Graduation Project

Factors influencing the labor influx of South Koreans into Japan

~Focusing on Japanese companies’ recruitment trend~

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**Abstract**

Recently, an interesting phenomenon has been observed: “direct employment” in Japan among South Korean without studying at university or language school in Japan, due to the high unemployment rate in South Korea and the labour shortage in Japan, coupled with political factors – positive support by South Korean government and the relatively lax visa regulation of Japan, which does not seem ordinary among other foreigners coming to Japan. By revealing the recent movement of human resources from South Korea to Japan, this study suggests that Japanese firms progressively employ even foreign nationals who are neither 'global human resources' nor 'bridging human resources,' which has not been discussed sufficiently in the previous literature.

**Keywords**: Foreign Workers, Employment Policy, Visa Policy

**1. Introduction**

**1.1 Aim**

Many of South Korean nationals employed in Japan tended to have graduated from a Japanese university or gained Japanese educational qualification, for example, from a Japanese language school. Recently, however, there has been a growing tendency that South Korean nationals employed in Japan directly secure positions from South Korea or other countries without any Japanese educational qualifications. This tendency indicates Japanese companies' shift in their recruiting from South Korean studying in Japan to those in South Korea. This research calls employment without Japanese educational qualifications “direct employment.” It aims to present that the “direct employment” has emerged not only by the high unemployment rate in South Korea and the labor shortage in Japan but also by South Korean government’s support and Japanese visa regulation by statistics and qualitative methodology. The current study (discussed in the coming chapter) argues that Japanese firms actively engage in employing "global human resources" and "bridging human resources," who are not sufficiently assessed in the previous literature, and not highly skilled foreigners.

**1.2 Literature review and contribution of this study**

There are many prior studies on foreign workers involved in non-simple labor in Japan[[1]](#footnote-1), but the significance of this paper is twofold. First, not only the situation in Japan, which is the recipient country but also the circumstances in South Korea, which is the sending country, can be demonstrated and then the actual situation of the movement of human resources can be revealed. Second, the current study can show that Japanese companies actively employ foreigners who have not been previously discussed well in the academic literature.

First, assessing the contexts of both South Korea and Japan, this could reveal the movement of labor from South Korea to Japan, which has drawn limited scholarly attention. There was no academic article on the movement of human resources from South Korea to Japan available on CiNii – Japanese academic article database. In contrast, a few articles, such as the case of Busan University of Foreign Studies (Li, 2018) and Nakamura (2016), about the employment of South Korean students in Japan. However, these studies only presented the examples and did not conduct any comprehensive analysis. Furthermore, most of the research which address foreign labor examine Japanese factors and many of them mainly focus on the employment of international students. However, the human resource movement to Japan must be attributed not only to Japan but also to the sending country. By clarifying the hiring situation in South Korea, this article can demonstrate the actual situation after examining the circumstances of the sending country, South Korea.

Second, a few articles have already attempted to classify non-simple foreign labor in Japan. However, few of them have discussed the examples of employment of foreigners in the area of non-simple labor, which will be addressed in this research and does not necessarily require Japanese nationals.

Shimizu and Hashizume (2012) classified the purposes of the employment of international students into; (1) outstanding human resources, (2) bridging human resources for partners/clients abroad or subsidiaries abroad, and (3) change agents for the firms' reform. The expectation for (1) outstanding human resources overlaps with that for (2) and (3), and the purposes cannot wholly be separated. This research assumes that Japanese firms seek skills or the characteristics Japanese do not possess in the employment of international students.

Tsukazaki (2013) classified Japanese foreign labor as “global human resources” and “bridging human resources.” The former has higher mobility than “bridging human resources” and often changes their foothold according to their need. The latter bridges the gap between two countries – their home country and Japan. Tsukazaki (ibid) also assumes that foreign labor is expected to have unique skills, and does not examine enough the employment of talented foreign human resources as a substitute of Japanese.

Fukushima (2016) pointed out that talented foreign labor is not employed in the form of the expectation held by policies of the Ministry of Education, Culture, Sports, Science, and Technology (MEXT) and the Ministry of Economy, Trade, and Industry (METI). She stated, “some Japanese firms want foreign workers that think and behave in the same way as their Japanese equivalents as employees working regardless of their nationality or human resource that bridge the headquarter and subsidiaries abroad” (ibid, P.170). She argues that the foreign employees themselves were not constructed as what Tsukazaki (2013) called "global human resource" "bridging human resource" on purpose. Referring to this point, Fukushima (2016) successfully demonstrates the case that Japanese firms, by chance, employed outstanding international students emerged in the application process for general Japanese graduates.

There are two significant problems with these previous research.

First, the previous study has shown only the employment of foreigners due to international students by chance applying for the positions assuming general Japanese graduates, and it does not indicate that Japanese companies progressively employ foreigners "in similar ways to Japanese" as Fukushima (2016, P.170) says. This paper is unique in that it looks at Japanese companies' recruitment abroad compared to these previous studies. As the increase in the effective job offering ratio shows, many small and medium-sized enterprises in Japan are suffering from the labor shortage. This research can suggest some Japanese companies' active engagement in recruitment which is not been clarified in previous studies by describing their recruitment of non-talented human resources abroad on purpose.

Second, the previous literature defines talented human resources as foreigners having the status of residence in the specialized and technical fields including these international students. The previous research has not reflected not only the actual situation but also recent policies.

The government is also seeking to expand the work area where foreigners can be employed, and the policy has changed. In the employment basic policy in 2008, it is assumed that in the work area where employment is allowed under the status of residence in the specialized and technical fields, the employment of such foreigners is promoted to strengthen Japanese international competitiveness, and it is clearly stated that foreigners should not be accepted immediately to compensate for the lack of manpower. Thus, the status of residence in the specialized and technical fields was not considered to compensate for the labor shortage. As for the expansion of areas where foreigners are employed, even the employment basic policy in 2014 continuously showed the cautionary attitude that the national debate is necessary before accepting foreign labor. The Cabinet Office Economic and Financial Advisory Council's "Basic Policy on Economic and Fiscal Reform 2008" clearly states that the status of residence in the specialized and technical fields is talented human resources. Due to this statement, in the previous research, foreign talented human resources in Japan have been regarded as people with the status of residence in the specialized and technical fields (for example, Fukushima, 2016). However, as the status of residence "specific activity (talented human resources)" and point system for talented human resources are introduced, people with the status of residence of advanced human resources and those with specialist / technical fields are beginning to be distinguished from each other. According to the agenda of the second meeting of the Cabinet Office 'Task Force on Acceptance of Foreign Human Resources in the Specialized and Technical Fields' announced in May 2018, even after improvement of productivity and work environment for women and the elderly, it still shows the direction that they would accept foreigners in areas that require acceptance of foreign human resources, and the status of residence in the specialised and technical fields is not to gain talented human resources but to compensate for the labor shortage. In recent government documents, talented human resources are those who have a status of "advanced professional" through the status of "Specific Activities (Talented Human Resources)" status of residence or point system, and status in other specialized/technical fields are never regarded as talented human resources. This tendency is steadily growing. The government, which is planning such policy, cannot accurately grasp what type of foreigners are registered for the status of residence in the specialized and technical fields and its ratios.

Previous studies have not kept up with policies and practices concerning such foreign labor, and further investigation is needed. Moreover, therefore, this research has its significance in clarifying its qualities in revealing the recruitment activities of Japanese companies in South Korea.

**1.3. Structure and method**

This article consists of a quantitative analysis of relevant Japanese statistics (chapter 2) and relevant South Korean statistics and government paper (chapter 3), qualitative analysis of interviews conducted in South Korea (chapter 4), and conclusion (chapter 5).

In chapter 2, secondary analysis of the Japanese statistics shows growing "direct employment" among South Korean and suggests that it is a unique phenomenon about South Korean. In chapter 3, secondary analysis of the Korean statistics and documentary analysis of government paper reveal the present situation of the government's support for overseas employment of young South Korean and note that the receiving country does not have to be Japan too. Chapter 2 and chapter 3 indicate the necessity to assess reasons why "direct employment" from South Korea to Japan is growing by suggesting domestic factors both for Japan and South Korea do not explain why they select each other. In chapter 4, the qualitative interviews show Japanese visa regulation and South Korean government's spending on employment support are significantly associated with the reason why the move of the labor in the form of direct employment takes place from South Korea to Japan. Conclusion and implications are presented in chapter 5.

The actors this paper surveyed were the Japanese government, the Korean government, and its affiliated agencies, as well as recruitment companies / human resource education companies recruiting for Japanese companies in South Korea. The research used the materials and homepages of the Government of Japan and the Korean government and its external organizations, through interviews to be discussed later. The documentary analysis was done in March 2018. The interviewees are detailed below.

**Recruitment/human resource education companies**

Five companies (one person per company) engaging in human resources business in South Korea were interviewed about the business contents and the current situation of South Korean employment in Japan.

Company A is a Korean subsidiary of a Japanese company mainly engaged in recruitment work of IT human resources. The interviewee from this company is G, overseas business division director. He is a man working in Tokyo and started his current position in October 2017. He travels to Korea when necessary, and he does not understand Korean. He has been appointed to not only overseas expansion but also further expansion of their recruitment business domain (currently IT only). The interview was conducted on February 15, 2018, at the Tokyo headquarters of Human Resources Company A.

Company B is an independent human resource company launched in Korea by Japanese people and sometimes have business collaboration with human resources company P. The interviewee was H, the founder, and representative director. His former job was an official at the Ministry of Foreign Affairs and started human resource business in Korea. The interview took place on March 13, 2018, at his home in Seoul. He is fluent in English, Korean and Chinese.

Company C is a company that was founded by Koreans in Japan and conducts human resource education at South Korean universities (government subsidized) for sending South Korean students to Japanese companies and recruitment. The interviewee is, I, the Korean human resource business manager. Initially, the company C was engaged in overseas advertising for Japanese companies. Since 2017, the company C has been engaged in human resource business. The interview was held on February 21, 2018, at the company's Tokyo headquarters. I is a Japanese man who does not understand Korean.

Company D is a human resources company with a Korean resident in Japan as their President. They have been conducting human resource business in different countries and started a recruitment business in South Korea in 2012. The interviewee is J, Korean human resource business manager. She is a Japanese woman and fluent in Korean. The interview took place on March 20, 2018, at the company's office in Seoul.

Government officials and personnel at the government-affiliated agencies.

The Human Resources Development Service of Korea (Seoul) is a government's affiliated organization.

The interviewee is P, a Korean woman, working at the headquarters. She is a manager responsible for job hunting event planning and counseling for employment in Japan.

The interview was conducted on March 16, 2018, at the headquarters of the Human Resources Development Service of Korea in Seoul.

The interviewee is Q, operating the events regarding K-Move and consulting Japanese companies at KORTA’s branch in Tokyo. She is a Japanese woman and fluent in Korean. The interview took place in KORTA’s branch in Tokyo.

The Japanese Embassy in South Korea was also surveyed in this paper.

The interviewee is R, the general manager of the embassy, a Japanese man. The interview was held on March 15, 2018, at the Korean Embassy in Seoul.

**2. Increasing "direct employment" of South Koreans by Japanese companies**

In this chapter, statistical data on the Japanese side shows that the unusual nature of employment of South Korean in Japan, that is, "direct employment" has been growing in recent years.

**2.1 Shift to direct employment unique to South Korean**

Figure. 1 is based on the data presented by the Ministry of Justice's "Employment trend of international students in Japanese companies" and the Ministry of Foreign Affairs' "visa issuance statistics." On the one hand, the number of South Koreans who switched their residential status from "specific activities” (by “study abroad” or job hunting after the graduation or completion) to "Technology, Humanities, and International Affairs (THIA)"[[2]](#footnote-2) remained unchanged from 2013 until 2016. On the other hand, the number of issued "THIA” visas for South Koreans in Japanese diplomatic establishments abroad has increased substantially since 2015. The latter increased from 1,133 in 2013 to 3180 in 2017 and nearly tripled in 4 years. Like the former, if foreigners request to switch their residential status from another kind of residential status to "THIA” the immigration office in Japan will conduct procedures. Conversely, in the case of applications from Japanese diplomatic establishments abroad like the latter, it is usual that the applicants do not study or work in Japan at this point. R, the manager of the Japanese Embassy in South Korea, said “If you are studying abroad, you do not have to bother to take the time to apply for a visa in South Korea because all of the materials are available in Japan, the figures of numbers of switching the status are highly reliable”. Therefore, the fact that the number of the former remains at the same level and that of the latter is increasing over time suggests the shift to direct employment in Japan without going through study abroad in Japan.

**2.2 Comparison of South Korean with different nationalities**

One may wonder about the cases of other nationalities. Over 500 people each from China[[3]](#footnote-3), Vietnam, Nepal, and Taiwan, as well as South Korea, or each with the nationality of either of the countries above in Japan has been permitted to change their residential status from “study abroad” to "THIA." The figure 2. shows the proportion of the number of “THIA” visas issued in Japanese diplomatic establishments abroad in the sum of the number of renewing the residential status from “study abroad” to “THIA” and the number of visas issued in Japanese diplomatic establishments abroad in terms of foreigners from the four countries above and South Korea as well as American. American was the only group that had over 100 people who renewed their residential status from one to another as non-Asian. The higher the bar graph in Figure 2 is, the more the number of direct employment in Japan took place.

Although the number of foreign workers with all the nationalities mentioned above is increasing, the dramatic increase of visa issued in Japanese diplomatic establishments abroad has been seen only among South Korean. It increased from 48% in 2013 to 66% in 2016.

South Korea and the United States are developed countries with relatively high average wages compared with the other four countries, but the number of visas issued for Americans in overseas diplomatic establishments exceeds 90% on a continuous basis, and it is considerably high. On the other hand, in the case of South Korea, it should be noted that the proportion of visas issued in Japanese diplomatic establishments abroad has increased significantly since 2013 when the number of renewing the residential status from one to another was more significant than that of visas issued in the diplomatic establishments. Unless the company recruits locally abroad, foreigners will face more difficulty in “direct employment” concerning information gathering and application process than in job hunting while studying abroad in Japan.

It is necessary to carefully scrutinize why South Koreans now tend to directly employed despite the difficulty and why this tendency is observed only among South Koreans.

**2.3 What type of people are employed**

Although the statistics do not imply what type of people are in fact employed in Japan, the interviews suggest that Japanese companies mainly hire graduates. According to J from human resource company D, their clients are seeking to fill their graduate positions and a small number of positions for those with working experience (non-graduate positions). Even if the clients requested for those with working experience, they sometimes employ graduates for non-graduate positions as a result. G and H said that Japanese firms are targeting the graduates for overseas expansion of their business because of the broader labor market although the recruitment of IT human resources is more common among non-graduates like Japanese domestic market. All of J, G, and H mentioned that, compared to graduates, recruiting non-graduates is difficult and thus that it results in graduate recruitment. P from the Human Resources Development Service of Korea also said that Korean graduates use consulting services at their office and many Japanese firms attending job fairs plan graduate recruitment. Hence, it is likely that recent recruitment in South Korea has mainly focused on graduates except for IT engineer positions.

Moreover, G, H, I and J pointed out that most of the Japanese companies require a high level of Japanese language skills. I from human resource company C said: “For the employers, conversation skill in Japanese is not enough and the applicants need to be able to write kanji perfectly.” According to J from human resource company D, the graduates are generally required by Japanese firms to have Japan Language Proficiency Test (JLPT) N1 grade or equivalent if they are non-science/engineer students.

**3. Korean government's overseas employment support (perspective from the Korean side)**

In this chapter, Korea's statistical data and government paper show the present situation of the Korean government's overseas employment support policy.

**3.1 Overseas employment support in response to difficult domestic job hunting**

As of February 2018, the Korea National Statistical Office announced that the youth unemployment rate (15-29 years old) was 9.8%, and young South Koreans are suffering from employment difficulties. Mainly due to the wage disparity between small and medium enterprises and large enterprises, university graduates avoid small or medium companies; employment mismatching has been occurring. The employment difficulty among university graduates is a structural problem. Employment difficulties of university graduates have become a structural problem. The Korean government has various job hunting and recruitment support measures for job seekers and corporates to solve the problem of employment of university graduates. One of the measures is the overseas employment of the youth. Such overseas employment support measure is branded as K - Move by the Employment Labor Department. Overseas employment support is detailed by Park (2015). In South Korea, such a project has been taking place for a long time while changing its design. One turning point of the expansion is that the Lee Myung-bak administration promoted the "global youth leaders training 100,000 people plan”. Later, in September 2013, the Park Geun-Hye government branded this project in the form of strengthening it under the name of K-Move, "K-move Promotion Status and Future Plans" was announced in October 2013. Under the brand name, each outsourcing agency separately is running their project with subsidies.

The Employment Committee composed of several departments (equivalent to Japanese ministries and agencies) held "Youth Employment Measures Report Conference and the 5th Employment Committee Meeting" on March 15, 2018. The report of the meeting argues that, while the long-term shrinking youth employment since the 1990s, the fact that children of the baby boom generation (born between 1991 and 1996) have reached the working age spurs the hardship of youth employment, and therefore emphasizes that youth employment support be important. Among them, overseas employment support is positioned as "creation of new job opportunities."

At this meeting, "Overseas Regional Expert Training Measures" with K-Move's future policy incorporated was also announced. What is noteworthy in this guideline is that Japan, which had not been focused so far in 2013 when K - Move began, is a crucial goal. Specifically, by 2022, South Korean government policies focused on the support for employment in Japan and ASEAN, aiming for a total of 18,000 employed overseas. Over 40% of K-Move School, an educational program for employment, which is described later, lectures on job opportunities in Japan and the government plans to implement inter-university programs between Japan and South Korea aiming to lead the one-year study abroad programme to employment in Japan.

Regarding K-Move, many criticisms have been made concerning its cost performance, overseas positions, and reduced wages[[4]](#footnote-4), but the Employment Labor Department is arguing against these critiques on the official website. For example, an article of Chosun Ilbo (February 5, 2018) was titled with a sensational wording that "The company that I got job was a “black company.” It reported that the system users were exploited by receiving salary below the minimum wage even though they were hired through the government’s overseas employment program. The article also pointed out that the majority of the work is simple to repeat miscellaneous work which is far from the purpose of training global human resources. On the other hand, the Employment and Labor Division insisted that they count jobs that are not simple labor with an average salary of more than 15 million won from 2013 as the achievement to guarantee the quality of overseas employment. They also have argued against the article that the requirement has included the same or higher salary than local minimum wages.

**3.2 Activities of each government actor**

K-Move itself is a brand name, and each agency is not promoting the single project by assigning roles according to instructions of the Employment Labor Division, but each agency is planning and running their project separately. Let’s see the real activities of each actor. Ten governmental agencies use the brand name of K-Move, but, mainly, Human Resources Development Service of Korea and KOTRA are providing support for overseas employment and both are given a significant amount of budget by both employment labor departments. There is an overlap in the functions of both.

The Human Resources Development Service of Korea conducts direct consultation of overseas job seekers and runs the website "WORLD JOB." Concerning the consultation, the Korea Industry Human Resources Development Corporation opened the "Seoul K - Move Center" where job seekers can access consulting services on a one-stop basis in 2015. Both the job seekers and the foreign companies seeking Korean workers are registered in "WORLD JOB," and matching is made between the company and the job seeker on the website. Besides, a joint interview event regardless of countries is held annually, and a joint interview event for Japanese companies twice a year. The Human Resources Development Service of Korea provides those who secured jobs abroad with “establishing support fee,” and human resource agencies which introduce South Korean to foreign firms with rewards, and chooses and subsidizes universities and firms as K-Move School if they offer overseas employment seminars.

They have set up K - Move Center all over the world and are in contact with foreign companies. They also hold joint interview events in Korea and Japan. The participation fee for these interview sessions is free in principle, and depending on the interview sessions, they may provide subsidies for accommodation expenses and transportation expenses to participating companies. Although the proportion of Korean companies among participating companies varies from country to country, it is about 30% in Japan and about half in the US.

Both institutions do not include follow-up of overseas employment in their projects. However, according to P, an official from the Industry Human Resources Corporation, responding to the criticism that the outflow of human resources is growing, they are considering creating mechanisms for, such as troubleshooting of overseas workers at the overseas K - Move center and reuse of information about successful employment at WORLD JOB.

**3.3 Japan to be chosen**

As mentioned earlier, K - Move has been devoted to sending young South Koreans to Japan in recent years. Although destination countries for those Koreans in overseas employment support measures should not be limited to Japan, of course, the majority of destination countries is Japan, and the government will continue to focus on promoting employment in Japan.

Figure 3 compares the number of South Korean sent to Japan by K-Move and that of visas issued for South Korean at Japanese diplomatic establishments abroad by year. Both are in proportion, indicating that sending by K - Move to Japan has been involved in some way with the increase in “direct employment” of Koreans.

Figure 4 shows the number of people employed by K-Move. The number of South Korean employed in Japan was only 296 in 2013 but increased to 1427 in 2017. It has expanded about five times for five years, and this number is overwhelmingly more substantial than that in countries such as the US, Australia, and Singapore, where they can work comfortably with English skills. Furthermore, the US and Australia accept South Korean graduates as interns at Korean firms, and thus it must be noted that it can not merely compare figures of the full-time employment in Japan with those countries.

The number of South Korean in Japan is more substantial than in non-English speaking countries. Although South Korea has a certain number of each Japanese and Chinese language learners, the number of employment in Japan is more significant in China[[5]](#footnote-5). Thus, the number of language learners cannot explain this phenomenon.

It may be explained that the movement of human resources is smooth by the similarity of the cultural background of Japan and Korea. However, G, H, I, J, P, and Q, who are involved in the employment of South Korean in Japan, said that the fundamental ideas behind the recruitment in Korea, which is no longer premised on long-term employment are different from Japan, which still holds relatively long-term employment[[6]](#footnote-6). Since recruitment methods differ, at least it could not be argued that South Korean are more likely to be employed in Japan because their recruitment culture is similar.

In this way, although the South Korean government actively supports overseas employment support, the reason why Japan is selected as a receiving country so far cannot be explained only by actors and factors in South Korea. Therefore, it is needed to consider how policies in Japan and South Korea have influenced both countries.

**4.Japan's Visa Policy and the Influence of Aggressive Fiscal Expenditure by South Korean**

Chapter 2 argues that it is not inevitable that the number of direct employment of Koreans increases if taking account of the factors in Japan. Chapter 3 shows that Japan does not necessarily have to be selected as the destination for young South Korean by the South Korean government only with the factors in South Korea. For both Japan and South Korea, it is necessary to discuss the reasons why “direct employment” from Korea to Japan is rising, taking into consideration both policy implications in the absence of necessity to select both countries. This chapter aims to clarify the reasons by analyzing the interviews.

**4.1 Impact of Japanese policy on South Korea**

P from Human Resources Development Service of Korea and Q from KORTA were asked why Japan is popular among several countries as the destination. They said it is not only because Japanese culture is merely popular, and many young South Korean learn Japanese but because Japan issues visa even for Koreans who are new graduates without work experience. They also said that sending the graduates to the English-speaking world as part of K-Move involves internship programs and that it means the graduates cannot obtain a visa as full-time workers. They pointed out that ASEAN countries and China also require work experience to issue work visa and therefore that it is not as hard as other countries for the graduates to get a full-time job in Japan. Hence, both Human Resources Development Service of Korea and KORTA are planning to increase the number of graduates employed in Japan because Japan is, for South Korea, likely to be their candidate for the recipient country.

Unless work visas are issued, foreigners are never employed even if employers actively advertise their vacant positions. It should be noted that the promotion of labor movement from South Korea to Japan is related to the fact that South Koreans can obtain a visa even if they are graduates and not office workers.

**4.2 Effects of South Korean policies on Japan**

The South Korean government's youth employment support measures[[7]](#footnote-7) are relatively aggressive, and they are actively offering financial support to recruitment agencies and business companies trying to employ South Koreans. As a result, it is possible to claim that Japanese companies would select South Korea that offers them substantial subsidies when they recruit graduates overseas due to the labor shortage.

Subsidies to recruitment agencies can generate profits even outside of recruitment. First, according to P, Human Resources Development Service of Korea has entrusted major Japanese recruitment agencies with designing educational programs for Japanese firms and holding career forums for Japanese companies to hire Koreans, and provide subsidies to the major Japanese recruitment agencies. H from recruitment agency B said that it is not easy for recruitment agencies targeting Japanese firms to generate consistent profit only from recruitment as the primary business. South Korea is a healthier labor market to enter than other countries because commission by the government generate profits in other parts although it is difficult to make profits only by recruitment business. This human resource company has a foreign subsidiary for recruiting foreigners only in Korea.

There is another subsidy program for education and training. The subsidy program is called K-Move School. I from human resource company C said that there are human resources companies that substitute universities for the K-Move School, an education program for students seeking a job abroad from the grant application to the implementation of the educational program. Human resource company C provides educational programs to three-year universities in rural areas of Korea consistently from subsidy applications too. In this case, the companies’ clients are universities, but the financial resources are government subsidies. With subsidies, human resource companies can make profits from subsidies, not the fees derived from recruitment. Besides, according to G and I, in South Korea, several vocational schools gain subsidies as their revenue by providing programs that aim to send their students to Japan and are keen to contact human resource companies to continuously succeed in sending students to Japan and obtain the subsidies.

It is also striking that the government agencies are cooperative with recruitment agencies. Q said that it is costly for the recruitment agencies to make connections with universities, but, in the case of South Korea, Human Resources Development Service of Korea. Introduce the universities to the recruitment agencies. Hence, it is easy to contact the universities. Such a cooperation mechanism of government agencies has also made it possible for recruitment agencies to lower the barriers to enter the local labor market in comparison with other countries. Similarly, P also said that Human Resources Development Service of Korea can always offer spaces to human resources companies and employers for promoting overseas employment despite being a public organization.

Japanese companies benefit from the South Korean government similarly. When recruiting overseas, the Japanese companies participate in career fairs, but they must usually bear the participation fee and the travel expenses of the attending staff. However, at some career fairs hosted by KOTRA (such as Seoul Career Vision), KOTRA not only exempts the companies' participation fee but also pay for transportation and accommodation expenses. It costs less than the career fairs in Japan. Regarding this, P and Y said: “the career fairs have some companies that do not show strong willingness to recruit students because whether or not the employers offer jobs to the participant jobseekers at the fairs is up to the employers.”. This statement suggests that the subsidy considerably reduces the participation cost for the companies.

Youth employment policies of South Korea directly make it possible for human resource companies and employers to produce profits in different ways not limited to recruitment fees.

**5. Attitudes of Japanese companies towards employing foreigners**

One of the contributions made in this article is that it reveals the recent labor movement from South Korea to Japan with backgrounds of both Japan and South Korea. As it has been argued so far, “direct employment” of South Korean in Japan, which was initially not easy, has increased not only due to Korean high unemployment rate and Japan's labor shortage, but also policies of both countries.

One might ask this phenomenon might have in the academic literature on the employment of foreign non-simple labor by Japanese firms.

The phenomenon addressed by this study shows the circumstance where Japanese firms progressively employ foreigners and suggest an example in which the policies in both the countries strengthen the employment.

This article suggests that Japanese firms progressively recruit foreigners abroad to compensate for Japanese labor shortage regardless of whether it is a replacement of Japanese labor or supplementing it. Of course, the current study could only refer to the case in South Korea and how far it will be expanded to other countries remains unknown. Still, however, the number of visas in specialized and technical fields issued at Japanese diplomatic establishments abroad is over 3000 in 2016 (Figure 1). This study has contributed to the academic debate in that Japanese firms actively engage in recruitment abroad if the recruiting fee is reduced or the barrier is minimized.

According to P and Q, Japanese companies that are interested in recruiting in South Korea used to contact Japanese diplomatic establishments and KORTA, which have offices in Japan. Recently, however, the number of examples in which Japanese firms directly contact Human Resources Development Service of Korea, which offers overseas employment support in South Korea, has been increasing.

I and J said Japanese firms look at the majors of the applicants not because they want to employ people matching with the positions but because they want to make it easier to obtain a visa by having consistency in the applicants’ majors and offered positions. They stated that the employed foreigners depend on the visa regulations because they choose applicants based on whether or not they can pass the screening for working visas and therefore that they actually would want to employ different types of people in various positions without such regulations. As it argued, the government considers the expansion of the work area where foreigners can be employed, and such direction has been reflected in the government policies. The previous research has not kept up with such policies and situations, and thus further studies are necessary.

Additionally, although it is not the main argument, this labor movement from South Korea to Japan has an important implication for South Korea too. Young people who have the potential to be employed by South Korean small and medium-sized firms are sent to Japan. That Japan attempts to compensate for the labor shortage may accelerate the labor shortage of South Korean small and medium-sized companies. In the short term, it might help South Korea remove stress from the youth, but the long-term outflow of youth labor does not necessarily benefit South Korea because of its increasing low birth-rate.

In any case, such examination could be conducted after assessing what type of labor move from South Korea to Japan and further research needs to address the movement widely, not limited to the recruitment in South Korea.

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**Figures**



Fig. 1 Employment of South Korean in Japan (Unit: person, made by author)



Fig. 2 Proportion of THIA visa issued aboard

to that and THIA visas switched from study abroad and special activities (made by author)



Fig. 3 Number of people successfully employed in K-Move

and THIA visa issued abroad (Unit: person, made by author)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Japan** | **USA** | **Singapore** | **Australia** | **UAE** | **China** | **Canada** | **Vietnam** | **Indonesia** | **Germany** | **Others** |
| **2013** | 296 | 97 | 116 | 307 | 41 | 76 | 219 | 17 | 34 | 18 | 386 |
| **2014** | 338 | 118 | 249 | 175 | 50 | 138 | 79 | 72 | 44 | 27 | 389 |
| **2015** | 632 | 640 | 364 | 75 | 158 | 199 | 58 | 205 | 69 | 73 | 430 |
| **2016** | 1,103 | 1,031 | 642 | 353 | 323 | 218 | 56 | 288 | 144 | 64 | 589 |
| **2017** | 1,427 | 1,079 | 505 | 385 | 70 | 268 | 65 | 359 | 123 | 78 | 759 |

Fig. 4 The number of people employed by K-Move

 (From “WORLD JOB”, Unit: person)

1. "Foreign simple labor" here is mainly foreigners working in Japan through activities outside qualifications, such as technical intern training programme and "studying abroad." [↑](#footnote-ref-1)
2. The residential status of "Technology, Humanities, and International Affairs (THIA)" requires less expertise than that in other specialized and technical fields. THIA is the most common visa issued when Japanese firms hire foreigners. Among South Korean, the proportion of "technology, humanities knowledge, international operations" to the total number of specialized and technical fields is 87% (2017). Before March 2015, "Technology" and "Humanities / International Affairs" were distinct residential statuses, but this study uses the sum of both. [↑](#footnote-ref-2)
3. Hong Kong, Macau and Taiwan are not included. [↑](#footnote-ref-3)
4. Please see, e.g., https://www.huffingtonpost.kr/2015/03/30/story\_n\_6967220.html [↑](#footnote-ref-4)
5. According to the "Yearly Education Statistics" (Korea Educational Development Institute) published in 2012, 332,000 students (60.1%) learn Japanese and 180,000 students (32.6%) learn Chinese as their second language at high school in 2012. [↑](#footnote-ref-5)
6. In South Korea and Japan, the selection method of job applicants is considerably different, but the most notable is the difference in hiring policy. The "specs employment" emphasizes what can be measured quantitatively, such as GPA, language score, and skill sets in countries which seek those who can work immediately without many pieces of training like South Korea. Meanwhile, the "potential employment" is a recruitment method based on what qualitatively measures with relatively long-term viewpoints such as motivation for growth, the degree of matching between corporate culture and personality, like Japan. Korean students are required to fully understand this difference when looking for job opportunities in Japan. [↑](#footnote-ref-6)
7. Although it is a policy for youth, there is no upper limit on the use of support system by age. Therefore, although the name of "youth" is included in the name of the policy, there is no particular need to consider which generation is affected. [↑](#footnote-ref-7)