with the officials in charge of recruitment in a Japanese company, in many cases foreign applicants will need to do so on the phone. Communication by phone on this would be rather difficult unless they are native Japanese. Our application program is devised for the interest of foreigners so that they can complete such procedures for setting up a job interview.

JS: Do you introduce only part-time workers to Japanese companies at the moment?

Matsuzaki: Yes. Many Japanese companies recruiting foreign part-time workers do not have permanent employees. Besides, at this moment there is no visa qualifying foreigners to work on a production line in a manufacturing company as a permanent employee. Given these working conditions in Japan, we currently introduce only part-timers to Japanese companies.

JS: We now see many foreign employees in convenience stores in Japan. As more foreign workers come to Japan, we will increasingly need to provide a good environment for them as well as introducing jobs, such as Japanese language schools, housing for their families, or schools for their children. Do you provide such life-related information?

Matsuzaki: At this moment, no. Our services are limited to providing information on recruitment. But I believe we must think about how to accept foreign workers' families in Japan in the future. In Japan now, we have very few visas enabling foreigners to bring their families to Japan. Such visas are not available in the case of the technical intern training program, even though these visas are applied to Japanese Brazilians coming here to work. It was mentioned in our advisory board meeting at the Ministry of Foreign Affairs that there would be a high risk of foreign workers' children being estranged from the community and committing crimes due to such isolation from society, as well as possible poverty. The new "Specified Skilled Worker" visa makes it possible to issue a visa for family members in Japan, but we are concerned that without sufficient support systems in place for those family members it could end up in putting foreign workers in greater difficulty.

Living Together with Foreign Workers

JS: Assuming that we need to accept more foreign workers like the US and UK to achieve sufficient economic growth, what do you think will be necessary for Japanese society to integrate them into the nation?

Matsuzaki: The first priority will be a change of mindset on the part of Japanese facing lots of foreign workers, though changes in the legal system to better accommodate foreigners in Japanese society will be important as well. Japanese co-workers in the work place will need to be more open to foreign workers. Even if the management

thinks about recruiting more foreign workers in order to address the labor shortage, there are some cases where the head of a factory or a shop refuses to accept foreign workers.

On the other hand, at the same time there are some cases where the heads of such work places have been impressed by the good performance of workers recruited as a matter of sudden urgency. For example, in food processing companies producing lunch boxes to be sold at 24-hour convenience stores, there is a serious shortage of labor and they would employ elderly people in their 70s even though in the past they refused to employ applicants in their 60s. But they may be concerned about those aged workers, as they would have to oblige them to work under tough conditions, such as carrying heavy items at midnight. They would not have to worry about young foreign workers in this regard, even though their Japanese may not be perfect. They would find these foreign workers excellent and devoted. So we could see misperceptions about foreign workers disappearing with the spread of such cases, and we hope eventually the Japanese will get rid of their preoccupations about foreign workers.

JS: Do you deal with any difficulties arising from the recruitment of foreign workers?

Matsuzaki: No. Our job is to run an application program and negotiations on the working conditions are left to the companies and the workers. But we do try to contribute to the convenience of job seekers by using the functions of the application program. For example, if a foreign worker is told in a job interview that foreigners will not be employed, we lower the rating of that company. This would lead to reduced applications for such a company. We are thus trying to introduce foreign workers to companies that are positive about employing them.

Reality of Working Life in Japan for Foreign Workers

JS: The percentage of foreign workers to the total work force is much lower in Japan than in many other countries. Are there any specific sectors where we see more foreigners working than in others?

Matsuzaki: Yes, according to the *Wall Street Journal* of May 2019, there were 27.2 million US workers in 2018 who were born outside the country, while the total US population in 2018 was 327 million. Thus the percentage of foreign workers to the total population in the

US is around 8%. In the case of Singapore, there are around 1.6 million foreign residents among the 5.7 million total population. In Japan, on Jan. 1, 2019, there were 2.66 million foreign residents and the percentage of those foreign residents to the total population was 2.1%, having exceeded 2% for the first time in the history of Japan. According to the Japanese government, among those foreign residents, around 2 million were considered to be part-time or non-permanent workers. Assuming that the Japanese total working population is 60 million, this is not a high percentage compared with other nations.

In Japan, I think there are definitely much fewer white collar foreign workers than in other nations. It is true that we have a serious shortage of blue collar workers, but there are some sectors suffering from a shortage of white collar workers. Above all, we have a serious shortage of engineers. Unless we accept more foreign engineers, our future international competitiveness in industries will be harmed. Our company's engineers are all Indians and some IT companies actively employ foreign engineers, but still those companies are exceptional. One of the reasons why we have very few foreign white collar workers in Japan is that we Japanese tend to require them to have the same level of Japanese language capability, as well as understanding of Japanese customs, as native Japanese. We need to change this mindset, since diversity among employees would be a source of new ideas or innovation in a company.

JS: We have seen a significantly rapid increase in inbound tourism recently in Japan. The tourism industry in Japan does not seem to be able to meet this drastic increase due to the shortage of workers in this sector. Do you think the tourism industry will be another potential sector absorbing foreign workers?

Matsuzaki: Yes. There are some restaurants or coffee shops or pubs interested in recruiting foreign workers who may not speak Japanese very well but who speak either English or Chinese, though previously we had many requests from them that their staff must speak Japanese. They now need staff who can communicate well with customers in languages that Japanese staff cannot speak very well. I think this is a positive change for Japan, because Japanese tend to follow any trend that is perceived to be common around the nation. Once employing a foreign worker is perceived as a trend to be pursued by the majority of Japanese companies, the whole nation would follow. This is unique to Japan. Once in the tourism business it is perceived as common to employ a foreign worker to take care of

the increasing number of inbound tourists, this would most likely affect other sectors in Japan.

JS: The language barrier seems to be a challenge for foreigners interested in working in Japan. Do you have any idea how to mitigate it?

Matsuzaki: Japanese language education should be further improved, but I think more importantly that Japanese need to accept the broken Japanese spoken by foreign workers and try to communicate well with them in broken Japanese. For a foreign worker, there must be many other countries where they could work and if they find they cannot work in Japan unless they spend many years studying Japanese, which is spoken only in Japan, in order to master it, their incentive to work in Japan would be lowered.

In many work places in Japan, such as caregiving facilities, construction sites or food processing factories, so many difficult Chinese characters are used and it is required for a foreign worker to master them. Some of them are each sector's technical terms and not used in our daily life and even many Japanese cannot understand them. This is a significant burden for a foreign worker. In a country more used to foreign workers, such as multiracial nations, they use more simple language understandable by all as the common language in the work place. We Japanese must learn about the methods of those countries that are more open to foreign workers.

Future Plans

JS: WORK JAPAN is only in the second year since its foundation. You must have many challenging issues ahead. Could you let us know your future vision or plans?

Matsuzaki: Our current business is to provide foreign workers with information on recruitment. But I believe our mission is to support foreigners living in Japan. Finding a job must be the first priority. But then they will need to find housing and other life-supporting facilities. We would like to provide services to support their whole life in the future.

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Written with the cooperation of Naoko Sakai who is a freelance writer.