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## Despite Aging Workforce, Japan Turns Young Immigrants Away

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By Editor Test     *Tue, Jan 4, 2011*

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As its population ages, Japan will soon face a serious labor shortage. The country could benefit in the not-so-distant future from an infusion of bright, young, well-educated immigrants today.

Japan's population will fall by almost a third to 90 million within 50 years, according to government forecasts. By 2055, more than one in three Japanese will be over 65, as the working-age population falls by over a third to 52 million.

But rather than encourage immigration, the Japanese government actively encourages foreign workers and the foreign graduates of its universities and professional schools to return to their home country, according to a report in *The New York Times*.

The reason: to prevent immigrants from displacing Japanese workers at a time when the overall economy is down and the current job market is weak.

In 2009, the number of registered foreigners in Japan fell for the first time in almost a half-century ago, shrinking 1.4% from a year earlier to 2.19 million people—or just 1.71% of Japan's population of 127.5 million.

Instead of accepting young foreign-born workers, Tokyo seems to have resigned itself to a demographic crisis that threatens to stunt the country's economic growth, prolong its string of budget deficits and bankrupt its social security system.

In 2008, only 11,000 of the 130,000 foreign students at Japan's universities and technical colleges found jobs in Japan, according to the recruitment firm Mainichi Communications. While some Japanese companies have publicly said they will hire more foreigners in a bid to globalize their work forces, they remain a minority.

The policy is even compelling foreign businesses to consider relocation. Investment banks, for example, are moving more staff members to Hong Kong and Singapore, which have more foreigner-friendly immigration and taxation regimes, lower costs of living and local populations that speak better English.

Foreigners who submitted new applications for residential status — an important indicator of highly skilled labor because the status requires a specialized profession — slumped 49% in 2009 from a year earlier to just 8,905 people.

The barriers to immigration to Japan are many. Restrictive immigration laws bar the country's farms or workshops from hiring foreigners, driving some to abuse trainee programs for workers from developing countries, or hire illegal immigrants. Stringent qualification requirements shut out foreign professionals,

while complex rules and procedures discourage entrepreneurs from setting up in Japan.

Given the dim job prospects, universities in Japan have difficulty raising foreign student enrollment numbers. And in the current harsh economic climate, as local incomes fall and new college graduates struggle to land jobs, there has been scant political will to broach what has been a delicate topic.

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