

Japan's Highly Skilled Foreign Professional Visa: an early assessment

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Abstract

Japan's point-based Highly Skilled Foreign Professional visa, implemented in May 2012, represents a new step in courting skilled foreign labor. The visa provides benefits unprecedented in Japan, yet application numbers remain below expectations. Utilizing new survey data, this paper considers the visa in detail from the applicant perspective. Results indicate that while the benefits offered are positively regarded, they are overly restricted and skewed toward longer term residents. The new visa also suffers from unclear application requirements, as well as inconsistency in its goals and ideal candidates. The Japanese case consequently provides some evidence that competitive benefits alone are insufficient to successfully attract skilled foreign labor.

Keywords:

Introduction

Japan is a late arrival in the global competition for foreign talent. A traditionally immigration-averse nation, demographic and economic realities have inspired the country to take a more active stance recruiting highly skilled foreign workers. In May 2012, the government implemented a new points-based visa for "highly skilled foreign professionals", offering an unprecedented array of benefits and fewer restrictions compared to other visa categories. Yet in spite of high government hopes, applications for the new visa have been far below expectations.

This paper considers why the Highly Skilled Foreign Professional (HSFP) visa has under-performed. In order to do so, we will compare the HSFP visa to similar schemes outside of Japan and examine in detail new, individual-level survey data focusing on the visa. I argue that immediate changes can be made to the HSFP visa to improve its attractiveness, and information regarding the visa should be clarified and more actively disseminated.

Background

In discussing skilled and highly skilled migration a good place to start is to clarify exactly what these terms entail. The widely-adopted definition of a skilled migrant is that they possess at least a tertiary degree (Salt 1997). Highly skilled migrants distinguish themselves with a higher level of

education or abilities. Discerning the difference between a skilled versus highly skilled worker can be somewhat arbitrary. With the O visa for “individuals with extraordinary abilities or achievement”, the United States government describes highly qualified individuals as persons that “demonstrate extraordinary ability or sustained national or international acclaim”. For the fields of science, education, business and athletics this means they have “a level of expertise indicating that the person is one of a small percentage who has risen to the very top of the field of endeavor” (USCIS 2011). Likewise, the United Kingdom maintains a similar visa for “exceptional talent” as a part of its tiered working visa program. Only those who receive an endorsement from officially designated bodies as an “internationally recognized leader or emerging leader” in their field are eligible (UK Gov 2014).

The Japanese government defines highly skilled migrants for the purpose of the HSFP visa as “the persons who fall into the current acceptance criteria for foreign nationals and who are recognized to have advanced abilities and skills” (MOJ 2012a). Compared to its American and British counterpart, the Japanese definition appears to be more inclusive. At least according to the Japanese definition, a highly skilled migrant is not necessarily at the top of their field, but perhaps someone accomplished or even a recipient of some sort of advanced training. All three definitions are somewhat vague, although in the Japanese case the simple recognition of “advanced abilities and skills” differs significantly from being an “internationally recognized leader”. Such lack of clarity in the terminology at the foundation of the visa has led to confusion over eligibility, which will be addressed in subsequent sections.

Increasing the labor pool through skilled immigration follows the logic of endogenous growth theory, popularized by Romer (1986). According to the theory, an important means of driving economic growth is through investment in human capital. Human capital can grow through quality domestic educational institutions as well as through increased immigration. By promoting either path, often both simultaneously, countries aim to produce a more advanced, educated and skilled populace that will help to maintain or increase economic competitiveness. As most developed countries have strong knowledge-based economies largely dependent on innovation, human capital continues to take on greater importance (Laroche et al 1999).

Some have framed skilled migration in terms of “brain drain” and “brain gain”, where the host society benefits from the arrival of promising and skilled migrants while the country of origin loses these important human resources (Das 1978; Rizvi 2005). The notion has its origins in Dependency (Dos Santos 1971) and World Systems Theories (Wallerstein 2004), where both consider the relations between the developed core countries and the dependent periphery. While there are ethical implications in the movement of skilled labor from the developing to the developed world (Shachar 2011), this paper will largely steer clear of such dilemmas. Rather, the primary concern here is the more practical issue of how Japan compares to other countries courting highly skilled labor and what it can do to improve its system.

Across most of the developed and even in the developing world, many countries have enacted greater restrictions on the entrance of unskilled labor while at the same time jockeying to grant more incentives to promote skilled immigration. Cornelius and Tsuda (1995) describe this phenomenon as “convergence” in immigration policy, where national immigration policies are “coming to resemble each other in important ways” (p. 15). Cornelius and Tsuda caution that convergence does not mean that policy is in any way coordinated, but occurs through a variety of means such as policy emulation, parallel path development and regional integration. More recent authors including Cerna (2009) and Kolb (2014) note a similar convergence in skilled migration policies. A global trend that largely favors skilled workers willing to move abroad appears to be emerging. Those with the most desirable skills receive the greatest potential benefits, with countries competing to offer a range of inducements in order to attract the “best” foreign workers (Shachlar & Hirschl 2013).

Skilled Migration in the International Context

Modern skilled migration policy has its origins in the traditional recipient countries of immigration, with an early push for skilled foreign labor originating in the United States. The 1965 amendments to the US Immigration and Nationality Act of 1952 are seen as the first major effort to establish a skilled labor regime, where the country opened up a variety of skill-based visa categories (Shachar & Hirschl 2013). These visas were typically available to individuals who had already received a job offer from an employer. Canada followed suit with its own skilled immigration scheme in 1967, establishing a points-based system that ranked desirable applicants according to a range of categories including age, employment history and education (Green & Green 1999). These systems have since undergone a number of permutations, but have served as the primary models for other countries' efforts to promote skilled immigration. Market-based, employer-driven schemes draw their inspiration from the American model, while skills-based, supply-driven systems borrow from the Canadian example (Koslowski 2014). Most countries recruiting skilled labor tend to use aspects from either or both of these models (Chaloff & Lemaitre 2009).

While the United States and Canada both started courting skilled foreign labor from a relatively early point in time, other countries soon began to follow suit. Australia implemented its own points-based system, initially quite similar to Canada's, in 1973 (Ongley & Pearson 1995). More countries followed in the 1990s when shortages in human capital-intensive industries such as information technology became apparent (Zaletel 2006). Less traditional countries of migration including Norway, the Czech Republic and Germany also adopted special policies courting more skilled foreign labor. There has since been further diffusion of skilled immigration policy, where Singapore, South Korea, China and now Japan have all adopted their own schemes.

There is considerable variation not only in who is considered a skilled or highly skilled immigrant, but also the types of incentives offered to them. The most common benefit is permission to work and reside in the host country. However, the length of available residency and the sorts of activities skilled immigrants are able to participate in are in no way uniform. The points-based systems of Canada and Australia have traditionally offered permanent residency to applicants meeting their minimum point threshold regardless of having an actual job offer (Lowell 2005). The United States, on the other hand, requires steady employment in its H1-B skilled labor visa. A path to permanent residency is available to skilled foreign workers in the US, where they may be able to acquire permanent resident status after six years of maintaining their visa and submitting the proper paperwork (Martin 2012), but it is not offered up front.

Some consideration should also be given to the so-called "soft" appeal of a host country. The inclusiveness of the culture, relative economic and political stability, spoken language and education system can all factor in to a locale's attractiveness to immigrants (Straubhaar 2000; Zaletel 2006). The United States and the United Kingdom benefit greatly not only from large economies and established immigrant communities, but also from English being the lingua franca. It is also widely acknowledged that non-English-speaking countries lacking a significant diaspora abroad have to work much harder and offer greater incentives in order to appeal to potential migrants (Carvalhas 2012). In fact, significant incentives alone may not be sufficient to recruit and retain highly skilled foreign labor for these countries (OECD 2013).

Where residency and citizenship in a country may be more traditionally based on notions of identity, equality and inclusion, they are now used increasingly as incentives in global economic competition. (Shachar 2011). States offer varying degrees of inclusion in the host society and the skilled immigrant, for their part, seeks out living and working circumstances superior to their home country. It is in this

disparate and unregulated mix that Japan has stepped with its visa for Highly Skilled Foreign Professionals.

Japanese Demographics and Immigration

Japan has, for much of its history, been largely closed to immigration. Its relative inaccessibility as an island nation and insular culture served to enhance the perception of homogeneity (Burgess 2010). The official immigrant population has remained low even through the modern era, only showing a marked increase with the 1990 revision to the Immigration Control Act, the country's main postwar immigration legislation (Mori 1997). Since 1990 there has been a steady increase in size of Japan's foreign-born population, although it remains small by international standards. As of 2010 there were a total of 2.1 million registered immigrants in Japan, representing 1.25% of the population (MIA 2013). Japan still ranks below Kazakhstan, the Ivory Coast and Pakistan in terms of immigrant populations, and is by far the lowest of the major industrialized countries (UNPD 2006). However, the foreign population is expected to grow further due to the demographic issues Japan is currently grappling with.

Like other developed countries, Japan's population is aging. Japan experienced a postwar baby boom followed by a prolonged decline in its birthrate. A number of European countries are also addressing similarly aging populations. However, combined with one of the world's longest life expectancies and little supplementary immigration thus far, Japan has the distinction of being one of the world's fastest aging societies (UNPD 2001). Compared to other developed countries, Japan has one of the highest concentrations of elderly residents, with the gap expected to grow in the coming years.

A rapidly aging society brings with it a number of problems. As more people get older, the number of active workers shrinks. A shrinking labor pool threatens to slow down economic development and decrease tax revenues. Public expenditure for social security and health-related costs can quickly increase, forcing the government to respond to mounting expenses with a severely reduced budget. The government has acknowledged this reality and has been slowly acting to address the issue. On the one hand, pro-natalist policies have been implemented to try and increase the birth rate (Ogawa 2003) and there is a strong emphasis on technological development to try and overcome labor shortages (Robertson 2007). On the other hand, the Japanese government has been looking increasingly toward greater migration.

Japan has made various attempts to address some of its demographic problems through immigration, including granting Japanese descendants living abroad residency, bringing in foreign "trainees" for manual labor, and actively encouraging foreign students to study in Japan with part-time work permission (Liu-Farrer 2011; Sato 2013). While these programs have met with varying levels of success, the HSFP visa represents a fresh attempt targeting a new demographic. Aiming instead for highly educated, skilled individuals, it is hoped that HSFP visa holders will work to enhance Japan's economy, spurring innovation while consuming local products, contributing tax revenue, and perhaps even boosting the fertility rate.

Highly Skilled Foreign Professionals

Skilled migration to Japan is not unprecedented. Although foreign nationals have worked in the country for a long period of time, the 1990 revision to the Immigration Control Act expanded and clarified the current system of working visas (Mori 1997). Prior to the creation of the new visa for Highly Skilled Foreign Professionals, skilled categories such as Professor, Investor and Engineer have existed for a number of years. However, the number of "highly skilled" foreign workers in Japan before

the implementation of the new visa was quite small. There were estimated to be 198,000 highly skilled immigrants in Japan in 2010. Out of 2.1 million people, this represented only 9% of Japan's foreign population (Oishi 2012).

The HSFP visa is a hybrid model, taking aspects from both the Canadian and American examples. The main prerequisite for the visa is to first have a Japanese employer, a common trait with market-based systems. However, eligibility is calculated by adding up a set number of points across a range of categories, similar to other skills-based systems. Permanent residency is not granted initially, although a clear path is available. The visa is divided into three subcategories: academic research, advanced specialized and technical activities (hereafter referred to as "technical activities"), and business management (MOJ 2012a). More concretely, the academic category is intended for university-level professors and scientists working for either public organizations or private laboratories. The technical activities category aims to target engineers, information technology specialists and potentially specialists such as doctors and lawyers. Business management refers mainly to corporate sector executives, individuals involved in finance and banking, and investors.

Each category of the visa has a specific point tabulation, where a total of at least 70 points is required for eligibility. All three categories award a large number of points for academic degrees (up to 30), annual income (up to 50), work experience (up to 25) and age (up to 15). Academia and technical activities reward research achievements (15-25 points), and all three categories give points for "special additions" (5-15 points), including working for a small enterprise, graduating from a Japanese university, and having a high level of Japanese proficiency (MOJ 2013a).

Once attaining eligibility and receiving the visa, listed as "tokutei kōdō" or "designated activities", one can work in Japan as a HSFP visa holder. As with other working visas, the HSFP holder may bring their spouse and dependent children to stay with them. As of a June 2014 revision, the visa is given for a period of five years, although the holder is generally eligible for permanent residency in Japan after three years (Japan Times 2014). Where the minimum residency requirement for permanent residence is 10 years with other working visas, this represents a much shorter window. Other unique benefits to the visa include full-time work permission for the visa holder's spouse, the possibility for the visa holder's parents or their spouse's parents to reside with them in Japan, and the ability to bring a foreign "domestic helper". A full list of benefits under the HSFP visa is summarized in Table 1.

Compared to other countries with similar schemes trying to recruit foreign talent, Japan's system should be quite attractive. There are no quotas on the number of HSFP visas issued, no labor market tests to check how hiring could impact domestic jobs, families are allowed to accompany the visa holder, the spouse is also permitted to work full time, parents and domestic helpers may also be able to reside with the visa holder, and they could relatively easily acquire permanent residency if they so choose (Oishi 2012). Given Japan's history of being closed to foreign workers, it may be somewhat surprising that Japan has taken such a progressive stance on the acceptance of highly skilled foreign labor. In theory, with such progressive benefits in place, Japan should become an enticing destination for highly skilled workers.

Unfortunately, the national government's high hopes for the HSFP visa have yet to materialize. Statistics regarding the actual numbers of HSFP applicants and visas issued are scarce, however the Ministry of Justice, the main government agency in charge of immigration, expected to issue around 2,000 HSFP visas in its first year. In fact, the Ministry confirmed that they had only issued 430, falling far short of the initial target (MOJ 2013b). Of these, 80% of the visas issued fell under the technical activities category, while 15% and 5% comprised the academic and business management categories respectively (Osaki 2013). After the first 20 months of implementation, the government had issued a total of 900 HSFP visas, averaging out to approximately 50 per month and only a third of what the

government expected by that point (Nikkei 2014).

Clearly, something is making the visa fall short of expectations. This is where we next turn our attention. We look to new survey data to see exactly what has been working well and what needs improvement, with an eye toward the sorts of policies or simple actions the Japanese government can take to try and enhance the attractiveness of the HSFP visa.

Table 1: Benefits Offered for the HSFP Visa

1. Permission for Multiple Activities
Can engage in activities other than what is permitted under a single status of residence. Permitted to engage in activities covered by multiple statuses, such as research activities and management of a related business.
2. Visa Granted for 5 Years
Five year visa granted uniformly to HSFP holders. Other working visa holders usually get three year visas or less depending on their circumstances.
3. Relaxation of Permanent Residence Requirements
Eligible for permanent residency after maintaining HSFP visa status for at least three years consecutively.
4. Preferential Processing of Entry and Residence Procedures
Applications for entry and stay processed more quickly compared to other visas. Most immigration applications processed within five to ten days.
5. Work Permission for Spouse
Spouse of HSFP visa holder allowed to work full time, even if not meeting usual requirements of a working visa. Other visa holder spouses must apply for work permission.
6. Permission to Bring Parents
Either the HSFP visa holder's parents or their spouse's parents may enter Japan under certain conditions. Must live with the HSFP and look after a child under 7 years old, a pregnant or sick HSFP visa holder or their spouse. HSFP must have combined household income of at least 8 million yen per year.
7. Permission to Bring a Domestic Helper
One domestic helper may be sponsored by HSFP visa holder under certain conditions. Helper must receive at least 200,000 yen per month and HSFP must have combined household income of at least 10 million yen per year. Must have been previously employed by HSFP for at least one year, HSFP or spouse is pregnant or ill, or HSFP has a child under 13 years old.

Source: MOJ 2013a, updated by author

Methodology

To gauge the effectiveness of the HSFP visa, this paper utilizes a survey conducted by the Japan Research Institute, a private research group under contract from the Ministry of Trade, Economy and Industry. The survey was organized in several waves, gathering data from business representatives, bureaucrats, employers of foreign workers, and individual foreign workers themselves. For the individual worker portion, an internet-based survey with foreign residents making over 5 million yen annually was conducted, as well as individual interviews with HSFP visa holders and international students graduating from Japanese institutions. There were 50 responses to the internet survey and in-depth interviews were conducted with 17 individuals. Surveys and interviews took place between December 2012 and January 2013, conducted in Japanese (JRI 2013). Results from the JRI survey were written entirely in Japanese.

Because the survey is largely narrative based, the investigators did not attempt to give an in-depth quantitative assessment of the results. I likewise do not attempt to do so here. The value in this survey is that it represents an early attempt, thus far the only to the author's knowledge, to systematically assess the HSFP visa and look for areas of improvement. The survey attempts to be as comprehensive as possible, making the most of a relatively small sample size.

In discussing the survey results, we focus exclusively on individual foreign resident respondents. While contributions from the other groups, particularly employers, are valid and worthy of consideration, the responses from foreign workers addressed the vast majority of issues raised. The one exception is that employers note a strong lack of incentives for them to recommend or help their employees apply for the HSFP visa. Otherwise, individual concerns largely cover those of employers and other categories. Survey timing is also important to note. Given that the survey was conducted when the HSFP visa had been in place for only seven to eight months, revisions implemented after the survey are also considered.

Survey Results

From the perspective of the individual foreign worker in Japan, the major benefits to the HSFP visa are easier access to permanent residency, the ability to have one's spouse work full time, and to some degree the ability for one's parents and/or domestic helper to live with them. For those interested in staying in Japan, easier acquisition of permanent residency is a strong incentive to apply for the visa. At the time of the survey, HSFP visa holders were eligible for permanent residency after maintaining their visa for five years. As of 2014, HSFP visa holders are eligible for permanent residency after staying in Japan three years on the visa (Japan Times 2014), representing a further liberalization of this benefit. Compared to other working visas, the HSFP visa is also more lenient in spousal working permission. Other visas only allow a spouse to work up to 28 hours per week with prior authorization (MOJ 2014b).

Parental and domestic helper assistance was positively regarded. With the initial implementation of the visa, parents were able to come if the HSFP visa holder had a child under three years of age, or if they or their spouse were sick or pregnant (MOFA 2013). A domestic helper is permitted if the HSFP visa holder has a child under 13, their spouse is ill or otherwise unable to work, or if they were already under the HSFP holder's employment for more than one year in their home country (MOJ 2012a). Additionally, income restrictions determine whether parents or a domestic helper would be eligible to come to Japan. At the time of the survey, the HSFP holder had to make at least 10 million yen per year to bring their parents, and at least 15 million yen per year to sponsor a foreign domestic helper (MOJ 2012b).

Being able to bring a domestic helper is a positive incentive, but is unclear what happens if the

HSFP visa holder changes to another visa status, for example permanent resident. Both permanent residents and Japanese citizens are prohibited from sponsoring foreign domestic helpers for employment in Japan (Reynolds & Shimodoi 2014). The same principle applies to those wishing to bring in their parents: it is unclear if the parents will still be able to reside in Japan if the HSFP changes to permanent residency. Similarly unclear is how long a HSFP visa holder will be able to renew their visa, rather than applying for permanent residency, as a means of maintaining these benefits. A number of respondents also complained of the short window in which parents are able to reside. As of 2014 the Ministry of Justice relaxed the duration of eligibility for parents, saying they could reside with the HSFP if they have a child under seven rather than three years old (MOJ 2014a). This extends the window for parents, but still does not address the issue of what happens after the child grows beyond the specified age or when the HSFP visa expires.

Income requirements were additionally regarded as too strict in determining eligibility for bringing a domestic helper and parents. Respondents suggested that total household income, including the spouse's, should be considered in this calculation. They also suggested that other forms of compensation such as bonuses be included. The Ministry of Justice in fact did reduce requirements in this regard following the survey. As of 2014 the HSFP should have a combined household income of at least 8 million yen per year to bring parents, and at least 10 million yen per year for a domestic helper. Bonuses are now included in the annual income assessment as well (MOJ 2014a).

Other benefits, namely priority processing of immigration paperwork and the ability to engage in "multiple" activities were not given significant attention in the survey. However, some respondents noted that many of the purported benefits would not be applicable in their circumstances. The benefits are indeed mainly aimed at individuals planning to stay in Japan for a significant period of time. For those planning on residing for a shorter duration, there is not much of appeal that is offered. Likewise, most benefits are aimed at individuals with a spouse and young children.

Benefits aside, respondents noted a number of other shortcomings with the HSFP visa. For one, many were not familiar with its details. Respondents were unclear on exactly who would be eligible, what benefits were given or how to apply. Some respondents felt that the visa was intended solely for business executives. This information deficiency is likely not limited to survey respondents alone and should be addressed.

There were also significant complaints about a lack of clarity in what was needed to submit with the application. For example, respondents were unclear exactly what was needed to verify work history. Would a certified letter from an employer be sufficient? Are employment contracts necessary? Does a curriculum vitae suffice? For applicants who worked for a large number of employers, official verification from each could prove quite time consuming. Business and technical activity applicants have the added difficulty that many businesses and organizations fold or cease operations. Getting some kind of verification from an organization that no longer exists could be prohibitively difficult.

For academics, it is not explicitly stated whether time spent as a PhD candidate or in a post-doctoral position can be counted toward their professional work history. It was also unclear to academic respondents what sorts of publications are included in the "academic journal database" listed on the forms. Respondents further complained that academic research was undervalued in the point system. At the time of the survey a maximum of 15 points was available for research achievements. This was amended in 2013, although an academic will typically only be able to receive up to 20 points for their achievements.

Similarly unclear is the title given for the HSFP visa. The visa is issued for "designated activities", rather than "professor", "investor" or "engineer". Some respondents preferred the "professor" or other relevant status listed on their visa, rather than the vague terminology currently used. Nowhere does the

HSFP visa actually say “highly skilled foreign professional” on it. For those concerned with title or rank, this relatively simple distinction can be important.

The income calculation was almost universally derided by individual respondents. Most felt that too much emphasis was placed on income, particularly for the academic and technical activity categories. Respondents noted that a relatively newly-minted professor will already be well into their 30s and receiving a comparatively low income in the Japanese university system. This would serve to make a number of such individuals ineligible for the HSFP visa. A minimum income requirement was additionally in place for all three categories, although it was repealed for academic and technical activities applicants in subsequent revisions.

Based on the preceding discussion we can draw out a few broad themes in order to make recommendations regarding the HSFP visa. While the government has indeed loosened some of the restrictions and application criteria, there is still a considerable amount that can be done, much of it relatively simple. The following sections give some suggestions.

Recommendations - HSFP Goals

One of the fundamental problems this survey demonstrates is that the goals and intentions of the HSFP visa are not clear. Is the visa primarily a means of trying to advance the economy, or to try and address some of Japan’s demographic problems? Is it a political calculation necessary to advance the ruling party’s agenda? Without a clear idea of what the policy is intended to do, it is similarly not clear exactly who the government is targeting: veterans with considerable work experience? Promising early-career academics, engineers and businesspeople? Long-term residents? Benefits should clearly target whichever group or groups the government wants in Japan. Determining eligibility for the visa with a significant number of points coming from a graduated income scale combined with a regressive age ranking serves to exclude a large section of otherwise promising candidates.

By the same token, the HSFP visa currently provides the vast majority of benefits for people planning on staying in Japan for at least the mid to long term. With perhaps the exception of engaging in “multiple activities”, other benefits implicitly assume the visa holder will be staying in Japan for some time. Should short-term workers be desirable under the HSFP visa, short-term benefits should also be considered. Benefits for the HSFP visa also skew very strongly toward married individuals with children. Few incentives exist for someone unmarried or childless to apply, particularly if they are not interested in permanent residency. Again, benefits for this group should be considered.

Another important group overlooked in terms of eligibility are Japanese university graduates. Japan has devoted considerable resources to recruiting and educating a fairly large number of foreign students, particularly those from the Asian region. The government is actively recruiting foreign students, and aims to have at least 300,000 by 2020 (MEXT 2008). Japanese university graduates have some of the most desirable traits that employers look for, namely a high level of familiarity with Japanese customs, culture and language. Yet this group is not given much benefit in the HSFP visa calculation. The 2013 revision granted slightly more points for Japanese experience, going from a maximum of 15 to 25 points, although the threshold for demonstrating Japanese comprehension is still quite high.

Although employers may regard Japanese university graduates as the most desirable of foreign workers, the HSFP visa prioritizes prior work experience, age and income. More points could be given for the duration of time already lived in Japan, for example. Alternatively, time spent in Japan prior to receiving the HSFP visa could also be applied toward permanent residency eligibility.

Some consideration should also be given to the message sent to those deemed ineligible for the HSFP visa. By restricting eligibility the government may be inadvertently discouraging potentially

useful contributions to the Japanese labor force and economy. If the government intends to extend the visa only to top-level foreign talent, then it should be clearly stated with accordingly enticing benefits. Should the government aim to bring in highly skilled but not top-tier foreign labor, which appears to be the aim based on its own definition, the restrictions on attaining the visa should be further reduced. Either way, an effective policy does not exclude large numbers of potentially eligible candidates.

Other Recommendations

As discussed above, most of the areas of the HSFP visa requiring improvement stem from a fundamental need to consider exactly who the intended target is. However, there are other relatively straightforward things the government can do and has done to make the application process easier, increase eligibility and improve the benefits of the visa. Table 2 below notes a number of points that were brought up in the course of the survey, as well as action taken by the government as of June 2014.

Table 2: HSFP Visa Concerns & Actions Taken

<u>Issue</u>	<u>Action Taken</u>
Lack of information/publicity	<i>None</i>
Clarification of documentation	<i>None</i>
Vague visa title	<i>None</i>
HSFP path for Japanese university graduates	<i>None</i>
Permanent Residency	<ul style="list-style-type: none"> Residency requirement reduced from 5 to 3 years
Parental eligibility	<ul style="list-style-type: none"> Income requirement reduced from 10 to 8 million yen annually Household rather than individual income considered Eligible if holder has child under 7 rather than 3 years old
Domestic helper eligibility	<ul style="list-style-type: none"> Income requirement reduced from 15 to 10 million yen annually Household rather than individual income considered
Reducing income requirement	<ul style="list-style-type: none"> Bonuses included in calculation Minimum income requirements removed from academic and technical activity categories
Japanese experience	<ul style="list-style-type: none"> Points for graduating from a Japanese institution raised from 5 to 10 Points for high Japanese comprehension raised from 10 to 15
Academic research emphasis	<ul style="list-style-type: none"> Maximum points given raised from 15 to 25

The government has indeed followed some of the recommendations set forth in the survey: more points are given for Japanese familiarity, parents can potentially stay longer, and income requirements have been reduced. Yet there are still significant points that have not been adequately addressed. Perhaps most important is the publicity issue. If potential applicants are not aware of the visa, they will not apply.

The government should take action to try and reduce some of the misconceptions surrounding the visa, for example the perception that it is only available to top business executives, and both promote the HSFP visa's existence and clarify exactly what it does, who it is available for, and what is needed to apply.

One simple thing the government can do is to re-title the visa as it appears in passports and foreign residence cards. The title of "designated activities" does little to convey the significance of the HSFP visa or differentiate it from other categories. A professor or investor visa, for example, does much more to differentiate the holder from other visa types. If the government intends to use the HSFP as a sort of elite-track for high level foreign talent, the title of the visa should likewise reflect its higher status. A simple and effective change would be to re-title the visa to "Highly Skilled Foreign Professional", keeping it consistent with the application and promotional materials available.

Just as the visa title given in official documents is vague and unclear, so too are many of the application requirements and details. It should be relatively simple for the government to specify more clearly what is needed to verify prior work history, research achievements, and what happens to parents and domestic helpers after a change in status. Granted, the government may prefer some degree of vagueness to afford individual immigration officers a greater degree of discretion, but vagueness should be counter-balanced with ease of use.

Conclusion

Japan has entered the increasingly competitive market for global talent with its visa for highly skilled foreign professionals. Although the visa offers a range of benefits that should be appealing to foreign workers, it has thus far performed below government expectations. Utilizing recent survey data, this paper has attempted to analyze why the visa has been under-performing and to offer some short and mid-term, primarily policy-based recommendations to improve its attractiveness.

Although the government has made some inroads since the survey was conducted, there are still a number of avenues available to improve the visa. In general, the exact goals of the visa need to be further clarified. There remains an overall lack of information and awareness about the visa, including fundamentals such as who is eligible and how to apply. By placing a dual priority on a young age and high income the government is excluding viable candidates from both categories. Many of the benefits likewise target longer-term residents with families. Incentives for more short-term residents without children should be considered.

Limitations to the preceding analysis should also be addressed. The survey used here was largely qualitative in nature, making little attempt to be representative of immigrants or skilled labor as a whole in Japan. Instead, attention was primarily focused on in-depth interviews of a relatively small number of respondents. There could very likely be some bias in the selection of respondents, which may come across in their answers. On the other hand, the relatively small sample size may have also limited the breadth of responses and potential policy recommendations. There could possibly be other issues that the respondents did not address. This is particularly true in the case of the business category of the HSFP visa, as the number of visas issued at the one year mark was quite small. Although high-income foreign residents were questioned through the internet-based portion of the survey, business-related HSFP visa holders are likely underrepresented here.

Additionally, this paper has not attempted to address the more long-term structural and cultural issues affecting Japan. These issues are also very likely to have an influence on the attractiveness Japan holds to foreign talent. Japan's seniority-based pay system, work-life balance, age-biased hiring and gender equality issues all need to be addressed not only in the context of foreign labor recruitment, but

more broadly as Japan looks to grapple with its economic and demographic problems. This paper has concentrated on the more immediate issues surrounding the HSFP visa. These longer term and more deep-seated problems require significant work going beyond the scope of this study.

Overall there does indeed appear to be some convergence of the immigration policies in the developed world, where many countries are now working to both recruit skilled and talented foreign workers. This paper has considered one aspect of skilled immigration in Japan, putting its new points-based, highly skilled foreign professional visa in the international context and looking to see how it can be further refined. For a non-traditional country of immigration like Japan, merely increasing visa benefits does not appear to be sufficient in trying to recruit highly skilled foreign labor. Many of the potential improvements discussed here aimed to make the visa objectives clearer, the application process easier, and the benefits better defined. These are short-term recommendations, but could buy time while Japan mulls longer-term strategy.

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