

# **Japanese Assistance for Workforce Development with Technical Intern Training Programme in Asia: Results of the Survey in Saga Prefecture**

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## **I. Introduction**

The rapid economic growth in Asia and its continuous upward progress despite the debilitating effects of its financial crisis popularly known as the Asian Financial Crisis of 1997, and the Global Financial Crisis of 2007-08, have become a major theme discussed extensively in various academic disciplines in the recent decades. Many studies have attempted to give various explanations for these miraculous achievements, tracing their origin to factors such as history, economic policy, ethics, culture, democracy, development dictatorship, education, training, formal and informal institutions and so on. Among these, a commonly accepted argument is that the amazing economic success of this region overwhelmingly depends on the quality of the human capital rather than the level of natural resource endowment. As noted by Benson, Gospel and Zhu (2013:1), economic development in Asia depends on the existence of a well-educated society and a well-trained workforce. They have further emphasized that workforce development and skill formation in this way will serve as major factors in enhancing economic growth and competitive advantage of firms and economies in Asia. In this respect, it is important to add that workforce development through improvement of knowledge and training under various academic programmes may not be sufficient unless those programmes attempt to develop people's social values<sup>3</sup>. The experience of economic success in Asia, especially East Asia has taught us how this type of integrated human capital (knowledge, training and social values) or workforce development has contributed to their comparatively rapid and continuous economic progress within a short period with their limited material resources, successfully facing unexpected world economic shocks in the last half a century.

However, the major outcome of this economic success in Asia is that it has affected their labour

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<sup>3</sup> 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.

market in different ways according to the level of economic development in each country<sup>4</sup>. First, the economically advanced countries like Japan, South Korea, Taiwan, Hong Kong and Singapore are struggling to meet the demand for labor in order to maintain the comparative advantage of their industrial goods in the international market. Second, other emerging Asian countries that are attempting to catch-up in the world market are facing difficulties in meeting the demand for skilled laborers required for their ongoing industrial activities in spite of their huge population size. On the other hand, it is important to emphasize that labour abundant countries such as China, India, Indonesia, Bangladesh and many other countries may also face the labour shortage problem as the first group of countries also faced the same situation at the initial stage of their industrial development. It is a commonly known phenomenon that in the economic history of the present developed countries, export of labour or so-called migration<sup>5</sup> was one of the most effective and cheapest strategies to fuel their industrial development. However, those countries became labour importing countries along with their economic success. This is not exceptional to the development process in Asia. The development path of Asia also reveals how countries manage to fulfil their labour demand at home while training their labour force in already industrialized countries. At present, labour importing countries are employing various strategies to import their labour demand not only to meet their labour scarcity, but mainly to remain competitive in their industrial products by maintaining a low labour cost, both in domestic and international markets. Japan is no exceptional in this instance.

Japan is facing a severe labour shortage due to the rapid decline of its fertility rate in the backdrop of an aging society,<sup>6</sup> and changing attitudes of the younger generations towards 3K work<sup>7</sup>. Although accepting of foreign workers remains a major solution to fulfill the demand and supply gap of the labour market in Japan, it is well known that there is no clear policy towards accepting unskilled labourers until today. This is because the policy makers fear that a large scale inflow of migrant workers might unload bigger social and economic burdens on the country in the long run. On the other hand, accepting unskilled migrant workers legally may not contribute to the elevation of small scale enterprises to economically profitable firms because such legal frameworks have

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<sup>4</sup> See Benson, Gospel and Shu (Ed.), *Workforce Development and Skill Formation in Asia*, 2013, Routledge, PP. 1-39 for a detailed analysis on labour demand for skilled employees and their development within an organization.

<sup>5</sup> See Appendix Table 1 for information on export of labour force or migration in Japan during its early stages of industrialization.

<sup>6</sup> See Appendix Figure 1 and 2 for detailed information on declining birth rate and increasing aging people in Japan.

<sup>7</sup> 3K means, Kitanai (dirty), Kitsui (hard) and Kiken (dangerous).

stipulated a monthly wage rate and other employees' benefits that eventually increase the production cost. In this respect, the government replaced its traditional technical assistance programme, which commenced in the 1960s under Official Development Assistance (ODA) with Intern training Programme in 1993 to meet the labour demand of the small and medium scale industries in Japan, and transfer Japanese technologies to developing countries, especially to Asian countries. This policy helped to solve the labour demand and supply problem in Japan and Asia to some extent. According to Japan International Training Cooperation Organization (JITCO), there were about 167,626 trainees from about 35 countries working in about 72 fields in all the prefectures in 2014. Among these, 1,336 trainees who have been dispatched from mainly Asian countries were working in about 20 industrial fields in the Saga prefecture (JITCO White Paper, 2014; Ministry of Justice, 2014). The conceptual framework of the study on Technical Intern Training Programme (TITP) and its way of contribution in various ways to the development process in the labour accepting country (Japan) as well as labour sending country (Asia) are demonstrated in the Figure 1.

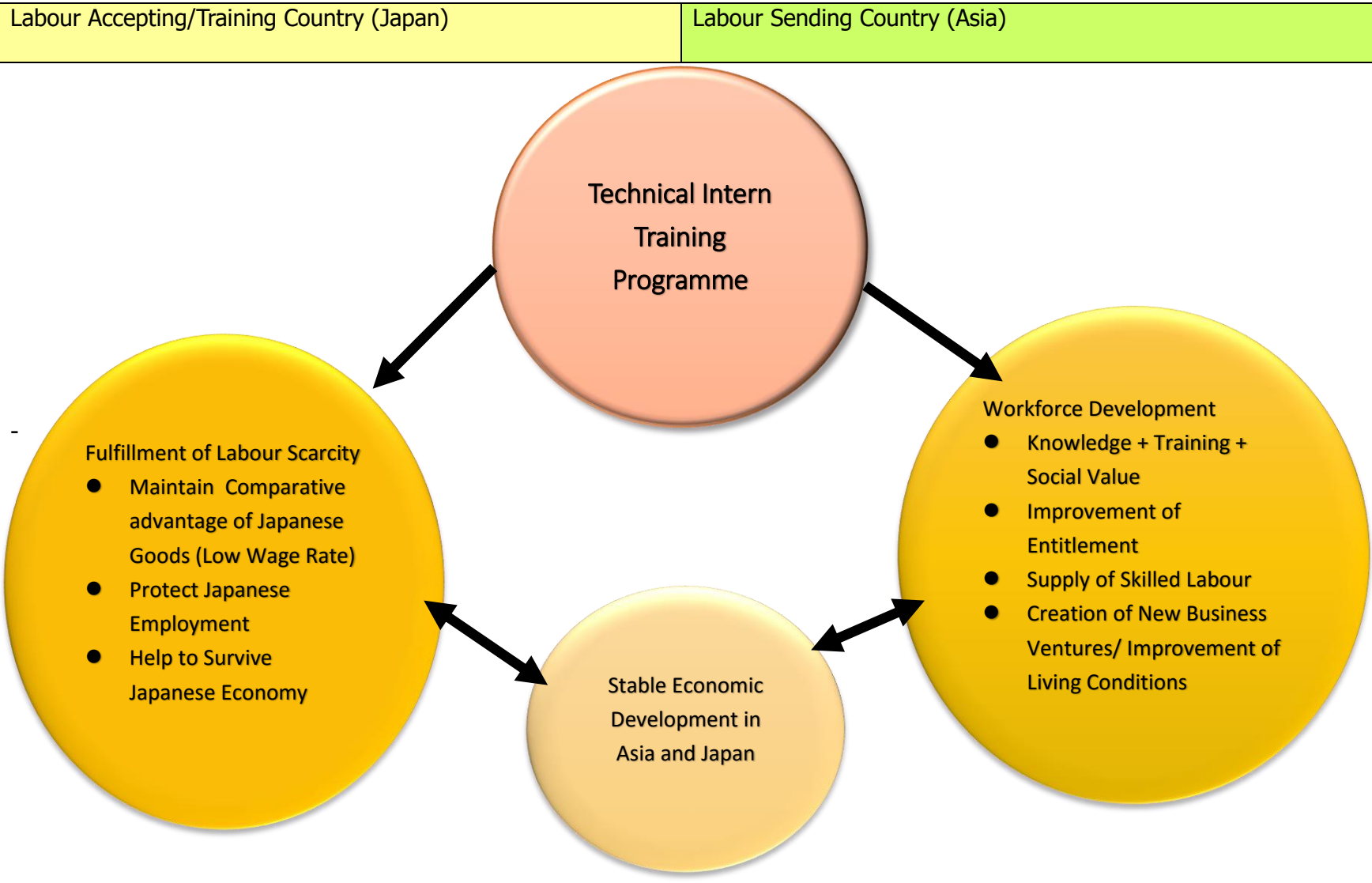
As Figure 1 illustrates, the study assumes that TITP offers benefits to both labour accepting country as well as labour sending country, resulting in a win-win situation. In particular, the labour accepting country is able to fulfill its labour scarcity to maintain comparative advantage of its agricultural and industrial products while protecting employment opportunities for its domestic labour force. On the other hand, the labour sending country can achieve multiple objectives such as training of its unskilled workforce, resolving the unemployment rate, acquiring foreign exchange to fuel its national developments process, improving of the trainees' entitlement, augmenting the living condition of the trainees and their family members. Finally, the study hypothesizes that these benefits to both groups will contribute to achieve stable social and economic development for both Japan and Asia establishing a firm relationship between these two groups leading to integrated Asian Economic Region in the long-run.

However, the present study aims to examine how far TITP is contributing to the development of the workforce or so-called human capital development urgently required by developing countries for their ongoing industrial development in Asia. It also expects to investigate the level of workforce development according to differences of nationality and socioeconomic background of the trainees. The study will not attempt to discuss how it is contributing to meet the labour shortage problem or to produce products at low cost to keep Japanese products competitive in

international market.

The data used to ascertain the above objectives were collected from two types of sources viz. primary sources (field survey) and secondary sources (literature survey). A structured questionnaire was administered to collect information on the strengths and weaknesses of the TITP and socioeconomic background of the trainees. The survey was conducted in the Saga and Fukuoka prefectures from February to December 2015 among 308 trainees from three countries in Asia (China, Vietnam, and Cambodia). In addition to the field survey, personal discussions were carried out on the subject with relevant prefectural officials, officials of the accepting companies and NGOs set up to assist foreign workers in Kyushu Island. The study also gathered data through arranging interviews with selected trainees from Philippines, Sri Lanka and Thailand in addition to the above three countries. Necessary information was also collected from officials from sending institutions administered by the Ministry of Labour and private recruiting companies in Thailand and Sri Lanka to support further analysis of the survey data.

Figure 1: The conceptual Framework of Technical Intern Training Programme



## **II. TITP and Workforce Development: Results of the Survey**

### **① Socioeconomic background of the technical intern trainees**

The socioeconomic background, particularly sex, age, civil status, family size, living areas, level of education, language ability and income level of the trainees who are working in various firms at present in Saga prefecture under TITP are given in Table 1. The data in the Table reveal that nearly 100 percent of the trainees who came from China and Vietnam are females, living in rural areas of their own countries. The female trainees who came from Cambodia constitute about 62 percent, who lived mostly in urban and semi urban areas. The other distinguishing feature is that more than two thirds of Vietnamese trainees are less than 25 years old, but this age group in China and Cambodia accounted for only about 42 and 51 percent respectively. Overall, approximately 90 percent of Vietnamese and Cambodian trainees are less than 30 years old, but Chinese trainees in this age group is about 66 percent.

It is also important to note that Vietnamese and Cambodian trainees have higher education levels compared to Chinese trainees. This reveals the availability of economic opportunities for educated young people of China at home compared to the other two countries. It is a popularly known fact that China has emerged as the second largest economy in the world in a comparatively short period compared to other countries in the World. This rapid progress in most of the economic fields, especially manufacturing sector contributes to absorb a large share of the surplus labour from the agricultural sector. As a result, most of the educated people in China will not join TITP because they can earn more than TITP remuneration by working in their own country. However, Cambodia and Vietnam are yet to achieve this level of industrialization that has the potentials to absorb their overwhelming surplus labour from the agricultural sector.

The other noteworthy factor of these trainees is that more than 80 percent of Vietnamese and Cambodians are unmarried young people. The survey also found that more than 90 percent of them originated from these two countries (Vietnam and Cambodia) and belonged to the poorest families of less than \$2 per day income group. However only 35 percent of Chinese trainees belonged to this group

All these differences of socioeconomic background of the trainees by country reflect the level of economic development in each country. According the hearing survey, most of the young women who join this programme belong to poverty stricken families in rural areas. They said that they join this programme to help their families to overcome their economic difficulties

rather than learning technologies from Japan. Also some women said that they want to save money to get married and have a good family life in the future, which requires good income to meet various needs of a traditional marriage in their countries. The survey also established that traditional sociocultural values and bond of families in Asia also inspired these young women to work on behalf of their families. In this respect, the manager of a small company, which has been accepting trainees from Philippines during the last 7 years gave the following statement about how trainees are helping their families back in their home countries and the problems this may pose for their future;

The trainees who are working in this company are not eager to save money in their own bank account in Japan. They remit all their monthly remuneration to their families in Philippines. When I questioned one girl about why she was sending away all her earnings, she said she wanted to help her husband and children, and also her sister's wedding and her brother's studies etc.

The most noteworthy matter pointed out by the manager is that when trainees returned after the contract period, some of them found their husbands living with other women, and had used all their remittances to support his new family without saving any money for the trainees' future. The trainee will then have to find a job again in another country to support her children. The manager of the firm further stressed that it is difficult to expect trainees to have improved living conditions after returning to their own country. This means that these trainees are facing endless social and economic uncertainties even after working in Japan.

		China	Vietnam	Cambodia	Total
Sex	Male	0.6	--	37.7	6.9
	Female	98.9	100	62.3	93.1
Age	20-25	41.9	70.7	51.1	75.0
	26-30	24.4	16	42.6	
	31-40	24.4	13.3	6.4	19.5
	More than 40	9.3	--	--	5.5
Civil Status	Married	55.8	18.4	18.9	39.6
	Single	44.2	81.6	81.1	60.4
Family Members	Less than 5	91.3	60.8	40.4	75.5
	More than 5	8.7	39.2	59.6	24.5
Home Town	Rural	73.3	90.4	44.2	72.1
	Semi Urban	15.8	1.4	36.5	16.0
	Urban	10.9	8.2	19.2	11.8
Education	Primary	3.4	--	3.9	2.7
	Junior High	70.1	20.8	11.8	47.5

	High	21.3	48.1	62.7	35.1
	College/University	5.2	31.2	2 1.6	14.8
Japanese Language	Good	0.7	15.1	--	2.2
	Fair	35.3	84.9	61.2	44.1
	Poor	64.0	--	38.8	53.7
Average Per Capita Income Level	Less than \$2 per day, %	35.0	95.0	96.0	NA
	Less than \$.5 per day, %	37.0	2.5	2.0	NA
	More than \$5 per day, %	28.0	2.5	2.0	NA

Sample Size: China 177; Vietnam 77; Cambodia 54: Total 308

Source: Sample Survey on Intern Trainees in Saga Prefecture, 2015

**Work Experience:** Although 90 percent of trainees from China and Cambodia mentioned that they have had work experience before commencing their training in Japan, their work experience is about four years mainly in the apparel industry operated by small-scale garment factories. The majority of the survey correspondents are being trained in the same field or a related field of the garment industry in Saga prefecture (Table 2). During our interview with some selected trainees, we found that many of them had very limited work experience before they decided to join this programme. Of those who had some length of work experience, most went through a very short training arranged by the sending institution of their home country.

According to the hearing survey, work experience is not an urgent pre-requisite to enroll in the programme because the host institution in Japan usually provides a job training that suits its own production process. Most of the trainees engage in a simple labour-oriented production process which can be learned easily within a few days. Therefore, similar work experience back at home is not an imperative.

		China	Vietnam	Cambodia	
Work Experience in Home Country	Experience	Yes	90.8	67.2	90.0
		No	9.2	32.8	10.0
	Average work experience (Months)		51.0	27.0	17.0
	Type of organization	Government	3.0	4.4	9.5
		Private	87.0	85.0	61.9
		NGO	3.0	4.2	9.5
		Self	7.0	6.4	19.1
	Type of work	Permanent	33.3	78.6	29.4
Temporary/Casual		66.7	21.4	70.6	
Work Experience in other	Experience	Yes	12.9	7.4	58.3
		No	87.1	92.6	41.7
	Average work experience (Months)		NA	37	33



Countries	Type of organization	Government	11.5	0.0	0.0
		Private	69.2	100.0	100.0
		NGO	3.8	0.0	0.0
		Self	15.4	0.0	0.0
	Type of work	permeant	32.0	100.0	50.0
		Temporary/Casual	68.0	0.0	50.0
Field of Work	Agriculture	3.1	3.2	21.4	
	Fishery	1.9	1.6	7.1	
	Food manufacturing	13.8	6.5	3.6	
	Textile	55.0	62.9	17.9	
	Machinery and metal	3.8	1.6	46.4	
	Construction	0.0	0.0	3.6	
	Other	22.5	24.2	0.0	

Source: Same as Table 1

## ② General impression of trainees on language and orientation programme

**Language and other Training:** According to the rules and regulations of the Japanese TITP, trainees are required to go through language and other necessary training on relevant skills before leaving their home country and after arriving in Japan. Data in Table 3 reveal that although most of the trainees have received Japanese language training prior to their arrival in Japan, the duration is limited to very short periods of less than five months. This is the main reason for poor knowledge of the Japanese language in a majority of trainees. However, it is interesting to note that more than two thirds of the trainees from Vietnam said that they have received sufficient knowledge on Japanese language during the training programme, but it was less than five months. These trainees may have learned the Japanese language before taking this short-term language training course. This is true according to our hearing survey in Vietnam: Many of the trainees who apply to this programme with a college degree had studied Japanese as part of their education. However, most of the company officials in Japan expressed that Japanese language proficiency of the trainees working in their firms are very poor. When we posed this question to the Vietnam trainees, they confessed that they live in groups with trainees from their own country and therefore they end up communicating in Vietnamese and do not get the opportunity to practice Japanese. They further noted that it is not necessary to learn Japanese language because they use Japanese very rarely during their training period in Japan. In this respect it is important to note that if Japanese companies can arrange their trainees' accommodation in private apartments in the local vicinity rather than packing them in company dormitories, it will not only contribute to improve Japanese language skills of the trainees but also to establish a very strong relationship between these

young Asian people and Japanese regional community. There is no doubt that such arrangements will be providing an opportunity for the internationalization of the Japanese society based on mutual understanding.

The other notable aspect is that a majority of trainees were highly satisfied with their training that took place in their home countries before arriving in Japan. This training was on culture, general rules, law, regulations, climate and food in Japan. However, Chinese trainees were not much satisfied with this training compared to trainees from the other two countries. The major reason for this is probably the prevalence of a similar sociocultural situation between Japan and China. Despite its short-term nature, the importance of this training in socializing trainees into the Japanese life cannot be underestimated.

		China	Vietnam	Cambodia
Japanese Language Training before Coming to Japan	Yes	89.7	100	100
	No	10.3	0.0	0.0
Duration of Japanese Language Training before coming to Japan	Months	3	5	4
Do you think that you got sufficient knowledge on Japanese language during the training programme?	Yes	46.9	67.1	49.0
	No	53.1	32.9	51.0
Do you think that you got sufficient knowledge about Japan? (Culture, rules, regulations, climate, food, etc.)	Yes	63.6	98.7	82.4
	No	36.4	1.3	17.6

Source: Same as Table 1

**Awareness about the Japanese TITP:** It is also interesting to note that although the TITP aims to provide training on various economic fields for human resource development in Asia, the majority of the trainees emphasized that their main purpose for applying for this programme is to earn some money and help their families (Table 4). On the other hand, the data in the Table also unveil that the majority of the trainees had very little knowledge on the explicit details about the programme before coming to Japan. The main reason for this is probably the double-edged meaning of the title of this programme. The policy makers in Japan interpret this programme as a training programme, which aims to help developing countries. The following statement by JITCO provides evidence on this notion.

*There is a need to provide training in technical skills, technology, 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 firms in Japan and sending institutions in Asia as well as trainees view this programme as an employment opportunity, which helps both trainees as well as the firms.

Despite this dilemma, the survey found that the second purpose of a number of Chinese and Vietnamese trainees is to learn Japanese technology in addition to earning money. This matter is apparent in the opinions stated by trainees on their short-term training programme conducted by JITCO or their Japanese counterparts before dispatching them for training in various firms. Data in Table 5 stand testimony to the fact that more than 80 percent of Vietnamese and Cambodian trainees stressed that their short term training programme was useful or very useful. They further said this programme helped them to understand basic Japanese conversations, Japanese culture and society which invariably contributed to continue their work at firms successfully. Although about one-third of Chinese trainees emphasized that this short-term training is not much useful for their activities in Japan, approximately 90 percent of trainees from all other countries of the sample survey claimed that this programme was very important for their work life in Japan.

It is interesting to note that responses vary according to the nationality of the trainees: nearly 100 percent of Vietnamese trainees noted that they like this programme because they can receive living expenses without working; Chinese trainees said it is important for them to get accustomed to Japanese life; and Cambodians mentioned that it is important for them to learn the Japanese language. It could also be argued that this variation of opinion could be correlated with the socioeconomic condition of each country. For example, 100 percent of Vietnamese and Cambodian trainees expressed that they do not like this short term training programme because allowances disbursed during the training period is very low and they want to receive their wages as soon as possible (Table 5). But an overwhelming majority of Chinese trainees agreed that this training programme is important before commencing their work at a related firm. It is a commonly known fact that economic conditions in Cambodia and Vietnam remain relatively low compared to China and the responses of the trainees could therefore be driven by this factor. It has to be noted that not only economic factors but also cultural factors as well as insufficient training and related arrangements of sending institutions of host countries may also cause the disparity of opinions. The survey found that the low level of

education of the trainees also caused this disparity of opinion. As mentioned in a foregoing section, a considerable number of trainees had been inspired only by the immediate or short-term monetary benefits to help their families, rather than by a long term aspiration to invest the money and knowledge they might earn in Japan for a brighter future when they return to their home countries.. As noted previously, traditional family values that prevail in rural Asia may be the reason for such a way of thinking about their lives. The propaganda by the recruiting firms, which often stressed that trainees can earn money that is equivalent to 30 years of income in their home countries by working only three years in Japan may also be a cause for these diverse opinions.

		China	Vietnam	Cambodia
Recommended by Family/Friends at Home		28.8	10.4	38.9
Recommended by Sending Organization at Home		20.3	2.6	14.8
Japan is My Favorite Country		23.2	48.1	33.3
My Japanese language ability		18.1	50.6	13.0
To Learn Japanese Technology		28.8	58.4	35.2
To Work in a Foreign Country		10.2	19.5	16.7
To Earn Money and Help My Family		66.7	83.1	40.7
To Commence Business at Home		24.3	40.3	31.5
Your knowledge on the Technical Intern Trainees Programme before Arriving in Japan	Didn` t know anything	14.9	0.0	8.2
	Knew a little	82.0	80.6	69.4
	Knew well	3.1	19.4	22.4

Source: Same as Table 1

Moreover, the hearing survey in labour sending countries discovered that private recruiting companies have not made sufficient arrangements to provide training and knowledge on this programme to selected people before their departure. The agents of recruiting firms noted that they do not receive sufficient funds from Japanese firms to employ suitable teachers or conduct proper training programmes required by the Japanese firms. The other major constraint pointed out by a Sri Lankan recruiting company is that Sri Lankan trainees are expecting a higher remuneration without having to exert as much. But Japanese firms are expecting hard working people for a low wage. This inconsistency of expectations may also affect the disparity of opinions indicated in Table 4 and 5.

		China	Vietnam	Cambodia
Opinions on Short-term Training Programme	Very useful	8.1	42.9	16.3
	Useful	56.5	55.8	67.3
	Somewhat useful	0	0	0

	A little	30.4	1.3	8.2
	Not useful at all	5.0	0	8.2
Necessity of the Training Program	Yes	92.4	89.0	88.9
	No	7.6	11.0	1.9
If YES, What are the Main Reasons	To get used to Japanese life	71.8	59.7	33.3
	To Understand Japanese language	34.5	41.6	51.9
	To learn Japanese law, security & safety	49.2	71.0	48.1
	To get living expenses without working	1.7	99.8	20.4
If NOT, What are the Main Reasons	To get wage soon	3.4	11.7	100
	Difficult to understand without interpreter	7.9	1.3	1.9
	Wage received to cover the living expenses is very low	4	100	1.9
	Must get this training at home	2.8	13.0	100

Source: Same as Table 1

### ③ A Profile of the accepting firms and opinions on training programme

Table 6 reveals the main information on the classification of accepting firms, field of training programme and trainees' attitudes on their training programme based on the sample survey. According to the data, about half of the trainees from all countries under the survey are working in large scale firms (more than 100 employees) while trainees in family-managed firms are negligible. Among these, 71 percent of the Vietnamese and 44 percent of the Chinese are working in apparel related fields while two-thirds of the Cambodians are in the field of machinery and metal related industries. It is also important to note that regardless of the economic condition of each country, 62 percent of Chinese are working for about 10 hours per day, but this accounted for 38 percent each for Cambodian and Vietnamese trainees. The hard working culture and economic condition of individual Chinese trainees despite the level of economic development of their country may be the reason for this situation compared to the other two countries. As discussed in the foregoing analysis, the income level of the Chinese trainees varied from less than \$2 per day (35 percent) to more than \$5 per day (28 percent) (Table 1).

It is important to note that the opinion of the trainees with regard to the level of technology they learned during the training programme is significantly dissimilar according to the nationality of trainees. For example, 90 percent of Chinese trainees said that the technology they learned from the firm is ordinary and simple. However, 74 percent of Cambodians and 63 percent of Vietnamese trainees stressed that they have got an opportunity to learn applied-level technologies from the host companies. On the other hand, the impression of trainees on

the functionality of the technologies they learn also varied according to their nationality: the majority of Vietnamese and Cambodians thought that the technology they learned are very useful or useful, while only 42 percent of Chinese think the same. This variation of opinion reveals the disparity of the existing level of technology and economic development in these three countries. China already possesses most of what could be termed 'ordinary level technologies' related to apparel and other manufacturing industries compared to Vietnam and Cambodia. Hence, such differentiation of opinion among trainees from various countries is obvious with regard to technologies imparted by the respective firms.

		China	Vietnam	Cambodia
Type of Accepting Firm	Family management (Less than 10 employees)	10.2	1.4	7.0
	Small scale (Less than 50 employees)	31.7	10.0	34.9
	Medium scale (50-100 employees)	17.4	45.7	7.0
	Large scale (More than 100 employees)	40.7	42.9	51.2
Field of Technical Training Programme	Agriculture	5.4	0	2.2
	Fishery	6.5	5.3	0
	Food manufacturing	17.9	12.0	13.0
	Textile	44.0	70.7	19.6
	Machinery and metal	0.6	0	65.2
	Construction	0.6	0	0
	Other	25.0	12.0	0
Time Spent per day for the Training (including overtime work)	8 hours	32.7	60.5	60.0
	8-10 hours	62.4	38.2	38.0
	More than 10 hours	4.8	1.3	2.0
Level of Technology Learned During the Training Program	Applied level	10.0	62.9	74.0
	Ordinary level	41.2	28.6	26
	Simple level	48.8	8.6	0
Helpfulness of the Technology	Very useful	4.8	29.3	16.3
	Useful	36.9	64.0	40.8
	Somewhat useful	44.0	5.3	26.5
	A little	10.7	1.3	16.3
	Not useful at all	3.6	0	0

Source: Same as Table 1

### III. Workforce Development: Knowledge, Skills, Social Values, Work Ethics and

## **Attitude**

### **① Improvement of knowledge and skills**

The provision of various types of assistance to improve the knowledge and skills of the labour force required by the development process of developing countries is not a new characteristic of the Japanese ODA policy. As noted in the foregoing analysis, it commenced in the 1960s as a grant aid but it changed its character to suit the needs of both donor and recipient countries. The revised technical assistance policy which was introduced in 1993 as TITP is an outcome of their ODA policy. The programme intends to provide training on 72 fields mostly in agricultural and industrial sectors. Usually, the trainees will be given on-the-job training in technical knowledge and skills on the selected tasks.

In the sample survey, trainees were asked to indicate their perception on 12 areas of technical knowledge and skills gained during their training in Japanese companies. The result of the survey ascertained the majority of the trainees have gained 10 areas of technical knowledge and skills except management skills and confidence in the general work field (Table 7). However, the perceived level of contribution of TITP varied according to the nationality of the trainees. The majority of Chinese trainees believed that they gained knowledge only in three areas: namely team work, quality of the work and commitment to work. However, more than 90 percent of Cambodian trainees expressed that their knowledge was highly improved in 9 areas by working under TITP. On the other hand, about two-thirds of Vietnamese trainees also believed that their knowledge was highly improved in 7 areas of knowledge indicated in Table 7. In general, it can be emphasized that the TITP is contributing substantially to the improvement of technical knowledge and skills of trainees.

The country wise disparity of opinions is largely correlated with the level of economic development and sociocultural practice in the sending countries of the trainees as well as level or type of technical training given by the Japanese firms. As noted frequently, it could be due to the initial technical endowments of China which may be prompting them to use more or less similar technologies in the selective works because China is popularly known as World`s Factory. The similar work culture between China and Japan may also be producing low level of opinions on some areas of knowledge. On the other hand, the type of training given by the Japanese firms may also be the reason for the low opinion among Chinese trainees. The sample survey found that trainees are not given work in sophisticated technical areas, but in rather monotonous jobs, perhaps in 3K work where technology is not applied much.

A majority of trainees, particularly Chinese and Vietnamese were not satisfied with the improvement of management skills, while the Cambodians had a mixed feeling. While the Chinese believed that TITP is not much useful for the improvement of professional knowledge, the rest believed it was very useful. The majority believed that TITP is useful in developing their team work, confidence in the work field, and adaptability to the workplace. However, TITP has not been useful in developing their computer skills, as most of the work does not require computer skills. Even if it was required, trainees will find it difficult to use them because of the language difficulty as most of the computers have only Japanese software.

The majority of trainees believed that the TITP was not very useful to learn skills such as future planning and risk taking. It could be argued that this is because trainees are not involved in, nor contribute to any decision making processes, where such experiences could be gained, but simply follow the decisions made by their superordinate (boss). Areas where a significant number of trainees believe that their training



Table 7: Knowledge and Skills Gained from the TITP, %

	China		Vietnam		Cambodia		Total	
	Highly Improved	Little Improved	Highly Improved	Little Improved	Highly Improved	Little Improved	Highly Improved	Little Improved
Technical Knowledge	44	56	38	62	72	28	47	53
Technical Skills	25	75	65	35	98	2	51	49
Management Skills	9	91	2	98	57	43	17	83
Professional Knowledge	26	74	75	25	87	13	52	48
Ability to Use Computers	14	86	5	95	13	88	11	89
Team Work	50	50	67	33	96	4	63	37
Confidence in the Work Field	37	63	75	25	91	9	58	42
Future Planning	39	61	29	71	95	5	47	53
Risk Taking	31	69	49	51	71	29	44	56
Quality of the Work	57	43	82	18	98	2	71	29
Commitment to Work	60	40	80	20	95	5	72	28
Adaptability to the Workplace	35	65	64	36	95	5	55	45

Source: Same as Table 1

was very useful were 'quality of work' and 'commitment to work'. It is a common practice in Japan that irrespective of the type of work involved in all ranks from top to bottom, Japanese employees are expected to maintain high quality at any cost, and be completely committed to their work. These practices are therefore well imparted to all the trainees.

The diversified findings noted above with regard to the improvement of knowledge and skills and their differences according to nationality are strongly correlated with trainees' socioeconomic background as well nature of the training programme. For example, the education level of the trainees may not be sufficient to acquire some sophisticated knowledge such as technical knowledge, computer science, management skills, future planning and risk taking. Moreover, the majority of trainees are young women from rural areas in their countries belonging to the poor strata of the society. Needless to say that the main purpose of such people is to earn money as much as possible to help their families rather than learning technologies from Japanese firms. On the other hand, neither are Japanese firms looking forward to transfer such knowledge to foreign workers who are working on short term contract. The main purpose of the host companies is to meet their labour scarcity for low-wage rate. The sample survey also discovered that most of the above noted advanced technologies are used and administered by Japanese employees while labor-intensive and mundane manufacturing work is allocated to foreign trainees.

## ② **Improvement of social values, personality and work ethics**

A principal factor behind the rapid modernization of Japanese economy has been the inculcation of social values and work ethics apart from knowledge and skills. In contrast, many of the countries in the developing world boast of people knowledgeable in subject matters, but their contribution to socioeconomic development is very low. This is because they are not employable due to deficiency of social values. Keeping this as a bedrock, the sample survey tested respondents on 15 statements related to social values, personality, and work ethics achieved during their training programme in Japan. The result of the survey (Table 8) disclosed that the majority of respondents, ranging from 70 percent to 93 percent indicated in general, that their social values were highly improved working as trainees in this training programme. In particular, more than 90 percent of the respondents had highly esteemed TITP's contribution to develop their social values and work ethics such as honesty, hardworking, obeying rules and regulations, respecting others in the society, loyalty towards work, and punctuality. Although lower ranks have been given only a few chances to improve skills such as creativity, taking responsible risks, social network, and desire to save and invest,

they still remained over 70 percent.

The most remarkable characteristic of the survey result is that rating of social values by trainees varied according to nationality. More than 90 percent of Chinese trainees indicated that their social values were highly improved in all 15 indicators except `creativity`. Creativity accounted for about 78 percent. By contrast, nearly 100 percent of Cambodian trainees felt that their social values had highly improved in all 15 indicators. However, it is important to note that Vietnamese trainees had moderate perceptions in this respect: only `honesty` is accounted for about 91 percent as highly improved while only 80 percent claimed that the other values of `hardworking, obeying rules and regulations, respecting others in the society, loyalty towards work, desire to save and invest and punctuality` have highly improved. `Creativity, social networks and taking reasonable risks` remained less than 40 percent in the highly improved category. This variation of opinions on social values, especially in Vietnamese trainees may be related to their specific socioeconomic background, mainly age, civil status and living areas and cultural differences of trainees. According to the survey (Table 1), 71 percent of Vietnamese trainees were less than 25 years old. Of them, 82 percent were unmarried. Moreover, 90 percent of them were living in the rural sector of Vietnam. However, trainees in the other two countries were moderately varied in their opinions on these three aspects. On the other hand, the type of training programme they received in Japan may also have affected opinions among trainees. As already indicated in the foregoing section, TITP in most firms are confined to mundane and monotonous tasks and therefore there is less opportunity for trainees to improve values like creativity and taking responsibility.

Finally, it could be emphasized that the results of the survey (Table 7 & 8) reveal that, comparatively, irrespective of the country of origin, trainees have improved their social values and work ethics much more than they have improved technical and management skills. It is also noteworthy to observe that unlike technical and management skills, social values and work ethics saw less variation according to the country of origin. These social values and work ethics, if applied would definitely be useful to develop the work places once the trainees return to their home countries.

**Table 8: Contribution of TITP for the Improvement of Social Values, Personality and Work Ethics, %**

Indicators of Social values	China		Vietnam		Cambodia		Total	
	Highly Improved	Little Improved	Highly Improved	Little Improved	Highly Improved	Little Improved	Highly Improved	Little Improved
Stick to the Value and Norms of the Workplace	93	7	56	44	98	2	84	16
Setting Goals	93	8	61	39	95	5	84	16
Self Confidence	92	8	70	30	98	2	87	13
Honesty	89	12	91	9	98	2	91	9
Hard Working	93	8	84	16	98	2	91	9
Obey Rules and Regulations	93	7	88	12	100	0	93	7
Respect Others in the Society	92	8	85	15	98	2	91	9
Loyalty Towards Work	92	8	83	17	100	0	91	9
Desire to Save and Invest	83	17	63	38	91	9	78	22
Determination to Finish Work Perfectly	92	8	75	25	100	0	89	11
Punctuality	90	10	85	16	100	0	90	10
Creativity	78	22	42	58	95	5	70	30
Social Networks	88	12	49	51	84	16	76	24
Taking Reasonable Risks	90	10	34	66	88	12	73	27
Responsibility and Accountability in the Workplace	94	6	68	32	98	2	87	13

Source: Same as Table 1

### ③ **Attitude towards host organization and Japanese society**

The TITP expects to benefit Japanese enterprises that host the trainees through establishing and strengthening long term relationships with overseas companies, for which a favorable attitude towards the host enterprises and Japanese society should be inculcated among the trainees. In general, Japan is popularly known as a hospitable country which is known as '*Omotenashi*' in Japanese. This means the country is famous for its friendly and polite culture. Keeping this notion of the Japanese society as a base, the survey attempts to delineate 15 common socio-cultural features that characterize Japanese workplaces and society. The sample survey requested respondents to indicate their opinion about each of these features in a scale from excellent to poor (Table 9).

Overall, more than half of the trainees had given ratings ranging from good to excellent for all the socio-cultural features except for one feature (help from the regional community), identified in this research. In particular, more than 70 percent of the trainees have identified polite behavior of the society, friendly environment, kindness of the people, human relationship, help from Japanese colleagues and facilities as either excellent or good in Japan. There were mixed feelings about other features such as that of help from the regional community, indiscriminate attitude of the society, practicability of the training programme, flexibility of technology transfer, freedom, independence at work, respecting social values, and support of the Japanese employer even after returning to their home country. Even so, 49 percent to 68 percent of trainees have rated them as excellent or good.

A noteworthy feature of the survey result is that attitudes of trainees towards their training firms and Japanese society vary according to the origin of their country. According to the data in the Table 9, more than 70 percent of Chinese trainees rated only four categories, namely friendly environment, polite behaviour of the society, kindness of the people and human relationship as good to excellent in Japan. However, approximately more than 80 percent of Vietnamese trainees identified 8 categories except help from regional community, indiscriminate attitude of the society, practicability of the training programme, holistic training and moral support, flexibility of technology transfer, respecting social values and support of the Japanese employer even after return to home country as good to excellent. By contrast, Cambodian trainees have very moderate attitudes towards all categories except indiscriminate attitude of the society.

The availability of some similar cultural practices linked to Confucianism and Buddhism in these three countries and Japan; existence of a similar working culture in both Japan and China may

have caused the similarities and differences of the attitudes indicated in the Table 9. The other major finding of the survey is that Cambodian trainees have a very poor attitude (only percent good/ excellent ratings) towards the category of indiscriminate attitude of the society. Poor knowledge of Japanese language could be the major reason for the difference of attitude between Cambodians and the other two countries. The other distinctive finding is that the relationship between trainees and the regional community remains at a very low level. The main reason for this is that TITP provides only very little or no time for trainees to interact with the regional community. The present survey found that trainees do not have sufficient freedom or time to visit the market or other places, or participate in various events organized by the regional community. According to the survey, the trainees are legally allowed to work eight hours, and two over-time hours per day (i.e. ten hours per day). They have only one holiday i.e. Sunday. However, our hearing survey reveals that some of them work longer than the specified maximum time of 10 hours per day. This working situation also hampers their involvement with the regional society. The other major factor learned in the survey is that trainees are living in company dormitories which are isolated from the regional community. It is not necessary to note that this is a serious limitation in the TITP, as our earlier research revealed regional community has been very useful in creating a long lasting friendly relationship between Japan and Asian countries and transferring of Japanese traditional social values to Asia<sup>8</sup>. Nevertheless since most of the respondents have a positive attitude towards almost all the socio-cultural features except a few features of their host organizations and Japanese society irrespective of their country of origin, it could be argued that TITP in Saga has been effective in laying a foundation to create a long lasting relationship between Japan and Japanese businesses with the home countries of the trainees.

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<sup>8</sup> See Ratnayake and De Silva (2013) for a detailed analysis on human capital development with Japanese assistance and its relationship with the regional community.

**Table 9: Trainees' Opinion about their Workplace and Japanese Society, %**

Attitude	China		Vietnam		Cambodia		Total	
	Good to Excellent	Fair to Poor	Good to Excellent	Fair to Poor	Good to Excellent	Fair to Poor	Good to Excellent	Fair to Poor
Friendly Environment	79	21	93	7	50	51	79	22
Polite Behavior of the Society	86	13	97	3	65	35	86	14
Kindness of the People	70	30	93	7	56	46	75	26
Help from the Regional Community	49	51	41	58	62	39	49	52
Indiscriminate Attitude of the Society	49	51	75	25	27	73	53	47
Help of the Japanese Colleague/Boss	68	32	95	5	61	39	75	26
Practicability of the Training Programme	57	43	74	25	63	37	63	37
Holistic Training and Moral Support	50	49	52	48	66	34	54	46
Flexibility of Technology Transfer	49	50	55	45	56	44	53	48
Facilities	61	39	84	16	70	31	70	31
Freedom	50	51	84	16	65	36	63	38
Independence at Work	69	31	81	19	43	56	68	32
Respecting Social Values	59	40	61	39	57	43	60	40
Human Relationship	73	27	84	16	63	38	75	26
Support of the Japanese Employer Even After Return to Home Country	62	38	49	51	56	45	57	43

Source: Same as Table 1

### **III. Weaknesses of the TITP**

The survey attempted to examine the major problems faced by trainees under three major categories: first, the type of problems confronted by trainees by themselves during their training period in Japan; second, complexities faced by host companies or so-called SMEs in Japan; and third, difficulties prevailing among sending or recruiting firms in Asia.

#### **① Problems faced by trainees during the training in Japan**

Table 10 shows the results of an analysis of major problems faced by the trainees during their training programme in Japan. Responses were obtained for 12 major problem areas, and the results revealed that a considerable number of trainees identify them as the major problems they faced during their stay in Japan. In general, the biggest problems faced by all trainees were the language difficulty (98 percent) and absence of counseling service (83 percent). In addition, the majority of them have recognized cost of living, Japanese climate, absence of a generalized assessment system, and the bureaucratic administrative system as other problems faced by trainees during their working period in Japan. Another 40 percent of trainees identified strict regulations of the Japanese government, unavailability of religious facilities and work description as major problems they confronted in Japan. The least problematic areas for trainees include Japanese housing facilities, cooking & food preparation, and strict company regulations. However, it should be noted that about 50 percent of trainees in all three countries expressed that they were not facing serious difficulties except only two (language difficulty and counseling service) of 12 categories indicated in Table 10.

However, it is interesting to note that difficulties identified by trainees are different according to nationality of the trainees. For example, most of the Vietnamese trainees have not recognized most of these areas as major problems. Only language, cost of living and climate are the only problems they had faced during their training programme. By contrast, more than 50 percent of Cambodian trainees revealed that all categories except strict company regulations as major problems they had faced in Japan. Similarly, Chinese trainees perceived that except Japanese housing facilities, climate and strict regulations of the Japanese government, all other seven categories as major problems in their stay in Japan. The economic disparity, climatic diversity, differences in food culture and language difficulties may have been the major reasons behind these dissimilarities of opinions.

In addition to these specific problems faced during their training program, the trainees were asked whether they faced other problems during their day-to-day life. It is important to note



that about 90 percent of the respondents in all three countries have identified at least one problem (Table 11). Interestingly, more than three fourth of them have identified weakening of yen as the major problem. The survey was conducted in 2015, when the Japanese yen dropped to from 79 to 121 yen per US dollar during the three year period from 2012 to 2015 (Appendix Table 2). This means that for a trainee working for three years in Japan experiences a 53 percent depreciation of the Japanese yen from the time of his or her arrival in Japan. It also clearly shows that one of the major intensions of the trainee is to save money to send to their home countries, apart from the internship training they receive from Japanese companies. As already discussed earlier, 67 percent of Chinese and 83 percent of Vietnamese (Table 4) identified earning money to help their families as the major objective for choosing TITP in Japan.

Table 11: Major Problems Faced in Day-to-day Life, %

	China		Vietnam		Cambodia		Total	
	Yes	No	Yes	No	Yes	No	Yes	No
Do you have any problems in your daily life?	92	8	94	6	89	11	92	8
If yes, what are they								
Language	40		48		46		43	
Depreciation of Japanese yen	74		84		70		76	
Human relationships	6		4		9		6	
Other	12		3		0		8	

Source: Same as Table 1

The level of satisfaction with the income of the trainees were obtained on a three-point scale from satisfied, average, to dissatisfied. Majority of the respondents having an either satisfied (37 percent) or average (53 percent) perception about the income they receive from their host company. However, 17 percent of Chinese trainees were dissatisfied about their allowances while all Vietnamese and Cambodians were satisfied about their wages from the company. This also reveals the different levels of economic development existing in these three countries. As noted in the foregoing analysis, per capita income in China remains at a much higher level compared to the other two countries<sup>9</sup>.

<sup>9</sup> Gross National Income per capita at atlas method (current) in survey countries in 2014 is as follows: China: \$7,380; Vietnam: \$1,890; Cambodia: \$1,020 (ADB, 2015:231).

**Table 10: Major Problems Faced by Trainees during the Training in Japan, %**

Type of Problems	China		Vietnam		Cambodia		Total	
	No Problem	Problem	No Problem	Problem	No Problem	Problem	No Problem	Problem
Language difficulty	3	97	1	99	0	100	2	98
Cooking & Food preparation	56	45	86	14	43	57	62	38
Japanese housing facilities	64	36	90	10	33	66	66	34
Cost of living	53	47	49	51	4	96	43	58
Japanese climate	65	34	50	50	13	87	51	49
Strict regulations of the Japanese Government	62	38	73	28	26	74	58	41
Unavailability of religious facilities	48	52	71	29	45	54	54	46
Work description, learning level	47	53	79	21	47	53	56	44
Counseling service	0	100	66	34	13	87	17	83
Absence of a generalized assessment system	41	59	74	26	47	54	52	48
Strict company regulations	49	51	83	17	55	45	61	39
Bureaucratic administrative system	33	67	86	14	39	61	51	49

Source: Same as Table 1

Although, this survey could not get the income data of the trainees because of its sensitive nature, the informal discussions with returnees indicated that the trainees are paid at a range between JPY 60,000-90,000 per month after reducing for various amenities. According to a survey of per capita income in these countries (Footnote 7) in 2014, this figure is much higher than the nominal wage they receive in their home countries which range from JPY 8,925 in Cambodia to JPY 64,575 in China.

However, a considerable variation was observed according to the home countries of the trainees. While the majority of Vietnamese and Cambodians are satisfied with their income, Chinese had only an average opinion about the income they received. Being a world's dynamic region, real wage growth in recent years in Asia has been much superior to the rest of the world<sup>10</sup>. According to available data, real wages of sample countries have grown more than 10 percent between 2012-2013 (Appendix Table 3). In contrast, real wages in Japan retreated by 0.8 per cent in 2013.<sup>11</sup> For example, With the rapid economic development in China, the largest real wage growth has been in China, where the workers enjoyed a double-digit wage growth from 2010. The per capita income in these three countries shows that China's monthly income is now more than four times and seven times higher than those in Vietnam and Cambodia respectively. This may be the reason why Chinese trainees have only an average opinion of their income.

In addition to the depreciation of Yen, the hearing survey learned that numerous reductions, such as member fees, health insurance, pension, unpredictable housing rent to local recruiting company from trainees' salary make it more difficult for them to save or remit sufficient money by working as trainees under TITP. On the other hand, the accepting firms further noted that they cannot increase trainees' allowances because they also have to make various types of payments such as member fees, service charges, training fees, pension fees etc. to various government and private sector institutions involved in this programme. A farming company which is hosting three Vietnamese trainees related the following story about the present condition of the trainees:

Most of the trainees have a very strenuous life under a very low wage rate compared to Japanese workers who are doing the same work. For example, 13 female trainees in our area pay 25,000 Yen per month for a small room that all

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<sup>10</sup> In the developing and emerging economies of Asia, real wages grew 6.0 per cent in 2013 and 5.9 per cent in 2012, in line with previous years. This is significantly above the global average.

<sup>11</sup> Source: ILO Regional Office for Asia and the Pacific, United Nations Building, Bangkok 10200, Thailand, Accessed on 25/01/2016, Available at: [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms\\_325219.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/publication/wcms_325219.pdf)

of them share together. They sleep on bunk beds and have hardly any room to move their limbs. Their living condition is very low. The recruiting agent does not allow them to move to a suitable place despite the fact that inexpensive places are plentiful in the region. On the other hand, the recruiting agent does not allow them to move freely even on the holidays. Thus they live as if they are under arrest. One Vietnamese woman married to a Japanese recruiting agent charged 10,000 Yen per Vietnam trainee per month from the accepting firm without any reason.

The above statement reveals the trying circumstances under which trainees continue their work under TITP. However, the other side of the story we found in the survey is that trainees who are living in houses arranged by accepting farming companies are leading very comfortable lives similar to Japanese workers. They also paid a much lesser housing rent compared to agent-arranged accommodation. The owner of the farming house is looking after them well and taking them to a super market every weekend which is situated far away from the trainees' rented house. Also, trainees can receive vegetables and many other food items from their training farming firms free of charge. One of the managers of a farming companies said that he visited his previous trainees' home country to observe the possibility of helping them in the future. Thus, some training firms maintain a continuous friendly relationship with their trainees.

In another instance, we found 30 Vietnamese women between the ages of 20-25 working for an apparel factory in Saga. They were very much satisfied with their experience in Japan because their employer was a father figure who treated them as if they were his own children. They further noted that this firm arranged tours to various famous places in Japan such as Tokyo, Mount Fuji, Kyoto, Nara, Hokkaido on company expenses. The company also organize the Vietnamese New Year party in February every year and invite the local community to participate. When we discussed this matter with the chairman of the company, he expressed that he wants to train these young Vietnamese women perfectly to ensure a prolonged social and economic relationship with Vietnam rather than using this young labour force for his short-term economic benefit. He further noted that he has already decided to invest in a similar company in Vietnam to produce the same goods for the ASEAN market employing women who were already trained by his company in Saga and returned to Vietnam. In this sense, he is continuing his relationship with trainees even after their return from Japan. There is no doubt that such a way of training under TITP will contribute to the development of mutual benefits for both groups, establishing a robust relationship between Japan and Asia.

## ② **Problems faced by training companies in Japan**

A hearing survey also attempted to ascertain the problems or difficulties confronted by Japanese firms, which are accepting Asian people as trainees to resolve their labour shortage. The involvement of a number of government departments and ministries such as the Ministry of Justice, Ministry of Labour, Ministry of Economy and Trade and Industry (METI) were found as the major obstacle against accepting foreign trainees efficiently. This is because each ministry has a different intention or policy on accepting foreign labourers. For example, the Ministry of Justice wants to stop accepting foreign labour to prevent crimes increasing along with the increase of foreign labourers while the Ministry of Labour and METI wants to increase foreign labour force to solve the labour scarcity in the domestic market, particularly Small and Medium Scale Enterprises (SMEs). Many company managers emphasized that these contradictory policies among these ministries have made it difficult to make a common decision to increase the labour supply under TITP as it had expected originally.

The strict and complicated bureaucratic procedure followed by government and private institutions on accepting trainees is also noted as another impediment to accepting trainees. They further noted that regulations of accepting such trainees are becoming more stringent every year, making it difficult to continue especially for SMEs, which are using labour intensive technologies. It is important to note that most Japanese company managers feel that the government is supporting high-tech industries, neglecting the apparel industry. However, SMEs stressed that such labour intensive industries are very important to develop as an alternative strategy to provide employment opportunities for the aging labour force in Japan because such work do not require much physical strength compared to capital intensive industries.

The involvement of a large number of middlemen from sending countries in Asia is also observed as another serious problem faced by the training firms in Japan. This not only has increased the cost of the accepting firms but has also caused the surge of financial burden on trainees. The accepting firm has to follow not only the rules and regulations enforced by these middle men, but also have to pay for their services. Although paying money or signing a financial bond is prohibited by JITCO, it is a well known secret that most of the trainees have to pay a large sum of money to local recruiting firms or brokers before their departure. When we discussed about this problem with a number of recruiting firms in sending countries, they said it is necessary to charge some money to meet their cost for training them before they are recommend to TITP programme. Most managers in training firms in Japan argued that the present system of TITP is indirectly helping middlemen to earn money in both labour sending countries (Asia) as well as labour accepting country (Japan) rather than helping to solve the labour shortage in Japanese firms, and improve knowledge and income level of the trainees.

The absconding of trainees was discovered as another serious problem faced by accepting firms in Japan as well as sending countries in Asia. According to JITCO White Paper in 2015, running away of trainees surged by two times from 1,532 in 2012 to 3,139 in 2014. This again increased the cost of the accepting companies because the companies have already paid a huge amount of money to various local and foreign institutions and middle-men in the long process for accepting trainees. The sending countries may also have to face various difficulties such as declining of demand for their recruitments, inability to recover their money due to be paid after the return from Japan and reduced the trust with Japanese firms.

The study found three major reasons for this trainee-absconding problem: first, harsh working conditions such as long working hours, various harassments in the work place, strict rules and regulations enforced on their daily life, lack of freedom to visit even the market with their colleagues, unexpected poor quality of accommodation and living conditions under an extremely low wage rate; second, the influence of the diaspora who are already living in Japan and engaging in various types of businesses where they promise to provide better employment for a high wage; and third, Japanese government policy towards such foreign migrant workers. The first reason has already been discussed by various researchers, newspapers, U.S. State Department, NGOs and Japan Federation of Bar Association. Many of these sources strongly emphasized that this programme will only increase the human rights violation. For example, the U.S. State Department's annual Trafficking in Persons Report blasted the programme as being fraught with misdeeds such as extortionate contracts and attempts to keep trainees on an extremely short leash, most notably by confiscating their passports (The Japan Time, April 5, 2014)<sup>12</sup>. The diaspora's promise of to find a good employment on high wage rate compared to TITP is found as the second reason for trainee-absconding problem. It is noteworthy that many of them do 3K work managed by the diaspora. The returnees further noted that it is very hard for foreign employers to find Japanese workers for such a low wage. As a result, they often keep a very close eye on migrants to fill their labour shortage. The third reason, 'Japanese government policy on migrant workers', was found during our hearing survey on local recruiting companies in Asia. Many of them blamed the Japanese policy, which grants temporary refugee visa for such absconding people. According to recruiting companies in Asia, this flexible visa policy in Japan encourages trainees to abscond from training programmes.

Keeping this absconding problem as a base, the sample survey posed the question whether

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<sup>12</sup> See <http://state.gov/j/tip/rls/tiprpt/2011/164232.htm>; <http://state.gov/j/tip/rls/tiprpt/countries/2013/215489.htm>; <http://state.gov/j/tip/rls/tiprpt/2007/82806.htm> for detail analysis on problems of Japan's TITP.

trainees would continue their training in Japan if the duration of the training program is increased from 3 to 5 years. It is noteworthy that more than 50 percent of the respondents believe that three years is sufficient. The major reasons they noted are as follows: first, TITP is not giving any useful knowledge on technology and management as promised. Second, the allowance they are receiving is very low and also not as promised by their local recruiter at home. Third, the working conditions are very harsh, and housing facilities are very poor; they are neither allowed to do overtime for extra earnings. However, significant variations were observed according to the nationality of trainees: as for Cambodians and Chinese, the duration was sufficient, while the majority of Vietnamese believed they should stay more. This also is on par with our earlier findings of lesser problems and more satisfaction with the Vietnamese group.

The survey also attempts to examine which country they would select if they were to get another opportunity to work in a foreign country. In this regard, about 42 percent of the respondents, particularly Vietnamese, followed by Cambodians expressed that they would like to select Japan for their work in the future. It is important to note that the rest of the trainees selected other labour importing countries such as South Korea, Singapore, Hong Kong and the Middle East as their next work destinations. A main reason for the selection of these countries would be the higher income that they hope to receive from the host country. It is also worthy reporting that all the trainees in the sample survey would like to get an opportunity to work abroad. This attitude among the trainees would not be helpful to reach the objective of the TITP of helping the industries of the developing countries through the internship program. Instead, the trainees would end up in another developed country, where industries are already developed.

### ③ **Problems faced by recruiting companies in Asia**

According to the hearing survey on recruiting companies in Sri Lanka and Thailand, provision of adequate language and other necessary training before dispatching workers is one of the major problems faced by these firms. This is because these firms are not receiving sufficient funds from trainees or Japanese firms to appoint knowledgeable teachers to train these workers. According to a Thai recruiting company, the most serious problem they confronted is that some Japanese firms decline to accept trainees irresponsibly after the training. This has created various problems between recruiting companies and trainees, making it difficult for them to continue recruitment in the future. They further noted that although they have trained people using their own limited funds in order to meet the requirements of the Japanese

firms, the host companies have not reimbursed what they had spent for training Thai workers.

The other uncertainty of this programme pointed out by these firms is that there is no guarantee of getting Japanese visa after spending more than eight months for training and following the visa procedure. During this period, trainees do not receive any financial assistance to meet their daily living expenses. In the most unfortunate circumstances Japanese immigration authority has denied training visa as a result of the inability to furnish necessary documents on time by the Japanese firm. Such cases occurred mainly as a result of the inefficiency of the Japanese firms as well as due to the provision of fake information by trainees. In all such situations, the recruiting firm has to bear the cost of training workers. They are also under obligation to return the money they had charged from the trainees.

The difficulty to communicate with trainees who are working as trainees in Japanese firms was also stated as another problem of the TITP. The majority of recruiting firms expressed that Japanese firms do not allow them to communicate with their trainees, not to mention that trainees too have insufficient facilities or freedom to communicate with their relatives in the home countries. This is probably because the Japanese firms are worried about absconding of trainees by making contact with the diaspora. On the other hand, the training firms are hesitant to reveal the skeletons in their wardrobes to the outside world.

The recruiting firms also accuse Japanese firms that some of them do not pay the trainees as agreed. This has invariably resulted in the increase of absconding of trainees within a short period of their arrival. The recruiting firms came to know about this situation through their inquiries from returned trainees. As a result, it is gradually getting difficult to find suitable people for TITP in Thailand. Although the prevalence of various opportunities to earn quite a similar wage at home is one of the major reasons affecting the decline of demand for TITP, availability of similar job opportunities in Middle Eastern Countries and South Korea for higher wages with many other facilities and financial benefits may be the another principal reason for this. According to the hearing surveys in Sri Lanka and Thailand, construction workers in the Middle Eastern countries enjoy the following advantages compared to the Japanese TITP: free accommodation near the construction site, availability of overtime work, exemption from tax and commission, freedom to communicate and move, fewer language, age and educational requirements, ease of getting working visa without following strict rules and regulations.

The specific way of life, culture, disparity of attitude towards work and poor quality of work of Thai and Sri Lankan workers were also found as other problems faced by recruiting firms in



both countries. It is interesting to note the following statement given by an official of a recruiting firm in Bangkok:

The Japanese firms often ask us to recruit good looking young men and women to this programme. When women find that the work is hard but they are paid only a very low wage, it is natural for them to consider absconding and finding an easy job in the underground for a higher pay. For example, the workers from North Isam do not work if they have to eat rice. Thai workers are very lazy and like alcohol very much. They expect money without working. But Japanese firms expect hard working people for a low wage. I really want to visit my trainees and inquire about their behaviour and how they can minimize this problem, but Japanese SMEs do not allow their foreign labourers to meet outsiders.

The above expression reveals how differences of working culture, particularly of rural people poses another difficulty faced by both the labour sending country as well as labour accepting country.

A hearing survey with the Sri Lanka Bureau of Foreign Employment (SLBFE) in the Ministry of Foreign Affairs and recruiting companies found that `absconding' is the biggest stumbling block for sending Sri Lankans to TITP. According to their data, more than half of the trainees absconded from their work places in Japan. This was perceived as the main issue of this programme which has caused the stagnation of this programme after a few very successful years since 2007. According to the opinion of the SLBFE, this situation has propagated a very negative impression about Sri Lankan trainees and as a result it is very hard to canvass for training opportunities in the future in Japanese firms. However, SLBFE has been implementing a number of programmes as pilot projects to overcome this difficulty as much as possible. They include: language and life style training, arrangements to sign a bond before dispatching trainees to Japan, appointing a welfare officer at the Embassy of Sri Lanka in Japan and arranging seminars for recruiting firms with the participation of JITCO officials. Despite such efforts, sending of Sri Lankan trainees to TITP is stagnating without any sign of success in the future. The survey found that the popularity of labour markets in the Middle East and South Korea among Sri Lankans as the biggest reason for not only the absconding but also the poor demand for TITP. As noted previously, these two countries pay higher wages with adequate facilities in good working environments to people.

#### **IV. Concluding Remarks**

Although the TITP has strongly emphasized its main purpose as providing training in technical skills, technology, knowledge, management from Japan to developing countries, the survey

found that it was not possible to transfer such skills as expected under this programme. The majority of the trainees stressed that this programme has not been useful in improving their skills in technical, management, computer and other important areas of technical knowledge used in the production process of the training firms. However, it is noteworthy that the opinions on the level of knowledge that trainees gained varied considerably according to the country of origin and this is largely correlated with the level of economic development as well as similarities/ differences of sociocultural practices between the host country and the sending country of the trainees.

The main reason behind this poor contribution is the practice of allocating innovatory technologies to be administered by Japanese employees while allocating labor-intensive, mundane manufacturing work to foreign trainees. This is a very common practice in most of the firms that have trainees in their manufacturing activities. According to the survey results, the government's double-edged meaning of the title of this programme is another major reason for this poor contribution.

At the same time, the survey also learned that the socioeconomic background of the trainees and their main expectations have also affected this low level of technology transfer. The majority of the trainees were young women belonging to the poor strata of the rural society. Their main expectation is to help their families as much as possible to overcome their economic difficulties rather than learning technologies from Japan and use them for the industrial development of their home country. On the other hand, the academic level of the trainees may also not be sufficient to learn such sophisticated technologies used in Japanese manufacturing industries. On the other hand, Japanese firms may also not have any intension to divulge sophisticated technical knowledge because they believe that this policy aims to alleviate their labour shortages.

`Social values are the most important skill acquired by all trainees participating in this programme in spite of the social, economic and cultural environment of the home country. Thus, provision of job training by Japanese firms that suits their own way of production has contributed to the improvement of work ethics and various related social values that are urgently required for workforce development in Asia. The sample survey discovered that the most improved component during the trainees' stay in Japan was 'social values'. There is no doubt that these social values and work ethics would contribute to the development of the work places once the trainees return to their home countries. This is because most countries consider that human capital development is synonymous to simple provision of knowledge,

ignoring social values that have the potential to utilize human capital for development more efficiently.

The main problem of the TITP discovered by the survey is its time-consuming bureaucratic process and strict rules and regulations with a large number of middlemen. This not only increased the cost incurred to both sending institutions in Asia and accepting firms in Japan, but also it effected the low level of wage rate of trainees because most of such middlemen`s costs were paid by trainees. Moreover, the government`s interpretation of trainees as employees regardless of its original definition which requires them to pay various taxes, pension, insurance etc. also has caused the increase of financial burden on both accepting firms as well as trainees. This double-edged definition has not only increased the rate of absconding of trainees from their work place, but also indirectly affected the gradual decline of demand for this programme in Asia while stamping a negative impression about Japan among trainees.

The other major problem found in the survey is the unwillingness of Japanese training firms to reveal the real situation of the training programme to the outside world. This has only caused the proliferation of criticism and negative attitudes on TITP in spite of its various positive contributions to workforce development in Asia. The limited freedom of trainees to move and get involved with the regional society is also recognized as another factor affecting further deterioration on the above situation. This behaviour of Japanese firms is not helpful to alleviate their problems while on the other hand it sparks negative images about the Japanese society among young Asian people. Creating a good image of Japan is important for both Japan and Asia to overcome various economic and social difficulties as a united region, and help achieve sustainable economic development as well as a peaceful and stable Asian community in the long run.

It should also be noted that it is necessary to conduct a comprehensive questionnaire survey on trainees before coming to a final conclusion. As discussed, more than 160,000 trainees from about 35 countries are now working in about 72 fields in all 47 prefectures in Japan. The present study was based on only 308 trainees from three countries working mainly in the apparel industry in the Saga prefecture. Although the field survey intended minimize this limitation by employing a comprehensive hearing survey on management officials in sending and accepting firms in both Asia and Japan, as well as returned trainees, NGOs in Japan, researchers, it is needless to say that the findings of the present survey could have very strong limitations. Therefore, it is important to conduct a comprehensive survey in other prefectures

encompassing the majority of trainees in various fields to help make effective policies towards achieving development needs of Asia while providing an effective answer to the labour scarcity problem of Japanese firms.

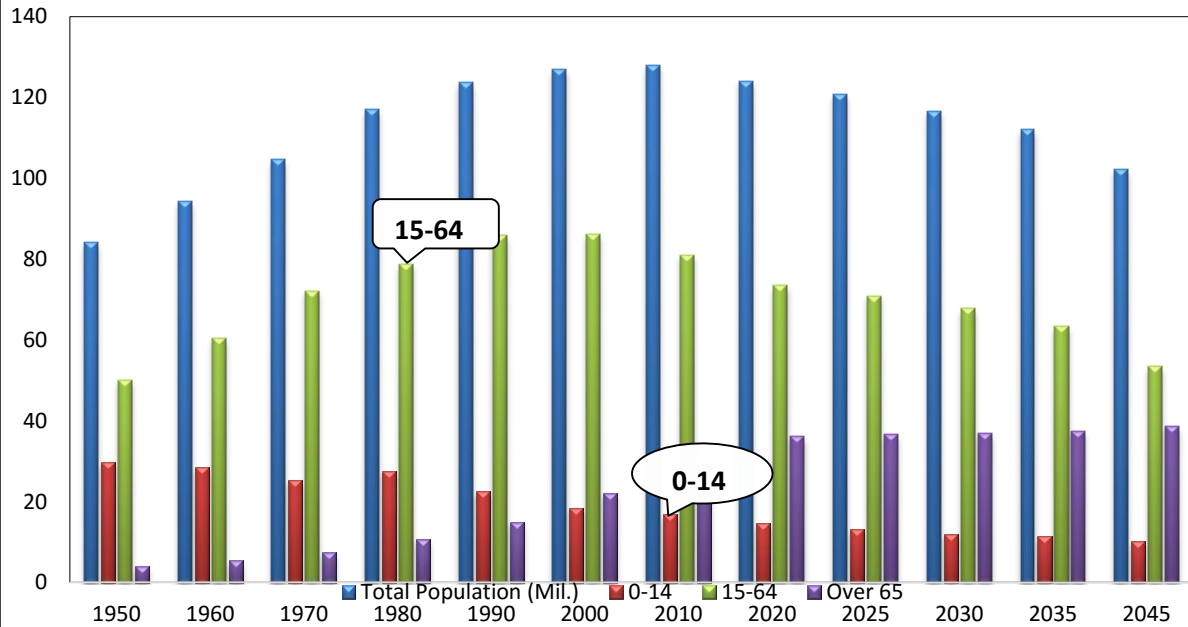
## Appendix Tables and Figures

Table 1: Japanese Migrants and Residents, 1881-2005

Period	Migrants with Japanese Passport							Migrants Toward Manchuria	Resident of the Japanese in Overseas	
	Total	Labour Migrants		Permanent Migrants					Total	Total
		Total	(% )	Total	(% )	Permanent Migrants (JICA support)				
						Total	(% )			
1881-1890	38,977	20450	52.5	n/a	-	-	-	n/a	n/a	
1891-1900	251,358	116,723	46.4	n/a	-	-	-	n/a	n/a	
1901-1910	291,127	147,289	50.6	n/a	-	-	-	n/a	138,591	1904
1911-1920	486,015	167,273	34.4	n/a	-	-	-	n/a	541,784	1920
1921-1930	310,318	160,048	51.5	n/a	-	-	-	n/a	740,774	1930
1931-1940	221,989	146,561	66.0	n/a	-	-	-	144,760	1,421,156	1938
1941-1945	n/a	2,071	-	n/a	-	-	-	125,247	n/a	
1951-1960	257,128			116,298	45.2	46,014	39.6	-	n/a	
(1956-1965)	805,556	4,767	0.6	116,493	14.5	49,122	42.0	-	n/a	
1961-1970	2,428,258			63,301	2.6	18,498	42.2	-	325,285	1968
1971-1980	26,900,758	0	0	54,886	0.2	6,379	29.2	-	445,372	1980
1981-1990	63,364,552	0	0	25,916	0.0	2,023	11.6	-	620,174	1990
1991-1993	37,722,601	0	0	n/a	-	121	-	-	728,268	1993
Present (2005)	17,403,565	0	0	n/a	-	0	0	-	1,012,547	2005

Source: Okamoto, Mitsuji. (1997). "Senzen no Nihonjinminnshi nikansuru Tyousa/kenkyu no Seirihoukou nitsuite: Roudouidou no Shiten wo Tyushin nishite", *Bulletin of Niigata Sangyo University*, Faculty of Economics, vol. 17, p.7-42; JICA (1994). "Kaigai Ijyu Toukei", p.116-119; Consular and Migration Policy Division, the Ministry of Foreign Affairs (2006). "Annual Report of Statistics on Japanese Nationals Overseas", p.206-209; Suzuki, Joji. (1992). "Nihonjin Dekasegi Imin", pp.258-260, Heibonsha (Extracted from Kage Rie, The Japanese Experience of Labour Export Policy and Its Impact on the Economy, 「研究論文集～教育系・文系の九州地区国立大学間連携論文集—」第3巻第1号 (2009.10)

Figure 1: Trend of Japanese Population, 1950-2055 (Million)



Source: <http://www.stat.go.jp/data/nihon/02.htm> (Extracted February 25, 2016)

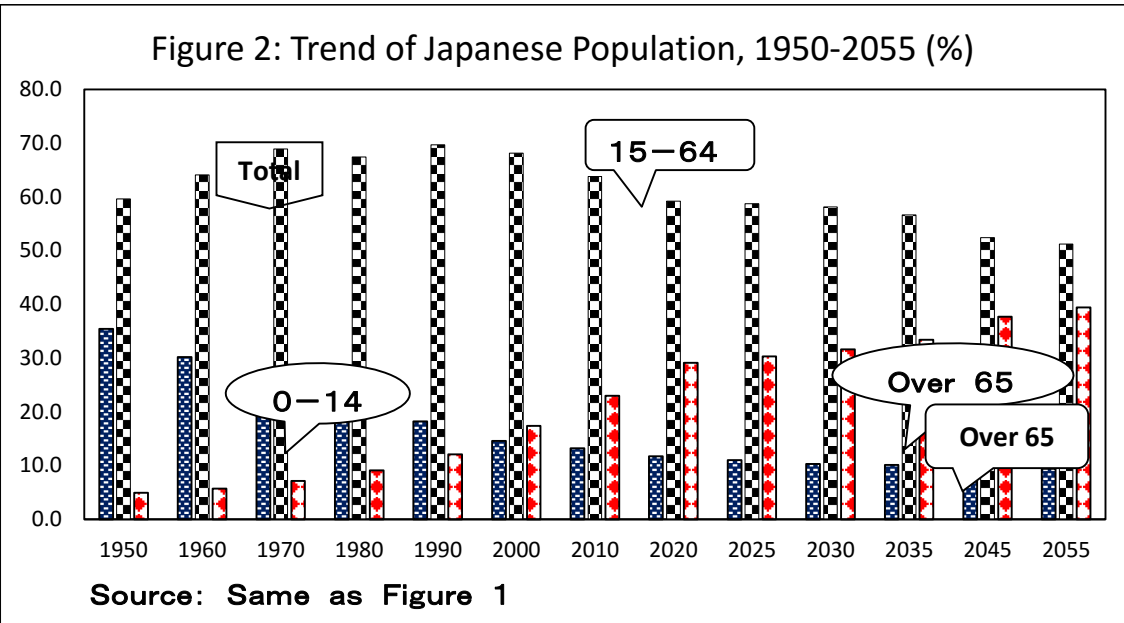


Table 2: Average Annual Exchange Rates of Japanese Yen and US \$

Year	Average Rate		Year	Average Rate	
1990	0.006929	144.321	2004	0.009256	108.038
1991	0.007436	134.4809	2005	0.009109	109.7815
1992	0.007895	126.6624	2006	0.0086	116.2791
1993	0.00903	110.742	2007	0.008498	117.6747
1994	0.009801	102.0304	2008	0.009689	103.2098
1995	0.010706	93.40557	2009	0.0107	93.45794
1996	0.009199	108.7075	2010	0.011413	87.61938
1997	0.008273	120.8751	2011	0.012539	79.75118
1998	0.00767	130.3781	2012	0.012533	79.78936
1999	0.008824	113.3273	2013	0.010264	97.4279
2000	0.00928	107.7586	2014	0.009473	105.5632
2001	0.00824	121.3592	2015	0.008263	121.0214
2002	0.007985	125.2348	2016	0.00846	118.2033
2003	0.008648	115.6337			

Source: US Forex, 2015<sup>13</sup>

<sup>13</sup> US Forex: Accessed on 25/01/2016, Available at: <http://www.usforex.com/forex-tools/historical-rate-tools/yearly-average-rates>

Table 3: Growth Rate of Average Real Wages in Asia and the Pacific, 2006-13 (%)

Country	2006	2007	2008	2009	2010	2011	2012	2013
China, private enterprises	..	..	..	7.6	10.5	12.3	14.0	10.9
Cambodia	..	..	..	..	9.9	3.4	20.8	..
Indonesia	1.7	2.5	-2.1	8.7	1.5	2.9	2.5	10.1
Philippines	1.5	-1.1	-3.4	0.0	1.6	-1.0	1.9	1.5
Viet Nam	5.6*	2.2*	..	..	-3.7	3.9	10.9	..
Japan	-0.2	-0.2	-1.9	-1.9	2.3	0.5	0.6	-0.8

Source: ILO, Global Wage Report 2014/15: Asia and the Pacific Supplement 2014, p. 14 |



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