

## LABOR DYNAMICS

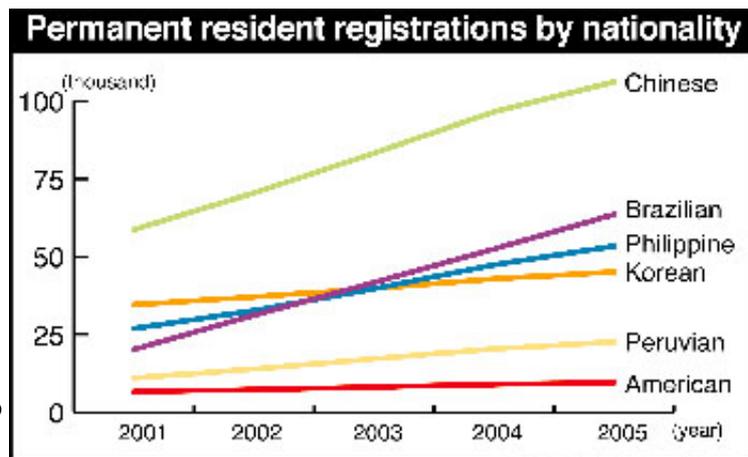
**Foreign permanent residents on rise, filling gaps**

By SETSUKO KAMIYA

Staff writer

Japan's population started declining in 2005, but in contrast, registered foreigners soared to a record high 2.01 million, a leap from 1.36 million a decade ago and accounting for 1.57 percent of the nation's total population.

As baby boomers born between 1947 to 1949 start to retire this year, getting more foreign nationals into the workforce



SOURCE : Ministry of Justice

and into communities is increasingly becoming a hot topic for the government and businesses.

Foreigners are becoming increasingly visible, particularly Chinese people, the largest-growing ethnic segment.

They are not just part of the labor force but are also the brains behind many new jobs, technologies and services. They also bridge the two major trading partners, and more are increasingly considering Japan their home and are finding opportunities to succeed here.

Koreans still comprise the largest ethnic minority in terms of special permanent residency. In 2005, this group, including those in Japan before the war and their descendants, numbered some 598,000. Statistically, however, their numbers are declining yearly

as the elderly pass away and younger Koreans opt to become Japanese citizens.

Other ethnic groups are steadily on the rise, a flow that started around the early 1990s when the country opened its doors to more foreigners to cover a labor shortage. Prominent among them are Brazilians and Peruvians of Japanese descent, but Chinese account for the most, at 519,000, or 25 percent of all registered aliens.

In addition to being long-term residents, entertainers or spouses of Japanese, Chinese like most Brazilians, Peruvians and Filipinos hold status at various levels.



**Eika Ma, a Chinese permanent resident in Japan and president of Tokyo Elevator Co., is interviewed last month at her office in Chuo Ward, Tokyo. SETSUKO KAMIYA PHOTO**

In 2005, some 89,000 were registered as exchange students, 14,700 as engineers and 40,500 as trainees, while 2,500 came as university professors and 1,380 as investors.

Many meanwhile work in industries that depend on them -- students employed as part-timers in restaurants, convenience stores and supermarkets, and trainees providing labor in industries ranging from textiles to fisheries to agriculture. An increasing number of small companies also want foreign information technology engineers to run their businesses.

The most notable demographic trend, though, is the rise in permanent residents. This status is generally conferred on foreigners who have "contributed to Japan" for at least five to 10 years. While the number is up for most nationalities, Chinese top the list again. More than 106,000 registered as permanent residents last year, nearly twice the figure of five years ago.

The 1998 deregulation of permanent residency criteria helped expedite the rise, the Justice Ministry said.

"Many of (the Chinese) came as exchange students, got hired in Japanese companies, and as they get used to living here they like it and decide to stay," said Zhang Shi, a senior editor of Chinese Review Weekly, which is circulated in Japan. He and many others believe the trend will continue, as long as opportunity knocks.

Eika Ma, 41, from Dalian, China, came to Japan in 1988 as an exchange student to study Japanese, and acquired permanent residency in 2004. To her, the nation has opened up compared with when she first arrived.

"Japanese were very closed to foreigners, especially Asians," Ma said, recalling how difficult it was to land a part-time job just because she was not Japanese.

She now runs an elevator maintenance company in Tokyo with 25 employees and annual turnover of 500 million yen. She is also a practicing Chinese lawyer and consults with Japanese companies looking to expand business in China.

Ma's path highlights the changes Japan's economy and society have undergone over the last two decades. Her case may be unique, but it's an indication that foreigners now can reach the top.

After an unpleasant first year in Japan, Ma, who was a Japanese major at Dalian University of Foreign Language, could have gone back to China and secured a teaching job. But the Tiananmen Square crackdown in 1989 prompted her to stay, and to find a way to survive.

She entered Waseda University and studied commercial law, a discipline not then offered in China. She later got a master's degree and passed the Chinese bar exam.

While studying, Ma worked for an elevator maintenance firm to make ends meet.

She started her own elevator business after working at a Chinese law firm in Shanghai, where a local official asked her to find a Japanese company to repair elevators.

The city was undergoing a building boom, and the structures' Japanese-made elevators required maintenance. Most were being serviced by subsidiaries of the manufacturers that literally dominated the market.

Ma believed she could fill a niche by creating an independent firm to do the work that could pose a challenge to the monopoly. She returned to Japan and launched Tokyo Elevator Co. in 1996 with a few Japanese partners. Their strategy: undercut the competition.

Ma initially struggled for customers because most wanted to stay with the manufacturers' subsidiaries. The makers also hesitated to sell the necessary repair parts. Her firm hovered on bankruptcy.

Ma said she took advantage of every opportunity she could to promote her business, showing up at friendly gatherings and distributing name cards. "Eventually, people started introducing me to customers," she said. "I came to realize that even if you are a foreigner and a woman, Japanese will accept you if you continue to make efforts to meet your target." She also feels that being a foreigner helped because she was unshackled by old business traditions.

Her strategy eventually fit the needs of building owners as they looked for ways to cut costs. The government ordered the elevator industry to open up its business to independents, making it much easier to compete, she said. The firm has served more than 500 clients, including those in Shanghai.

Ma also started bridging the two nations by providing legal advice to Japanese businesses entering China.

"The fact that I know business in Japan also helps," she said.

It won't be just China and Japan anymore. Through her Swedish husband she met in Japan, she is also starting to consult with Swedish companies interested in doing business here.

"It's really time for Japan to introduce more foreigners with skills to support this country," Ma said.

The couple are expecting their first child later this month. Ma says the family will be based in Japan but will be moving around in China and Sweden, integrating business and life in a multicultural way.

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