

Remittances as a Development Tool: A Regional Conference.

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Since the end of feudal age in Japan, namely after the year 1868, when Japanese citizens were given the permission to travel overseas for their studies or businesses, Japan has been a country which sent out emigrants for a period of about a hundred years.

At the beginning of stage of modernization known as “the Meiji Restoration,” Japanese government was afraid for Japan to be colonized, because many Asian countries were colonized by the great powers of European countries and the United States. Under such international background, the Japanese government devoted all its energies to maintain full independence by promoting industrialization and strengthening the military power under the slogans of “fukoku-kyouhei” which literally means “Rich Country, Strong Soldiers” and “bunmei-kaika,” “Civilization and Enlightenment”

However, at this period in Japan, the percentage of agricultural production in economy was absolutely high, and therefore, the revenue sources for industrialization and expansion of armed forces were financed by heavy taxation on farmers who accounted for

eighty percent of the working population. In addition to a heavy taxation, many farmers were forced to leave their lands as a result of poor harvest which began in 1881 and continued for several years due to a bad weather, and as a result of accumulation of debts. This is the background of the start of emigration from Japan to overseas.

The flow of emigrants first headed for Hawaii and the west coast of the United States.

However, after the exclusionary movement against Chinese immigrants, the same movement against Japanese immigrants came to the surface in the United States, and, finally, by an exclusionary law against Japanese immigration in 1924, the door was closed.

Then, most of the emigrants from Japan headed for South America, especially Peru and Brazil.

The emigration of people from Japan to Brazil started in 1908, and, before the World War □, the number of emigrants reached 190 thousand.

After the World War □, there was a second wave of emigration.

When Japan lost the war in August 1945, the only things left in the country were ashes and ruins. There, 7 million people including the soldiers came back to the country. Under such conditions, the postwar emigrants changed from “agricultural emigrants (or farmers)” to “technological emigrants,” but still about 70 thousand people made a voyage to Brazil. And at present, the Brazilians of Japanese descents, or so-called “the Nikkeijin, the Japanese-Brazilians,” amount to about 1.3 million.

During the postwar period, the Japanese economy achieved a rapid reconstruction

and development. In 1968, Japan's Gross National Product (or GNP) went ahead of Germany, and Japan became the world's second largest economy. The essential factor that supported such a rapid growth was a large movement of agricultural population to the second and the third industries.

However, by the 1980's, there were no more supplies of labor force from rural districts to the industries. Up to that time, the ones who had taken so-called "3K-Kitanai-Kiken-Kitsu (which stands for dirty, dangerous, and hard)" jobs on themselves were mainly the workers who came from agricultural villages.

Another matter we notice since 1980's is the demographic change in Japanese society. In other words, in Japan, where urban, middle-class society has grown and birthrate has been decreasing while average life span has become longer, there is a marked increase in aging population. These facts mean that there is increasing tightness of supply on the unskilled labor market.

And there are growing opinions that such shortage of labor may restrict this country's economic growth.

Under these conditions, there have been active arguments in Japan concerning whether to approve or not the foreign workers' entries. While there are people who insist that it is inevitable to introduce foreign workers, there are also some strong opinions against such idea. Those who respect prudence argue that such labor shortages can be solved by increasing employment of aged people (as you know, in Japan, aged people generally have strong will to

continue working) and women, and moreover, by technological innovation in the service sector. The reason behind such prudent opinions is that in Japan, which is a homogeneous nation unlike the United States or the Latin American countries, the culture, language homogeneousness and pedigree, or lineage principle are relatively strong. In short, the liberalization of entrance of foreign workers was, for Japanese people, like going into unchartedwaters .

Under such situation, approval to work in Japan was given to Japanese descendants by a legal reform in 1980. In my opinion, the Japanese government made it more important to respond to strong labor demand in the manufacturing industry although the government gave some consideration for the maintenance of cultural homogeneousness and lineage. In this way, the immigrants from overseas increased, and by January 2000, the number of Japanese descendent Brazilians, or the Nikkeijin, working in Japan reached 224 thousand. And this is the background of what we are discussing in this conference under the topic of “Remittances as a Development Tool”

Now, let me briefly mention the actual situation of Dekasegi workers from Brazil. (Dekasegi = workers who left their places to make money or moved to improve their economic lot)

First of all, Dekasegi workers in Japan are mostly allocated to simple, unskilled jobs. In other words, jobs they are offered are the ones expressed as “3K (which stands for hard,

dirty, and dangerous) ” jobs that native-born Japanese often hesitate or refuse. However, I must mention about the following two factors concerning the “3K” jobs.

First, in the Japanese society, there is no social stratification in a strict sense. That is, there is no discriminatory awareness against Brazilian workers for “just being at 3K work.”

Secondly, as a matter of fact, the wage levels of 3K jobs are often higher than those of white-color workers. The average monthly salaries of Nikkei Dekasegi workers are 3,500 dollars for men and 3,000 dollars for women. And this is much higher compared to those of new university or college graduates in Japan.

Next, I would like to mention the subject of what Dekasegi workers have been learning and how they have been in harmony with Japanese society or culture while they have been staying in Japan. There remain many problems to be solved. Although there are many university or college graduates within Dekasegi workers, it is generally hard to develop their professional or technological skills through working because of the fact that most of them are engaged in temporally and unskilled, simple jobs. There are also some problems from the aspect of the adaptation to Japanese society and culture. Dekasegi workers felt difficulty in harmony with Japanese society due to such factors as language barriers, relatively short period of stay, and homogeneous Japanese society’s exclusive nature to different cultures. This difficult adaptation process has been aggravated sometimes by the group housing policy by the job-brokers. The office of towns, where many Nikkei workers live, in their efforts to give these workers “a nice environment to settle down,” tend to set up an area where they can

do eating and shopping as they were in Brazil – the formation of “Little Brazil.” This forms an impediment for Nikkei workers to adapt themselves to Japanese culture.

In the third place, how do they dispose the income they earned in Japan? As I mentioned above, they earn much more in Japan than they could back home.

Therefore, even considering the higher cost of living in Japan, they save much of their earnings. And annual remittances to their home country amount to approximately 1.5 billion dollars. Each one of them saves about 50,000 to 70,000 dollars on average while working in Japan for an average of three years.

Now that you know the current situation of Japanese Brazilian workers, let me move to the next subject. I would like to talk about what problems may lie ahead when we discuss how we make the most of their accumulated experiences and savings as the benefits of Brazil and Latin American countries.

At first, the question is, “How can we improve the actual situation where young people who come to work in Japan were offered only simple jobs and do not have the opportunity to learn the language, culture or comprehend Japanese society before returning to their home country.” I believe that there should be a system which gives them opportunity to acquire skills in a field of technology, or the know-how in management in exchange for offering us the labor forces in need. For this purpose, the understanding and the cooperation of Japanese companies and economic groups such as the Chamber of Commerce and Industry are absolutely necessary.

There are many companies among small and medium-sized enterprises in Japan that have outstanding technology or business know-how, and I believe that this has been the critical factor which has supported the vitality of Japanese economy. I strongly suggest that these small and medium-sized enterprises get the labor force from Nikkei workers, while in turn the workers get the time and opportunity to acquire technique and/or management know-how. In order to materialize this idea, isn't it possible for the I.D.B, especially M.I.F, to negotiate with Japanese economic groups, to make a model scheme and to support these activities.

And we have to change the current situation where most of the Nikkei workers' lives are entrusted to private job-brokers (including those who are inappropriate). In such a sense, I expect the CIATE, established in Brazil, to expand its activities and to take a leading part in improving Japanese Brazilians' working conditions. If that is achieved, then Nikkei workers' problem of social insurance may be solved at the same time.

I understand the purpose of "FMIEE (Fundo Mutuo des Investimento Empresas Emergentes)," a plan which has been discussed by M.I.F at present, is that "to promote entrepreneurial activities by those Brazilian temporary workers overseas who desire to start businesses upon their return to Brazil." I would like to emphasize that not only the savings but also the accumulation of experiences are important.

In addition, when Japanese companies, especially the small and medium-sized enterprises make direct investments to Latin American countries, the greatest obstacles are the

communication, culture, and social unfamiliarity. In such a case, if Nikkei people who have ever been working in Japan and also have acquired some techniques or management skills would be able to play a role in mediation between Japanese companies and society, people, or cultures of which investment is made, then it would certainly help promoting investment from Japan to Latin America.

Japan is the largest contributor in M.I.F. I believe that if Nikkei workers' experiences and savings in Japan are made the most of promoting small and medium-sized enterprises in Latin America, then, it would meet the purpose of M.I.F.

In order to realize the idea above, M.I.F and I.D.B should discuss more in details with small and medium-sized business groups such as the Chamber of Commerce and Industry in Japan. I also think that M.I.F might explore the possibility to share in some way the cost up to some extent for facilitating the companies to accept such trainees. I earnestly desire the small and medium-sized companies' activities to be activated and the direct investment from Japan to Latin American countries be promoted through these efforts.

This time, I realize the current situation where many Japanese Brazilians are finding difficulty to adapt themselves to Japanese society and culture. In its background, it is true that there are such obstacles as language barriers. And it is also the reality that there is an exclusive character in Japanese society which other culture or foreigners find difficulty in adaptation. In that sense, "How Japan can accept the Nikkei workers in the way where they can acquire technology or business know-how and where they can adapt themselves to

Japanese society or culture” must be discussed further among us, the Japanese people. This is the challenge for Japan to be truly internationalized.