

**SECTOR SURVEY FOR  
INDUSTRIAL AND NURSING CARE  
SECTOR'S HUMAN RESOURCE  
DEVELOPMENT PROJECT**

**FINAL REPORT**

**FEBRUARY, 2012**

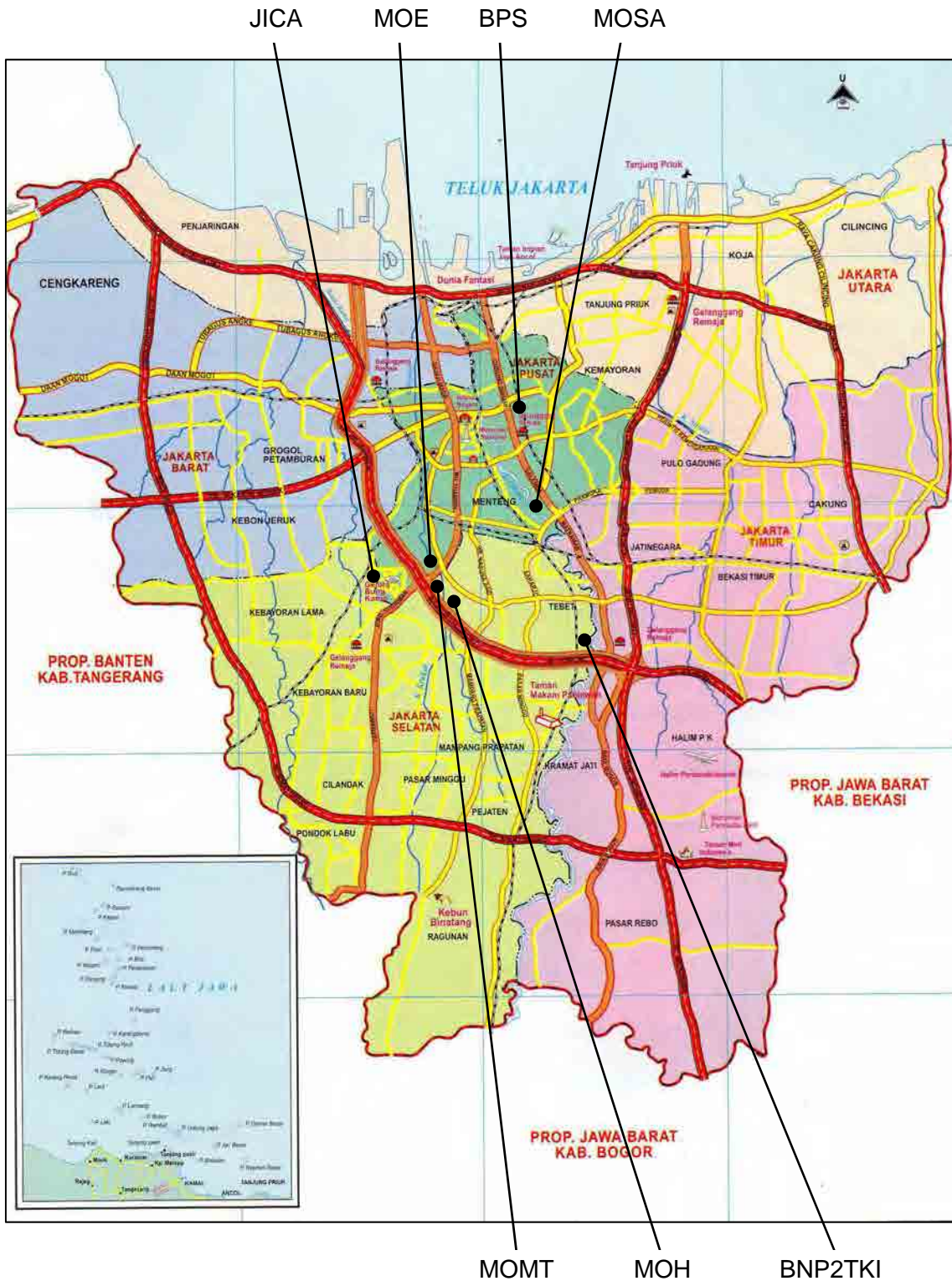
**JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)**

**JAPAN DEVELOPMENT SERVICE CO., LTD.**

**SYSTEM SCIENCE CONSULTANTS INC.**

<b>OPS</b>
<b>JR</b>
<b>12-005</b>

# MAP



Source: PT. Mascot Media Nusantara "JABODETABEK Street Map & Names Index" (1/182.000)

## PHOTOS



▲ Building of MOMT



▲ Building of BPS



▲ Building of BNP2TKI



◀ Building of PT. JIAEC

▼ Pre-departure training at PT. JIAEC (morning meeting)



▲ Pre-departure training at PT. JIAEC (Japanese Language)



▲ Office of PT. JIAEC



▲ Building of PT. Minori (light green one)



▲ Pre-departure training at PT. Minori (Japanese language)



▲ Pre-departure training at PT. Minori (sewing)



▲ Building of Yayasan Putra Indonesia



▲ Pre-departure training at Yayasan Putra Indonesia (Japanese language)



▲ Dormitory for quadruple-occupancy at Yayasan Putra Indonesia



◀ Building of MOH  
 (Center for Planning and Management Health Human Resources)  
 ▼ Building of MOH (Directorate of Nursing Department)



▲ Building of MOE



▲ Building of MOSA



▲ Building of Panti Sosial Tresna Werda Budhi Dharma



▲ Residents, nursing students in practical training and a lecturer of Budhi Dharma



▲ Training Institute building of Yayasan Bima (Tenacy)



▲ Inside of Yayasan Bima's building (Labels written in Japanese)



▲ Dormitory for quadruple-occupancy at Yayasan Bima



▲ Building of BINAWAN Institute



▲ Practical testing of BINAWAN Institute



▲ Practical training of BINAWAN Institute



▲ Paper testing of BINAWAN Institute

## ABBREVIATIONS

Acronym	Meaning
AOTS	the Association for Overseas Technical Scholarship
ASEAN	the Association of Southeast Asian Nations
BAN-PT	Badan Akreditasi Nasional-Perguruan Tinggi (National Accreditation Body for Higher Education)
BIHS	BINAWAN Institution of Health Sciences
BNP2TKI	Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia (National Board for the Placement and Protection of Indonesia Overseas Workers)
BP3TKI	Balai Pelayanan Penempatan dan Perlindungan Tenaga Kerja Indonesia (Central Placement Service and Protection of Indonesian Workers)
BPS	Badan Pusat Statistik (Statistics Indonesia)
Bima CONC	Bima CONC (Cooperation for Overseas Nurses and Care Workers)
CEVEST	the Center for Vocational Extension Service Training
CGFNS	the Commission on Graduates of Foreign Nursing School
D3	3 Years (Diploma Program)
EPA	Economic Partnership Agreement
HPEQ	Health Professional Education Quality
HRH	Human Resource for Health
ILO	International Labour Organization
IMDIA	Indonesian Mold & Dies Industry Association
IMF	International Monetary Fund
IMM	International Manpower Development of Medium and Small Enterprises, Japan
ITP	Industrial Training Program
ITTIP	Industrial Training and Technical Internship Program
JAVADA	Japan Vocational Ability Development Association
JETRO	Japan External Trade Organization
JIAEC	Japan Indonesia Association for Economy Cooperation
JICA	Japan International Cooperation Agency
JICWELS	Japan International Corporation of Welfare Services
JIEPA	Japan Indonesia Economic Partnership Agreement
JITCO	Japan International Training Cooperation Organization
JODC	Japan Overseas Development Corporation
MOE	Ministry of Education
MOH	Ministry of Health
MOHLW	Ministry of Health, Labour and Welfare
MOFA	Ministry of Foreign Affairs
MOMT	Ministry of Manpower and Transmigration
MOSA	Ministry of Social Affairs
MOU	Memorandum of Understanding
MRA	Mutual Recognition Agreements
NCLEX	National Council Licensure Examination
OECD	Organization for Economic Co-operation and Development
OJT	On the Job Training
OVTA	Overseas Vocational Training Association
PJTKI	Perusahaan Jasa Tenaga Kerja Indonesia
POEA	Philippine Overseas Employment Administration
PPNI	Persatuan Perawat Nasional Indonesia (Indonesia Nurse Association)
QC	Quality Control
SME	Small and Medium Enterprise
SPK	Sekolah Perawat Kesehatan
STR	Registration Certificate
S1	Strata satu (Under graduate)
TITP	Technical Intern Training Program
WB	World Bank
WHO	World Health Organization

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# Chapter 1 Project Outline

## 1-1 Background and Objectives

The “New Growth Strategy” approved by the Cabinet in 2011 declared to expand acceptance of highly-skilled personnel for strengthening competitive power of domestic enterprises and attracting foreign companies into Japan. Regarding acceptance of foreign industrial labor power into Japan, in 1993 the “Industrial Training and Technical Internship Program (ITTIP) System” was created to offer overseas young and middle-aged workers working opportunities for a certain period to learn Japanese practical skills, technology, and knowledge, for contribution to economic development of other countries. Currently in this system, almost 5,000 trainees are accepted from Indonesia every year<sup>1</sup>.

In addition, between Japan and Indonesia, Economic Partnership Agreement (EPA) was signed by both prime ministers in 2007 and came into effect in 2008. Based on this agreement candidates of official nurses and careworkers were permitted to enter. Almost 800 candidates have come to Japan as of July 15 in 2011.

In the Country Assistance Plan of Japanese government for Indonesia, industrial human resource development is one of the key issues. Therefore, labor research and analysis of industrial, nursing and caregiving sectors in Indonesia and Asia region is needed to plan the assistance of Indonesia.

The object of this research is to provide basic information for planning assistance activities with reports about labor market and migration working in industrial, nursing and caregiving sectors of both countries and worldwide.

## 1-2 Industrial Training and Technical Internship Program System

This section provides general information of ITTIP System that is closely related to the above research objectives.

### 1-2-1 Passage of Industrial Training and Technical Internship Program System

Precisely, Industrial Training Program (ITP) and Technical Intern Training Program (TITP) are different systems, and their histories of establishment also are different. Firstly, looking through the history of Japan’s industrial training invitation, it originated in 1950’s. In 1954, Japan joined the Colombo Plan, and this marked a memorable start of Japan’s government-to-government technical cooperation with developing countries. In 1959 the Association for Overseas Technical Scholarship (AOTS) was established and its Regular Training Program was started for foreign technical workers.

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1 JITCO (2011-9). 外国人研修・技能実習事業実施状況報告 JITCO 白書 2011 年度版. JITCO 教材センター.

In the 1960's, Japanese companies expanded overseas and then demands for invitation program to train local workers in Japan were increased. When the Immigration Control Order was revised into Immigration Control and Refugee Recognition Act in 1981, the status of residence "Trainee" was created to invite foreign industrial trainees. In June 1990, the Immigration Control and Refugee Recognition Act was revised and definition of "Trainee" got cleared. Eventually, this made it difficult for Small and Medium Enterprises (SMEs) to accept industrial trainees. Following this, by public notice from the Minister of Justice in October in the same year, it was made possible for SMEs and other organizations to accept industrial trainees through "supervising organizations" composed of SMEs and other organizations. This acceptance system was called "acceptance supervised by organization", besides existing style was newly called "acceptance managed by individual enterprise". Both systems have been existed in parallel until now.

TITP was originated in 1993 also by public notice from the Minister of Justice. That aimed to make ex-trainees of ITP who gained certain technical skills able to work as OJT trainees under employment contract to gain more skills and experience. By this public notice, new status of residence "Technical Intern Training" was created under the status of "Designated Activities". In the beginning of TITP system, maximum stay duration combining ITP and TITP was two years, but it was prolonged to three years in April 1997.

To proceed from ITP to TITP, trainees have to pass official technical tests which are specified in each type of occupation and selective work. Trainees are required to pass the grade "two" of National Trade Skill Testing & Certification<sup>2</sup> or the grade "two" of the public evaluation system approved by Japan International Training Cooperation Organization (JITCO). (About JITCO, it is referred later in details.) Almost two out of three interns of ITP transfer to trainees of TITP.

Thus ITP and TITP had been utilized as one program, however, in current Immigration Control and Refugee Recognition Act in effect from July 2010, the status of residence "Trainee" is limited to only the cases of public trainings conducted by governmental organizations; JICA (Japan International Cooperation Agency) and other organizations, or private companies 'trainings not including OJTs. In the case of TITP which is closely related to this research, resident status of "technical intern training (i) and "technical intern training (ii)" were newly created<sup>3</sup>.

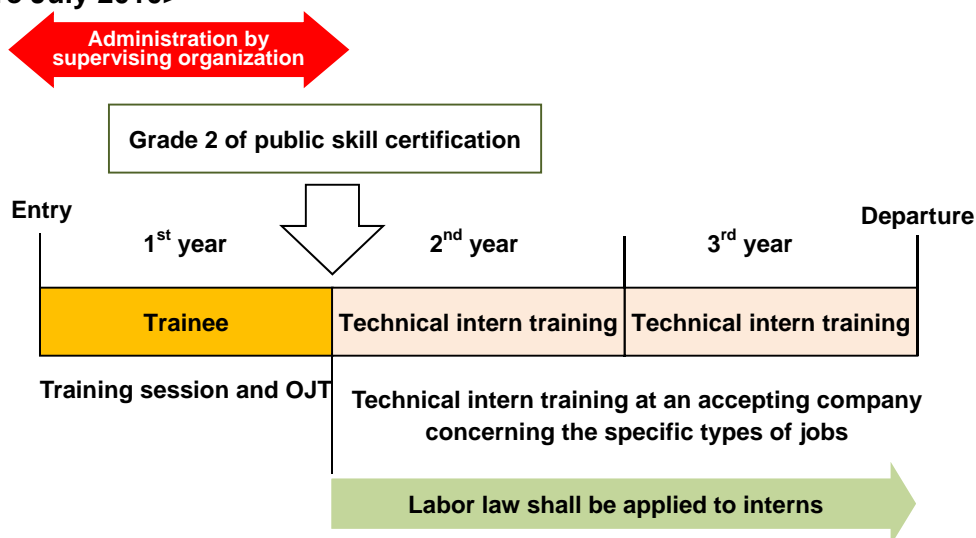
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2 National Trade Skill Testing & Certification is official skill certification provided by Japan Vocational Ability Development Association (JAVADA) under Ministry of Health, Labour and Welfare (MOHLW). Generally, there are four grades from the "three" for beginner workers to the "Advanced" for managers and supervisors. The grade "two" is for intermediate skilled workers.

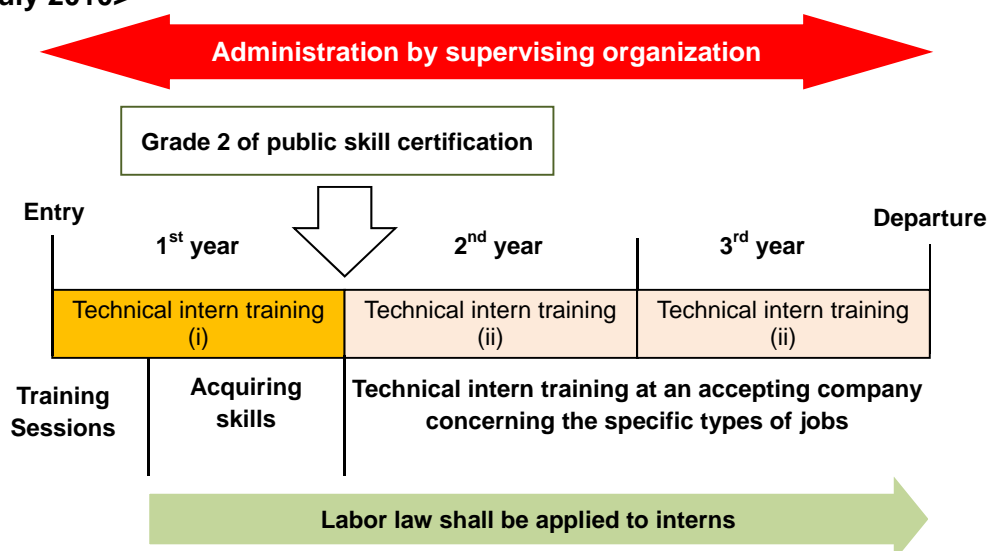
3 In cases of private companies, trainees who do not take OJTs are classified into the status of residence "trainee". Also, trainees of AOTS programs are classified into "trainee" even if they are in OJT programs in Japanese companies. This is because AOTS trainees are under employment in their home country and do not have new employment contracts with Japanese accepting companies.



**<Before July 2010>**



**<After July 2010>**



Source: Ministry of Justice (2011-2). <http://www.moj.go.jp/content/000023246.pdf> (accessed 2012-1-20)

Chart 1 Revision of the Training and Technical Intern Training Programs in 2010

Table 1 Current "Technical Intern Training" Categories

	First Year (after entering Japan)	Second and Third Years (after entering Japan)
Individual Enterprise Type	Status of Residence "Technical Intern Training (i)(a)"	Status of Residence "Technical Intern Training (ii)(a)"
Supervising Organization Type	Status of Residence "Technical Intern Training (i)(b)"	Status of Residence "Technical Intern Training (ii)(b)"

Source: JITCO. <http://www.jitco.or.jp/english/overview/itp/index.html> (accessed 2012-1-14)

Currently, approved occupations for "Technical Intern Training (ii)" in SMEs and other organizations are 66 types of occupations and 123 selective works as of July 2010. The list of those approved occupations and works are in Annex 2.

Theoretically, there remains a matter of debate whether legal status of interns and trainees of ITTIP is regarded as “employees” or not. However, as some results of recent judicial rulings they are regarded as “employees”<sup>4</sup>. Moreover, in the latest Immigration Control and Refugee Recognition Act revised in 2010, application of labor laws and employment contract into OJTs of ITTIP are clearly mentioned. Because of these reasons, interns and trainees of ITTIP system are basically classified into “employees” or “laborers” in this research.

## 1-2-2 Progress of ITTIP

Following table shows the statistical progress of acceptance of ITTIP interns and trainees since 2001. Acceptance managed by individual enterprise and government has not fluctuated. In contrast, acceptance supervised by organization sharply increased up to 2008 and rapidly decreased because of recession and over manning after the Lehman shock in September 2008. About Japan’s labor market after the Lehman shock, it is mentioned in detail in Chapter 3.

Table 2 Statistical Progress of Acceptance of ITTIP Interns and Trainees

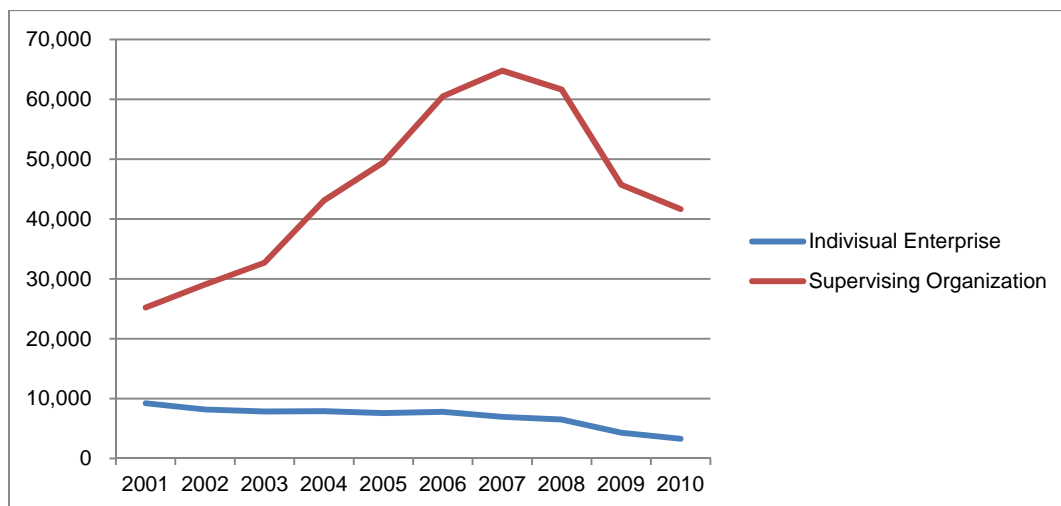
(Unit: number of people)

		2001	2002	2003	2004	2005	2006	2007	2008	2009		
Public	JICA	7,816	7,489	8,297	8,664	8,599	7,812	10,161	9,956	11,182	13.9%	
	ATOS	4,126	4,425	4,761	5,011	5,244	4,924	4,894	4,432	3,391	4.2%	
	JAVADA	534	322	249	-	-	-	-	-	-	-	
	ILO	150	115	166	142	142	132	126	118	88	0.1%	
	<b>Total</b>	<b>12,626</b>	<b>12,351</b>	<b>13,473</b>	<b>13,817</b>	<b>13,985</b>	<b>12,868</b>	<b>15,181</b>	<b>14,506</b>	<b>14,661</b>	<b>18.2%</b>	
Private	Supported by JITCO	Individual Enterprise	9,243	8,196	7,844	7,894	7,570	7,794	6,955	6,509	4,322	5.4%
		Supervising Organization	25,238	29,064	32,706	43,118	49,480	60,510	64,807	61,641	45,742	56.8%
		Recommended by JITCO	2,942	2,464	2,907	-	-	-	-	-	-	-
		Companies	710	625	762	-	-	-	-	-	-	-
		Public Organization	2,232	1,839	2,142	-	-	-	-	-	-	-
		Others	0	0	3	-	-	-	-	-	-	-
		<b>Total</b>	<b>37,423</b>	<b>39,724</b>	<b>43,457</b>	<b>51,012</b>	<b>57,050</b>	<b>68,304</b>	<b>71,762</b>	<b>68,150</b>	<b>50,064</b>	<b>62.2%</b>
	Others	9,015	6,459	7,887	10,530	12,284	11,674	15,075	19,223	15,755	19.6%	
<b>Total</b>	<b>46,438</b>	<b>46,183</b>	<b>51,344</b>	<b>61,542</b>	<b>69,334</b>	<b>79,978</b>	<b>86,837</b>	<b>87,373</b>	<b>65,819</b>	<b>81.8%</b>		
<b>Grand Total</b>	<b>59,064</b>	<b>58,534</b>	<b>64,817</b>	<b>75,359</b>	<b>83,319</b>	<b>92,846</b>	<b>102,018</b>	<b>101,879</b>	<b>80,480</b>	<b>100.0%</b>		

Source: JITCO (2001-2009). JITCO 白書. JITCO 教材センター,  
JITCO’s Website. <http://www.jitco.or.jp/about/statistics.html> (accessed 2011-12-7)

Note: JITCO did not gather this statistics after 2010

4 First judgment regarding employment status of ITP trainees is conducted by Yokkaichi affiliate of the district court of Tsu in 2009 with the civil case of “Sanwa Service Case” between Chinese trainees and the accepting company. In the past in Japan, employment status of “trainees” often resulted in bringing a suit not only in the cases of ITP, but also in the cases of overwork death of resident doctors.



Source: Acceptance number supported by JITCO<sup>5</sup>.  
 JITCO (2001-2009). JITCO 白書. JITCO 教材センター,  
 JITCO's Website. <http://www.jitco.or.jp/about/statistics.html> (accessed 2011-12-7)

Chart 2 Acceptance Progress of Individual Enterprise and Supervising Organization

Details of acceptance of individual enterprise and supervising organization are described in following explanation.

### 1-2-3 Scheme of Acceptance Managed by Individual Enterprise

Technical Intern Trainees that can be accepted into “Technical Intern Training (i) (a)” are employees of public and private organizations in Japan and employees of overseas offices with any of the following relationships.

- (1) Overseas offices of public or private organizations in Japan (branch offices, subsidiaries or joint-ventures, etc.)
- (2) Organizations with a record of continuous international transactions for one year or more or a record of international transactions amounting to one billion yen or more for the past one year or more with private or public organizations in Japan
- (3) Organizations with a business relationship with private or public organizations in Japan such as an international business partnership and such organizations have been specified by announcement of the Minister of Justice<sup>6</sup>

In addition, there is the following regulation related to interns accepted and implementing organizations (companies).

5 “Acceptance number supported by JITCO” means number of applicants for whom JITCO applied immigration and other domestic procedures.

6 Regulation (3) is applied in the case of joint venture companies invested over 20 percent of capital by a Japanese company with public announcement of Minister of Justice.

Table 3 Requirement for Technical Interns and Implementing Organization (TIT (i)(b))

<p><b>&lt;1&gt; Requirements regarding Technical Intern Trainees</b></p> <p>(1) Employees of overseas branch offices, subsidiaries or joint-ventures and such employees will be transferred or loaned from the relevant office.</p> <p>(2) Skills to be acquired are not simple tasks.</p> <p>(3) The Technical Intern Trainee is 18 years of age or over and is scheduled to be employed in work that makes use of the Skills acquired in Japan after he/she returns to his/her home country.</p> <p>(4) The Skills to be acquired in Japan are difficult to acquire in the Technical Intern Trainee's home country.</p> <p>(5) Sending Organizations (organizations that send, etc., Technical Intern Trainees overseas), Supervising Organizations, Implementing Organizations, etc., do not receive payment such as deposits from the Technical Intern Trainee (including family members, etc.). In addition, contracts, etc., that prescribe monetary penalties for the non-performance of labour agreements must not be executed with the Technical Intern Trainee.</p> <p><b>&lt;2&gt; Requirements regarding Implementing Organizations</b></p> <p>(1) The following subjects (including classroom lectures and on-site visitations) are provided to Technical Intern Trainees for one-sixth or more hours of the scheduled "Technical Intern Training (i)(a)" activities or one-twelfth or more hours when advance lectures have been conducted overseas for at least one month totaling 160 hours or more).</p> <p>a. Japanese language</p> <p>b. General knowledge regarding everyday life in Japan</p> <p>c. Necessary information regarding the legal protection of Technical Intern Trainees such as the Immigration Control and Refugee Recognition Act and Labour Standards Act.</p> <p>d. Provide information which contributes to the efficient acquisition of Skills, etc.</p> <p>In addition, lectures relating to (c) must be performed by a lecturer (an internal employee is also acceptable) with specialist knowledge after Technical Intern Trainees enter Japan and prior to the commencement of Skills acquisition activities.</p> <p>(2) There are also other requirements such as the appointment of Technical Intern Training instructors and guidance counselors, the creation of technical intern training journals, etc., providing remuneration to Technical Intern Trainees, securing accommodation, precautionary measures such as workers accident compensation insurance and other requirements equivalent to the requirements of Supervising Organization type Implementation Organizations.</p>
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Source: JITCO. <http://www.jitco.or.jp/english/overview/pattern.html> (accessed 2012-1-20)

To change the Status of Residence of “Technical Intern Training (ii)(a)” limited to Technical Intern Trainees with Status of Residence in “Technical Intern Training (i)(a)”, the following requirements must also be satisfied.

Table 4 Requirements for Technical Intern Trainees (TIT (ii) (a))

<p>(1) Technical Intern Trainees undertake training at the same Implementing Organization and in the same Skills as "Technical Intern Training (1)( a)", unless technical training cannot be performed at the same Implementing Organization for reasons not attributable to the relevant Technical Intern Trainee.</p> <p>(2) Technical Intern Trainees have passed National Trade Skills Test Basic Grade 2 and other equivalent tests and examinations.</p> <p>(3) Technical Intern Trainees plan to acquire further practical Skills based on a Technical Intern Training Plan.</p>
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Source: JITCO. <http://www.jitco.or.jp/english/overview/pattern.html> (accessed 2012-1-20)

For most SMEs and primary industry families, it is eventually difficult to meet all the above requirements. Moreover, implementing organizations have to own all duties and laborers about selecting trainees, training management of their own planning, travel charge of trainees going back to their home countries, keeping legal labor condition, and so on. Because of these burdens, most SMEs utilize the scheme of Acceptance Managed by Organization, while big companies manage these duties by themselves.



Chart 3 Scheme of Acceptance Managed by Individual Enterprise

#### 1-2-4 Scheme of Acceptance Managed by Organization

In this scheme, Supervising Organizations administered by public are responsible for accepting Technical Intern Trainees under their own supervision and are required to verify and ensure that the technical intern training at each company (Implementing Organization) is performed appropriately during the term of the Technical Intern Training (i) and Technical Intern Training (ii). Supervising Organizations that are capable of accepting Technical Intern Trainees are classified as follows. They are not permitted to act for profit.

- (1) Chambers of commerce and industry or societies of commerce and industry
- (2) Small business associations
- (3) Vocational training companies
- (4) Agricultural cooperatives, fisheries cooperatives
- (5) Public interest incorporated associations, public interest incorporated foundations
- (6) Supervising organizations specified by announcements by the Minister of Justice

Among the above, type (1), (2) and (3) are majorities. Requirement for interns and accepting organizations are as follows.

Table 5 Requirement for Technical Interns and Implementing Organization (TIT (i)(b))

**<1> Requirements regarding Technical Intern Trainees**

- (1) Skills to be acquired are not simple tasks.
- (2) The Technical Intern Trainee is 18 years of age or over and is scheduled to be employed in work which makes use of the Skills acquired in Japan after he/she returns to his/her home country.
- (3) The Skills to be acquired in Japan are difficult to acquire in the Technical Intern Trainee's home country.
- (4) The Technical Intern Trainee has been recommended by the local government, etc., of his/her home country.
- (5) The Technical Intern Trainee has experience working in the same type of work as the technical training to be received in Japan.
- (6) Sending Organizations (organizations which send, etc., Technical Intern Trainees overseas), Supervising Organizations, Implementing Organizations, etc., do not receive payments such as deposits from the Technical Intern Trainee (including family members, etc.). In addition, contracts, etc., that prescribe monetary penalties for the non-performance of labour agreements must not be executed with the Technical Intern Trainee.

**<2> Requirements regarding Supervising Organizations**

- (1) Technical intern training is performed after receiving funds and other support and directions from the national and local governments, etc.
- (2) Implementing Organizations are audited, etc., by a director one or more times every three (3) months.
- (3) A counseling program is established for Technical Intern Trainees.
- (4) A technical intern training plan for Technical Intern Training (i) is created in an appropriate manner.
- (5) A director provides on-site instruction at the Implementing Organization one or more times each month during the term of the Technical Intern Training (i).
- (6) The following subjects (including classroom lectures and on-site visitations) are provided to Technical Intern Trainees immediately after their arrival in Japan for 1/6th or more hours of the scheduled "Technical Intern Training (i)(b)" activities (or 1/12th or more hours when advance lectures have been conducted overseas for at least one (1) month totaling 160 hours or more).
  - a. Japanese language
  - b. General knowledge regarding everyday life in Japan
  - c. Necessary information regarding the legal protection of Technical Intern Trainees such as the Immigration Control and Refugee Recognition Act and Labour Standards Act.
  - d. Provide information which contributes to the efficient acquisition of Skills, etc.

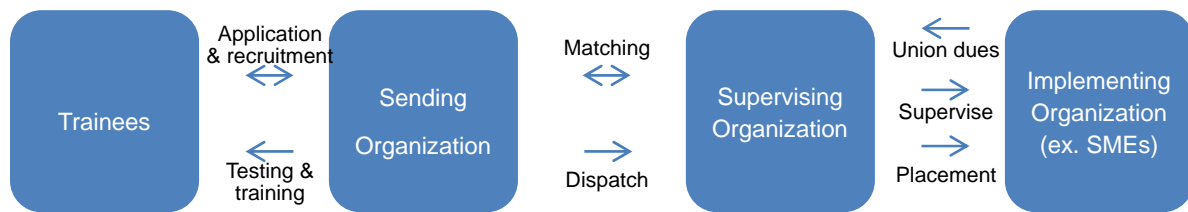
In addition, lectures relating to (c) shall be performed by an external lecturer with specialist knowledge.

- (7) Other requirements such as clearly specifying supervision expenses, responding when Technical Intern Trainees are unable to continue technical intern training, ensuring the provision of return travel expenses and Technical Intern Trainee accommodation, safeguards such as workers accident insurance and determining reasons for the disqualification of directors, etc.

**<3> Requirements for Implementing Organizations**

- (1) Appoint technical intern training instructors and guidance counselors.
- (2) Create a technical intern training journal and store for one or more years following the completion of technical training.
- (3) Provide the same or higher amount of remuneration for Technical Intern Trainees as that of Japanese workers.
- (4) Other requirements such as ensuring the provision of Technical Intern Trainee accommodation, safeguards such as workers accident insurance and determining reasons for the disqualification of managing directors, etc.

Source: JITCO. <http://www.jitco.or.jp/english/overview/tip/index.html> (accessed 2012-1-20)



Source: JITCO. <http://www.jitco.or.jp/> (accessed 2011-12-7)

Chart 4 Scheme of Acceptance Managed by Organization

### 1-2-5 JITCO's Support

In both cases of “acceptance managed by individual enterprise” and “acceptance supervised by organization”, JITCO supports Japanese accepting companies and organizations for smooth acceptance of interns and trouble-free management of training. Though there is no regulation to utilize JITCO’s service in ITP and TITP, as shown in Table 2, it is estimated that every year 70-80 percent of trainees and interns were supported by JITCO to enter into Japan.

JITCO was established by former Ministry of Labor, former Ministry of International Trade and Industry, Ministry of Justice, and Ministry of Foreign Affairs (MOFA) in 1991<sup>7</sup>. The activities of JITCO are very wide. Before introducing ITTIP scheme in the new country, JITCO conducts researches and prior consultations with related officials. In Japan, JITCO provides counseling and information of training curriculums and vocational training instructions to interns, trainees and accepting organizations. The following are also included to activities of JITCO; supporting documentation about immigration and procedures about package insurance, training of trainers, and supporting training evaluation. As mentioned above, when moving Status of Residence from “Technical Intern Training (i)” into “(ii)”, interns in care of some occupations and works have to pass JITCO certificates. In addition, to apply acceptance of special extra number of trainees, companies have to pass the evaluation of JITCO. Like above, especially in the case of acceptance supervised by organization, JITCO takes a big role among SMEs.

In addition to such JITCO’s activities, various private companies and organizations provide services relating to ITTIP system, such as creating official applications, risk management, Japanese language training, IT system, etc.

7 Afterward former Construction Ministry joined the scheme in 1992. Currently JITCO is supervised by five ministries; Ministry of Justice, MOFA, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, and MOHLW. Also, in 1992 ITTIP system was opened to agricultural sector and Ministry of Agriculture, Forestry and Fisheries joint to the relevant ministries.

### 1-3 Reception System of Indonesian Nurses and Careworkers under Japan-Indonesia EPA

This chapter provides the supplemental information to the outline of the systems to receive nurses and careworkers using EPA, which is deeply related to the current survey. Based on EPA, Indonesian nurses and careworkers have been accepted. EPA is an agreement between two or more countries in order to “promote and facilitate freedom and of movement of human beings, commodities and money, and thus strengthen wide economic ties with one region”. Since 2002, Japan has made EPA with 11 countries such as Singapore, Mexico, Malaysia, Chile, Thailand, Indonesia, Brunei, Philippines, Swiss, Vietnam, and India. Japan also already signed EPA with the Association of Southeast Asian Nations (ASEAN), while one with Peru was signed and is pending on its effectuation (as of August 2011).

It is stated that the acceptance of the candidates for nurses and careworkers based on EPA is “an exceptional measure - on two fields in which the foreign workers are not permitted - within the official framework based on an agreement between two countries. This acceptance is also regulated by the agreement as a result of negotiation based on the strong demand of the sending countries, and thus is not based on the request from Japan as a measure against lack of labor forces in nursing and care”<sup>8</sup>. In order not to affect the national labor market, there is a limit in numbers of acceptance (200 nurses and 300 careworkers per year).

The first case of the acceptance of candidate nurses and careworkers through EPA was the agreement with Philippines in 2006, but its implementation was delayed due to the rejection of ratification by Philippines’ upper house. It was put in effect on 11 December 2008, and implemented first in 2009. The Japan-Indonesia EPA (JIEPA) was signed by the heads of states in 2007, and was put in effect on 1 July 2008. The Japanese Ministry of Health, Labour and Welfare (MOHLW) issued a notice “Guidelines on implementation of acceptance of Indonesian nurses etc. of the fields of nursing and care based on the JIEPA” on 19 May 2008 as an implementation guideline, and the Japanese Ministry of Justice issued “Guidelines on immigration control of the Indonesian nurses etc. who are under the application of the JIEPA” on 26 May 2008. Table 6 shows the framework of the acceptance. The first group of 208 people arrived Japan on 7 August 2008. In October 2011, the Memorandum of Acceptance of nurses and careworkers base on EPA” was signed by the heads of the states, and it is planned that candidates from Vietnam will be accepted<sup>9</sup>.

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8 MOHLW (2011). 経済連携協定に基づく外国人看護師・介護福祉士候補者の受入れ等について.  
<http://www.mhlw.go.jp/bunya/koyou/other22/index.html> (accessed 2011-11-10).

9 MOFA, MOHLW, Ministry of Economy, Trade and Industry (2011-10-31). ベトナムからの看護師・介護福祉士候補者の受入れに関する覚書 (概要).  
[http://www.mofa.go.jp/mofaj/kaidan/s\\_noda/vietnam1110/pdfs/5.pdf](http://www.mofa.go.jp/mofaj/kaidan/s_noda/vietnam1110/pdfs/5.pdf) (accessed 2011-12-7).



### 1-3-1 Regulations on the Acceptance of the Candidates of Nurses and Careworkers by the JIEPA

At present in 2011, Japan accepts through EPA the candidates of nurses and careworkers only from two countries – from Indonesia and Philippines. Their regulations are similar, but this chapter focuses only on the case of Indonesia.

The institution which coordinates the Indonesian organizations that send the candidates is National Institute for Services and Protection of Indonesia Labor (BNP2TKI), and Japan International Cooperation of Welfare Services (JICWELS) is the Japanese liaison. In fact, JICWELS is positioned as the sole official institute in order to maintain impartiality and neutrality in provision of services to the foreign candidates and to adequately receive them, and it is not allowed to use other entities for job and labor placement<sup>10</sup>.

The labor-related laws and social and labor insurances for Japanese workers are also being applied to the accepted candidates, and therefore their official status from the beginning of the OJT in the recipient institutions after the training of Japanese language is “worker”. In reality, their status is “trainee”, and they need to pursue studies of Japanese language and for preparation of the National Exams while working there. It is considered that “training, work and acquisition of qualification are three pillars for the reception of EPA”<sup>11</sup>.

Table 6 Framework for Accepting Nurses and Careworkers under Japan-Indonesia EPA

	Nurse ( <i>Kangoshi</i> ) course	Careworker ( <i>Kaigofukushishi</i> ) course
Purpose	Obtain Japanese nurse license and employment	Obtain Japanese careworker license and employment
Eligibility	Visa status based on bilateral agreements "special activities"	
Activity (Before qualified)	Working and training in a Japanese hospital	Working and training in a Japanese caregiving facility
Activity (After qualified)	Working in a Japanese hospital (Except home-based services)	Working in a Japanese caregiving facility (Except home-based services)
Duration	<ul style="list-style-type: none"> <li>• Before qualified: Nurse: 3 years, Careworker: 4 years (Updated annually)</li> <li>• After qualified : 3 years (can be extended)</li> <li>• When not obtaining qualification: If not passing the national examination within the limited period, candidates return to their own country (after returning, candidates can come to Japan on short-stay visa and be allowed to take exam)</li> </ul>	
Requirement	<ul style="list-style-type: none"> <li>• Indonesian nurse license (graduate from nursing school (D3) or University (S-1))</li> <li>• 2 year work experience as a nurse</li> <li>• Employment Agreement (equivalent amount of remuneration as that of Japanese or more)</li> </ul>	<ul style="list-style-type: none"> <li>• Graduates from university or Diploma-3 or 4 in Indonesia and qualification as a careworker from Indonesian Government</li> <li>• Graduate from nursing school (D3) or nursing University (S-1)</li> <li>• Employment Agreement (equivalent amount of remuneration as that of Japanese or more)</li> </ul>

10 Noriko Tsukada (2010). 介護現場の外国人労働 日本のケア現場はどう変わるのか. Akashishoten.

11 Yasuhiro Ide (2010). 長寿大国の虚構：外国人介護士の現場を追う. SHINCHOSHA Publishing.

	Nurse ( <i>Kangoshi</i> ) course	Careworker ( <i>Kaigofukushishi</i> ) course
Japanese language Training	6-month Japanese language training (pre-visit) (*1, *2), 6-month Japanese language training (after the visit) (*2), introductory training nursing and care work	
National Examination	After completion of Japanese language and introductory training, employment and training at the accepted facilities and subject to national examination (3 times in 3 years)	After completion of Japanese language and introductory training, employment and training at the accepted facilities and subject to national examination (Once after 4 years working)
Sending Agency	BNP2TKI (National Institute for services and protection of Indonesia Labor)	
Accepting Agency	JICWELS (Japan International Cooperation of Welfare Services)	

Sources: MOHLW document, JICWELS (2011). 2012 年度版受入れ要領

Notes: (\*1) Training out of the training regulated the JIEPA

(\*2) If candidates have a degree of Japanese language ability N2 Japanese Language Proficiency Test (formerly Level 2), they are allowed not to attend the training

### 1-3-2 Process of Acceptance of the Candidates of Nurses and Careworkers based on Japan-Indonesia EPA<sup>12</sup>

Figure 5 illustrates the process of acceptance of the candidates of nurses and careworkers based on JIEPA. This scheme was started in 2008, and is currently (as of November 2011) in the process solicitation of recipient institutions. There has been no modification on the regulation regarding the acceptance, but the process has been slightly modified every year. The process and major modifications will be described below.

#### (1) Publicity of the Recruitment

[Indonesia]

The recruitment period in the first year was only one week and thus the publicity was not sufficient. Currently in 2011, there has been wide publicity using leaflets, advertisements, official announcements to the provincial health offices and BP3TH1s (local offices of BNP2TKI), etc. In addition, information sessions have been organized in major six provinces. The portal of BNP2TKI is also being enhanced and includes information such as the explanation of the system and interviews/exams, application documents, a list of accepted candidates, costs, procedures, and videos on the life and work in Japan.

[Japan]

An information session for recipient institutions is held once a year in Japan, to which about 100 institutions participate every time. About half of them actually register. During the session, JICWELS explains the framework of the acceptance and procedure and situations of acceptance

12 This section referred to MOHLW (2011). 経済連携協定に基づく外国人看護師・介護福祉士候補者の受入れ等について. <http://www.mhlw.go.jp/bunya/koyou/other22/index.html> (accessed 2011-9-26), JICWELS (2011). 平成 24 年度版 EPA に基づく外国人看護師・介護福祉士候補者受入れパンフレット, 平成 24 年度版 EPA に基づく看護師候補者受入れの手引き, 平成 24 年度版 EPA に基づく介護福祉士候補者受入れ手引き, JICA – CHRUI (2011). Background Information Survey on Nurses as well as based on the interviews from related organizations.

based on the information from routine visits and the consultation office<sup>13</sup>. In addition, the following are explained from the point of view of the accepting institutions as actual cases of the accepting institutions: the reasons for acceptance, preparation and measures for receiving candidates (publicity to staff, study sessions on Indonesian culture), structure of training (materials etc.), and measures against problems.

Table 7 Changes in the Orientation

Year	Place
2009	Tokyo, Osaka, Fukuoka, Nagoya
2010	Tokyo, Osaka, Fukuoka
2011	Tokyo, Osaka

Source: JICWELS

## (2) Application Documents

### [Indonesia]

While BNP2TKI is the sole sending institution, applications and selections have been handled by two entities: those for nurses by the Ministry of Health (MOH) and for the careworkers by the Ministry of Manpower and Transmigration (MOMT)

The required documents for nurses are as follows, and it requires considerable time to complete them: 1) identification document; 2) Passport (valid for more than one year); 3) format (AK-1); 4) proof of graduation; 5) proof of grades; 6) certificate issued by the provincial health office on qualification/registration; 7) proof of work experience/employment as nurse; 8) agreement of the family; 9) record of police; 10) health examination; 11) photos; 12) oath; 13) language certificate (Japanese, English, others); and others (in English and Indonesia for 4) - 7).

### [Japan]

Registration can be completed through the portal of JICWELS. The required documents for registration are: 1) registration form; 2) job offer form; 3) description of the facility; 4) training plan for nurses and careworkers; 5) description of training system; and 6) employment record of the person in charge/supporter of training. Recipient institutions are examined and selected based on the criteria described in Table 8.

13 JICWELS (2011).「第1部: 外国人看護師・介護福祉士候補者 受入れの枠組み、手続き等について」、  
「第2部: 巡回訪問・相談窓口からの受入れ状況などについて」.  
[http://www.jicwels.or.jp/html/hp\\_images/h24\\_ukeire\\_setumei\\_1.pdf](http://www.jicwels.or.jp/html/hp_images/h24_ukeire_setumei_1.pdf),  
[http://www.jicwels.or.jp/html/hp\\_images/h24\\_ukeire\\_setumei\\_2.pdf](http://www.jicwels.or.jp/html/hp_images/h24_ukeire_setumei_2.pdf) (accessed 2011-11-26).

Table 8 Requirements for Accepting Nurses and Careworkers under Japan-Indonesia EPA

<p><b>[Requirement of accepting nurse candidates]</b></p> <p>(1) Requirement of hospitals</p> <ul style="list-style-type: none"> <li>- Hospital has a system of comparable hospital accepting nursing school students for nursing practice</li> </ul> <p>(2) Requirement of Training</p> <ul style="list-style-type: none"> <li>- Appropriate training plans for national examination</li> <li>- Assign responsible persons and supporters for training</li> </ul> <p>(3) Requirements of the employment contract</p> <ul style="list-style-type: none"> <li>- Payments equivalent to the amount of Japanese-workers (compared to that of Japanese aid nurses) or more</li> </ul> <p>(4) Requirements for providing accommodation and returning cost</p> <ul style="list-style-type: none"> <li>- Providing accommodation and ensuring cost-return and return.</li> </ul> <p>(5) Reporting</p> <ul style="list-style-type: none"> <li>- Make required periodic reports and report through JICWELS to the regional immigration bureau and the MOHLW</li> </ul> <p>(6) Accepting the number of nurses</p> <ul style="list-style-type: none"> <li>- One facility is limited to more than 2 and up to 5 persons per year with consideration for their mental health and at the aspect of ensuring proper training system</li> <li>- If the facility has already accepted nurses before, one nurse is allowed</li> </ul> <p><b>[Requirement of accepting careworker candidates]</b></p> <p>(1) Requirement of care giving facility</p> <ul style="list-style-type: none"> <li>- The caregiving facility has capacity of 30 residents or more and has a system of comparable caregiving facility accepting students for caregiving practice</li> </ul>
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Sources: JICWELS (2011). 平成 24 年度版 EPA に基づく外国人看護師・介護福祉士候補者受入れパンフレット. [http://www.jicwels.or.jp/html/hp\\_images/h24\\_tebiki\\_.pdf](http://www.jicwels.or.jp/html/hp_images/h24_tebiki_.pdf), 平成 24 年度版 EPA に基づく介護福祉士候補者受入れ手引き. [http://www.jicwels.or.jp/html/hp\\_images/h24\\_tebiki\\_c.pdf](http://www.jicwels.or.jp/html/hp_images/h24_tebiki_c.pdf) (accessed 2011-11-8)

### (3) Selection

#### [Indonesia]

As described in 4-5, in the case of nurses, those who pass the documents screening and skills and physiological examinations and health check can be registered by BNP2KI and receive the interview by JICWELS. For care works, there is only document screening.

#### [Japan]

Selection among those selected by BNP2TKI is done in Japan by JICWELS.

Capacity Exam: 100 questions on capacity necessary for nursing and care such as cooperativeness and sense of responsibility, about 30 minutes, multiple choice, mark sheet method, no right answers.

Interview: Individual interview by JICWELS, about 20 minutes, to confirm reasons for application and comprehension of the framework of EPA and the work content in Japan. Nurses in Indonesia have already established career path, but since Japan does not recognize the Indonesian qualification, they are deployed as assistant nurses whose assignment includes bed making and meal assistant until they pass the National Exams. Problems will arise both on the candidates and

the recipient institutions if the candidates lack such comprehension, and therefore, such confirmation is considered crucial. Since the acceptance system has entered its 4<sup>th</sup> year, the system and framework are widely publicized, the applicants well understand the system and there is no case of decline.

Video Recording: Done during the interview with the agreement by the candidates, and being shared with the recipient institutions. More than 90 percent of the candidates have agreed on the recording. Since many recipient institutions cannot join the information sessions, this is well appreciated as they can capture the personalities of the candidates. Since there is translation, the institutions can understand the contents of the interview as well.

#### (4) Information Sessions

At the beginning, matching was done without any system of sufficient information exchange between the candidates and the recipient institutions, but since 2009, joint information sessions by recipient institutions are held. The costs for the participation are covered by the institutions themselves, but more than 20 institutions in total of nursing and care participate on average. This provides opportunities to explain directly and exchange information, which cannot be done solely through the information provision of the job seeking.

#### (5) Matching

The candidates select 100 institutions based on the priority ranking and submit the list to JICWELS through BNP2TKI. Based on this, the accepting institutions select 10 candidates. Based on this, JICWELS conducts computer matching and informs the results. If both sides agree, they will move to the next step of contracting, but otherwise, the second and third (maximum 20 candidates) will be conducted. In many cases, agreement is reached in the first matching.

In the first - fourth years, the Japanese language training is started following conclusion of employment contract after the matching, but from 2012, it is planned that matching can be conducted while the candidates receive the language training. It is also planned to offer information on the results of training of candidates (Japanese language skills) in matching<sup>14</sup>. This enables the accepting institutions to select those with higher performances, but at the same time can produce those candidates who receive training but fail in concluding contract and thus cannot come to Japan. Therefore, the participants in training show higher motivation, but at the same time, they need to find job if they fail in the matching stage. Currently 200 candidates are

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14 MOFA (2011). 外務省による措置. [http://www.jicwels.or.jp/html/epa\\_h24\\_gauimusho\\_20111005.pdf](http://www.jicwels.or.jp/html/epa_h24_gauimusho_20111005.pdf) (accessed 2011-12-6).

participating in the training, but since accepting institutions are willing to accept only 130 in total, it is expected that 70 will fail<sup>15</sup>.

#### (6) Japanese Language Training

According to the regulation, the duration of the Japanese language training is for six months, but this is not sufficient to acquire language level expected by the accepting institutions. The burden to the accepting institutions has been huge as they need to support the preparation to the national exams and continued language training at the same time. Also, the success rate for the national exam has been low, and thus it is necessary to further improve Japanese language skills before the employment. Therefore, as supplemental language training, it was decided to provide a three month course using the Japan-ASEAN Fund in 2010, and a six month course before departure was provided with support of Japanese MOFA in 2011. This meets the strong demands of the accepting institutions regarding the acquisition of Japanese language skills by the candidates, and also the needs to obtain the basis for improvement of the rate of success of the national exams. In medium terms, it is aimed to offer Japanese language courses and educational sessions on Japanese medical care in major universities for nursing education, in partnership with private sectors<sup>16</sup>.

During the six month training based on EPA, 1) strengthening of Japanese language skills of the candidates; and 2) promotion of understanding of Japanese system of nursing and care, are attempted. The training in Indonesia before departure aims at, 1) learning of basic Japanese conversation and reading/writing skills; 2) basing self-learning including repetition of pre- and post-self-study; 3) learning of basic knowledge in order to start smoothly the life in and training Japan. Especially, as requested by the accepting institutions, it aims to enhance the acquisition of self-learning skills<sup>17</sup>.

Table 9 Annual Change in Japanese Language Training

Year	Indonesia	Japan	Implement Organization
2008 (Batch I)	0 month	6 months	AOTS, Japan Foundation
2009 (Batch II)	4 months	2 months	Human Resocia Co., Ltd.
2010 (Batch III)	2 months	4 months	AOTS
2011 (Batch IV)	3 months	6 months	Japan Foundation and AOTS
2012 (Batch V)	6 months	6 months	Japan Foundation

Source: Information from AOTS and Japan Foundation

#### (7) Introductory Training

According to the EPA regulation, it is required to conduct 42 hour interlocutory training for both nurse and careworker candidates. This training is conducted during the Japanese language

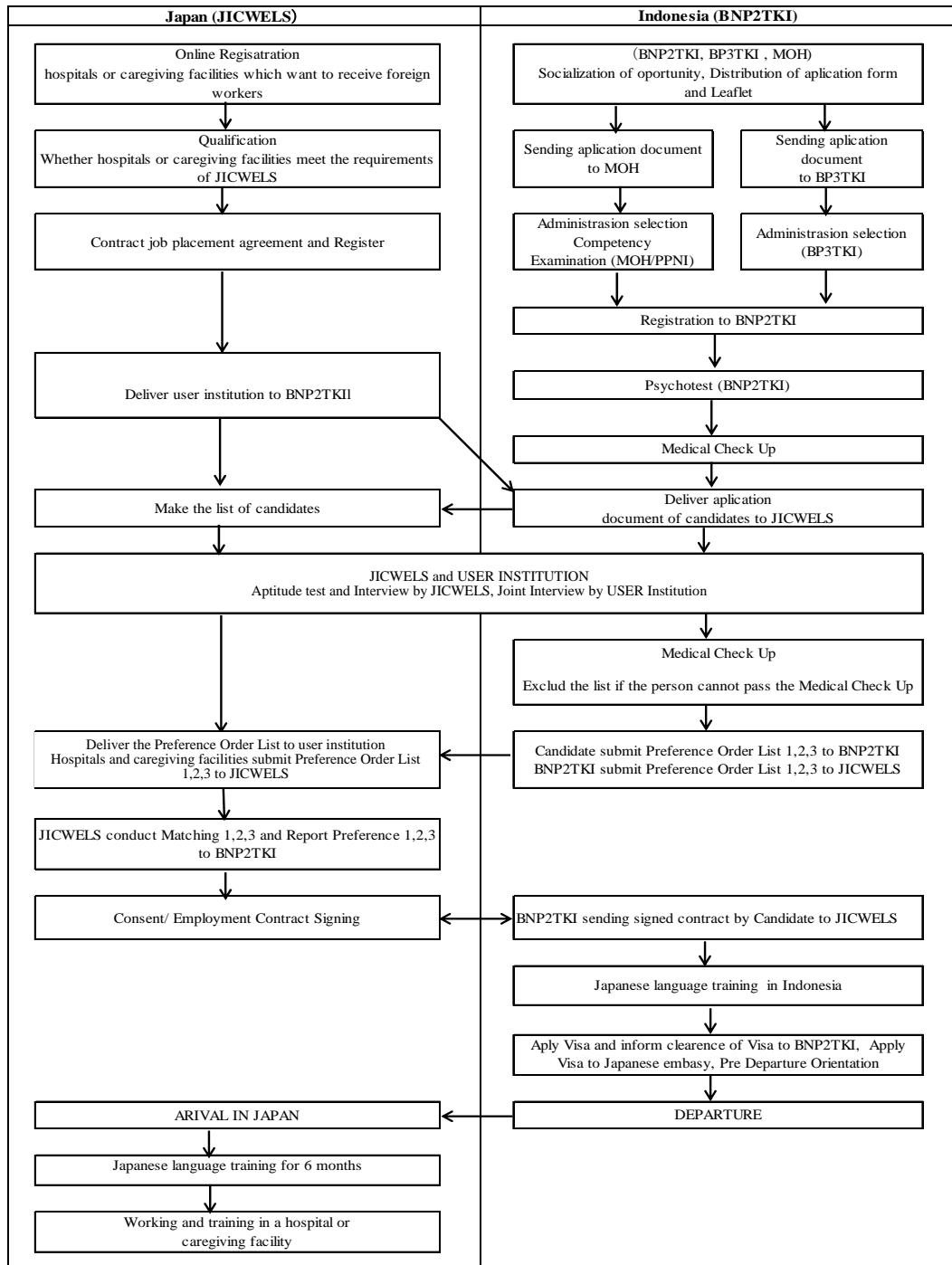
15 Based on the interviews from related organizations.

16 MOFA (2011-6-20). 経済連携協定(EPA)に基づく看護師・介護福祉士候補者の受入れ等についての基本的な方針. <http://www.npu.go.jp/policy/policy08/pdf/20110620/20110620.pdf> (accessed 2011-12-6).

17 Based on the interviews from related organizations.

training by experts using interpreters. Mainly for nurses this training focuses on Japanese health system while for careworkers, on care skills and practices. The exclusive textbooks both in Japanese with HIRAGANA and in Indonesian are used.

Above describes the process from the application to the employment and training, but the order will change from 2012 as matching will be conducted during the training in Indonesia.



Sources: JICWELS (2011). 平成 24 年度版看護師・介護福祉士候補者受入れ手引き, BNP2TKI (2010). Pendaftaran Calon Nurse (Kangoshi) dan Careworker (Kaigofukushishi) ke Jepang Program G to G 2011

Chart 5 Procedure for Placement of Indonesian Nurses and Careworkers to Japan (G to G program)

(8) Cost Coverage

[Indonesia]

A candidate needs to bear about 10,000 yen before the departure as shown below.

Table 10 Payment by Individuals

Items	<i>Kangoshi</i> course	<i>Kaigofukushishi</i> course
Competency Test	Rp 250.000	-
Psychological test	Rp 250.000	Rp 250.000
Medical Check Up*	(Rp 1.000.000)	(Rp 1.000.000)
Pre-Departure Orientation	Rp 1.000.000	Rp 1.000.000
Insurance	Rp 100.000	Rp 100.000
Total	Rp 1.600.000	Rp 1.350.000

Source: BNP2TKI (2010). Pendaftaran Calon Nurse (Kangoshi) dan Careworker (Kaigofukushishi) ke Jepang Program G to G 2011.

<http://www.bnptki.go.id/info-ke-jepang-mainmenu-215/3226-pendaftaran-cal-on-nurse-kangoshi-dan-careworker-kaigofukushishi-ke-jepang-program-g-to-g-2011.html> (accessed 2011-11-17)

Note: \* Fee of Medical Check Up will be refunded in Japan

[Japan].

An accepting institution needs to cover the costs as shown in Table 11. Since 2009 the subsidy system by the local governments were established, and there are budget allocations as shown in Table 12. However, the additional system for human resources can be applied only to nurses who are deployed as assistant nurses but not to careworkers before they pass the national exams, and thus the burden to the accepting institution is huge. It is clearly stated by the “人の移動に関する検討グループ” in the “EPAに基づく看護師・介護福祉士候補者の受入れ等についての基本的な方針” dated 20 July 2011 that it is necessary to review the conversion of standard post allocation of the candidates of careworkers, and thus it is expected that some measures will be taken in the future. The accepting institutions spend 500,000 yen per candidate before the acceptance and about 300,000-500,000 yen per month per candidate after the acceptance<sup>18</sup>.

18 Noriko Tsukada (2010).介護現場の外国人労働者 日本のケア現場はどう変わるのか. Akashishoten.



Table 11 Cost of Facilities Accepting Nurse and Careworker Candidates

(1) Agency commissions to JICWELS	
<b>Expense</b>	<b>Amount</b>
Registration fee	31,500 yen (tax included) per facility
Mediation fee	138,000 yen (tax included) per person
Accommodation and administrative expenses	21,000 yen (tax included) per person per year
(2) Agency commissions to BNP2TKI	
- Post-processing costs at BNP2TKI : Rp. 3.32 million (equivalent to about 30,000 yen) per person	
(3) Payment for the six-month Japanese language training under EPA	
Payment for the six-month Japanese language training under EPA: 360,000 yen per person (actual value is the FY 2011, this year to be determined)	

Source: JICWELS (2011). 平成 24 年度版 EPA に基づく外国人看護師・介護福祉士候補者受入れパンフレット. [http://www.jicwels.or.jp/html/hp\\_images/h24\\_tebiki\\_.pdf](http://www.jicwels.or.jp/html/hp_images/h24_tebiki_.pdf) (accessed 2011-11-8)

Table 12 Budget-related Program for Accepting Foreign Nurses and Careworkers under EPA (MOHLW related)

• Change of budget				(Unit:1,000 Yen)
	FY 2009	FY 2010	FY 2011	FY 2012
Total budget (budget request)	82,993	869,245	400,114	(379,948)
1. Introduction of a nursing training, guidance, follow-up visit and etc.	82,993	148,162	153,952	(156,860)
2. Training support for hospitals accepting nurse candidates	0	368,820	217,401	(include Aid for health care delivery system Promotion 25.5 billion)
3. Training support for careworkers	0	352,263	471,974	(include grant assistance of safety net include 2.3 billion)

Sources: JICWELS (2011). 平成 24 年度厚生労働省 EPA 関連予算概算要求. [http://www.jicwels.or.jp/html/epa\\_h24\\_kourousho\\_gaisan\\_20111005.pdf](http://www.jicwels.or.jp/html/epa_h24_kourousho_gaisan_20111005.pdf) (accessed 2011-11-8), 平成 22 年度厚生労働省 EPA 関連予算. [http://www.jicwels.or.jp/html/date1\\_1\\_20101124.pdf](http://www.jicwels.or.jp/html/date1_1_20101124.pdf) (accessed 2011-12-5), 平成 23 年度厚生労働省 EPA 関連予算概算要求. [http://www.jicwels.or.jp/html/date1\\_2\\_20101124.pdf](http://www.jicwels.or.jp/html/date1_2_20101124.pdf) (accessed 2011-12-5)

## 1-4 Members of Research Team

The following two consultants were assigned to the research team. In addition to them, short-term supporting staff in charge of interpretation and translation were employed in Japan and Indonesia.

Table 13 Members of Research Team

Name & Company	Position & Field	Business Affairs
Akira Doi (Japan Development Service., Ltd.)	Chief advisor/ industrial sector	<ul style="list-style-type: none"> <li>• Management of the whole project</li> <li>• Reporting to JICA</li> <li>• Planning the whole schedule and research policy of the project</li> <li>• Gathering and analyzing information of industrial sector</li> <li>• Following up of collecting statistical and policy information of nursing care sector</li> </ul> <p><i><u>Main Research Field</u> : research of labor market and international labor migration in industrial sector, policy and system analysis of Industrial Training and Technical Internship Program, and analysis of industrial sector of Indonesia</i></p> <ul style="list-style-type: none"> <li>• Data gathering and analysis</li> <li>• Arrangement of information, writing, and submitting reports</li> </ul>
Chie Honda (System Science Consultants Inc.)	Nursing care sector	<ul style="list-style-type: none"> <li>• Gathering and analyzing information of nursing care sector</li> </ul> <p><i><u>Main Research Field</u> : research of labor market and international labor migration in industrial sector, policy and system analysis of acceptance of foreign nurses and careworkers, and analysis of nursing care sector of Indonesia</i></p> <ul style="list-style-type: none"> <li>• Data gathering and analysis</li> <li>• Arrangement of information, and writing reports</li> </ul>

## 1-5 Main Interviewees

The following interviewees contributed to this research.

Table 14 Main Interviewees

Organization	Interviewee and his/her position (Honorifics omitted)	Date	Interviewer
Indonesian Embassy Tokyo, Wako University	Bambang Rudyanto (Adviser of Industrial Sector, Professor, Department of Business and Media, Faculty of Economics and Business, Representative of Center for International Academic and Cultural Exchange)	11/14	Doi & Honda
The Association for Overseas Technical Scholarship (AOTS)	Shinichi Miyamoto (General Manager, Innovation Project Division)	11/15	Doi & Honda
Japan International Corporation of Welfare Services (JICWELS)	Kiichi Inagaki (Director Acceptance Support for Foreign Professionals Department)	11/21	Honda
Japan Indonesia Association for Economy Cooperation (JIAEC), Cooperation for Overseas Nurses and Care Workers (Bima CONC)	Kenji Kuroki (Chairman), Masayo Shibata (President), Hiroshi Higashimori (Director, Secretary-general), Sachie Shirai (Social Welfare Secretary)	11/24	Doi & Honda

Organization	Interviewee and his/her position (Honorifics omitted)	Date	Interviewer
The Japan Foundation	Atsushi Kanai (Managing Director Learners' Support Dept. Japanese-Language Group) Nobuaki Iizawa (Deputy Director, EPA Training Section Learners' Support Dept. Japanese-Language Group)	11/25	Honda
Japan International Training Cooperation Organization (JITCO)	Tsuneyuki Tanaka (Manager, Second International Affairs Division, International Affairs Department), Kazuhiro Otani (Deputy Manager, Planning and Coordination Division, General Affairs Department)	11/25	Doi
Japan International Cooperation Agency (JICA)	Naoki Miyata (Representative, Indonesia Office), Fuminori Yamada (JICA Expert, the Project for Developing Capacity of Employment Service Center)	11/28	Doi & Honda
National Board for the Placement and Protection of Indonesia Overseas Workers (BNP2TKI)	Haposan Saragih (Director of Government Placement Services), Hidayat (Director of Preparation and Placement)	11/30	Doi & Honda
PT. Japan Indonesian Economic Center (PT. JIAEC)	Wahju Juliarso (President Director), Shigemitsu Shiraishi (Jakarta Representative Office, Japan Indonesia Association for Economy Cooperation), Masayuki Obata (Surabaya Office, Japan Indonesia Association for Economy Cooperation)	12/1	Doi
Japan International Cooperation Agency (JICA)	Yuriko Egami (JICA Advisor)	12/1	Honda
Ministry of Manpower and Transmigration (MOMT)	Fikri Kurniakiki (Directorate for Apprenticeship Development)	12/2	Doi
Yayasan Bina Mandri ASEAN (Yayasan BIMA)	Yoshitaka Kuroki (Chief Representative, Jakarta Representative Office, Japan Indonesia Association for Economy Cooperation) Rika Yamamoto (Training Coordinator)	12/2	Honda
Ministry of Health	Dr. Yuti (Director of Nursing Department, Directorate of Nursing Department), Dr. Bina (Sub Director, Directorate of Nursing Department)	12/5	Honda
PT. Selnajaya Prima	Masahiro Hagusa	12/6	Doi & Honda
National Board for the Placement and Protection of Indonesia Overseas Workers (BNP2TKI)	Sugiharta (Head officer of Statistical Information), Ismain (Director of Preparation and Placemen)	12/8	Doi
World Bank (WB)	Puti Marzoeki (Senior Health Specialist)	12/9	Honda
The Association for Overseas Technical Scholarship (AOTS)	Hiroyuki Sato (General Manager, Jakarta Office), Winarko (Assistant General Manager, Jakarta Office)	12/9	Honda
Ministry of Manpower and Transmigration (MOMT)	Endang Sungkonowati (Special Assistant to the director, Directorate of Placement for Overseas Workers)	12/12	Honda
Ministry of Education (MOE)	Arsitawati (Executive Secretary for Health Professional Education Quality Project), Dharuita Chandra (Deputy Director of Relevancy, Directorate of Learning and Student Affair)	12/12	Honda

Organization	Interviewee and his/her position (Honorifics omitted)	Date	Interviewer
OISCA-International	Suwanto (Pimpinan Penghijauan Nasional)	12/12	Doi
Ministry of Manpower and Transmigration (MOMT)	Nha Dwi Apoiliawati (Directorate for Apprenticeship Development)	12/13	Doi
The Japan Foundation, Jakarta	Tadashi Ogawa (Director General Regional Director for Southeast Asia), Yuichi Takahashi (Deputy Director)	12/13	Honda
Ministry of Social Affairs (MOSA)	Yanti Damayanti (Staff, Directorate of Social Rehabilitation of Disables)	12/13	Honda
Ministry of Social Affairs (MOSA)	Renold Jimmy (Social Worker, Directorate of Elderly Social Service)	12/13	Honda
PT. Minori	Nanae Kogure (Advisor)	12/14	Doi
Asosiasi Institusi Pendidikan Ners Indonesia (AIPNI, Association of Indonesian Nursing Education: AINEC)	Muhammad Hadi (Secretary of AIPNI, Lecturer of University of Muhammadiyah)	12/14	Honda
Persatuan Perawat Nasional Indonesia (PPNI, Indonesia Nurse Association)	Dewi Irawaty (Chair of PPNI, Dean of University of Indonesia's School of Nursing )	12/14	Honda
Ministry of Health (MOH)	Tari Tritarayati (Director, Center for Planning and Management Health Human Resources)	12/15	Honda
BNP2TKI	Yeni Agus Winotu (Direktorat Kerjasama Luar Negeri Kawasan Asia Pasifik dan Amerika), Ali Mansur Harahap (Staff)	12/15	Honda
Ministry of Manpower and Transmigration (MOMT)	Fadliondi (Directorate for Apprenticeship Development)	12/15	Doi
International Health Assistance and Research Center (IHAR)	Naoko Ogata (General Director)	12/24	Honda
Korea International Cooperation Agency (KOICA)	Jongmin Park (Deputy Resident Representative, KOICA Indonesia Office)	12/29	Doi
Yayasan Putra Indonesia	Suwarto (Founder), Siti Suparyani Suwanto (Chairperson), Ine Pranina (Teacher), Jani Siswandari (Secretary for the Executive Board), Firman Budiyanto (Training and International Affair Manager), Arief Fuady Abdi (Ex-intern), Doni Crismaryanto (Ex-intern)	1/2	Doi
Ministry of Social Affairs	Iman Rahman Syukun (Chief of Elderly Social Service, Home Care Division, Directorate of Elderly Social Service)	1/3	Honda
PT. Zam Zam Perwita	Staff	1/3	Honda
Indonesian Employment Services Association for Asia Pasific (AJASPAC) /Pt. Karya Antar Bangsa Sejati (KABASCO)	Ismail Suamrjo (Chairman/Direktur Utama)	1/4	Doi & Honda
Tua Berguna dan Berkualitas "Panti Sosial Tresna Werda Budhi Dharma"	Tedi Tresnayadi (Director), Ai Herliyah (Chief of Social Rehabilitation), Tonny Effendy (Chief of Social Advocacy), Sakina Thalib (Chief of Social Worker)	1/5	Honda
Japan International Cooperation Agency (JICA)	Naoaki Miyata (Representative, Indonesia office)	1/5	Doi & Honda
Japan External Trade Organization (JETRO)	Yoshiaki Kamata (EPA Trade/Investment Advisor, Jakarta Centre)	1/6	Doi

Organization	Interviewee and his/her position (Honorifics omitted)	Date	Interviewer
Ministry of Health (MOH)	Anna Kurniah (Head of Sub Division Indonesian Migrant Health Workers, Center for Planning and Management Health Human Resources)	1/6	Honda
Kreditanstalt für Wiederaufbau (KfW)	Thorsten Schneider (Project Manager)	1/9	Doi
BINAWAN Institute of Health Science	Wida (Nursing Programe), Uyi. K (Secretary)	1/9	Honda
BINAWAN Institute of Health Science	Safyau Hawagi (Director), Aliana Dewi (Head of training), Siswani Marianna (Head of Student & Alumane), Djuariah Hanafe (Head of Student)	1/10	Honda
Ministry of Health, Labor and Welfare (MOHLW)	Genta Kobayashi (Section Chief, Economic Partnership Agreement Office, Foreign Worker's Affairs Division, Employment Measures for the Dispatched and Fixed-term Workers Department, Employment Security Bureau)	1/19	Honda

## 1-6 Research Schedule

This research was conducted from November 2011 to February 2012 as follows.

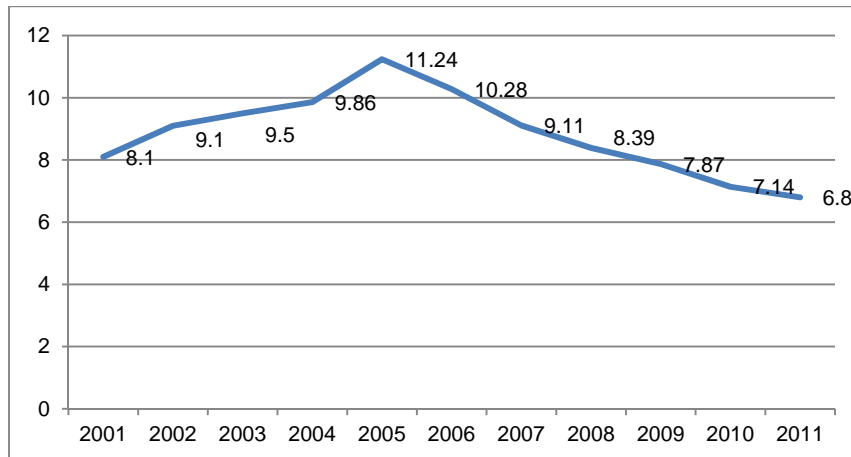
Table 15 Research Schedule

Date	Activities
11.14 ~ 11.26	(1) Research in Japan, submitting Inception Report (IC/R)
11.27 ~ 12.17	(2) 1 <sup>st</sup> Research in Indonesia, submitting Interim Report (IT/R)
12.18 ~ 12.27	(3) Research in Japan
12.28 ~ 1.10	(4) 2 <sup>nd</sup> Research in Indonesia
1.11 ~ 2.29	(5) Research in Japan, submitting Final Report

## Chapter2 Labor Market Status by Industry in Indonesia and Japan

### 2-1 Progress of Labor Statistics in Indonesia

According to International Monetary Fund (IMF), the unemployment rate of Indonesia after 2001 is shown as follows.



Source: IMF (2011-9). World Economy Outlook Database.

<http://www.imf.org/external/pubs/ft/weo/2011/02/weodata/index.aspx>  
(accessed 2012-1-20)

Chart 6 Unemployment Rate of Indonesia (percent, 2001-2011)

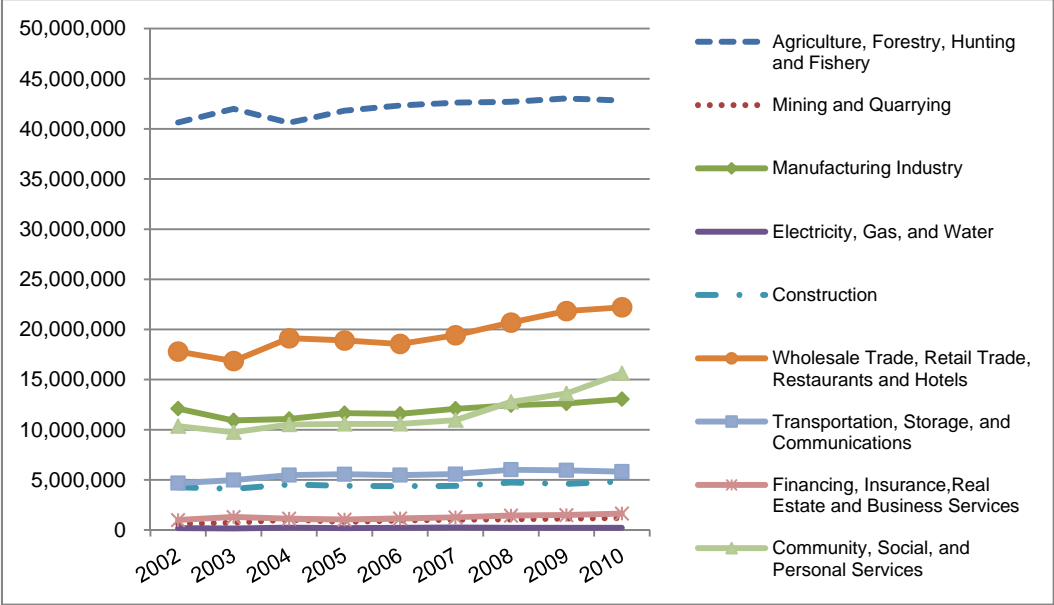
Since 1990's high employment rate of the youth has been pointed out in the labor market of Indonesia. However, the figure has decreased since 2005 because of economic development of domestic market. In the BSP's quick estimation (November 2011), the unemployment rate was 6.8 percent in February and 6.56 percent in August<sup>19</sup>. It seems that continuing economic development is smoothly improving macro employment situation in recent years.

Charts 7 and 8 show transitions of employment population by industry and sex. Looking at employment situation by industry, the biggest employment base is primary industry. In 2008, the manufacturing industry was surpassed by community, social, and personal services, declining from the third position to the fourth. In this chart the concept of community, social, and personal services is wide including government employees, staff of non-profit organization, and housekeepers. Proportion of manufacturing industry is only 12.8 percent (estimation from BSP statistics), it is not correct to say that manufacturing industry does accept much portion of domestic employment in Indonesia.

When looking employment situation by sex, employment population of females is almost half of males, while population ratio by sex is almost even in Indonesia.

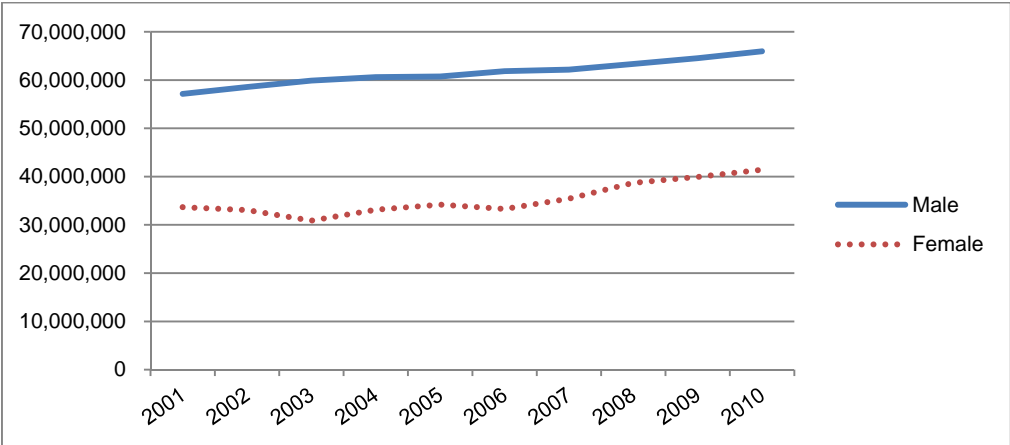
19 JETRO (2011-11-21). 日刊通商弘報. <http://www.jetro.go.jp/biznews/4ec9a92e854d0> (accessed 2012-1-20).

Attention is required to see employment statistics of BSP because its estimation is based on the inquiries about “working situation of last week”. Unemployed youth helping family business and informal employment such as daily employment are probably counted into “employed”. Although there is such limitation, it is possible to see general tendency of industrial employment situation of Indonesia.



Sources: BPS (2002-2010). Labor Force Situation in Indonesia  
 Note: Data of 2001 was excluded in this chart because industry classification was changed from 2002

Chart 7 Employment Population by Industry (2002-2011)

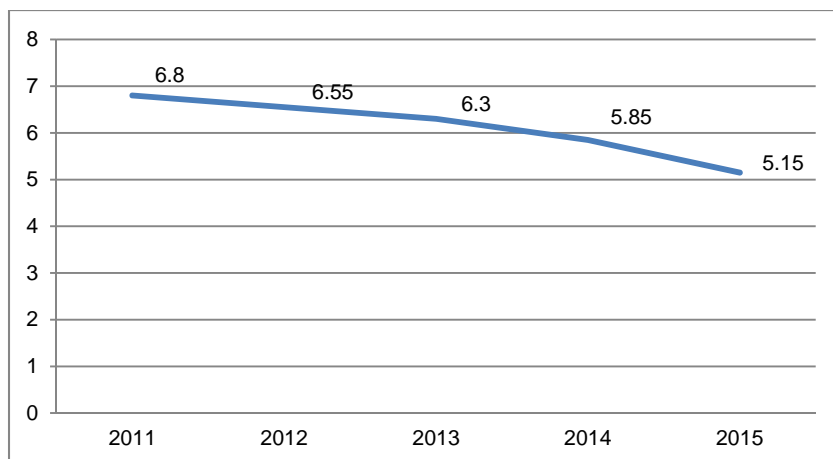


Sources: BPS (2001-2010). Labor Force Situation in Indonesia

Chart 8 Employment Population by Sex (2001-2010)

**2-2 Estimation of Future Employment Situation in Indonesia**

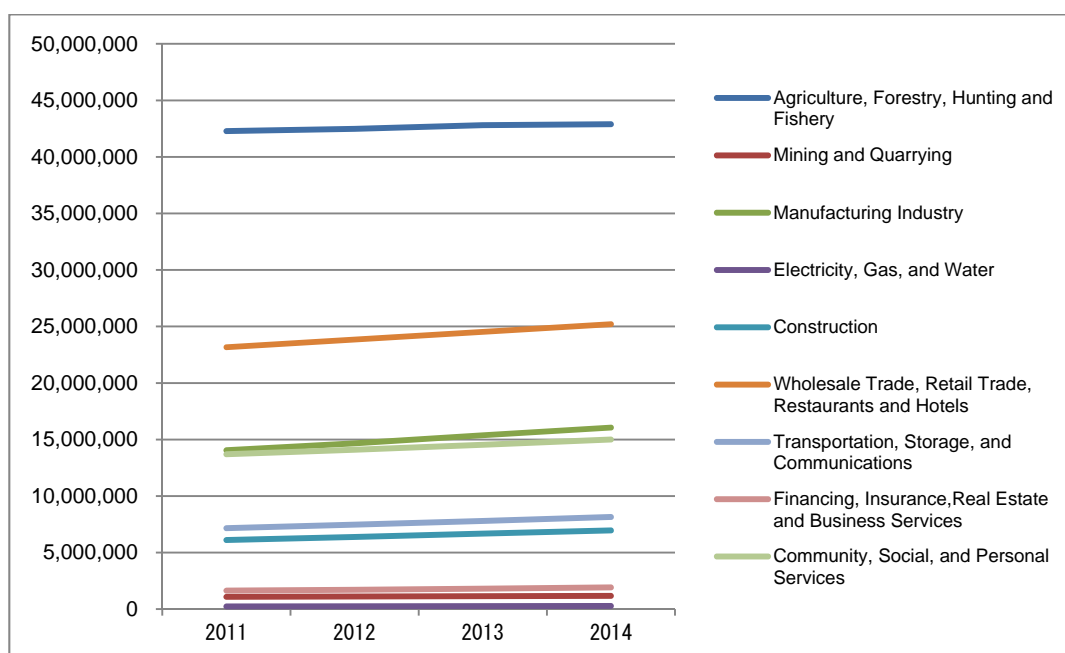
IMF estimates future unemployment rate of Indonesia as per Chart 9. The figure is expected to improve gradually.



Source: IMF (2011-9). World Economy Outlook Database.  
<http://www.imf.org/external/pubs/ft/weo/2011/02/weodata/index.aspx>  
 (accessed 2012-1-20)

Chart 9 Estimation of Future Unemployment Rate (percent, 2011-2015)

The male-to-female ratio in employment population may not be changed because that ratio is strongly related to the social structure like women's participation in society. About industrial composition of employment population, MOMT estimated figures in the 5-year development plan reported in 2009. That estimation is based on the data of BPS (Badan Pusat Statistik) and shown as Chart 10. According to the estimation, MOMT did not see any change of industrial composition in employment population for the next few years. In this estimation it attracts our attention that ratio of social service is still under manufacturing. It is probably because this estimation is based on the data from 1983-2008. Actually, ratio of social service will be higher than manufacturing.



Source: MOMT (2009). National Manpower Plan

Chart 10 Estimation of Future Employment Population by Industry (2011-2014)



## 2-3 Labor Emigration Status of Indonesia

In this section statistical information about labor emigration from Indonesia is summarized by destination country and industry. Especially about industries of manufacturing and nursing care, detailed information as much as possible is reviewed. Statistics for ITTIP trainees and interns are referred in “3-3”.

### 2-3-1 Labor Emigration from Indonesia by Destination Country

The following table shows statistical data of labor emigration from Indonesia of recent 10 years<sup>20</sup>. In this data, trainees of ITTIP are not counted.

Table 16 Labor Emigration from Indonesia by Destination Country

No	Country	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>I</b>	<b>ASIA PACIFIC&amp;AMERICA</b>	<b>178,496</b>	<b>238,364</b>	<b>109,893</b>	<b>160,987</b>	<b>297,291</b>	<b>326,811</b>	<b>351,966</b>	<b>392,923</b>	<b>256,775</b>
1	Malaysia	74,390	152,680	89,439	127,175	201,887	270,099	222,198	257,710	123,886
2	Singapore	33,924	16,071	6,103	9,131	25,087	9,075	37,496	21,867	33,077
3	Brunei	5,736	8,502	1,146	6,503	4,978	2,780	5,852	4,967	4,785
4	Hong Kong	22,622	20,431	3,509	14,183	12,143	13,613	29,973	30,207	32,417
5	Taiwan	35,986	35,922	1,930	969	48,576	28,090	50,810	62,433	59,335
6	South Korea	4,092	4,273	7,495	2,924	4,506	3,100	3,830	13,546	1,890
7	Japan	1,388	444	100	85	102	21	96	333	362
8	United States	273	40	171	17	-	-	1,263	1,132	47
9	Others	85	1	-	-	12	33	448	728	976
<b>II</b>	<b>MIDDLE EAST&amp;AFRICA</b>	<b>116,597</b>	<b>241,938</b>	<b>183,770</b>	<b>219,699</b>	<b>177,019</b>	<b>353,189</b>	<b>343,487</b>	<b>334,440</b>	<b>375,397</b>
10	Saudi Arabia	99,224	213,603	171,038	203,446	150,235	307,427	257,217	234,643	276,633
11	United Arab Emirates	10,672	7,779	1,475	133	5,622	15,494	28,184	38,200	40,391
12	Kuwait	3,189	16,418	10,268	15,989	16,842	14,725	25,756	29,224	23,041
13	Bahrain	1,542	666	88	-	21	485	2,267	2,325	2,837
14	Qatar	1,012	916	180	62	1,002	5,044	10,449	8,716	10,010
15	Oman / Tunisia	519	1,311	495	-	1,216	3,527	7,150	8,314	9,700
16	Jordan	363	1,233	226	68	2,081	6,468	12,062	11,165	10,932
18	Egypt	-	-	-	1	-	-	0	4	2
19	Others	76	12	-	-	-	19	402	1,849	1,851
<b>IV</b>	<b>EUROPA</b>	<b>55</b>	<b>91</b>	<b>202</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1,293</b>	<b>1,325</b>	<b>-</b>
20	Holland	38	55	83	3	-	-	8	3	-
21	Italy	3	10	107	-	-	-	953	794	-
22	Cyprus	-	23	-	-	-	-	-	2	-
23	UK	1	2	5	-	-	-	8	10	-
24	Spain	-	1	-	-	-	-	210	286	-
25	France	-	-	-	1	-	-	-	15	-
26	Others	13	0	7	-	-	-	114	215	-
	<b>TOTAL</b>	<b>295,148</b>	<b>480,393</b>	<b>293,865</b>	<b>380,690</b>	<b>474,310</b>	<b>680,000</b>	<b>696,746</b>	<b>728,688</b>	<b>632,172</b>

Sources: From 2007 to 2009, MOMT. <http://pusdatinaker.balitfo.depnakertrans.go.id/katalog/xdownload.php?f=94> (accessed 2001-1-20). From 2001 to 2006, BNP2TKI. <http://bnp2tki.go.id/statistik-mainmenu-86/data-penempatan-mainmenu-87/90-penempatan-tenaga-kerja-indonesia-berdasarkan-jenis-kelamin-tahun-1994-2006.html> (accessed 2012- 1- 17)

20 Statistical information from MOMT Website in Table 16 is also originally counted by BNP2TKI.

Labor emigration from Indonesia is characterized by concentration to Islamic countries. In particular, Malaysia is a neighboring country and many Indonesian families have blood relationships back to the days before national independence there. These conditions have made many Indonesian workers move to Malaysia. In recent years, although fluctuating year by year, the share of Malaysia and Middle Eastern countries is almost 80 percent, while emigration volume to Japan, Korea, USA and Europe is small. Additionally, population of emigration has doubled in these 10 years; however, it is still hundreds of thousands compared to the total national workforce of 110 million<sup>21</sup>.

History of emigration of Indonesia has not been smooth. Indonesia has experienced many troubles with destination countries. Most of such troubles are related to emigrants' rights and protection. One typical example is the trouble with South Korea. South Korea stopped accepting Indonesian workers for six months in 2005 because there were malicious brokers in Indonesia<sup>22</sup>. With Malaysia, where many Indonesian workers are living, there occurred many troubles of lower wages, poor working environment and abuse to Indonesian workers. Against these matters, many demonstrations and riots occurred by Indonesian people in both countries. Both governments also have criticized each other with declaration of limitation or stopping immigration of some occupations. The latest example is a trouble with Saudi Arabia where hundreds of thousands of female Indonesian workers are working in both of formal and informal sectors. In 2010, one abused Indonesian housekeeper who killed her employee got a death penalty and was executed. By this, anti-Saudi Arabia sentiment was aroused in Indonesia, and President Yudhoyono stopped labor emigration to Saudi Arabia in August 2011<sup>23</sup>.

### **2-3-2 Labor Emigration from Indonesia by Industry**

In this subsection, statistical information by BNP2TKI after 2009 is referred to. Though these statistics only cover from 2009 to November 2011, it is possible to understand major trend of labor emigration from Indonesia. Sectors are divided into following 12.

- (1) Transportation, Storage, and Communications
- (2) Construction
- (3) Manufacturing Industry

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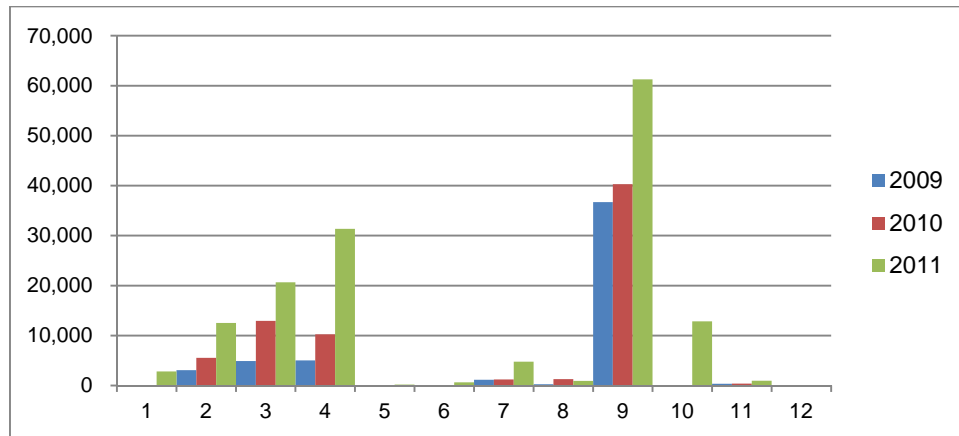
21 ILO estimated that 4.3 million immigrant workers including informal employees immigrated to foreign countries in 2009. Ref. ILO (2011-3-11). [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/projectdocumentation/wcms\\_153145.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-jakarta/documents/projectdocumentation/wcms_153145.pdf) (accessed 2012-1-20).

22 In 2004 South Korea introduced "Employment Permission" system to prohibit malicious activities of brokers, poor working conditions, and illegal stay. The history of "Employment Permission" system and immigration troubles with Indonesia are referred in "3-9-2". About details of these matters, following reports are sources of information. Sano, Koji (2010-12). 韓国における外国人労働者支援システム. 商学論集. Fukushima University. <http://ir.lib.fukushima-u.ac.jp/dspace/bitstream/10270/3486/1/3-1741.pdf> (accessed 2011-12-5), Amnesty International (2006-7). Migrant workers are also human beings (ASA. 25/007/2006). <http://www.amnesty.org/en/library/info/ASA25/007/2006/en> (accessed 2011-12-5).

23 This news was widely reported also in Japan. For example, refer following article, Newsweek Japan (2011-7-6). インドネシア人家政婦サウジで斬首刑の波紋. Hankyu Communications. <http://www.newsweekjapan.jp/stories/world/2011/09/post-2267.php> (accessed 2012-01-20).

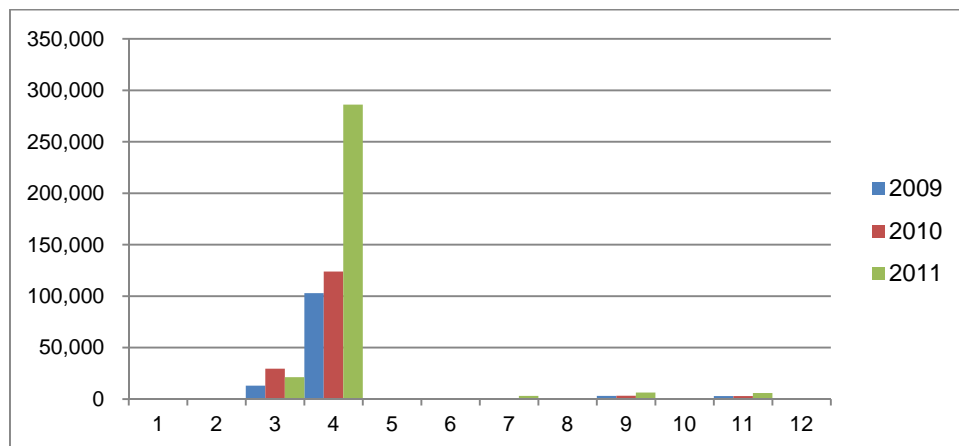
- (4) Community, Social, and Personal Services (including housekeepers)
- (5) Financing, Insurance, Real Estate and Business Services
- (6) Electricity, Gas, and Water
- (7) Wholesale Trade, Retail Trade, Restaurants and Hotels
- (8) Mining and Quarrying
- (9) Agriculture, Animal Husbandry, Forestry, Hunting and Fishery
- (10) Shipping (only in 2010 and 2011)
- (11) Not Defined
- (12) Unclear (only in 2011)

In the data of 2009, there are not (10) and (12). Item (10) was added from the statistics of 2010 and in 2011 (12) was added. Therefore, rigorous comparison is impossible, however, (10), (11), and (12) are minor terms luckily. According to BNP2TKI documents, emigration population by sector and sex is as follows. (About original statistics, refer Annex 3.)



Sources: BNP2TKI statistics

Chart 11 Number of Male Indonesian Emigrants by Industry

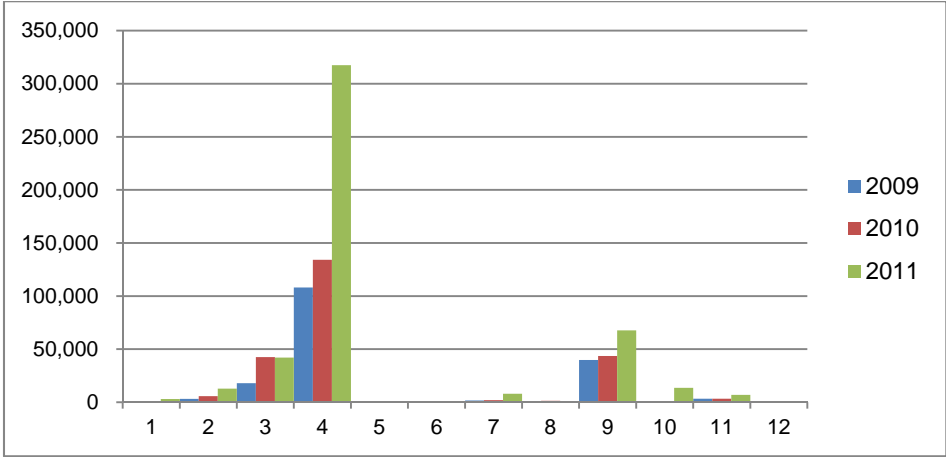


Sources: BNP2TKI statistics

Chart 12 Number of Female Indonesian Emigrants by Industry

Among male workers, (9), primary industries, are most popular by far in all three years. After (9), second group consists of (2), (3) and (4). Many of (9) might be plantation workers in Malaysia. In the case of female workers, (4) is the most popular sector by far. Many of these female workers are supposed to be housekeepers working in the Middle Eastern countries and Malaysia. Besides (4), only (2) has thousands of workers and other sectors are near zero compared to these two sectors.

It is particular that the population of female emigrants is much bigger than male emigrants. Accordingly, with integration of Chart 11 and 12, as shown in Chart 13, (4) is the highest by far, and (3) and (9) are in the second group. The reason for rapid increase in total number in 2011 is supposed that emigration of housekeepers in Saudi Arabia and plantation workers in Malaysia were increased.



Sources: BNP2TKI statistics

Chart 13 Number of Indonesian Emigrants by Industry

**2-3-3 Labor Emigration from Indonesia in Manufacturing and Agricultural Sector**

In this subsection, labor emigration from Indonesia in manufacturing and agricultural sectors is reviewed. Statistics of BNP2TKI seemed that applied occupation titles were directly typed-in and were not organized. In this and next subsections, total 200-400 occupations in each year are re-counted and analyzed. By counting skilled laborers and other occupations, the following result was obtained. (In this counting, clerical works such as advertising and accounting are excluded. Detailed results of counting are shown in Annex 4).

As skilled laborers in manufacturing sector, occupations such as “Architect”, “Civil Engineering”, “Construction Surveyor”, “Drafter”, “Electronics Engineers”, “Factory Manager”, etc. were counted. As other non-skilled laborers, “Assembling Labor”, “Building Construction Laborers”, “Car Painter”, “Electrical Equipment Assemblers”, etc. were counted. The result is shown in Table 17. Top 3 occupations of non-skilled laborers share most parts of the whole employment. Most of “Operator”, ranking top one by far, are female, while most of “Construction Laborers” and “Carpenter” are male. In this counting, occupation titles including words of “engineering” and “technician” are classified

into Skilled Laborers. Of course, in these cases non-skilled assembly workers can be included. Thereby, the real number of Skilled Laborers can be smaller than the figures of Table 17.

Table 17 Number of Indonesian Emigrant Workers in Manufacturing Sector (2009-10.31. 2011)

Technical Level	2009	2010	2011
(1) Skilled Laborers	196	562	1,516
(2) Others	18,925	39,417	45,200
- Operator	15,958	35,136	33,953
- Construction Laborers	508	1,893	4,344
- Carpenter	372	139	85

Sources: BNP2TKI statistics

In the case of agricultural sector, “Agricultural Engineering”, “Farming and Forestry Advisers”, etc. are counted to skilled laborers, while “Bee Farmer”, “Farm Hands and Laborers”, etc. are counted to other laborers. In common with the result of manufacturing sector, in agricultural sector also top three occupations of “Others” shared most parts of the whole employment. Most workers of these top three occupations are male. The reason why skilled labor of 2009 is very high is that there were 42 “Farming and Forestry Advisers” only in this year. 41 out of 42 “Farming and Forestry Advisers” of this year were male.

Table 18 Number of Indonesian Emigrant Workers in Agricultural Sector (2009-10.31. 2011)

Technical Level	2009	2010	2011
(1) Skilled Laborers	44	13	19
(2) Others	22,305	25,391	43,949
- Plantation Worker	19,559	21,538	31,614
- Agricultural Laborer	2,446	2,703	5,172
- Farmer	194	739	672

Sources: BNP2TKI statistics

As shown in the above Tables, in both manufacturing and agriculture sectors, most of Indonesian emigrant workers are supposed to be non-skilled, especially in agricultural sector.

### 2-3-4 Labor Emigration from Indonesia in Nursing Care Sector

In this subsection, labor emigration from Indonesia in nursing care sector is reviewed. Following table shows that most of nurses are female and working with “formal<sup>24</sup>” contracts, and total number of workers is increasing.

24 About the classification between “formal” and “informal”, BNP2TKI staff explained as follows; cases with direct contract between employers and employees are called “formal”, while cases with indirect contract through intermediate agents are called “informal”. In some Japanese reports, based on interviews with Indonesian officials, cases of housekeeping or contracts by personal employers, not companies, are called “informal”. This is because, probably, in these cases mostly there are intermediate agents.

Table 19 Labor Emigration of Nursing Workers

Year	Male		Female		Total	
	Informal	Formal	Informal	Formal	Informal	Formal
2009	0	29	67	222	67	251
2010	2	15	24	127	26	142
2011*	7	117	173	562	180	679

Sources: BNP2TKI statistics. Number of “Child Nurse” is also counted as that of “Nurse”

Note: January to October in 2011

Currently, there is no official certification of caregiving in Indonesia, therefore “careworkers” in the following table emigrated without particular official certifications. According to the results shown in Table 20, most caregiving emigrants were female and informal. It is noteworthy that the number of 2011 doubled on a year-on-year basis.

Table 20 Number of Labor Emigration of Careworkers

Year	Male		Female		Total	
	Informal	Formal	Informal	Formal	Informal	Formal
2009	100	65	16,074	304	16,174	369
2010	208	105	20,549	325	20,757	430
2011*	276	164	42,125	545	42,401	709

Sources: BNP2TKI statistics. Number of “Care Taker” and “Care Taker (man)” are also counted as that of “careworker”

Note: January to October in 2011

## 2-4 Japan’s Balance of Labor Supply and Demand by Attribute Classification of Employees

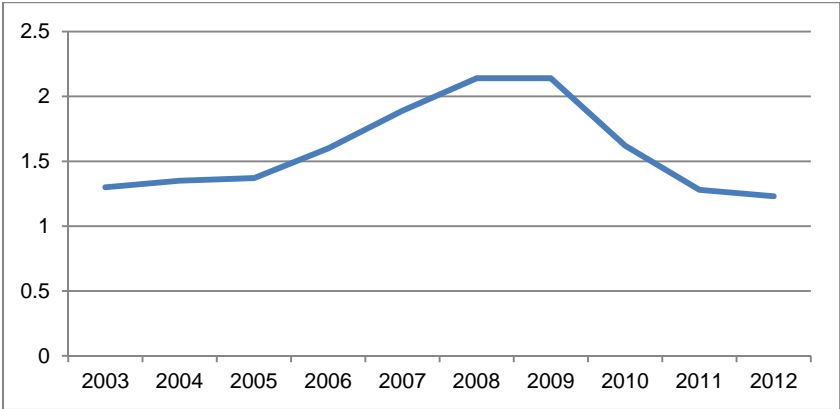
In this section Japan’s balance of labor supply and demand is analyzed by attribute classification such as study background, sex, and age. In each subsection, detailed information is referred to as much as possible especially regarding manufacturing and nursing care sectors, and also to business scale of employers.

### 2-4-1 Labor Supply and Demand by Employees’ Study Background

In this subsection Japan’s labor supply and demand by employees’ study background is examined. Following charts show transition of jobs-to-applicants ratios of official job application<sup>25</sup>, of new recruits from universities, and of new recruits from high-schools and junior high-schools. In Japan recruitment duration of these three kinds of recruitment are different. In recent years, to hire new graduates of universities, recruitment activities of employees start two years before their targets’ graduation, while mid-career recruiting is instantly conducted to fulfill new vacancy. Therefore, even though starting work is in the same timing, among these three cases of requirement, economic

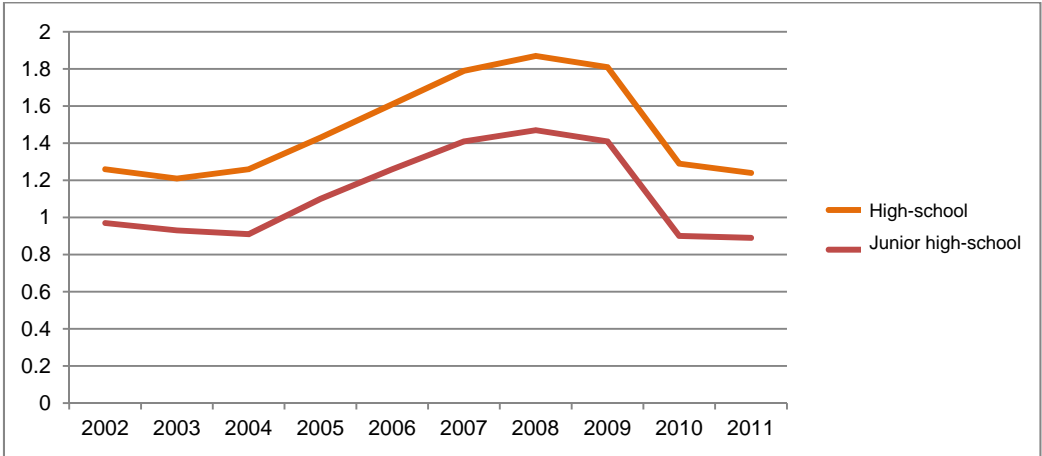
25 Here “jobs-to-applicants ratios of official job application” is estimated with data collected in official labor offices. Generally, if the jobs- to-applicants ratio is over one, it means over demand of workers, while the ratio is less than one, it means over supply of labor.

fluctuation has different effects. This is the reason why at first these three data are reviewed separately. Duration of horizontal axis is different, but all three data are affected by economic fluctuation of 2001-2010. The curve of each graph is similar. There was a peak in 2006-7 and this declined sharply after 2008 in the period of recession. In 2010, mid-career recruitment was recovered but recruitment of new graduates still continued to be flat. This means that corporate sector's performance started to recover in 2010 but it was not enough to enlarge new recruitment of non-experienced workers.



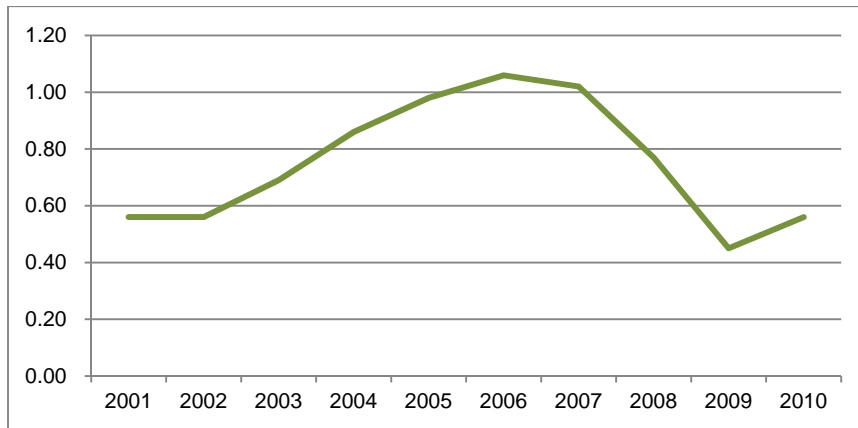
Sources: RECRUIT Works Institute (2005, 2011). 雇用の現状.  
[http://www.works-i.com/index.php?action=pages\\_view\\_main&active\\_action=repository\\_view\\_main\\_item\\_snippet&keyword=雇用の現状&page\\_id=17&block\\_id=302](http://www.works-i.com/index.php?action=pages_view_main&active_action=repository_view_main_item_snippet&keyword=雇用の現状&page_id=17&block_id=302) (accessed 2012-1-21)  
 Note: Duration of horizontal axis means graduation year of new recruits. For example, “2012” means recruits who graduated on March 2012, who started job-hunting in 2010 in Japan

Chart 14 Transition of Jobs-to-applicants Ratio of New Recruits from Universities



Source: MOHLW (2011-5-24). 高校・中学新卒者の就職内定状況等について.  
<http://www.mhlw.go.jp/stf/houdou/2r9852000001cpy6-att/2r9852000001cwqp.pdf> (accessed 2012-1-21)  
 Note: Duration of horizontal axis means graduation year of new recruits. For example, “2011” means recruits who graduated on March 2011, who started job-hunting in 2011 in the case of high-school and junior high-school graduates in Japan

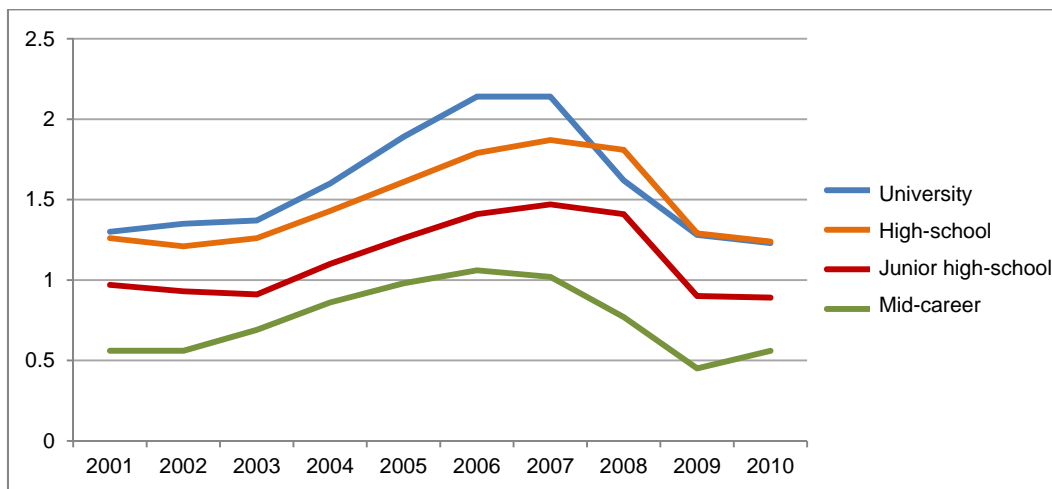
Chart 15 Transition of Jobs-to-applicants Ratios of New Recruits from High-schools and Junior High-schools



Source: MOHLW (2011). Seasonally-adjusted data of ratios of active job openings to applicants. <http://www.mhlw.go.jp/toukei/list/114-1.html> (accessed 2012-1-21)

Chart 16 Transition of Jobs-to-applicants Ratio of Official Job Application

Next chart was created by superimposing these three charts. To read effects of economic fluctuation in the timing of starting recruitment, horizontal axis is from 2001-2010 as the chart of Jobs-to-applicants ratio of official job application. Among these three charts, researches are conducted by different subjects and recruitment durations of new recruits do not differ by just one year by educational background. Therefore, it is not rigorous to see the detailed difference among data in the same year, however, rough trend can be seen from this chart.



Source: from Chart 14-17

Chart 17 Transition of Jobs-to-applicants Ratios of Official Job Application and New Recruits by Educational Background

Comparing these four ratios, almost every year the ranking order of superiority in labor demand is as follows; (1) university graduates, (2) high-school graduates, (3) junior high-school graduates, and (4) mid-career applicants. Especially, there were only two times in 2006 and 2007 that jobs-to-applicants ratio of official job applications marked over one, while ratios of graduates of universities and high-schools have been always over one, which means in macro situation the employment market of



graduates of universities and high-schools has been in a state of over demand<sup>26</sup>. However, looking by size of business and industry, there are big differences in jobs-to-applicants ratios as follows.

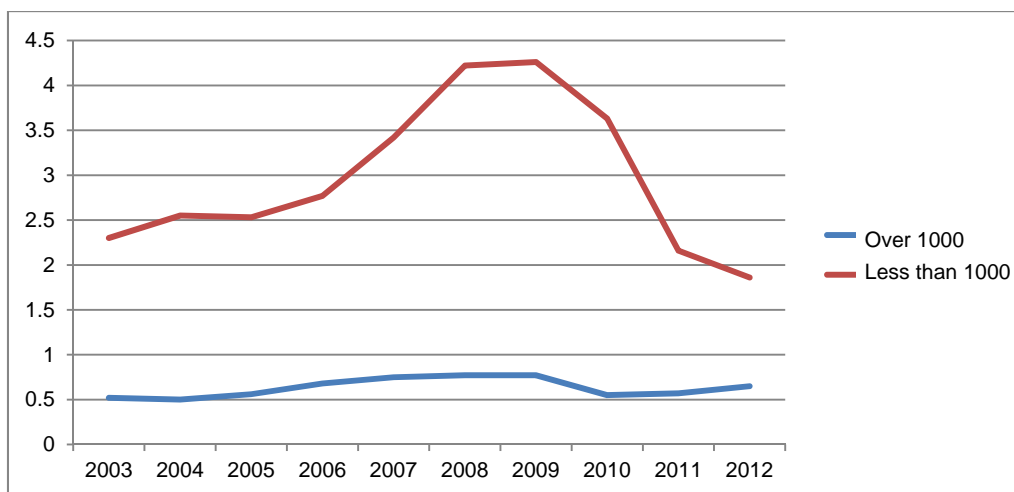
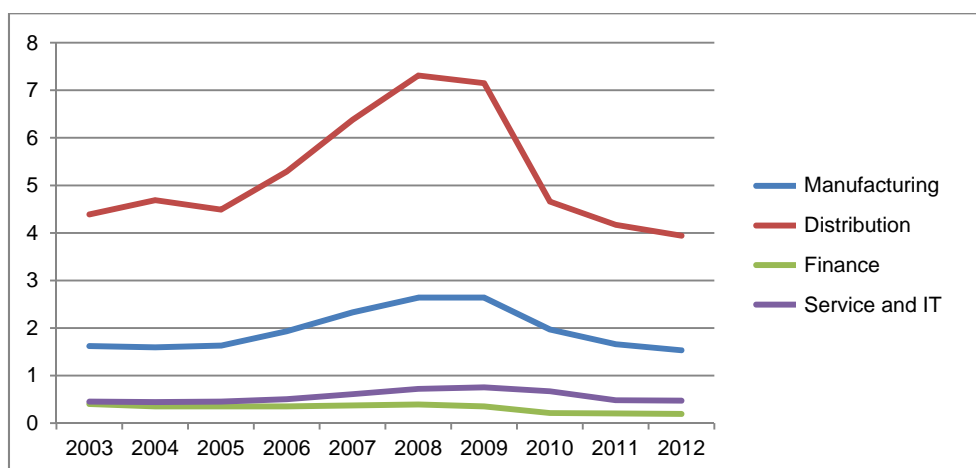


Chart 18 Transition of Jobs-to-applicants Ratio of New Recruits from Universities by Size of Business



Sources: RECRUIT Works Institute (2005, 2011). 雇用の現状.  
[http://www.works-i.com/index.php?action=pages\\_view\\_main&active\\_action=repository\\_view\\_main\\_item\\_snippet&keyword=雇用の現状&page\\_id=17&block\\_id=302](http://www.works-i.com/index.php?action=pages_view_main&active_action=repository_view_main_item_snippet&keyword=雇用の現状&page_id=17&block_id=302) (accessed 2012-1-21)

Note: Duration of horizontal axis means graduation year of new recruits

Chart 19 Transition of Jobs-to-applicants Ratio of New Recruits from Universities by Industry

As shown in Chart 18, big companies with over 1,000 employees and power of brand have a great advantage in the employment market of university students. Their jobs-to-applicants ratio is stable despite ups and downs of economic climate. On the other hand, companies with less than 1,000

26 These ratios are averaged figures of the whole country and there are differences among areas and prefectures. For example, in the case of the ratio of high-school graduates in 2011, top cities are Tokyo (4.89) and Osaka (2.19), while bottoms are Kochi (0.56) and Okinawa (0.57). About each city's figure, refer MOHLW (2011-5-24). 高校・中学新卒者の就職内定状況等について.  
<http://www.mhlw.go.jp/stf/houdou/2r9852000001cpy6-att/2r9852000001cwqp.pdf> (accessed 2012-1-21).

employees are always facing manpower shortage and their jobs-to-applicants ratio fluctuates in reflection of business conditions. According to Chart 19, among university students, industries of finance, service and IT are always popular. Meanwhile, manufacturing and distribution industries are not popular and their jobs-to-applicants ratios are fluctuating with economic conditions and are always over demanded. From these results, it is obvious that in the long-term university students' job applications are concentrated into big companies of particular industries and there is a big gap between labor demand and supply in university graduates' labor market.

In the above analysis of Charts 18 and 19, nursing care sector is not addressed. In this sector jobs-to-applicants ratios of professional schools are often advertised as 5-10, sometimes over 100<sup>27</sup>. In this research, cross-country data about jobs-to-applicants ratio of new graduates of professional schools in this sector was not available. Instead, "看護師等学校養成所入学状況及び卒業生就業状況調査" of MOHLW shows the graduates' careers after graduating from technical schools by training course<sup>28</sup>.

Table 21 Graduate Survey of Four-year Nursing Course in Universities

	2007	2008	2009	2010	2011
<b>Total Graduates</b>	<b>8,615</b>	<b>9,900</b>	<b>10,560</b>	<b>12,219</b>	<b>13,364</b>
- Working (as Nurses)	6,790	7,623	8,207	9,941	10,916
- Working (other occupations)	1,192	1,527	1,519	1,379	1,531
- Continuing Study as Students	401	467	496	541	591
- Others	232	283	338	358	326
<b>Working Rate (as Nurses)</b>	<b>78.8%</b>	<b>77.0%</b>	<b>77.7%</b>	<b>81.4%</b>	<b>81.7%</b>
<b>Working Rate (All Occupations)</b>	<b>92.7%</b>	<b>92.4%</b>	<b>92.1%</b>	<b>92.6%</b>	<b>93.1%</b>
Education continuance rate	4.7%	4.7%	4.7%	4.4%	4.4%

Table 22 Graduate Survey of Three-year Nursing Courses

	2007	2008	2009	2010	2011
<b>Total Graduates</b>	<b>20,488</b>	<b>20,392</b>	<b>19,958</b>	<b>20,128</b>	<b>20,352</b>
- Working (as Nurses)	18,478	18,475	18,191	18,281	18,898
- Working (other occupations)	175	189	247	252	153
- Continuing Study as Students	1,105	1,021	917	872	841
- Others	730	707	603	723	460
<b>Working Rate (as Nurses)</b>	<b>90.2</b>	<b>90.6%</b>	<b>91.1%</b>	<b>90.8%</b>	<b>92.9%</b>
<b>Working Rate (All Occupations)</b>	<b>91.0%</b>	<b>91.5%</b>	<b>92.4%</b>	<b>92.1%</b>	<b>93.6%</b>
Education continuance rate	5.4%	5.0%	4.6%	4.3%	4.1%

27 In the example of professional school in Fukuoka prefecture,学校法人高木学園大川看護福祉専門学校, jobs-to-applicants ratio is over 400. <http://ohkawa.takagigakuen.ac.jp/kokushi/> (accessed 2012-1-21).

28 In the case of nursing training, for example, some high-schools provide trainings of "assistant nurses", while other high-schools provide trainings of "general nurses" with continuing professional courses. Thus, to conduct graduate survey of nursing trainings, general educational classification; high-schools, junior colleges, and colleges, are not adequate. It is more adequate to compare graduate surveys by training year of courses.

Table 23 Graduate Survey of Two-year Nursing Courses

	2007	2008	2009	2010	2011
<b>Total Graduates</b>	<b>11,772</b>	<b>12,303</b>	<b>11,592</b>	<b>11,254</b>	<b>10,914</b>
- Working (as Nurses)	10,728	10,992	10,392	9,968	9,873
- Working (other occupations)	107	112	97	84	100
- Continuing Study as Students	91	91	98	81	82
- Others	846	1,108	1,005	1,121	859
<b>Working Rate (as Nurses)</b>	<b>91.1%</b>	<b>89.3%</b>	<b>89.6%</b>	<b>88.6%</b>	<b>90.5%</b>
<b>Working Rate (All Occupations)</b>	<b>92.0%</b>	<b>90.3%</b>	<b>90.5%</b>	<b>89.3%</b>	<b>91.4%</b>
Education continuance rate	0.8%	0.7%	0.8%	0.7%	0.8%

Table 24 Graduate Survey of Assistant Nursing Courses

	2007	2008	2009	2010	2011
<b>Total Graduates</b>	<b>11,381</b>	<b>10,640</b>	<b>10,561</b>	<b>10,274</b>	<b>10,200</b>
- Working (as Nurses)	7,103	6,522	6,697	6,617	6,725
- Working (other occupations)	105	128	122	165	139
- Continuing Study as Students	3,580	3,362	3,221	2,942	2,776
- Others	593	628	521	550	560
<b>Working Rate (as Nurses)</b>	<b>62.4%</b>	<b>61.3%</b>	<b>63.4%</b>	<b>64.4%</b>	<b>65.9%</b>
<b>Working Rate (All Occupations)</b>	<b>63.3%</b>	<b>62.5%</b>	<b>64.6%</b>	<b>66.0%</b>	<b>67.3%</b>
Education continuance rate	31.5%	31.6%	30.5%	28.6%	27.2%

Sources: All four tables are from MOHLW (2007-2011). 看護師等学校入学状況及び卒業生就業状況調査. <http://www.e-stat.go.jp/SG1/estat/NewList.do?tid=000001022606> (accessed 2012-1-21)

According to these four tables, 80 percent of university graduates and 90 percent of two-year and three-year training courses could get jobs as nurses. Especially, in the case of graduates of three-year courses, sum of working rate and education continuance rate are almost 96-97 percent. In the case of universities, they have training for not only nurses but also health outreach workers, midwives, and sometimes nursing teachers in the four-year training. Consequently, graduates have many options of jobs and working rate in other jobs is over 10 percent. In the case of Assistant Nursing Courses, working rate is only over 60 percent, but almost 30 percent of graduates continue training or studies.

#### 2-4-2 Labor Supply and Demand by Age and Sex

In this subsection Japan's labor supply and demand is reviewed by age and sex. Following table shows the transition of jobs-to-applicants rate of official job application by age.

Table 25 Transition of Jobs-to-applicants Rate of Official Job Application by Age (2001-2009)

	total	-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-
2001	0.54	1.83	0.71	0.58	0.74	0.92	0.84	0.50	0.28	0.20	0.11	0.41
2002	0.54	1.93	0.71	0.56	0.70	0.85	0.77	0.48	0.25	0.19	0.15	0.54
2003	0.66	2.38	0.88	0.70	0.82	0.99	0.90	0.61	0.32	0.22	0.18	0.63
2004	0.83	3.24	1.05	0.83	0.94	1.14	1.08	0.80	0.47	0.32	0.30	1.05
2005	0.94	3.86	1.09	0.85	0.95	1.16	1.15	0.96	0.64	0.44	0.48	1.59
2006	1.02	4.39	1.16	0.90	0.96	1.13	1.20	1.05	0.77	0.49	0.65	1.77
2007	0.97	4.67	1.03	0.76	0.81	0.93	1.07	1.04	0.91	0.62	0.74	2.13
2008	0.73	4.08	0.74	0.51	0.54	0.59	0.71	0.77	0.80	0.61	0.61	1.78
2009	0.42	2.48	0.47	0.32	0.33	0.33	0.37	0.40	0.42	0.34	0.32	0.97

Source: Statistics Bureau, Ministry of Internal Affairs and Communication. 日本の統計 年齢階級別常用労働者の有効求人倍率. <http://www.stat.go.jp/data/nihon/16.htm> (accessed 2012-1-3)

Distinctly, the ratio in the less than 19 group is very high. This is the result of low birthrate and high university advancement rate. Good timing for selling one's career is age groups of 20-24 and 35-44. As for over 45, the ratio declines basically, but over 65 the ratio increases sharply. This is because, firstly, many job seekers leave labor market by stopping job-hunting or starting pensioned retirement. It means decreasing of denominator, job seekers. Secondly, job vacancies available to all ages make the numerator. Time-series curve of each age is similar to Chart25, reflecting economic fluctuation.

About balance of labor demand and supply, difference between male and female market is as follows. In Japan, Equal Employment Opportunity Act for Men and Women requires the equal treatment of men and women regarding job-opening information. Therefore, not jobs-to-applicants rate but other indicators are reviewed here.

Table 26 Transition of Unemployment Rate by Age and Sex (percent, 2001-2010)

	Year	Total	15-24	25-34	35-44	45-54	55-64	65-
Male & Female	2001	5	9.6	6	3.6	3.5	5.7	2.4
	2002	5.4	9.9	6.4	4.1	4	5.9	2.3
	2003	5.3	10.1	6.3	4.1	3.7	5.6	2.5
	2004	4.7	9.5	5.7	3.9	3.4	4.5	2
	2005	4.4	8.7	5.6	3.8	3	4.1	2
	2006	4.1	8	5.2	3.4	2.9	3.9	2.1
	2007	3.9	7.7	4.9	3.4	2.8	3.4	1.8
	2008	4	7.2	5.2	3.4	2.9	3.6	2.1
	2009	5.1	9.1	6.4	4.6	3.9	4.7	2.6
	2010	5.1	9.4	6.2	4.6	3.9	5	2.4
Male	2001	5.2	10.4	5.5	3.4	3.7	7	3.2
	2002	5.5	11.1	5.9	3.7	4.3	7.1	2.9
	2003	5.5	11.6	5.9	3.6	4	6.8	3.3
	2004	4.9	10.9	5.7	3.6	3.6	5.5	2.6
	2005	4.6	9.9	5.2	3.5	3.1	5	2.5
	2006	4.3	8.8	5.3	3.2	3.1	4.5	2.8
	2007	3.9	8.3	4.8	3	2.9	4.1	2.3
	2008	4.1	7.9	5	3.1	3.1	4.3	2.5
	2009	5.3	10.1	6.5	4.4	3.9	5.6	3.3
	2010	5.4	10.4	6.6	4.3	4.1	6	3.3
Female	2001	4.7	8.7	6.9	4.1	3.2	3.7	1.1
	2002	5.1	8.7	7.3	4.6	3.6	3.8	1.1
	2003	4.9	8.6	6.8	4.8	3.2	3.9	1.1
	2004	4.4	8.3	5.8	4.4	3.1	3	1.1
	2005	4.2	7.4	6.2	4.1	2.9	2.7	1.1
	2006	3.9	7.2	5.3	3.7	2.7	2.8	1
	2007	3.7	7.1	5.1	3.9	2.6	2.4	1
	2008	3.8	6.9	5.4	4	2.8	2.6	1.4
	2009	4.8	8.4	6.3	5	3.8	3.4	1.4
	2010	4.6	8	5.7	5	3.6	3.3	1.3

Source: Statistics Bureau, Ministry of Internal Affairs and Communication.  
 労働力調査. <http://www.stat.go.jp/data/roudou/> (accessed 2012-1-4)

In contrast to data of jobs-to-applicants ratios, youth employment situation is bad in this table. It is possible to regard the big gap between labor demand and supply in youth employment market once again. About the difference between the sexes in total number, generally male unemployment rate is slightly higher than female. But only in the age of 35-44, most productive years in one's life, female unemployment rate is higher than male. It is eye-catching how employment market is severe for these ages of women. In 2009 and 2010, unemployment rate of male workers rose, while that of female workers was improved. After the Lehman shock, depressed industries are construction and manufacturing, and the employment rate of male workers is high in these industries. On the other hand, even after the Lehman shock, medical and welfare industry faces high jobs-to-applicants ratio and female workers' employment rate is high there. (Details of transition of labor demand and supply is referred in the next section.) These sexual differences in working industries as shown in Table 27 resulted in the difference in unemployment rates between each sex in 2009 and 2010.

Table 27 Proportion of Male and Female Workers by Industry (percent, 2009)

Industries	Male	Female
Agriculture and Forestry	54.0	46.0
Fishery	71.4	28.6
Mining, Quarrying and Gravel Gathering	100.0	0.0
<b>Construction</b>	<b>84.6</b>	<b>15.4</b>
<b>Manufacturing</b>	<b>70.8</b>	<b>29.3</b>
Electricity, Gas, Heat Supply, and Water	88.2	11.8
IT	75.1	24.9
Traffic and Postal	81.0	19.0
Wholesale and Retail Trade	49.2	50.8
Finance and Insurance	47.8	52.2
Real Estate and Rental Business	63.9	36.1
Academic research and Professional Engineering	65.3	34.7
Hotel & Restaurant	37.3	62.7
Daily Living Service and Entertainment	40.7	59.3
Education and Study Support	47.5	52.5
<b>Medical and Welfare Service</b>	<b>21.9</b>	<b>78.1</b>
Compound Service	60.8	39.2
Other Service	57.1	42.6
Public Service	76.6	23.4

Source: Statistics Bureau, Ministry of Internal Affairs and Communication.  
<http://www.stat.go.jp/data/nihon/16.htm> (accessed to 2012-1-4)

About these sexual employment differences by industry, Duncan Index<sup>29</sup> estimation by the Japan Institute for Labor Policy and Training pointed out that gender difference is getting wider by industry and occupation since the 1990's.

29 Duncan Index is index of dissimilarity defined as  $S = \frac{1}{2} \sum_i |m_{it} - f_{it}|$ .  $m_{it}$  is male workers' percentage of the occupation  $i$  in the whole employees at point  $t$ .  $f_{it}$  is female workers' percentage of the occupation  $i$  in the whole employees at point  $t$ . If there is no gender difference of employment in each occupation, the index figure is zero, and if totally different, the index figure is 100. It is popular index to analyze gender difference in the labor market.

Table 28 Transition of Duncan Index by Industry and Occupation

year	Industry	Occupation
1979	24.3	29.8
1982	24.6	28.5
1987	24.4	27.7
1992	24.7	28.3
1997	26.1	30.0
2002	28.5	31.5
2007	30.2	31.6

Source: Japan Institute for Labor Policy and Training (2011). ユースフル労働統計－労働統計加工指標集.  
[http://www.jil.go.jp/kokunai/statistics/kako/documents/5\\_p40-43.pdf](http://www.jil.go.jp/kokunai/statistics/kako/documents/5_p40-43.pdf) (accessed 2011-1-21)

## 2-5 Japan's Balance of Labor Demand and Supply by Industry

In this section Japan's balance of labor demand and supply by industry is reviewed. According to "労働経済動向調査<sup>30</sup>" of MOHLW, DI<sup>31</sup> of labor demand and supply by industry for these three years is shown as follows.

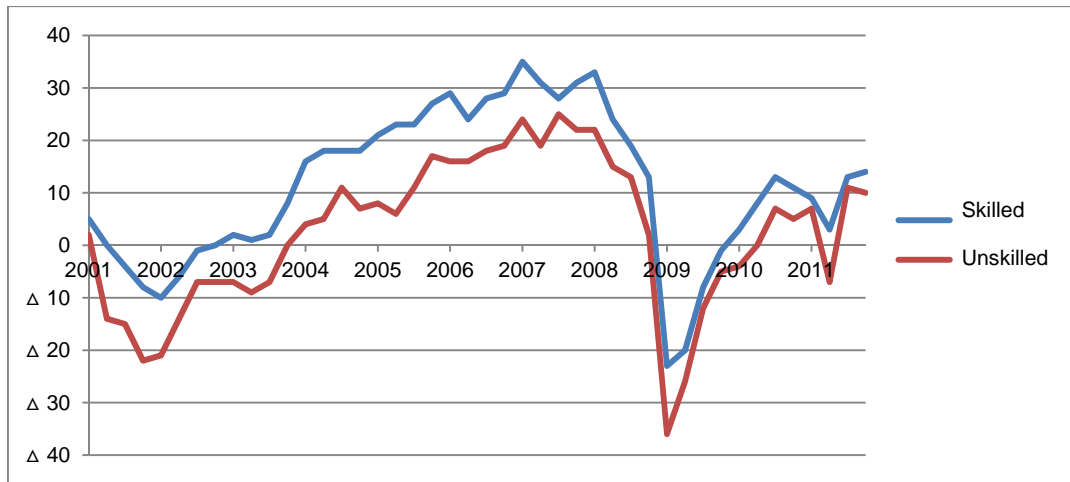
Table 29 Transition of DI of Labor Demand and Supply by Industry (2009-2011)

Surveyed Year	2009				2010				2011			
	2	5	8	11	2	5	8	11	2	5	8	11
<b>All Industries</b>	▲11	▲15	▲13	▲7	▲4	▲1	2	5	8	2	10	12
Construction	▲10	▲19	▲9	▲9	▲5	▲19	▲6	1	▲2	▲7	9	20
<b>Manufacturing</b>	▲33	▲32	▲25	▲13	▲13	▲3	1	1	4	▲4	8	4
IT	14	▲6	▲12	▲10	▲10	▲5	▲5	3	10	3	3	13
Traffic and Postal	4	6	▲1	6	15	14	16	18	21	16	22	23
Wholesale and Retail Trade	0	▲14	▲10	▲5	▲5	1	▲1	7	8	6	9	14
Finance and Insurance	9	10	4	8	7	4	10	13	13	12	6	8
Real Estate and Rental Business	6	1	▲5	▲2	2	▲1	▲3	6	7	▲4	0	5
Academic Research and Professional Engineering	▲7	▲11	▲10	▲10	▲3	▲7	▲1	5	3	▲2	6	7
Hotel & Restaurant	10	5	2	7	0	7	0	19	21	▲3	16	20
Daily Living Service and Entertainment	12	9	10	6	4	10	9	10	5	1	12	17
<b>Medical and Welfare Services</b>	39	23	28	23	29	28	25	17	24	23	27	33
Services	▲6	▲6	▲9	▲8	▲3	▲2	0	▲1	9	8	13	15

Source: Collecting DI of regular employees, from MOHLW (2009-2011). 労働経済動向調査.  
<http://www.mhlw.go.jp/toukei/list/43-1.html> (Accessed 2012-1-21)

30 This MOHLW report changed the definition of "regular employee" from February in 2008. Additionally, from February 2009, category of "Service" industry was divided and added new category of "Medical and Welfare Service". Because of these problems of connectivity, data before 2008 were excluded here.

31 To calculate DI (Diffusion Index), proportion of two attributes such as "Good or Bad", "Over or Short Supply", or "Increasing (+) or Decreasing (-)" in time-series data, etc. is calculated. In the case of Table 29, DI is defined as "Short Supply or Over Supply", minus figure (▲) means surplus in labor force.



Source: Collecting DI of skilled and unskilled workers, from MOHLW (2001-2011).  
 労働経済動向調査 <http://www.mhlw.go.jp/toukei/list/43-1.html> (Accessed 2012-1-21)

Chart 20 Transition of DI of Skilled and Unskilled Workers (2001-2011)

Table 29 shows that in 2009, the year of recession following the Lehman shock, some industries faced over manning, especially manufacturing faced severe employment surplus. As a whole, though employment situation was worsening in the quarter of May 2011 because of the Great East Japan Earthquake, generally employment market recovered after the quarter of August 2010. In only medical and welfare industries there was no effect from the recession and employers have faced deep manpower shortage. Employment situation of industries of transportation, postal, finance, insurance, hotel, restaurant, daily living service and entertainment was also brisk against the recession, even they were not as outstanding as that of medical and welfare industry. In manufacturing industry, as shown in Chart 20, labor demand for unskilled workers has been always lower than that for skilled workers, and it experienced sharper downturn in the term of recession in 2009.

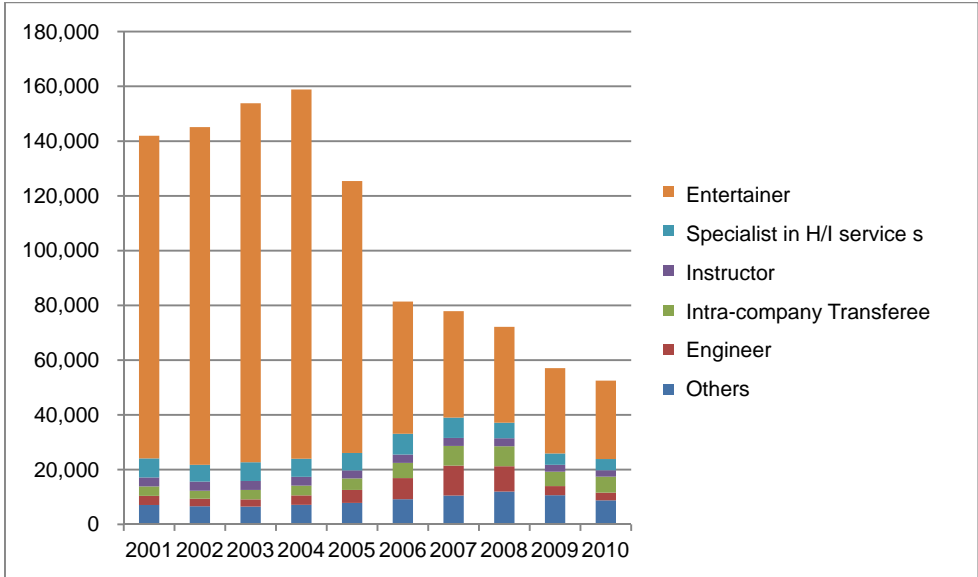
Related to this subsection, employment situation of SMEs (in “3-6-2”), nursing services (in “4-6-2”) and caregiving services (in “4-6-3”) is reviewed later.

## 2-6 Transition of Labor Immigration to Japan

In this section decade-long history of labor immigration to Japan is reviewed by resident status based on annual records in the “White Paper on Immigration Control” of the Ministry of Justice. Following chart shows the record of new immigration with resident statuses which are permitted to work in Japan<sup>32</sup>, excluding “Diplomat”, “Official” and “Technical Intern Training” newly created in 2010.

32 Japan’s classification of resident statuses has been changed in the past decade. Currently, resident statuses which are permitted to work are following 17 statuses; “Diplomat”, “Official”, “Professor”, “Artist”, “Religious Activities”, “Journalist”, “Investor/Business Manager”, “Legal/Accounting Services”, “Medical Services”, “Researcher”, “Instructor”, “Engineer”, “Specialist in Humanities/International Services”, “Intra-company Transferee”, “Entertainer”, “Skilled Labor”, and “Designated Activities” such as working holiday programs, paid internships, and candidate nurses and careworkers who wish to enter Japan based on an EPA, etc. In cases of other residential statuses, some statuses such as “College Student”, “Precollege Student”, etc. are possible to work with permissions from the local office of the immigration

According to the White Paper, most of the new entries to Japan are with the status of “Temporary Visitor” for sightseeing, business, academic or cultural activities, and others. New entrees with residential statuses for working accounted for only 0.7 percent (2010). In “Others” of the following chart, “Professor”, “Skilled Labor” (most are cooks), “Religious Activities”, “Journalist”, “Artist”, “Investor/Business Manager”, “Medical Services”, etc. are included. Regarding to “Medical Services”, every year the number of entrees is only a few, often zero.



Source: Ministry of Justice (2006, 2011). White Paper on Immigration Control

Chart 21 Transition of New Entrees with Residential Statuses for Working (2001-2010)

Total number declined in 2005 mainly because “Entertainer” entrees were sharply decreased. In 2006 the rules of landing permission and immigration about “Entertainer” were tightened, and entries from Philippines, Russia, China and other countries were largely decreased. Also “Engineer” entries declined in recent years because of worldwide recession according to the White Paper (2011).

Although it was not a status for working, decade transition before revision in 2010 of former “Trainee” status closely related to ITP system is as follows.

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bureau under the jurisdiction of the area in which one reside, and ”Permanent Resident”, “Spouse or Child of Permanent Resident” and others are possible to work without any limitations as citizens of Japan. Detailed information is in the Website of the MOHLW.  
<http://www2.mhlw.go.jp/topics/seido/anteikyoku/gairou/980908gai01.htm> (accessed 2012-1-22).



Table 30 Transition of New Entrees with “Trainee” Status by Native Country (2001-2010)

Country/Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
China	32,894	34,754	38,319	48,729	55,156	61,963	68,188	68,860	53,876	28,964
Vietnam	3,238	3,034	4,028	3,835	4,371	5,744	6,605	7,124	4,890	3,150
Philippines	3,768	3,222	3,618	3,635	4,311	4,941	5,843	5,678	4,726	3,211
Indonesia	5,817	4,925	5,597	5,204	4,788	5,695	5,924	6,213	3,980	2,970
Thailand	3,184	2,739	3,119	3,353	3,645	3,776	4,022	3,704	2,698	2,386
India	479	464	540	590	709	687	635	774	760	892
Malaysia	1,163	947	824	773	786	808	900	881	776	718
Cambodia	261	221	268	381	385	343	468	355	436	470
Brazil	360	349	305	262	369	280	311	229	250	369
Others	7,900	7,879	8,199	8,597	8,799	8,609	9,122	8,061	8,088	8,595
Total	59,064	58,534	64,817	75,359	83,319	92,846	102,018	101,879	80,480	51,725

Source: Ministry of Justice (2006, 2011). White Paper on Immigration Control

Through the decade, most entries are from a few countries; China always accounts for over 50 percent of the entries, or more than Vietnam, Peppiness, Indonesia and Thailand combined. Acceptance in 2010 declined by 28,755 (35.7 percent). According to the White Paper (2011), the main reason of that is changing of the system on July 2010 to limit the “Trainee” entries only for non-OJT trainings or public trainings. After the changing, new resident status “Technical Intern Training (i)” was created. New entrees with the new status were 26,002 and the majorities of their home countries were China (20,133, 77.4 percent), Vietnam (2,184, 8.4 percent), Philippines (1,212, 4.7 percent), and Indonesia (1,454, 5.6 percent). From the viewpoint of the number, it can be said that net decrease in “Trainee” entries was substituted by new entries with “Technical Intern Training (i)”.

## Chapter 3 Status, Problems, Policies, and Foreign Relations of Labor Demand and Supply in Industrial Sector of Indonesia and Japan

### 3-1 General Problem of Labor Market in Indonesia

This section treats general problems concerning employment, labor demand and supply, opportunities for technical training, and so on of industrial sector, especially in manufacturing, in Indonesia.

#### 3-1-1 Employment Situation in Manufacturing Industry in Indonesia

After temporal recession by the Lehman shock, Indonesian economy has performed very well. In 2010, the real GDP growth rate was 6.1 percent driven by steady domestic demand (increasing 4.6 percent), dramatically recovering and expanding foreign direct investment (8.5 percent) and export (14.5 percent). Real GDP growth rate of 2011 is estimated as 6.4 percent (World Bank: WB) or 6.2 percent (IMF) as of the end of 2011. For Indonesian economy maintaining such good growth, manufacturing dominates 25 percent of total GDP and Japanese manufacturing companies also enlarge their business in the slipstream of the growth of Indonesian economy. From 2011, foreign direct investment to product parts or assembly automobiles, motorcycles, and construction machines is increasing especially by Japanese SMEs<sup>33</sup>.

Thus total sales of manufacturing industry are good; however, employment situation of the industry has structural issues. With Labor Law No. 13 of 2003, basis for calculating the retirement allowance was drawn up radically and employers required MOMT permission to send away employees. Accordingly, formal employment of factory workers was decreasing and mainly shifted into temporal staffing of from three to six months. For factory employers, growing skilled workers became difficult, while for employees entrance to formal employment became small. Since 2005 or 2006, in the variation of temporal staffing, new business has grown up sending students of high-schools or universities with low salaries in the names of “internships” or “trainings”. In this research it is confirmed that some of the sending organizations have relations with such “internships” or own such programs<sup>34</sup>. It is often said by Japanese companies that skilled laborers as manufacturing leaders or managers are short in Indonesia, however, the current labor regulation of giving excessively careful protection to employees paradoxically spoils youth employment and enforces problems of Indonesian labor market<sup>35</sup>.

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33 JETRO (2011). <http://www.jetro.go.jp/world/gtir/2011/pdf/2011-idn.pdf> (accessed to 2011-12-7).

34 For example, In Annex 5, there are such comments of sending companies.

35 About effects of Labor Law of 2003, mainly acquired from interviews with related persons and following documents. JODC (2011). インドネシア進出日系中小企業経営者の経営課題とその対応. [http://www.jodc.or.jp/local/documents/2010report\\_indonesia.pdf](http://www.jodc.or.jp/local/documents/2010report_indonesia.pdf). (Accessed-2012-1-27). About Indonesian report about increasing informal youth employment in manufacturing companies, refer the report of the effect of worldwide recession in 2008 by a private think tank in Jakarta. The SMERU Research Institute

### 3-1-2 Labor Demand and Shortage of Training in Industrial Sector of Indonesia

In 2009, Japan Overseas Development Corporation (JODC) dispatched a research group of SME management consultants to provide consultation to Japanese companies in Indonesia. They pointed out problems of absence of Indonesian management employees or business successors, and suggested creating bottom-up system and localization by organizing Quality Control (QC) Circles and other self-management system of employees including temporal staff to contribute to complete management of Quality, Delivery and Cost (QDC), which are fundamentals of manufacturing management<sup>36</sup>. Though this consultation report has a limitation in that sample cases are few, it clearly states management problems of Japanese manufacturers, difficulties in development of cross-trained workers or leaders from local laborers because of pulling back formal employees.

On the other hand, about status of corporation management and training demands of local SMEs in manufacturing industry, final report of the “Study on Human Resource Development for SMEs Focused on Manufacturing Industries in Indonesia”<sup>37</sup> by JICA (2004-9) is good for reference. As the result of refined analysis by visiting 80 companies and making inquiries to 262 companies, the study team concluded that technical training of die machining and plastics molding was to be a development strategy of Directorate General of Small and Medium Scale Industry, Ministry of Industry and Trade. As bearing out the suggestion, in 2006 Indonesia Mold & Dies Industry Association (IMDIA) was organized by mainly Japanese companies. IMDIA has worked through training of Indonesian engineers, and creating and promoting national skill testing system as a solid foundation of engineer training<sup>38</sup>. However, according to its seminar documents of November 2011<sup>39</sup>, many big manufacturers have to import molds of machine parts to Indonesia because growing up of local companies with high skill and localization has progressed no further. Molding is a typical supporting industry and is widely applicable from automotive parts to mobile phone parts. To take advantage of its business potential, training engineers is an urgent challenge for local manufacturing industries. The seminar document listed up difficulties for molding training as follows. Firstly, study materials, trainers and schools are insufficient. Secondly, governmental financial supports are small and training incurs a big financial burden for each trainee. (The first difficulty was pointed out in the above JICA report as a common reason for local manufacturing companies not to utilize outside training organizations generally.) In

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(2011-12). Kondisi Tenaga Kerja Muda Sektor Industri di Perkotaan Terkait Dampak Krisis Keuangan Global 2008/09. <http://www.smeru.or.id/publicationdetail.php?id=299> (accessed 2012-1-1).

36 JODC (2010). インドネシア進出日系中小企業経営者の経営課題とその対応. [http://www.jodc.or.jp/local/documents/2009report\\_indonesia.pdf](http://www.jodc.or.jp/local/documents/2009report_indonesia.pdf) (accessed 2011-12-7).

37 JICA (2005-4-1). <http://gwweb.jica.go.jp/km/ProjectView.nsf/0/1b71c1a3b627a2f7492575d100351f1d?OpenDocument> (accessed 2011-12-5).

38 Die machining and plastic molding are continuous processes, therefore, often both are conducted by the same company. For example, IMDIA's name includes both industries and first chairperson of IMDIA is from PT. KMK Plastics Indonesia that also provides both kinds of businesses. Members of IMDIA are not only Japanese companies and IMDIA itself aims localization.

39 IMDIA (2011-11). <http://www.imdia.or.id/japanese/news/IMDIAJapanMissionSeminar.pdf> (accessed 2012-1-22).

technical high-schools which are main sources of labor supply to local manufacturers, training level is not enough and young students need to enter a few universities to be trained in molding. Local molding industry is still facing the difficulty in training junior engineers, and IMDIA's midterm plan until 2015 is mainly concentrated on human resource development; (1) promoting national skill certification, (2) training 5,000 molding trainers, (3) training 50,000 molding trainees, and (4) hitting the target of local content rate, 50 percent. Expansion of supporting industries contributes not only to Japanese manufacturers but also the whole Indonesian manufacturing industry, therefore it suggests much that main target of IMDIA activities is engineer training<sup>40</sup>.

### **3-2 Indonesian Governmental Policies and Status of Emigration Labor**

In Indonesia, official international training like ITTIP is called "Magang" and administrated by MOMT, while labor emigration based on governmental G to G agreement is administrated by BNP2TKI. Currently, MOMT has a five-year plan (2009-2014) for "Magang". At first, the yearly target was to send 2,500 trainees, but it has not been achieved especially because of recession of Japan. Therefore, from 2012, yearly target is increased to 3,000. As is mentioned later, to hit this new target, MOMT has requested to foreign countries, but there is no new accepting country. BNP2TKI has no numerical target like MOMT. This is because generally BNP2TKI conducts G to G negotiation based on the requests from other countries and occupations, and the number of immigrants is decided case by case.

### **3-3 Status of G to G Agreements about Labor Immigration between Indonesia and Other Countries**

As mentioned before, between MOMT and BNP2TKI, "Magang" and labor are separately administrated. Each has G to P agreements and sends Indonesian people to foreign countries. In the statistics of both organizations, there is no classification between G to G and G to P. Therefore, in this section, records of G to P are included supplementary.

#### **3-3-1 Record of Sending "Magang" by MOMT**

In this decade the number of "Magang" sent to foreign countries by MOMT's international agreement is as follows.

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40 In this subsection, as a typical case of challenges in local manufacturing industries, molding industry's case is referred to. About a whole situation of local manufacturing industries, the above report of the SMERU Research Institute pointed out the problem of expanding informal employment of youth.

Table 31 Record of Sending “Magang” by MOMT (2002-September 2011)

Program Type		Year									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1	ITTIP (Total)	1,809	2,620	2,259	1,839	2,536	2,611	2,755	1,744	1,899	1,431
	- IMM	1,678	2,183	1,816	1,208	1,866	1,653	1,620	758	1,065	876
	- PT. JIAEC	125	270	330	367	487	521	546	382	356	376
2	G to P	132	359	269	333	418	555	485	29	444	239
3	E to P	36	160	79	0	113	304	190	139	0	0
<b>Total</b>		<b>1,977</b>	<b>3,139</b>	<b>2,607</b>	<b>2,172</b>	<b>3,067</b>	<b>3,470</b>	<b>3,430</b>	<b>1,912</b>	<b>2,343</b>	<b>1,670</b>

Sources: Documents of MOMT and PT. JIAEC

Destination country of ITTIP is Japan. Only IMM, Japan (IMM) has a direct business alliance with MOMT and sending number of trainees of IMM is very big. The second largest sending organization is PT. JIAEC. Combining numbers of IMM and PT. JIAEC, their combined share is 75 percent in 2010 and 87 percent in 2011 (as of September).

According to MOMT staff, because of the recession in Japan after the Lehman shock, in 2009 the figure declined to the half, but after that it is recovered gradually. In July 2010 Japanese regulation of ITTIP was improved and malignant accepting organizations were prohibited in Japan. It is difficult to say how these regulatory changes on the Japanese-side affect the sending figures of MOMT, however, it is obvious total sending number of ITTIP is strongly affected by business condition of Japan.

Programs categorized into “G to P” are regulated by international agreements between MOMT and foreign private companies. In recent years two companies have affiliations with MOMT. McDonald's in Singapore has accepted Indonesian interns with a half year program for five or six years, and Oberoi Hotel in India has accepted two interns every year for three-year program. In both cases interns are paid salary and under employment contract.

In “E to P” category, actually MOMT is not a sending organization. Technical high-schools or universities are sending students as paid interns to foreign companies, mostly Malaysian companies.

### 3-3-2 Record of Sending Laborers by BNP2TKI

BNP2TKI was a young organization established in 2006 by Presidential Regulation No: 81/ 2006 under the direct control of the President<sup>41</sup>. To build up the organization and operation system, it took over one more year after establishment. Because of this, about labor immigration, detailed statistics by industry and occupation had been created within two or three years only. (Before BNP2TKI's establishment, statistical data of labor immigration was created by MOMT.)

Currently, Indonesia has G to G programs about labor immigration with four countries; Japan, South Korea (Korea, Rep.), Malaysia and East Timor. About the program with Japan, it is the EPA program

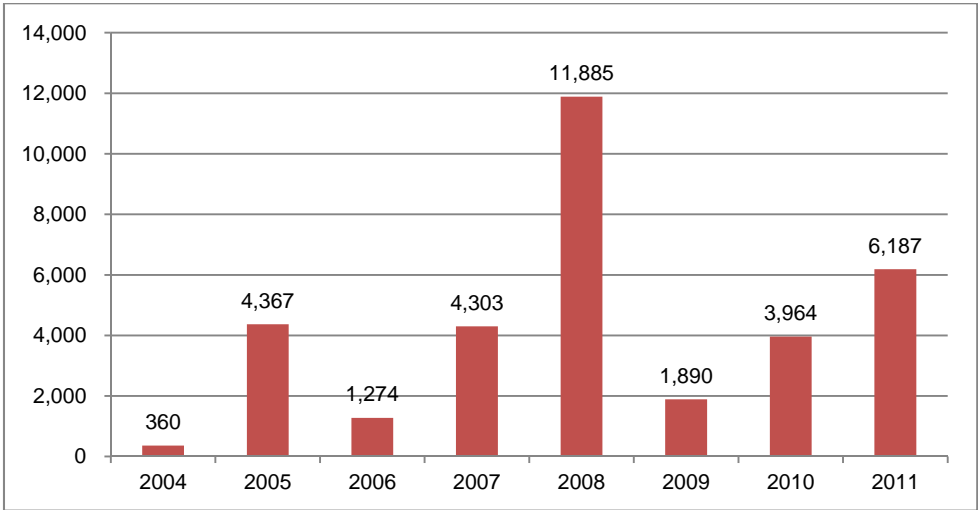
41 About the history of BNP2TKI, following Website is informative. OVTA (Overseas Vocational Training Association) (2009-11-2). <http://www.ovta.or.jp/info/asia/indonesia/laborsend.html> (accessed 2012-1-22).

of nursing care sector mentioned in “1-3”. Therefore, agreements with three countries only are explained in the following.

(1) Korea, Rep.

The labor immigration agreement with South Korea was signed in 2004. In the agreement, five industries, namely agriculture, fishery, manufacturing, construction and services<sup>42</sup> are regulated. At first, maximum stay duration was three years and extension was permitted for one year. However, from April 2010, two-year extension has been permitted.

The following chart shows transition of labor emigration to South Korea. According to BNP2TKI staff, most are working in manufacturing and fishery industries<sup>43</sup>. Similar to ITTIP to Japan, figure was dropped by the recession of Korean economy after the Lehman shock, but it recovered in 2011.



Sources: BNP2TKI documents

Chart 22 Number of Labor Emigration by G to G Agreement between Indonesia and Korea (2004-October 2010)

(2) Malaysia

Since signing agreement with Malaysia in 1984, Indonesia has sent workers of housekeeping, construction, manufacturing, agriculture, forestry, and services such as restaurant, laundry and others. For Indonesia, Malaysia is one of the main destination countries, while for Malaysia, most

42 According to the document of BNP2TKI, the category of “Services” includes collecting and selling recycle materials, hotel and tourism, and rental services of refrigerators or warehouses.

43 As of December 19 in 2011, BNP2TKI counted total number as 6,268. 5,126 Indonesians work in manufacturing industry and 1,035 work in fishery. About the figure of 2009 and 2010, following Website is informative. Jawa Pos National Network (2010- 9- 6). <http://www.jpnn.com/index.php/authentication/index.php?mib=berita.detail&id=71791> (accessed 2011-12-29). In this Website BNP2TKI officer stated the number of emigrant workers to South Korea since 2009 to July 2010 as follows; total (2,494), manufacturing (1,463), construction (469), agriculture (30), fishery (350) and services (2).

immigration laborers are Indonesian workers. Whole emigration situation from Indonesia to Malaysia is mentioned in “2-3”. According to BNP2TKI staff, in the case of the agreement with Malaysia, generally Indonesian government does not collect applicants as other G to G agreements. Essentially labor emigration to Malaysia is conducted as P to P style.

However, BNP2TKI also has a G to P program with the factory of Seagate Technology, a U.S. company for manufacturing PC hardware, in Malaysia. In this agreement BNP2TKI has to send 180 workers of semiconductor manufacturing to Penang from 2011, but as of November 2011, the number of sent workers did not reach the target figure.

### (3) East Timor

Agreement between East Timor and Indonesia is related to sending midwives. MOU (Memorandum of Understanding) was signed on November 2010 and dispatch was started in 2011. However the total number is still only six as of the end of November 2011. They are working in medical organization over East Timor under the one-year contract.

Furthermore, now Indonesian government has a negotiation with Qatar and Sudan about sending nurses, but according to BNP2TKI officers, it is not clear when those negotiations will be concluded.

## **3-4 Employment of Ex-interns of ITTIP**

According to MOMT staff, job-hunting supports for ex-ITTIP interns are left entirely up to each sending organization. Usually, ex-interns go back directly from Japan to their native towns. This makes it impossible to have a whole survey of activities of ex-interns after going back to their hometown. The following are job-hunting situations of ex-interns from IMM and PT. JIAEC.

### (1) IMM and MOMT

For every group’s arrival, IMM and MOMT have a group interview meeting with around 20 companies (most are Japanese companies) at CEVEST (Center for Vocational and Extension Service Training)<sup>44</sup>. Additionally, Ministry of Industry opens one-day presentation classes for ex-interns wanting to start their own businesses and coordinated recognition of credit in one university under the Ministry to regard completion of ITTIP program to the units.

According to MOMT staff, almost 20 percent of their ex-interns get jobs, 50 percent start own businesses, and 5 percent go on to universities. It is not clearly recognized why the rate of

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44 When former Prime Minister Zenko Suzuki made a round of visits to ASEAN countries in January 1981, he advocated supports for human development in ASEAN. Based on this concept, until 1997, CEVEST was supported by JICA. After completion of the JICA Projects, CEVEST was moved to MOMT.

starting business is so high, however, there is a possibility that many ex-interns cannot get jobs with satisfying level of wages.

(2) PT. JIAEC

PT. JIAEC coordinates presentation meetings at industrial parks five or six times per year. Every year they approach a total of 100-120 companies in average to promote employment of their ex-interns. Additionally, especially in 2011, contacts from Japanese SMEs are increasing to consider starting operations in Indonesia. When they accept business visitations from these companies, sometimes from business associations of prefectures or national organizations, they promote hiring ex-ITTIP interns.

Career pathways of ex-ITTIP interns of PT. JIAEC are as follows.

Table 32 Career Pathways of ex-ITTIP Interns of PT. JIAEC (2008-November 24 2011)

City/ Pathway	Returning to the former job	Finding new employment	Going to a college	Starting own business	Disemplo yment	Unregarded*	Marriage	Unclear
Jakarta	311	162	59	61	130	35	13	63
Surabaya	463	2	2	4	37	0	0	34
Yogyakarta	56	6	24	77	18	2	0	11
Total	830	170	85	142	185	37	13	108
Percent	52.9	10.8	5.4	9.0	11.8	2.4	0.8	6.9

Source: PT. JIAEC document (number of samples:1,570)

Note: Ex-interns who were not introduced to companies by PT. JIAEC because their evaluation results by accepting companies were low

In particular with PT. JIAEC, many of their trainees are from employees of local companies, not job seekers or new graduates of high-schools. Accordingly, percentage of returning to the former job is high. As an educational institution, PT. JIAEC is so highly evaluated that it is outsourced for short-term Japanese trainings from Japanese big companies to train local middle class employees. This might be one of reasons why they accept many company employees as ITTIP applicants. There are training centers in Jakarta, Surabaya, and Yogyakarta. It stands out that most of interns from Surabaya and Yogyakarta returned to former employers. Adding “returning to the former job” and “finding new employment”, over 60 percent of ex-interns get employment. In addition to “starting own business”, 77 percent of total trainees got jobs.

According to staff of PT. JIAEC, ex-ITTIP interns tend to work in Japanese companies because salary level of them is relatively high than other local companies. Therefore, their following up activities of job-hunting is targeting Japanese companies mainly. On the other hand, ex-interns tend to demand higher level of wages because they are proud of experiences in Japan. That makes a wage gap between offered salary and requesting salary. This is a challenge to improve success rate of job-hunting and one of strong reasons why remaining rate after one year is still 50-60 percent.



Thus the matter of wage gap cannot be easily resolved, however, the working rate including starting own business of IMM and PT. JIAEC is high. On the other hand, about minor group of small sending organizations, in this research it was tried to contact to them with the latest list of sending organizations (as of mid-December 2011) created by MOMT. As the result of contacting listed 73 companies, two visiting interviews and 30 telephone interviews were conducted. (Results of telephone interviews are listed in Annex 5.) Among their comments, some organizations replied that they would introduce affiliating companies or human resource services. In other comments they would hire or train ex-interns by themselves. But the number of such comments is only a few, and among them it is expected that some of ex-interns are hired in “internship” businesses mentioned in “3-1” or contract working services. There was no answer to have clear strategies to promote recruitment of ex-interns like job-interview meetings held by IMM or PT. JIAEC.

### **3-5 Companies Training Emigration Workers of Industrial Sector in Indonesia before Going to Japan**

Regarding the ITTIP system, the rules of landing permission and immigration mention that mandatory pre-training before OJT can be shortened in the case there is a certain duration of technical or language lectures before coming to Japan. In details, as shown in the following Table 33, there are requirements of “training organizations”, “timing”, “subjects” and “duration” about pre-trainings in Indonesia. If all are met, such trainings are regarded as equivalent to lectures in Japan, and lecture period in Japan can be shortened from sixth to twelfth part of total duration of ITTIP.

Table 33 Requirements to Shorten Pre-training in Indonesia

<p><b>Requirements for shortening lecture time are as follows:</b></p> <ol style="list-style-type: none"> <li>1) In cases where supervising organizations conduct or entrust the conducting of lectures that meet the requirements listed below: <ol style="list-style-type: none"> <li>a) Lectures conducted abroad within six months prior to entry to Japan</li> <li>b) Lectures concerning following subjects; Japanese, General knowledge regarding everyday living in Japan, and knowledge required in order to effectively acquire skills in Japan</li> <li>c) Lectures that last for one month or more and 160 hours or more</li> </ol> </li> <li>2) When foreign public organizations or educational organizations conduct lectures that meet the requirements listed below: <ol style="list-style-type: none"> <li>a) Lectures conducted abroad within six months prior to entry to Japan</li> <li>b) Lectures that are helpful for the technical intern training in which technical intern trainees will participate in Japan</li> <li>c) Lectures concerning the following subjects; 1), 2) and 4). (Japanese, general knowledge regarding everyday living in Japan, and knowledge required in order to effectively acquire skills in Japan)</li> <li>d) Lectures that last for one month or more and 160 hours or more</li> </ol> </li> </ol>
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Source: JITCO (2010-11). Operative Manual for Sending Organizations.

[http://www.jitco.or.jp/download/data/okuridashi\\_English.pdf](http://www.jitco.or.jp/download/data/okuridashi_English.pdf) (accessed 2012-1-23)

This rule works as an incentive to have lectures in Indonesia for supervising organizations and implementing organizations. According to MOMT staff supervising sending organizations, in understanding of Indonesian-side, such lectures as pre-training are obligatory and MOMT orders sending organizations to have pre-training.

To exclude non-active sending organizations, since 1990's MOMT has continued to update the list of sending organizations every month. It means every month the number of sending organizations is changing. As of December 1st 2011, the number of sending organizations is 78<sup>45</sup>. JITCO staff estimate many of the sending organizations in Indonesia are small with less than five staff. In the expectation of MOMT staff, many small organizations have only a few or do not have any staff understanding Japanese language, and such organizations have to outsource trainings of Japanese language. (Details of trainings of those small local sending organizations are also referred to in "5-1" and Annex5).

In the case of IMM and MOMT, their application requirement includes graduation of technical training schools or having work experiences, moreover they apply only to one out of five applicants. According to MOMT staff, this is the reason why they do not have technical subjects in pre-trainings. In understanding of staff of MOMT and sending organizations, there is no training institute for ITTIP system besides sending organizations because of the regulations.

### **3-6 Status, Problems and Expectations about Securing Number and Skill Level of Employees of Japanese Companies**

In this section, current status, challenges and prospects about securing employees of SMEs in Japan are examined.

#### **3-6-1 Definition of SMEs**

Definition of "SMEs" of this report is basically based on the definition in Small and Medium Enterprise Agency's "White Paper on Small and Medium Enterprises in Japan" that corresponds to the definition of Small and Medium Enterprises Basic Act. Details of these definitions are as the following table. SMEs are 99.7 percent of 4,210,000 Japanese companies, and its portion is 70 percent of number of employees and over 50 percent of added value in manufacturing. Number of small enterprises is almost 90 percent of total Japanese companies, and their employment volume is 25 percent of total employment<sup>46</sup>.

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45 Number of sending organizations in each country is informed on JITCO's Web. The information is also updated every month. Ref. JITCO. [http://www.jitco.or.jp/send/accredited\\_sending\\_organizations.html](http://www.jitco.or.jp/send/accredited_sending_organizations.html) (accessed 2011-12-5).

46 Small and Medium Enterprise Agency. [http://www.chusho.meti.go.jp/koukai/chousa/chu\\_placement/index.htm](http://www.chusho.meti.go.jp/koukai/chousa/chu_placement/index.htm) (accessed 2011-11-16).

Table 34 Definition of SMEs

Industry	Small and medium enterprises (meet one or more of the following conditions)		Of which small enterprises
	Capital	No. of Regular Employees	No. of Regular Employees
① Manufacturing, construction, transport, other industries (excluding②~④)	Up to ¥300 million	Up to 300	Up to 20
② Wholesale	Up to ¥100 million	Up to 100	UP to 5
③ Service	Up to ¥50 million	Up to 100	Up to 5
④ Retail	Up to ¥50 million	Up to 50	Up to 5

Source: Small and Medium Enterprise Agency (2011). 2011 White Paper on Small and Medium Enterprises in Japan. [http://www.chusho.meti.go.jp/pamflet/hakusyo/h23/h23\\_1/2011hakusho\\_eng.pdf](http://www.chusho.meti.go.jp/pamflet/hakusyo/h23/h23_1/2011hakusho_eng.pdf) (accessed 2012-1-23)

### 3-6-2 Status about Securing Number and Skill Level of Employees of SMEs in Japan

About an index of employment demand and supply of SMEs in Japan, “中小企業景況調査” quarterly reported by Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME Support, JAPAN) is representative. The following table shows transition of the index by industry after 2009. After the third quarter of 2004, number of companies answering “shortage” was more than that of companies answering “excess”, but from 2008 the difference decreased and in the fourth quarter of 2008 the total number of companies answering “excess” became more than that of companies answering “shortage”<sup>47</sup>. This timing matched to the recession after the Lehman shock (September 2008). Since then, total employment situation had been “excess” of labor, especially in manufacturing and wholesale trade through 2009. From 2010 employment in retail trade and services had recovered and became “shortage”, and employment in construction industry also became “shortage” in the third quarter of 2011. From this quarter total employment situation had been “shortage”. However, in manufacturing and wholesale trade industries employment condition is still in “excess” of workers. The following table shows transition of the index by industry after 2009.

Table 35 Transition of DI (Excess-Shortage) by Industry (2009-2011)

Industry	2009				2010				2011			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Total	7.9	7.9	6.5	5.0	5.1	4.0	1.9	0.6	0.2	2.0	▲1.3	▲2.4
Manufacturing	21.3	19.8	17.5	14.1	11.7	7.7	5.3	4.4	2.3	6.5	2.6	1.0
Non-manufacturing	3.0	3.8	2.6	1.8	2.8	2.7	0.7	▲0.7	▲0.5	0.5	▲2.6	▲3.7
Construction	8.5	11.5	7.2	5.2	6.8	8.7	3.8	0.1	1.4	3.3	▲2.0	▲5.7
Wholesale Trade	10.9	11.8	13.1	10.6	8.4	8.9	9.4	7.2	5.8	8.3	4.5	2.6
Retail trade	0.0	▲0.2	0.4	0.0	0.4	▲0.8	▲1.2	▲2.5	▲1.1	▲0.9	▲2.0	▲2.3
Services	1.2	1.5	0.0	▲0.3	1.4	1.3	▲1.1	▲1.3	▲2.3	▲1.4	▲4.7	▲5.2

Sources: SME Support, JAPAN (2009-2011). 中小企業景況調査 <http://www.smrj.go.jp/keiei/chosa/keiyo/index.html> (accessed 2012-1-23)

47 About transition of DI until the fourth quarter of 2008, following was referred. Small and Medium Enterprise Agency (2009). 2009 White Paper on Small and Medium Enterprises in Japan. [http://www.chusho.meti.go.jp/pamflet/hakusyo/h21/h21\\_1/2009hakusho\\_eng.pdf](http://www.chusho.meti.go.jp/pamflet/hakusyo/h21/h21_1/2009hakusho_eng.pdf) (accessed 2012-1-23).

Thus employment situation of each industry is different, but it is supposed that in manufacturing industry employment situation might sustain “excess” as long as the yen remains strong. For manufacturing companies, expanding to overseas and innovation will become more essential than before.

About expanding to overseas, in interviews at JETRO (Japan External Trade Organization) Jakarta Center and local sending organizations, it is inferred that contacts from Japanese SMEs and business associations to consider starting businesses in Indonesia are rapidly increasing in 2011. It is confirmed that such movement of expanding to overseas seems to be accelerating.

On the other hand, about innovation and human resources of SMEs, “2009 White Paper on Small and Medium Enterprises in Japan” was analyzed in detail. According to the White Paper, SMEs that lack staff in charge of innovation were 70 percent of the total, and average profit rate of SMEs with enough staff in charge of innovation was higher than that of SMEs “lacking” or “slightly lacking” staff in charge of innovation<sup>48</sup>. Proportion of companies answering “lacking” or “slightly lacking” graduates of universities of science and technology was over 70 percent, and the smaller the company scale, higher this rate. Accordingly, many SMEs are facing challenges of transferring technology and skills from experienced workers to young staff to develop innovative workers. Promotion of accepting foreign human resource with high skills has already been a basic policy of Japanese immigrant policies. Employment situation of SMEs will drive demand for acceptance of foreign high skilled laborers, even though there are difficulties in language barrier and arranging acceptance of each SME.

### **3-7 Policies for Securing Employees of Japanese Companies**

These sections deal with the status of employment policy for Japanese companies, especially SMEs. Immigration labor policies are also included.

#### **3-7-1 Policies for Securing Employees of SMEs included in SME Policies**

According to “2011 White Paper on Small and Medium Enterprises in Japan”, employment promotion policies for SMEs in 2010 and 2011 are as follows. Generally, they are also countermeasure policies for decreasing unemployed youth.

##### **<JFY 2010>**

#### **1. New Graduate Employment Support Project**

Practical internships (usually for a period of six months) were organized at SMEs for new graduates who had yet to find employment. Salary of those interns was ¥7,000 per day and employers of SMEs were subsidized ¥3,500 per day. In the first half of JFY 2010, 4,988 people

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48 Id. at 1-4. This analysis is based on the research of Mitsubishi UFJ Research and Consulting Co., Ltd. (2008-11). 技術・技能承継と技術革新を生み出す人材に関するアンケート調査.

took internships and 1,831 found employment (representing a 36.7 percent transition-to-work rate). Similar internships have also been provided since the latter half of fiscal 2010 for persons graduating within the preceding three years and yet to find employment.

## **2. SME hiring enhancement programs (“Dream Match Project”)**

The following programs were implemented to match new graduates and other job seekers with SMEs and other prospective employers.

- (1) Provision of matching opportunities for SMEs, etc. and new graduates on the Internet.
- (2) A total of 14 job fairs were held in seven cities across Japan (Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, and Fukuoka). These gave enterprises the opportunity to not only present themselves to students at booths, but also to select job seekers directly during these fairs. This scheme has 49,073 members and involves 5,570 enterprises. It has so far generated 2,284 job offers (as of March 25, 2011).

## **3. Job Cafés Project**

This support was conducted to eliminate the mismatch of employment supply and demand with SMEs’ hiring support through Job Cafés. In METI-designed support regions, this project had attracted 788,000 users and 95,000 new registrants, and it had produced 41,000 successful job finders by February 2011.

## **4. Joint Job Fairs**

To create opportunities for SMEs seeking new young employees and for new graduates and other job seekers who have yet to receive job offers, 431 joint job fairs were held in fiscal 2010 in partnership with local SMEs and universities.

## **5. Local Industry Discovery Tours**

In order to transform perceptions and foster employment, opportunities were created for students and other young people around Japan to discover the attractions of individual industries suffering employment mismatches, such as manufacturing, agriculture, and care services.

## **6. Practical Training Programs**

To cultivate core human resources and skilled workers of immediate use to SMEs, practical training was provided in infrastructure and growth fields, such as manufacturing and agricultural-commercial-industrial collaborations.

## **7. SME Manufacturing Human Resource Development Program**

In order to assist the development and hiring of the skilled workers required by SME manufacturers, this support was provided through programs undertaken collaboratively by

industry, technical high-schools, and the authorities in regions throughout Japan to enhance practical training at technical high-schools and other educational facilities by dispatching engineers from companies to teach in schools and providing factory-floor training for students and teachers. In fiscal 2010, the programs were held in six regions selected as model program areas in fiscal 2008 continuously to be implemented.

**8. Human Resource Development at SME Universities (SMRJ subsidy program)**

Trainings were provided to improve the abilities of SME support personnel at nine SME universities around Japan. This was accompanied by the provision of training for SME proprietors, managers, and people in similar positions designed to lead directly to the solution of business challenges. In JFY 2010, trainings were provided on 966 occasions for a total of 28,415 SMEs and SME support staff.

**9. Support for Development and Employment of Next-generation High-tech Human Resources at SMEs, etc.**

In order to assist the development of next-generation industries and create jobs in the regions, this support was provided for collaborative initiatives undertaken by universities, public research institutes, local governments, SMEs, and others to employ and train the high-tech human resources to lead the development of next-generation industries and promote their employment at SMEs. 13 initiatives involving the provision of training to 58 individuals were selected in fiscal 2010.

**10. Tax System to Encourage Investment in Human Resources**

The purpose of this support is to accelerate SMEs' investment in human resources by providing tax credits worth 8-12 percent of SME's total education and training expenditure where the rate of such expenditure to personnel expenses in the business year concerned is at least 0.15 percent.

**11. Program Development for Training and Evaluation Private Coordinators for Careers Education**

In order to provide careers education leveraging ideas and training in the private sector (such as by providing opportunities for work experience at local SMEs), the number of regions selected for trial training and assessment of coordinators acting as intermediaries between schools and enterprises was expanded from nine to 14. This was accompanied in March 2011 by the establishment, of the Careers Education Coordination Network Association under private sector initiative.

## **12. Maintenance of Workers' Employment**

In order to help prevent unemployment and stabilize employment when employers have to downsize due to fluctuations in business conditions, changes in industrial structure, and other economic reasons, employment adjustment subsidies (for large employers) and emergency subsidies to stabilize employment at SMEs (for small and medium employers) were provided as means of assisting employers that temporarily laid off, trained, or seconded workers in their employment. In view of the economic situation and employment conditions, output requirements were eased and further revisions were made in JFY 2010. Active steps have also been taken to prevent fraudulent receipt of these subsidies by such means as interviewing workers who have been temporarily laid off and strengthening on-the-spot surveys of business establishments. Applications for subsidies made since November 1, 2010, have also been more rigorously checked for fraud by, for example, publishing the names of employers that have committed fraud. 55,187 business establishments have filed plans for temporary layoffs, etc. for receipt of employment adjustment subsidies and emergency subsidies to stabilize employment at SMEs, affecting a total of 1,173,486 jobs (as of March 2011).

## **13. Support for Creation of New Employment Opportunities Leveraging SMEs' Dynamism**

This support was provided for the hiring of human resources and development of attractive working environments by SMEs playing a leading role in job creation. Such support was provided by, for example, paying subsidies to SMEs that take on more workers to establish startups, enter other industries, or improve productivity, and also to associations of SMEs that take action to improve workforce management.

## **14. SME Startup Subsidies for Regional Revitalization**

In order to help create new jobs in the regions, SME startup subsidies for regional revitalization were provided. These are subsidies to help cover the cost of startups and employment of additional workers, and are paid to employers that start up business and employ additional workers in high priority fields in regions where the improvement in employment and unemployment conditions has been weak.

<JFY 2011>

### **1. New Graduate Employment Support Project (Continuation)**

### **2. Programs to Showcase SME's Attractions and Enhance Their Hiring Abilities (New)**

Various Programs will be pursued in order to eliminate the employment mismatch between university students and SMEs, including the showcasing of SMEs' attractions to university students through collaboration in education by industry and universities, online job matching, and joint fairs.

- 3. Job Cafés Project (Continuation)**
- 4. Joint Job Fairs (Continuation)**
- 5. Practical Training Programs (Continuation)**
- 6. Human Resource Development at SME Universities (SMRJ subsidy program, Continuation)**
- 7. Maintenance of Workers' Employment (Continuation)**
- 8. Support for Creation of New Employment Opportunities Leveraging SME's Dynamism (Continuation)**

Support will continue to be provided for hiring of human resources and creation of attractive work environments at SMEs that will play a leading role in the creation of job opportunities. This support will take the form of subsidies for SMEs that take on new workers due to starting up or moving into growth fields identified in the New Growth Strategy that have a genuine need for assistance with human resources (health, environment, and related manufacturing fields), and subsidies for initiatives undertaken by associations of SMEs doing business in these fields in order to improved employment management.

**9. SME Startup Subsidies for Regional Revitalization (Continuation)**

**10. Tax System to Promote Employment (New)**

Tax measures to allow enterprises that meet certain requirements, including having at least five ordinary employees (two in the case of SMEs) covered by employed insurance and achieving job growth of at least 10 percent, a tax credit of ¥200,000 per extra ordinary employee in employment insurance have been incorporated in the outline for tax revisions in fiscal 2011.

**3-7-2 Policies of Accepting Foreign Workers**

Current policy stance of Japanese government regarding accepting foreign workers is to actively accept highly skilled workers and to maintain a cautious stance to accept unskilled workers. Basic policy of such stance is "Immigration Basic Law Plan" considered every five year by Ministry of Justice. The latest edition of that plan is forth plan decided in March 2010. Basic policy of accepting foreign workers in this fourth edition is as follows. Based on this plan, Immigration Control Act and Industrial Training and Technical Internship Program were revised in 2010.



Table 36 Outline of the Basic Plan for Immigration Control (4<sup>th</sup> edition)

**1 Acceptance of Human Resources Who Meet the Needs of Society Such as through Contributing to Economic Growth**

- Introduction of a preferential system utilizing points-based system for the active acceptance of highly-qualified human resources
- Review of the status of residence of foreign nationals employed by corporations in order to respond to the diverse utilization of human resources in the corporations
- Promotion of the acceptance of foreign nationals whose expertise and technical skills are assured through their qualifications
- Further improvement to simplify the documents to be submitted in the application for issuance of a certificate of eligibility of foreign nationals employed by corporations and acceleration of the examination process
- Review of the restrictions on years of work for foreign nationals qualified as dentists, nurses, and other medical professionals
- Consideration of the acceptance of foreign nationals who have graduated from a Japanese college and have acquired national qualifications in light of the status of employment of careworkers accepted through EPA

**2 Acceptance of Foreign Nationals of Japanese Descent**

- Consideration for review of the requirements for entry of foreign nationals of Japanese descent from the perspective of leading an independent and stable social life in the local community
- Confirmation of school attendance in the examination for renewal of the period of stay to ensure the healthy development of the children of foreign nationals of Japanese descent

**3 Further Promotion of International Exchange**

- Promotion of efforts aiming for a tourism-oriented country
- Expansion of youth exchange through the working holiday program
- Consideration of smooth immigration procedures aiming for further activation of exchanges between business people

**4 Promotion of the Appropriate Acceptance of Foreign Students**

- Implementation of appropriate and smooth immigration and residence examinations aiming to reach the target of the plan for 300,000 foreign students
- Promotion to facilitate the procedures for changes to the status of residence of those foreign nationals wishing to work for Japanese corporations

**5 Efforts to Ensure Appropriate Training and Technical Internship Programs**

- Ensuring protection of technical interns in close cooperation with the Labor Standards Office
- Ensuring appropriate operation by the supervising associations and organizations implementing training based on thorough investigations into the actual state of affairs
- Reinforcement of examinations aimed at ensuring the propriety of the sending organizations and reinforcement to work on the sending countries

**6 Activation of a National Debate on the Acceptance of Foreign Nationals**

- Active participation in consideration of policies in the midst of national debates and consideration by the government as a whole of strategies with regard to the acceptance of foreign nationals in an era of population decline

Source: Ministry of Justice (2010-3). Basic Plan for Immigration Control 4<sup>th</sup> edition.  
<http://www.moj.go.jp/ENGLISH/information/bpic2nd.html> (accessed 2012-1-23)

About this basic plan, Japan Business Federation (Keidanren) released an opinion brief<sup>49</sup> and commented to the whole. Here only comments about acceptance of industrial laborers are introduced. In this opinion brief Keidanren requested creating a new resident status for office persons so-called “comprehensive workers” and building a new scheme to evaluate foreign workers’ specialty and skills for realizing an idea written in draft of “Basic Plan for Immigration Control 4<sup>th</sup> edition” that in cases where such expertise or technical skills are assured, a review will be conducted such as easing the requirement of work experience. Also about ITTIP system, Keidanren requested tightening the penalty to problematic accepting organizations, while giving incentives for good accepting organizations, and considering introducing the re-training of ex-interns. Moreover, in “規制改革要望<sup>50</sup>” (September 2011), Keidanren requested e-application regarding to the procedures of authorization of resident status, permission to overseas business trips of ITTIP interns, and so on. These requests from a big business association have a certain influence in the forming process of future policies<sup>51</sup>.

Ministry of Justice’s current policies for accepting labor immigration are summarized as the above, while employment of accepted foreign workers in the domestic labor market is regulated by MOHLW. MOHLW states that it still requires cautious measures to accept more foreign workers to avoid untoward effects on employment volume and conditions of domestic workers, especially among the youth, women, elderly, and disabled people, even there are opinions to enlarge acceptance of foreign workers because of domestic labor population’s decreasing<sup>52</sup>. As for foreign workers in the domestic labor market, MOHLW regards their employment as unstable<sup>53</sup>. According, MOHLW prefers employment promotion of existing foreign laborers, Japanese descents, and students from overseas to enlargement of accepting foreign workers. In details, this refers to promotion of job matching at employment service centers for foreigners in Tokyo, Osaka and Nagoya, and Hello Work offices over Japan, enlargement of internship programs for international students, preparation trainings of Japanese language, labor laws, social insurance systems, job guidance, etc. in areas where there are many foreigners, improving working environment through administrative direction with official registration of foreign workers’ employment, etc.

### **3-8 Immigration Labor Acceptances of Japanese Companies**

In this section MOHLW’s statistics on number of foreign employees and companies they are working are examined. In supplement, interview results of companies utilizing ITTIP streams are mentioned.

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49 Keidanren (2010-3-5). 第4次出入国管理基本計画(案)に対する意見.

<http://www.keidanren.or.jp/japanese/policy/2010/012.html> (accessed 2012-1-23).

50 Keidanren (2011-9-20). 2011年度経団連規制改革要望.

<http://www.keidanren.or.jp/japanese/policy/2011/088/index.html#11> (accessed 2012-1-23)

51 Basically, Keidanren requests promotion of immigration workers only in cases of skilled or qualified workers, not unskilled workers. Ref. Keidanren (2011-9-16). 経団連成長戦略 2011.

<http://www.keidanren.or.jp/japanese/policy/2011/089/honbun.html#part3> (accessed 2012-1-23).

52 雇用政策研究会(2010-7). 持続可能な活力ある社会を実現する経済・雇用システム.

<http://www.mhlw.go.jp/stf/houdou/2r9852000000cguk-img/2r9852000000ch2y.pdf> (accessed 2012-1-23).

53 MOHLW. <http://www.mhlw.go.jp/bunya/koyou/gaikokujin.html> (accessed 2012-1-23).

### 3-8-1 Acceptance of Foreign Workers in Japanese Companies

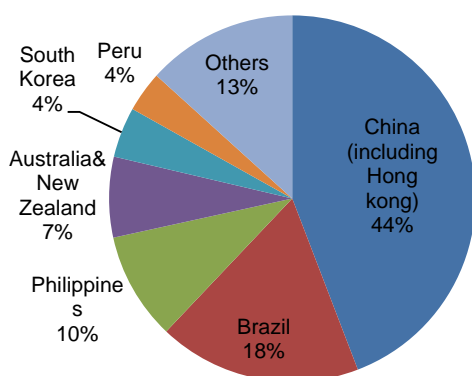
On October 1<sup>st</sup> 2007, the Employment Measures Act was amended. Before this amendment, employers with over 50 employees had to inform employment status to Hello Work offices; however, after the amendment all employers who employ foreign staff have to report. Accordingly, it became possible to survey the whole situation of foreign workers' employment including cases of small companies. After transitional period, from October 2008, annually statistics of foreign workers' employment have been created and are reported to public at the beginning of every year. Results of these statistics from 2008 to 2010, the latest version as of January 2012, are as follows.

Table 37 Transition of Number of Foreign Worker Employers and Foreign Employees (2008-2010)

Year	2008	2009	2010
<b>Number of Foreign Worker Employers</b>	<b>76,811</b>	<b>95,294</b>	<b>108,760</b>
- temporary staffing or contract working companies	13,395	16,300	18,830
<b>Number of Foreign Workers</b>	<b>486,398</b>	<b>562,818</b>	<b>649,982</b>
- temporary staff or contract worker	163,196	162,525	181,021

Sources: MOHLW (2009-2011). 外国人雇用状況の届け出状況.

<http://www.mhlw.go.jp/bunya/koyou/gaikokujin-koyou/06.html> (accessed 2012-1-23)



Source: MOHLW (2011). 外国人雇用状況の届け出状況 2010年版.

<http://www.mhlw.go.jp/stf/houdou/2r985200000117eu.html> (accessed to 2012-12-31)

Note: \* "Services" includes construction, design, law, building maintenance, etc. which are not included other categories

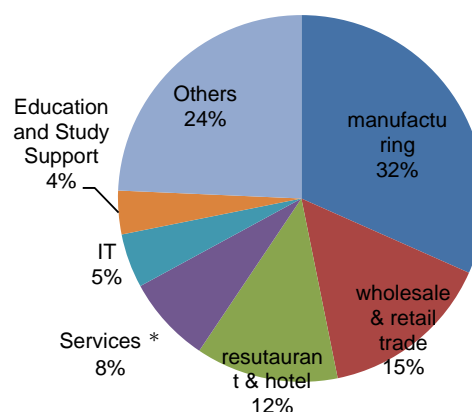


Chart 23 Number of Foreign Workers by Country (2010)

Chart 24 Number of Foreign Workers by Industry (2010)

As Table 37 shows, even in the duration of recession after the Lehman shock, employment of foreign workers has been enlarged after 2008. From MOHLW “外国人雇用状況の届け出状況 2010年版”, ratio of workers engaging in irregular employment like temporary staffing or contract works is high, 27.9 percent. Especially, in manufacturing and services there are many foreign workers, 60,000 workers in each industry. With cross tabulation of data of country and industry, concerning Brazil (56.5 percent), Peru (53.8 percent), Philippines (48.3 percent), China (38.8 percent), the rate of manufacturing labor is high. Concerning South Korea, rate of restaurant and hotel services is high

(19.3 percent). About developed countries like UK, USA, Germany, France, Italia, Canada, Russia, Australia and New Zealand, education and study support is high (46.5 percent). Regarding the working style of temporary staffing and contract working, more than a half of workers from Brazil (60.2 percent) and Peru (50.7 percent) are engaged. Thus, employment situation is largely different by native country.

The same report also mentions about area differences. As for number of foreign labor employers and foreign employees, Tokyo has the biggest share; 24.1 percent of employers and 23.8 percent of employees. After Tokyo, Aichi, Shizuoka, Kanagawa and Osaka come in order by number of employees. Share of these top five cities is over 50 percent. Looking the scale of business, share of small companies with less than 30 employees is the biggest, 33.6 percent of total employment of foreign workers and 52.9 percent of employers<sup>54</sup>. Companies with less than 100 employees account for 54.6 percent of employment and 74.4 percent of employers. Thus, in Japan foreign workers' employment is advanced in small companies. This result matches to the tendency that most of company users of ITTIP system are SMEs<sup>55</sup>.

### 3-8-2 Examples of Accepting Immigration Workers of ITTTP systems

In this section, examples of two manufacturing companies accepting ITTTP trainees and interns are introduced. Both companies are relatively big compared to the average scale of accepting companies mentioned above.

Table 38 Summary of Visiting Research to Implementing Companies

	Kinki Sharyo Co.,Ltd.	Moriya.Co,Ltd.
Business	Railcar maker	Woodworking
Number of workers	1,000	100
Accepting history of ITTTP trainees and interns	24 in 2008, 10 in 2010, and 10 in 2011. Recently, accepting number is small because of yen appreciation and depression of domestic market.	2 trainees per year since 2000.
Works of trainees and interns	Pressing, welding, painting, and electricity	Printing wood graining and pressing
Reason for utilizing ITTTP	As a first step of starting business in Indonesia in future. Sector peer companies utilized the system.	Trade organization of woodworking of the prefecture recommended. To import woods from Indonesia in future, this system seemed to be a good occasion for trial.
Other immigration labor	Accepting OJT trainees from affiliate companies overseas.	In packaging, utilizing contract workers of Japanese Brazilians and Peruvians.

Sources: Interviews at both companies

54 According to “外国人雇用状況の届け出状況” of 2008 and 2009, the proportion of small companies with less than 50 employees, not 30 employees, was recorded. As a whole, companies with less than 50 workers accounted for 40 percent.

55 For example, in the Table2, 91.4 percent of JITCO supporting trainees were accepted by supervised organizations in 2009.

In common with both companies, technical interns were Indonesians and their working motivation was very high. Employers highly evaluated them and were satisfied with trainees' efforts in the same kinds of works as other Japanese co-workers of the same team. It was also common that both companies utilized not only ITTTP systems but also other services like contract works or temporary staffing. Trainees of TTP were assigned to core parts of manufacturing process and not assigned to simple tasks. Actually, being assigned to such a "craftsman's world", both employers and employees claimed that the limit of stay duration of this scheme, three years, was not enough for craftsman training. It was also interesting that these two companies started ITTTPs as the first step of business in Indonesia, even they did not have any concrete plans to start business there.

It is worth mentioning that technical skill level and working experience of interns were not regarded as issues<sup>56</sup>. However, according to Moriya Co., Ltd., trainees who can communicate well in Japanese grow up faster than others, and a satisfactory level of communication skill in speaking and hearing cannot be attained within four months of pre-training in Indonesia.

### **3-9 Current Labor Immigration Status of Industrial Sector in the World**

In this section current status of labor immigration worldwide is summarized. Firstly, worldwide situation is reviewed, and flowingly, situation of Eastern and South Eastern Asia is mentioned.

#### **3-9-1 World Trend of Labor Immigration**

Here, worldwide trend of labor immigration is summarized. According to World Bank (WB) "Migration and Remittances Factbook 2011<sup>57</sup>", population of immigrants including refugees worldwide is estimated to 215.8 million, 3.2 percent of total population, in 2010. Ratio of male to female is almost even. South-south immigration is 43 percent of the total movement. The following shows ranking results of countries for sending emigration, accepting immigration, remittance, and migration corridors. (The names of Eastern and South Eastern Asian countries are written with bold type.) Generally, volume of immigration from and to Eastern and South Eastern Asia is not so big compared to the whole international movement of migration and remittance.

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56 As far as confirmed in interviews with sending organizations and implementing companies, it is rare that implementing companies of the manufacturing sector request sending organization to provide pre-training of manufacturing skills alternating OJT in Japan. According to them, this is because manufacturing environment is particular in each factory and OJT after accepting to Japan is the most efficient.

57 Ref. WB (2011). "Migration and Remittances Factbook 2011".  
<http://data.worldbank.org/data-catalog/migration-and-remittances> (accessed 2011-12-24).

Table 39 Ranking of Countries Sending Immigration and Accepting Emigration  
(accumulated figure, million people, 2010)

No.	Immigration Country	Number
1	United States	42.8
2	Russian Federation	12.3
3	Germany	10.8
4	Saudi Arabia	7.3
5	Canada	7.2
6	United Kingdom	7
7	Spain	6.9
8	France	6.7
9	Australia	5.5
10	India	5.4
11	Ukraine	5.3
12	Italy	4.5
13	Pakistan	4.2
14	United Arab Emirates	3.3
15	Kazakhstan	3.1
16	Jordan	3
17	Israel	2.9
18	<b>Hong Kong SAR, China</b>	<b>2.7</b>
19	Côte d'Ivoire	2.4
20	<b>Malaysia</b>	<b>2.4</b>
21	Syrian Arab Republic	2.2
22	<b>Japan</b>	<b>2.2</b>
23	Iran, Islamic Rep.	2.1
24	Kuwait	2.1
25	<b>Singapore</b>	<b>2</b>
26	West Bank and Gaza	1.9
27	South Africa	1.9
28	Ghana	1.9
29	Switzerland	1.8
30	Netherlands	1.8

No.	Emigration Country	Number
1	Mexico	11.9
2	India	11.4
3	Russian Federation	11.1
4	<b>China</b>	8.3
5	Ukraine	6.6
6	Bangladesh	5.4
7	Pakistan	4.7
8	United Kingdom	4.7
9	<b>Philippines</b>	4.3
10	Turkey	4.3
11	Egypt, Arab Rep.	3.7
12	Kazakhstan	3.7
13	Germany	3.5
14	Italy	3.5
15	Poland	3.1
16	Morocco	3
17	West Bank and Gaza	3
18	Romania	2.8
19	<b>Indonesia</b>	2.5
20	United States	2.4
21	Afghanistan	2.3
22	Portugal	2.2
23	<b>Vietnam</b>	2.2
24	Colombia	2.1
25	<b>Korea, Rep.</b>	2.1
26	Uzbekistan	2
27	Sri Lanka	1.8
28	Belarus	1.8
29	France	1.7
30	Puerto Rico	1.7

Table 40 Country Ranking of Overseas Remittance (billion USD, 2009)

No.	Receiving Country	Amount	No.	Sending Country	Amount
1	Tajikistan	35	1	United States	48.3
2	Tonga	28	2	Saudi Arabia	26
3	Lesotho	25	3	Switzerland	19.6
4	Moldova	23	4	Russian Federation	18.6
5	Nepal	23	5	Germany	15.9
6	Lebanon	22	6	Italy	13
7	Samoa	22	7	Spain	12.6
8	Honduras	19	8	Luxembourg	10.6
9	Guyana	17	9	Kuwait	9.9
10	El Salvador	16	10	Netherlands	8.1
11	Jordan	16	11	<b>Malaysia</b>	6.8
12	Kyrgyz Republic	15	12	Lebanon	5.7
13	Haiti	15	13	Oman	5.3
14	Jamaica	14	14	France	5.2
15	Bosnia and Herzegovina	13	15	<b>China</b>	4.4
16	Serbia	13	16	Belgium	4.3
17	Bangladesh	12	17	Norway	4.1
18	<b>Philippines</b>	12	18	<b>Japan</b>	4.1
19	Albania	11	19	India	4
20	Togo	10	20	United Kingdom	3.7
21	Nicaragua	10	21	Denmark	3.4
22	Guatemala	10	22	Austria	3.3
23	Cape Verde	9	23	Israel	3.3
24	Guinea-Bissau	9	24	Kazakhstan	3.1
25	Senegal	9	25	<b>Korea, Rep.</b>	3.1
26	Armenia	9	26	Australia	3
27	Grenada	9	27	<b>Indonesia</b>	2.7
28	Sri Lanka	8	28	Czech Republic	2.6
29	Gambia, The	8	29	Ireland	2
30	Dominican Republic	7	30	Greece	1.8

Table 41 Ranking of Immigration Corridors (million, 2010)

No.	Migration Corridor	Number
1	Mexico–United States	11.6
2	Russian Federation–Ukraine	3.7
3	Ukraine–Russian Federation	3.6
4	Bangladesh–India	3.3
5	Turkey–Germany	2.7
6	Kazakhstan–Russian Federation	2.6
7	Russian Federation–Kazakhstan	2.2
8	<b>China–Hong Kong SAR, China</b>	2.2
9	India–United Arab Emirates	2.2
10	<b>China</b> –United States	1.7
11	<b>Philippines</b> –United States	1.7
12	Afghanistan–Iran, Islamic Rep.	1.7
13	India–United States	1.7
14	Puerto Rico–United States	1.7
15	West Bank and Gaza–Syrian Arab Republic	1.5
16	India–Saudi Arabia	1.5
17	<b>Indonesia–Malaysia</b>	1.4
18	Burkina Faso–Côte d’Ivoire	1.3
19	United Kingdom–Australia	1.2
20	Vietnam–United States	1.2
21	Pakistan–India	1.2
22	El Salvador–United States	1.1
23	<b>Malaysia–Singapore</b>	1.1
24	India–Bangladesh	1.1
25	<b>Korea, Rep.</b> –United States	1.1
26	Pakistan–Saudi Arabia	1
27	Egypt, Arab Rep.–Saudi Arabia	1
28	Cuba–United States	1
29	Belarus–Russian Federation	1
30	Uzbekistan–Russian Federation	0.9

Source: all are from WB "Migration and Remittances Factbook 2011"

These statistical figures include number of non-labor immigrants. To care this point, we referred OECD (Organization for Economic Co-operation and Development) data because top countries of immigration acceptance listed in Table 39 are mostly member countries of OECD, widely known as the “developed countries club”<sup>58</sup>. According to “International Migration Outlook 2011”<sup>59</sup>, population of temporal labor immigrants floating into OECD member countries was about 1.9 million and that of permanent labor immigrants was around 1.5 million in 2009. This figure was directly affected by economic crisis after the Lehman shock. The number of temporary workers so-called “guest workers” declined in 2009 relative to 2008, by approximately 16percent. Considering this followed a 1 percent

58 OECD member countries from Asia are only Japan and South Korea. Moreover, statistical data of immigration of OECD are uncurrent and limited to “formal” immigrants. Therefore, estimated figures tend to be smaller than the reality. Even considering these short points, OECD’s “International Migration Outlook” is still useful because it annually reports immigration movement of OECD countries and Russia. Especially to grasp time-series trend, it has certain usefulness.

59 Ref. OECD (2011). International Migration Outlook 2011. [http://www.oecd.org/document/40/0,3746,en\\_2649\\_37415\\_48303528\\_1\\_1\\_1\\_37415,00.html](http://www.oecd.org/document/40/0,3746,en_2649_37415_48303528_1_1_1_37415,00.html). (accessed 2011-12-23).



decline in 2008, and, previously, almost a decade of flows which increased by an average of 7 percent annually, the worldwide economic crisis had a big effect on not only domestic economy but also demand for guest workers in accepting countries. In addition, recession in OECD countries effected on employment situation of existing immigrant workers. Between the first three quarters of 2008 and 2009, the unemployment rate of the foreign-born increased markedly in all OECD countries. For the drastic example, in Spain in the fourth quarter 2010, the foreign-born unemployment rate reached 29.3 percent compared to 18.4 percent for the natives. Thus, among immigrant workers, young migrants aged 15 to 24 are in a vulnerable position. On average in European OECD countries, in the third quarter of 2010, 24.5 percent of young migrants were unemployed compared to 19.6 percent for the young native born. It is of increasing concern that protracted delay of social integration of young immigrants results in social disorder.

Meanwhile, even though total population of immigrants is decreasing, new immigrant employment increased in some sectors (education, health, long-term care, domestic services) while it was shrinking in others (construction, finance, wholesale and retail trade, etc.). One reason for this tendency is suggested that migrant women's employment is concentrated in sectors (e.g., social and domestic services) which did not suffer much from the economic crisis.

### **3-9-2 Labor Immigration in East and South East Asian Region**

Based on the above statistical information of worldwide immigration trend, here we outline the major trends in East and South East Asian region. As accepting countries, Singapore, Malaysia, South Korea, and Taiwan that are not mentioned in reports of WB and OECD are reviewed. Meanwhile, as sending countries, the situations of Philippines and Vietnam are referred to.

#### **(1) Singapore<sup>60</sup>**

WB "Migration and Remittances Factbook 2011" shows that in Singapore 40.7 percent (2010) of population are foreigners. 70-80 percent of Singapore population is Chinese and the country was originally a part of Malaysia. This is the reason why Singapore has accepted labor immigrants from Malaysia since 1968. After economic development in 1980's, Singapore has accepted labor immigrants from China, Indonesia, India, and so on, especially in construction and manufacturing industries, however, in recent years non-skilled labor immigration is restricted while skilled labor immigrants are welcomed<sup>61</sup>. Singapore immigration policy is strictly administrated. Employers

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60 About (1) in this subsection, ref. JETRO (2011-9-1). [http://www.jetro.go.jp/world/asia/sg/invest\\_05/](http://www.jetro.go.jp/world/asia/sg/invest_05/) (accessed 2011-12-31), Satoshi Endo (2008). 東南アジアの海外労働者問題と外国人労働者問題. 総合調査 人口減少社会の外国人問題. National Diet Library.

<http://www.ndl.go.jp/jp/data/publication/document/2008/20080123.pdf> (accessed 2011-12- 31).

61 Reentry, issuing of Employment Pass to skilled workers also has been gradually closed. Employment Pass holders are permitted to utilize Central Provident Fund, national pension, and live in public residence named "HDB (Housing Development Board)". But issuance criteria for Employment Pass were continuously tightened in July 2011 and January 2012. Ref. JETRO (2011-8-16). <http://www.jetro.go.jp/world/asia/sg/biznews/4e56fdbbda430> (accessed 2011-12- 31).

have to pay Foreign Worker Levy to hire immigrants, and female immigrants must take a pregnancy test. If the test result is positive, she has to be deported. Unskilled labor immigrants have to live in limited resident areas and are prohibited from marrying Singaporeans. Foreign business executives and skilled workers are regulated by Immigration Act besides unskilled workers are regulated by Employment of Foreign Workers Act. In the former case immigrants can apply by themselves for an Employment Pass to the Work Pass Division in Ministry of Manpower, however, in the latter case employers have to apply for a Work Pass to the Division and working rule about unskilled labor is divided by industry, home country, number of workers, working experience, and so on. Currently, Work Pass can be applied for by workers from Malaysia, Hong Kong, Macau, South Korea, Taiwan, India, Sri Lanka, Thailand, Bangladesh, Myanmar, Philippines, Pakistan, and China only as of September 1<sup>st</sup>, 2011.

(2) Malaysia<sup>62</sup>

According to WB “Migration and Remittances Factbook 2011”, as of 2010, population of immigrants in Malaysia is 2.36 million, 8.4 percent of total population. Currently, Malaysian government advocates “Malaysians First” in the policy about labor immigration and its policy target is to keep employment of Malaysian citizens, and to control and decrease around 1.9 million (2009) immigrant workers appropriately. From July 2011, a comprehensive program to make illegal labor immigrants into legal workers has been conducted. This program consists of (1) enrollment, (2) legalization, (3) amnesty/return home, (4) monitoring, (5) investigation, and (6) deportation. In particular, investigation and supervision of illegal workers are enforced. In the present day, employment of foreign workers is permitted in following industries; manufacturing, construction, plantation and agriculture, and services such as housekeepers, restaurant workers, sweepers, loading and unloading workers, careworkers, laundry, island resort workers, and caddies. Permitted jobs are different from country to country. As of November 1<sup>st</sup> in 2011, unskilled labor is accepted from 14 countries like Indonesia, Thai, Myanmar, Laos and other South Eastern and Central Asian countries. Current situation of emigration from Indonesia to Malaysia is mentioned in "2-3".

(3) Korea, Rep.<sup>63</sup>

From 1960's to 1980's, Korea was an immigrant sending country like Philippines. However, around the Seoul Olympic (1988), acceptance of immigration workers was dramatically

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62 About (2) in this subsection, ref. JETRO (2011- 11-1). [http://www.jetro.go.jp/world/asia/my/invest\\_05/](http://www.jetro.go.jp/world/asia/my/invest_05/) (2011- 12- 31).

63 As for (3) in this subsection, ref. Koji Sano (2010-12). 韓国における外国人労働者支援システム. 商学論集. The Economic Society of Fukushima University. <http://ir.lib.fukushima-u.ac.jp/dspace/bitstream/10270/3486/1/3-1741.pdf> (accessed 2011-12-30), Kyo Shirai (2007-2). 韓国の外国人労働者政策と関連法制. 外国の立法. National Diet Library. [www.ndl.go.jp/jp/data/publication/legis/231/023105.pdf](http://www.ndl.go.jp/jp/data/publication/legis/231/023105.pdf) (accessed 2011-12-30), Kyo Shirai (2010-3). 韓国における外国人政策の現状と今後の展望. 外国の立法. National Diet Library. [www.ndl.go.jp/jp/data/publication/legis/pdf/024307.pdf](http://www.ndl.go.jp/jp/data/publication/legis/pdf/024307.pdf) (accessed 2011-12-30).

increased; for example, from 6,409 workers in 1987 to 729,824, 3 percent of total labor force, by the end of 2009. Within 20 years then number of immigrant works increased into 114 times. As of March 2010, South Korea has signed MOU regarding to labor immigration with Vietnam, Philippines, Thailand, Mongolia, Indonesia, Sri Lanka, China, Uzbekistan, Pakistan, Cambodia, Nepal, Myanmar, Kyrgyzstan, Bangladesh and East Timor. Acceptance volume is controlled by country based on the evaluation result about disappearance and other records. Half of immigrant laborers are working in manufacturing sector, and second largest acceptance sector is services. In 1990's 80 percent of immigrant workers were informal and there were many troubles like malicious activities of brokers, nonpayment, and violence. These troubles were closely related to the policy not to permit acceptance of foreign unskilled labor and abuse of technical intern system. To prohibit such troubles, in 2004 "Employment Permission" system was introduced. Under this new rule, employment of immigrant workers was opened to SMEs with less than 300 employees in the sectors of manufacturing, construction, agriculture, livestock, service, and so on. Requirements to emigrant employment such as labor market testing<sup>64</sup> and other procedures were newly defined. The new system approves 3-year employment of unskilled labor and 2-year prolong. Additionally, it guaranteed immigrant workers almost the same level of labor rights as Korean workers. Recently, "Basic Law regarding the Better Treatment of Foreign Residents in Korea" (May 2007) and "Support for Multicultural Families Act" (March 2008) was enacted. Currently, foreigners are permitted rights to vote. Thus the Korean political stage is shifting from foreign labor policy into immigration and integration policy such as marriage-based immigration and multicultural family<sup>65</sup>.

#### (4) Taiwan<sup>66</sup>

In Taiwan, employment of foreign workers was permitted in 15 jobs of six industries like spinning, metal, and machine manufacturing in 1991, and in 1992 employment of foreign workers was drastically opened to 68 jobs such as housemaids, careworkers, seamen, etc. After

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64 "Labor market testing" is a regulation to secure employment of domestic citizens. Before hiring foreign immigrant workers, employers have to open job vacancies to domestic citizens. If it is impossible to hire domestic employees fulfilling the conditions, it is permitted to hire foreign workers. This system is adopted not only in South Korea but also in Germany, France, UK, the USA and Canada. The decision on whether domestic workers' ability is enough or not is fully left to employers, so it is pointed out that this regulation often becomes a dead letter.

65 According to the survey of National Statistical Office in 2009, 38.7 percent of male workers of prime industries living in areas where main industries are agriculture, forestry and fisheries married women from China, Vietnam, Cambodia, or other countries. Ref. Council of Local Authorities for International Relations (2011-10). 韓国における多文化政策の取組み. Clair Report No. 367. <http://www.clair.or.jp/j/forum/pub/docs/367.pdf> (accessed 2011-12-30).

66 As for (4) in this subsection, ref. Zhang Ming Jin (2011). 台日における外国人労働者問題の比較. NTIT Department of Japanese Studies. <http://jl.ntit.edu.tw/activity/2011/seminar2011/pdf/B/1-%E5%8F%B0%E6%97%A5%E3%81%AB%E3%81%8A%E3%81%91%E3%82%8B%E5%A4%96%E5%9B%BD%E4%BA%BA%E5%8A%B4%E5%83%8D%E8%80%85%E5%95%8F%E9%A1%8C%E3%81%AE%E6%AF%94%E8%BC%83.pdf> (accessed-2011-12-24).

that, number of foreign migrant workforce has been increased especially in the field of blue-color workers. Recently, it is driven by low birthrate and longevity like Japan. In 2010 there were 380,000 labor immigrants in Taiwan, 3.8 percent of total labor force, and it is reported that immigrant workers' population is currently 420,000 as of October 2010 and reached the highest record. 40 percent of immigrant workers are Indonesian, Vietnamese, Philippines, and Thai workers compose the second majority group. In industrial sector, especially in manufacturing industry, and social sector such as caregiving and domestic help, there are many immigrant workers. In manufacturing sector there are many Philippines and Thais, besides in social sector there are many Indonesians and Vietnamese. As the population ages and fewer babies are born like Japan, labor demand to immigrants working in social service is increasing by 10,000 workers per year, and that is the main reason why Indonesian workers are increasing in Taiwan<sup>67</sup>.

(5) Philippines<sup>68</sup>

Philippines is the largest immigrant source country in east and south eastern Asia. In this country working abroad has been promoted for long period and in 1974 Philippine Overseas Employment Administration (POEA) was created. Since then, POEA has promoted and developed the overseas employment program and protected the rights of migrant workers. Labor emigrant from Philippines increased in 1970's. Then main destination is gulf region where oil money was abundant. Before 1990, most of emigrant Philippine workers are male, but in 2006 59 percent of new Philippine emigrants are female. Many female Philippine emigrants are from rural areas in the north and south parts of the country. They are working abroad as nurses, careworkers, and domestic workers, while male Philippine workers are working as seamen, construction and factory workers mainly. Currently, their main destinations are U.S.A., Saudi Arabia, Australia, Canada, Japan, Malaysia, and so on. What is notable is that the number of emigrant workers including re-employment is still increasing even during the worldwide depression; 1.464 million (2008), 1.479 million (2009), and 1.644 million (2010)<sup>69</sup>.

(6) Vietnam

According to WB "Migration and Remittances Factbook 2011", in 2010, 2.2 million people emigrated from Vietnam, however, official statistical figure of emigrant labor is still small. According to Department of Overseas Labour (DOLAB), Ministry of Labour, Invalids and Social Affairs, in 2010 only 85,000 Vietnamese emigrated, increasing 16.4 percent from 2009. Targeted

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67 About (5) in this subsection, ref. The Central News Agency (2011-11-21). FOCUS TAIWAN. <http://japan.cna.com.tw/Detail.aspx?Type=Classify&NewsID=201111210002> (accessed 2011-12-24).

68 About (6) in this subsection, Ref. Russell King (2010). The Atlas of HUMAN MIGRATION. Earth Scan. In this book it is pointed out that main countries sending skilled labor immigration are a few number of middle-developing countries; for example, China, India, Mexico and Philippines. In this book Philippines is also mentioned as an extremely exceptional country which trains own citizens as labor immigrants and tries to export them.

69 POEA. <http://www.poea.gov.ph/stats/statistics.html> (accessed 2011-12-27).

figure of 2011 is 87,000 and real number until November is 81,000. As of November 2011, destination countries and number of emigrants are as follows; Taiwan (34,998), Korea Republic (15,049), Malaysia (9,195), Japan (6,373), Saudi Arabia (3,514), Cambodia (2,556), Macau (1,826), UAE (1,128), Cyprus (792), Israel (327), Russia (301), Algeria (204), and others (1,631)<sup>70</sup>. Vietnam is the second largest country to send technical interns to Japan, next to China. Recently, it is reported that the number of technical interns from Vietnam is rapidly increasing in 2011. DOLAB announced that, after the great East Japan earthquake, many Chinese interns returned in mid-courses, while Vietnamese interns remained and made efforts regardless of overtime for recovery of Japan. This fact enhanced Vietnamese interns' reputation and increased dispatch of technical trainees from Vietnam<sup>71</sup>. In the meeting of sending organizations in Indonesia held in 2011, they discussed why number of Indonesian TITP interns is smaller than Vietnamese interns<sup>72</sup>.

### **3-10 Similar Kinds of Public Programs to ITTIP in Other Countries**

In this research no public training program of other countries like TITP of Japan is founded. As mentioned above, there had been a similar kind of system to train foreign workers in South Korea from 1991, however, it was abolished in 2004 by introducing "Employment Permission" system to prohibit intermediary exploitation of brokers and subhuman employment condition.

According to MOMT staff, to enlarge "Magang", MOMT has requested many countries to accept technical interns for five or six years; for example, New Zealand, Canada and Germany in 2010, and Australia and Singapore in 2011. However, such negotiations ended up in failure.

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70 Viet Economic Research and Advisory Corporation (2011-12-23). 日刊ベトナムニュース.  
<http://www.viet-jo.com/newsallow/statistics/111221073612.html> (accessed 2011-12-27).

71 OVTA (2011-8-5). [http://www.ovta.or.jp/info/asia/vietnam/vnm\\_20110805\\_1.html](http://www.ovta.or.jp/info/asia/vietnam/vnm_20110805_1.html) (accessed 2011-12-27).

72 Information sources are documents of JIAEC and interviews with related persons. According to JITCO 白書 2011 年度版, 80 percent of trainees or interns supported by JITCO were from China, 36,589 out of 44,84 in 2010. The second largest country was Vietnam (2,647), and the third was Indonesia (2,305).

## Chapter 4 Current Situation, Challenges, Policies and the Relationship with Other Countries Regarding Workforce Demand of Nursing Care Sector in Japan and Indonesia

### 4-1 Nursing Care Sector System in Indonesia

In this section, firstly, the nursing training and certification system are explained. After that, caregiving training and certifications system are mentioned.

#### 4-1-1 Indonesian Nursing Education and Qualification System<sup>73</sup>

Indonesian nurses have been recognized as experts since the Faculty of Nursing was established in the University of Indonesia in 1985. Before that, nurses were identified as the hands of medical doctors. Indonesia has no law of nursing up to now. Although the draft has been written, it is still waiting for the discussion in the parliament in the number of 19 of the priority list. The law related to nurses is the Indonesia Law of Health No. 23 year 1992, which defines the nurse as the person who has capability and qualification to do health care based on their academic and scientific background obtained from the training for nurse. In addition, in the newest Law of Health No. 36, 2009, nurses are written as the health personnel in chapter 21 (verse 1) and chapter 63 (verse 3 and 4).

In this section, focus is given to nursing education and qualification system on the basis of educational curriculum, institution and registration.

##### (1) Indonesian Nursing Education System

There are different levels of nursing education in Indonesia. SPK<sup>74</sup> (Sekolah Perawat Kesehatan) nurses graduate from the nursing school (vocational senior high-school) after the nine years of mandatory education in primary school and junior high-school (referrer to Chart 25). Since 1992, the nursing education system has been changed and the D3 (Diploma 3) nurse system was established. D3 nurses graduate from nursing academy with three-year program after graduating general senior high-school (SMK) or SPK program. In addition, S1 (STIKES1) is Bachelor nurse graduating 5-year program or graduating D3 program and continuing 2.5-year program. When comparing with Japan, SPK is equivalent of an assistant nurse, D3 is a registered nurse graduating from a junior college or nursing school (3-year program) and S1 is a registered nurse graduating from a university or college (4-year program). Furthermore, in Indonesia there

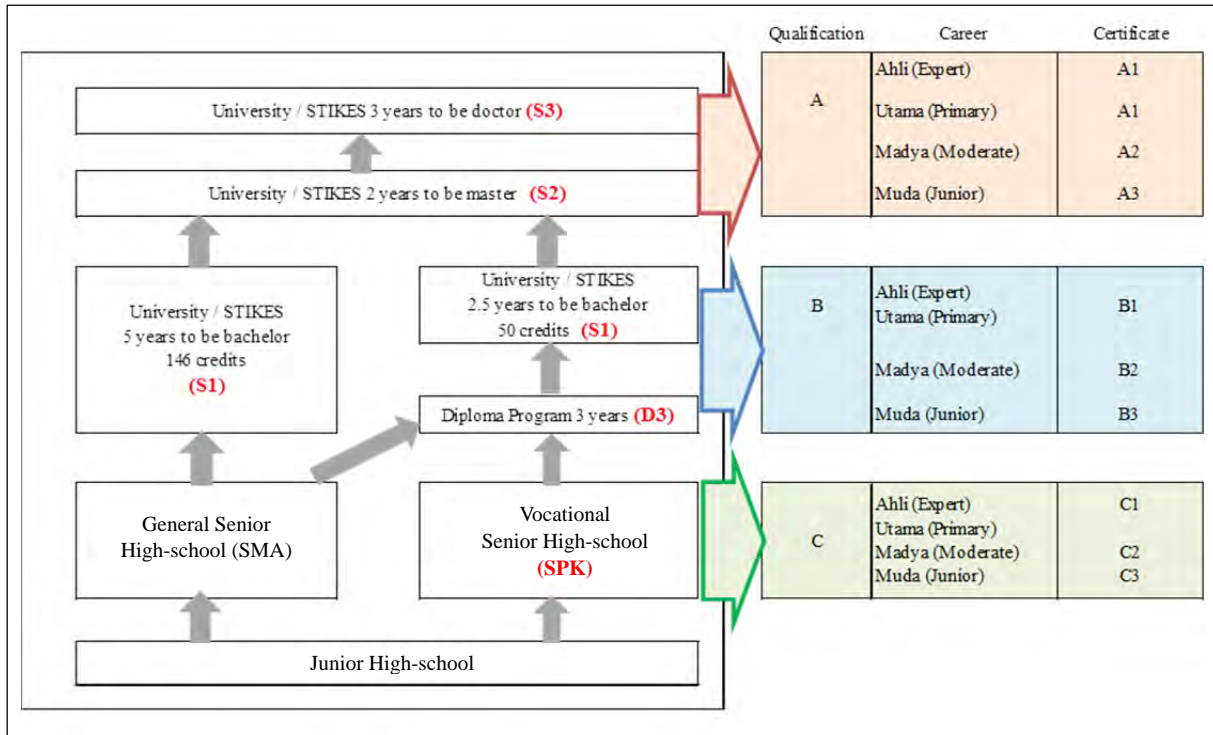
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73 This chapter referred to Achir Yani Syuhaimie Hamidpp (2009). インドネシア・日本経済連携協定に向けて始動する看護師—求められる改革と看護師協会の役割. 始動する外国人材による看護・介護-受入れ国と送出し国の対話. pp.16-19. Sasakawa Peace Foundation, JICA – CHRUI (2011). Background Information Survey on Nurse, MOE Directorate General Higher Education Research and Development Team Health Professional Education Quality (HPEQ) (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat, as well as based on the interviews from related organizations.

74 SPK (SMK) is a nurse graduating from a vocational senior high school.

is a qualification (A-C) and certification (1-3) categorization depending on nurses' education level and the training which relates to their career path.

JIEPA accepts D3 or over S1 nurses with two-year working experience to be able to apply JIEPA as mentioned in the section 1-3.



Source: JICA-CHURI (2011). Background Information Survey on Nurses

Chart 25 Indonesian Nursing Education System

## (2) Indonesian Nursing School

The number of Indonesian nursing schools differs from the sources because there is no integrated national accreditation system and each local government, private sector, police and army have established their own schools; consequently it is difficult to recognize the correct existing number of schools<sup>75</sup>. In this regards, WB started the HPEQ (Health Professional Education Quality) project in 2010. This project aims to strengthen quality assurance policies governing the education of health professionals focusing on doctors, dentists, nurses and midwives in Indonesia (refer to 6-2). Regarding nursing sector, HPEQ project conducted basic survey from 30<sup>th</sup> September to 13<sup>th</sup> November 2010 therefore this section mainly referred to results from this. HPEQ targets over D3 nurse education except SPK, however, there are two kinds of curriculum in educational process of nursing in Academy (D3) affiliated to MOH and higher education (over S1) affiliated to MOE.

75 This information is based on the interviews from related organizations.

According to the basic survey, there are 645 nursing schools in total which consist of D3: 341 schools, S1:299 schools, S2 (Master's degree): 3 schools and S3 (Doctor's degree) : 1 school, Sp1: 1 school. Higher education such as S3 and Sp1 levels is set in the University of Indonesia only and it is insufficient to ensure the quality of specialized nursing education in Indonesia. When it comes to Philippines, there are 48 schools for master course and six schools for doctor. In terms of Japan, there are 131 master courses and 62 doctor courses in total of public and private schools<sup>76</sup>.

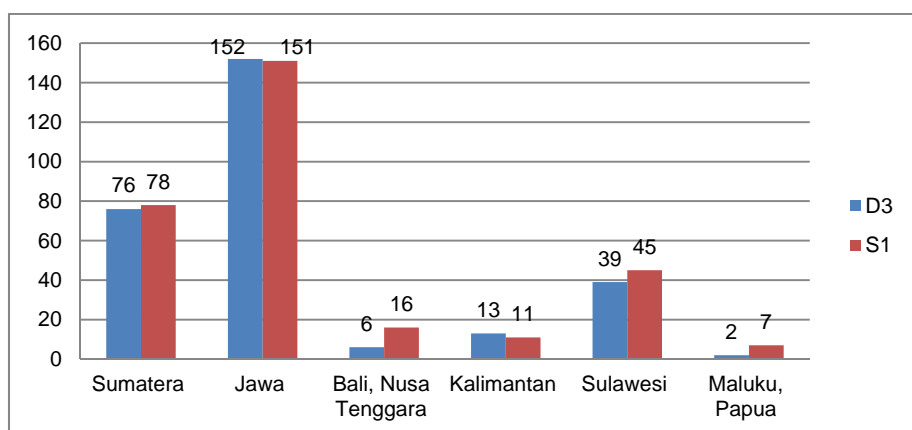
In the details of the number of nursing schools as per the table below, D3 consists of the largest number of schools followed by S1. It is because the Indonesian government intends to upgrade the education level to improve the situation of the shortage of nurses and their insufficient quality. It is similar situation to Japan 20 years ago, which also intended to increase the number of nursing colleges and universities to establish Bachelor of Science in nursing definitively.

Table 42 Number of Nursing Schools

	D3	S1	S2	S3	Sp1	Total
Government	33	20	3	1	1	58
Private	308	279	0	0	0	587
Total	341	299	3	1	1	645

Source: MOE (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat

Chart 26 shows the distribution of D3 and S1 nursing schools in the six main islands. 53 percent of D3 and 49 percent of S1 schools are located in Java, therefore, almost a half of schools are concentrated into one main island. Sumatra is the second one consisting of 25 percent of D3 and 25 percent of S1 schools following Sulawesi (14 percent of D3 and 15 percent of S1). Other islands have fewer than 10 percent of schools. This uneven distribution of nursing schools limits the opportunities for working nurses to continue studying as well as causes uneven staff allocation in other areas.



Source: MOE (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat

Chart 26 Number of Nursing School in Six Main Islands

76 Web Site of the Japanese Association of Nursing Programs in University. <http://www.janpu.or.jp/kango/k06.html> (accessed 2012-1-07).



Regarding SPK, there are 12 schools in Indonesia in 2008<sup>77</sup>.

Table 43 indicates the number of nursing students in the six main islands and it is clear there are a few students who study as postgraduates.

Table 43 Number of Students by Nursing Education Level (academic year 2008/2009)

Pulau/Wilayah	D3	S1	S2	S3	Sp1	
Sumatera	12,783	11,627	0	0	0	
Jawa	25,202	24,897	11	6	72	
Bali, Nusa Tenggara	1,120	2,645	0	0	0	
Kalimantan	2,584	1,655	0	0	0	
Sulawesi	11,661	9,370	0	0	0	Grand
Maluku, Papua	194	412	0	0	0	Total
Total	53,544	50,606	11	6	72	104,239

Source: MOE (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat

According to the HPEQ basic survey, 22.5 percent of qualified teaching staff are still not appropriate because it is regulated that teachers and lecturers should have academic qualifications with one level higher than the level of their teaching education. Additionally, the other problems are viewed as follows: 1) some nursing schools do not meet the standard of the ratio of lecturers and students as 1:30; 2) approximately 80 percent of schools had not set the institutional statement such as vision, mission, goals and a strategy of achieving them; 3) 14.8 percent of schools do not perform quality assurance properly; 4) approximately 10 percent of students dropped out of 15-20 percent of schools; 5) 48.1 percent of schools do not follow up their graduates career even though it is regulated; 6) 70 percent of schools still have low level of the content or process management, especially the implementation of the curriculum<sup>78</sup>.

By regulation, accreditation must be issued and be evaluated by BAN-PT (National Accreditation Body for Higher Education)<sup>79</sup>. Grade A is the highest rank and only two schools got it and most schools got Grade C as moderate level. Some of their accreditation has already expired.

Table 44 Number of Nursing Accreditation Institutions in Indonesia Year 2010

	Accreditation A	Expired	Accreditation B	Expired	Accreditation C	Expired
D3	0	0	11	0	39	5
S1	1	0	17	1	53	5
S2	1	0	0	0	0	0
S3	0	0	0	0	0	0
Total	2	0	28	1	92	10

Source: MOE (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat

77 Achir Yani Syuhaimie Hamidpp (2009). インドネシア・日本経済連携協定に向けて始動する看護師—求められる改革と看護師協会の役割. 始動する外国人材による看護・介護-受入れ国と送り出し国の対話. pp.16-19. Sasakawa Peace Foundation.

78 HPEQ project (2011). Draft Standar Pendidikan Ners revisi September 2011.

79 Scoring range is A (Very Good) :4.6-5.0, B (Good) : 4.1- 4.5, C (Moderate) : 3.0 - 4.0, D (not accredited) :below 3.0 (refer to JICA – CHRUI (2011). Background Information Survey on Nurses) Actual check list and scoring could not be recognized.

Accreditation is carried out by two institutions, which are MOH for D3 or school/academy nursing and BAN-PT (MOE) for university or higher education institution. It is acknowledged that all education institutions of nursing are expected to ask the accreditation to BAN-PT as a national standard by the year 2012. However, some schools still have their accreditation issued by MOH<sup>80</sup>.

### (3) Indonesian Nursing Curriculum<sup>81</sup>

There are two kinds of curriculum in educational process of nursing. One of them is MOH for D3 curriculum which defines 96 units and 14-26 units depending on each school. On the other hand, S1 defines 146 units by MOE higher education. When comparing Japanese nursing curriculum, it is almost same number of units as 130 units of junior college and 124 units of university in Japan. The differences of Indonesia and Japanese curriculums are less number of units of clinical training with 18 and a higher number of units for skill training with 36. In addition, the subjects of the system and overview in health care and social welfare are excluded.

HPEQ project drafted the standard of nursing education<sup>82</sup> in September 2011 to solve or improve the situation mentioned above. AIPNI (Association of Nursing Education Institute of Indonesia) and PPNI (National Nursing Association of Indonesia) cooperate with MOE to prepare and complete the nursing education standard (refer to the Annex 6 regarding to the role and activities). According to this draft, 10 standards are defined as nursing education program as shown below. Besides, nursing schools must have the eligibilities such as a valid permit and applicable administration from the competent authority; documents of school commitment and strategic plan or master plan that shows clearly the vision, mission, goals and objectives of educational programs; basic aspects of the organization and management of educational programs; decision-making process, and quality assurance system.

The 10 standards of nursing education:

Standard 1 : Vision, mission and goals

Standard 2 : Governance, leadership, management systems, and quality assurance

Standard 3 : Students and graduates

Standard 4 : Human resources

Standard 5 : Curriculum, learning, and academic atmosphere

Standard 6 : Forum for the clinic and community learning

Standard 7 : Facilities and infrastructure

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80 JICA – CHRUI (2011). Background Information Survey on Nurse and based on the interview from related organizations.

81 Yoshichika KAWAGUCHI (2009).日本、フィリピン、インドネシアの看護教育カリキュラムの比較.: Bulletin of Kyushu University Asia Center Vol.3.

82 Health Professional Education Quality (HPEQ) Project (2009). Draft Standar Pendidikan Ners revisi September 2011.

- Standard 8 : Information systems
- Standard 9 : Financing
- Standar10 : Research, community service, and cooperation

In terms of the standard 7 “Facilities and infrastructure”, the schools or education institutions for nursing must have appropriate laboratory and complete type of laboratory, which covers at least five fields such as maternity, child, medical operation, community, geriatric and mental health care, foreign as well as audio language lab. In these aspects, HPEQ project will conduct survey to identify the current situation in each school in July-December 2012<sup>83</sup>. This draft is still waiting for validation, therefore, it is unclear when these standards will be applied.

#### (4) Indonesian Nursing Registration System

There was no policy on the national competency test as the requirement to get endorsement of Registered Nurse. Therefore, Indonesian nurses could be qualified to register to the local government after completing nursing program. However, the regulation (No.1796/MENKES/PER/VIII/2011) regarding health personnel registration was revised in 2011. This regulation was stipulated on 22<sup>nd</sup> August 2011 by MOH and on 30<sup>th</sup> September 2011 by Ministry of Law and Human Rights. As a result, competency certificate is compulsory regulated to nurses as health personnel. This achievement is related to the HPEQ project and the competency test will be conducted for new graduates at the end of June 2012, based on the interview from relevant agencies such as MOE, MOH and PPNI.

According to this regulation, STR (Registration Certificate) is given by the government to health personnel who have owned a competency certificate at the same time as passing competency test as well as the education program. STR is valid in the whole area of Indonesia for five years and may be extended every five years. STR is issued by MTKI (Indonesian Health Personnel Council) and MTKP (Provincial Health Personnel Council). The format of the Competency Certificate is as specified (refers to attachment). The competency test is also conducted by these two organizations.

When extending the STR, a minimum of 25 Professional Credit Units is required through the participation of health personnel in educational and/or training activities and other scientific activities in accordance with the field of its duty or profession. These credit units are provided by a Professional Organization. This means that quality assurance and capacity building training are conducted for current working nurses although the specified contents of training are needed for further considerations.

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83 Based on the interviews from related organizations.

As the transitional provision, the health personnel who has owned a license/STR and/or work permit and/or professional license based on the existing laws and regulations is stated to have owned STR until the expiry of its validity period which is less than five years. In addition, the health personnel may be provided with STR based on this Ministerial Regulation before 2012 for those who have passed the educational program examination. Furthermore, foreigners or Indonesians who graduate from international institutions are also needed to meet the STR requirements and submit competency certificates before working.

As described above, Indonesia has made effort towards improving the quality of nurses and the provision of education of nurses at a higher level. This is because of the relation to the MRA (Mutual Recognition Agreement) of nursing which will be implemented in 2015 among 10 ASEAN countries. In accordance with this agreement, if S1 nurses have more than three years of work experience, it is possible to work as a registered nurse in other ASEAN countries<sup>84</sup>. In addition, every ASEAN country needs to establish its own system of nursing registration and guarantee the quality of nurses to accept nurses from other countries and send their own nurses to other countries<sup>85</sup>. However, Indonesia is on the stage of drafting nursing education standards over the D3 level while national examination will be implemented this year, therefore, it is not enough to secure the quality of professional. Currently working nurses were received the varied level of education depending on their graduated schools and in-service training is different from their working region therefore their skills and ability level differ from individuals even though the regulation has been set. Thus it is important to secure the quality of in-service training and professional education including continuing education nursing.

#### **4-1-2 Indonesian Careworker Education and Qualification System<sup>86</sup>**

There is no careworker education and qualification system in Indonesia. Because of this, it is difficult to define the terminology of “careworker”. Through this research someone replied the word does not exist and is included in “Nurse”, others explained it means “Home helper or Housekeeper” or “Caregiver (Caretaker) who works at nursing home or disabled persons facilities”. In practical situation, the educational background of those who are working at nursing home and disabled persons facilities differs from primary school to university or postgraduate level. They receive training regarding care and engage in their work. Table 45 indicates the example of staff education at nursing home.

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84 Based on the interviews from related organizations, Satoshi Shimizu (2010-03-01). 経済統合に向けアセアン域内で職種資格の相互承認へ. Asia Monthly Vol3. (2010). the Japan Research Institute,Ltd. <http://office-ym.seesaa.net/article/31871214.html> (accessed 2011-12-14).

85 MRA on nursing services were agreed in 2007 then, other 6 areas are agreed basic principles and approval in 2009. The scheme of MRA will be complete in the ASEAN region by 2015.

86 This section is based on the interviews from related organization.

Table 45 Staff and Education Level in Nursing Home “BUDHI DHARMA”

Classification	No. of Staff	Education Level	No. of Staff
Director	1	S2 (Master)	3
Administration	16	S1 ( Bachelor)	10
Social Rehabilitation	16	D4 (4 year Diploma)	6
Social Advocacy	5	D3 (3 year Diploma)	6
Functional Social Worker	4	SMA(High-School)	16
Doctor	1	SMP (Junior High-School)	2
Archivist	1	SD (Primary School)	3
Social Training	1	Total	46
Planner	1		
Total	46		

Source: The list of staff from BUDHI DHARMA

Note: According to the “Profil Panti Sosial Tresna Wwedha (PSTW)” from MOSA Directorate of Elderly Social Service, staff distribution depends on each facility. Male: 15, Female: 31

The residents of nursing home “BUDHI DHARMA” were observed as a requiring support in the level of Japanese Long-term Care Insurance System. In addition, the required level of care and environments surrounding the facilities are different from in Japan. Therefore, Indonesian careworker candidates under JIEPA have different recognition for nursing home. Through pre-departure training of EPA, candidates study climate, lifestyle and culture in Japan along with Japanese language study. Also they watch videos of nursing homes in Japan and show the reaction of surprise. This is also related to the different social welfare system and circumstances for elderly people. Therefore, one of the challenges concerns how to help Indonesians who have never been to Japan to understand the Japanese situation<sup>87</sup>.

Under JIEPA, those who graduate from over D3 level<sup>88</sup> and get the qualification as a careworker from Indonesian government can also apply as a careworker candidate. In 2009, MOMT implemented the training of careworkers for 3.5 months and 320 persons attended. As a result, 75 persons out of 320 as show in Table 46 below made a contract and visited Japan as careworker candidates. Most of them do not match the requirements of Japanese facilities. The success rate is low at only 23 percent; therefore the MOMT has stopped applying the budget to conduct this training since 2009. Most careworker candidates who succeed in working in Japan are D3 nurses without working experience. Since this training certificate is valid for three years, some holders apply to the EPA every year, however, due to mismatch of wishes in the matching stage, only a few bind employment contracts (see Table 46). The majors of these certificate holders diversely range from languages and sociology to engineering<sup>89</sup>.

Moreover, since the valid term of certification based on the above training will run out from 2013 onwards, according to the EPA stipulated requirements of acquiring D3 or higher and being recognized

87 Based on the interviews from related organization, Bima CONC (2010). 第1回インドネシア看護学校視察ツアー報告書. <http://bimaconc.jp/news/cat5/> (accessed 2011-11-23).

88 D3 and D4 qualifications are obtained to complete the diploma program (1-4 years) after graduating general high school.

89 Based on interviews with officials.

as a careworker, nobody will be able to apply for the EPA program. This stipulation was prescribed when the EPA was compiled, however, as in the selection of EPA candidates, since it is entrusted to the Indonesian-side, the Indonesian-side must implement training and conduct the careworker certification. Currently, graduates of nursing schools (D3) or university nursing departments (S1 or higher) who cannot apply for the nursing course because they don't have work experience are dispatched upon applying for the careworker (*Kaigofukushishi*) course.

Table 46 Number of People Who Does Not Graduate Nursing School and Come to Japan as *Kaigofukushishi*

Year	No. of persons qualified as Careworker	<i>Kaigofukushishi</i> Candidates coming to Japan
2009	320	75
2010	-	10
2011	-	5
2012	-	uncertain
Total	320	90 (28.1%)

Source: BNP2TKI

#### 4-2 The Career Path and Employment Rate of Indonesian Nurses Graduating from Nursing School

In this section, Indonesian nurses graduating from nursing school means D3 and S1 or higher nurses. There are 104,239 students (2008/2009 academic year) in those schools. The number of new graduates is approximately 22,000 persons per year. It is difficult to identify their career paths as the report of MOE indicates 48.1 percent of schools did not conduct follow-up.

In terms of 113,555 nurses working at hospitals, there are D3: 52,816 (46.51 percent), S1 : 2,640 (2.32 percent), S2/S3 : 86 (0.07 percent) and SPK: 28,411 (25.01 percent). While those assigned to health centers are 56,727 nurses, with most qualified for D3 nursing and SPK<sup>90</sup>. Therefore, most nurses find a job at hospitals and health centers in Indonesia. However, some of nurses cannot find a job. BIHS (BINAWAN Institute of Health Sciences) indicates 96 (20.7 percent) work overseas and 351 (75.6 percent) work domestically including 104 (22.4 percent) working in home care which supposes they are not employed.

Table 47 Place of Employment of BIHS Graduates (April 2008-December 2010)

Number of Students	Overseas				Domestic				Unknown
	Australia	Japan	Kuwait	Saudi Arabia	Hospital	Two-year/ Four-year College (Lecturer)	Clinic	Other (Corporations)	
464	10	19	49	18	132	8	14	197	17
	2.2%	4.1%	10.6%	3.9%	28.4%	1.7%	3.0%	42.5%	3.7%

Source: BIHS (April 2008-December 2010). Profil Alumni Program Studi Ilmu Keperawatan (PSIK) Stikes

90 MOH (2007). Indonesian Health Profile.

## 4-3 The Overview of Indonesian Nursing Care Sector and Labor Market

In this section, firstly, nursing sector's labor market is reviewed. After that, caregiving sector's situation is referred to.

### 4-3-1 The Overview of Indonesian Nursing Sector and Labor Market

The overview of Indonesian nursing sector will be explained from the aspects of health sector because Indonesian government focuses on health human resource development in the MOH's document of Strategic Plan of 2010-2014 and nurses are recognized as an important health human resource.

#### (1) The Overview of Indonesian Health Sector

Indonesia consists of 33 provinces, 370 districts, 96 municipalities, 6,131 sub-districts and 73,405 villages in 2007. The number of population is 237,556,363 (in 2010) which is twice as large as that of Japan. Decentralization policy has been started since 2001 and each local government has health sector strategy. The expenditure in health sector is less than 3 percent which is lower than that of East Asia and Pacific region (6.1 percent) as well as that of average in low-middle income countries (5.9 percent).

The Indonesian health infrastructure has a relatively low level. The number of beds per 10,000 population is lower than that of neighboring countries. Many public health facilities are reported to have poor infrastructure and lack of facilities. Across the country, doctors and nurses are lacking but a certain number of midwives are assigned throughout the country.

In terms of health indicators, Indonesia has worse maternal and infant mortality rates than Vietnam, Philippines and Malaysia. In addition, the number of people suffering from the reemerging infectious diseases such as tuberculosis, malaria and dengue fever as well as emerging infections such as HIV/AIDS and avian flu have increased. In particular, the number of people infected with avian flu is the most in the world (as of August 2010). Furthermore, stroke is a leading cause of death (15.4 percent) and also non-infectious diseases such as hypertension and diabetes are a big issue.

Table 48 The Health Expenditure as Percentage of GDP and Ratio of Health Personnel per 100,000 of Population

Indicator	Indonesia	Philippines	Thailand	Malaysia	China	Cambodia	Vietnam
Total health expenditure as percent of GDP	2.2	3.3	3.5	4.3	4.5	6	6.6
Hospital beds (per 10,000 population)	2.5 <sup>f</sup>	13	22 <sup>a</sup>	19	22	6 <sup>b</sup>	26 <sup>f</sup>
Physician density (per 100,000 population)	13 <sup>d</sup>	58 <sup>a</sup>	37 <sup>a</sup>	70 <sup>a</sup>	106 <sup>b</sup>	16 <sup>a</sup>	53 <sup>b</sup>
Nursing density (per 100,000 population)	62 <sup>d</sup>	169 <sup>a</sup>	28 <sup>a</sup>	135 <sup>a</sup>	105 <sup>b</sup>	61 <sup>a</sup>	56 <sup>b</sup>
Midwife density (per 100,000 population)	20 <sup>d</sup>	45 <sup>a</sup>	1 <sup>a</sup>	34 <sup>a</sup>	3 <sup>b</sup>	23 <sup>a</sup>	19 <sup>b</sup>

Sources: WHO (2006c) and WHOSIS, <http://www.who.int/whosis/en/index.html> (accessed 2011-12-7)

Key: a) 2000; b) 2001; c) 2002; d) 2003; e) 2004; f) 2005

To address the health issues mentioned above, health human resources are an important factor. In terms of nurses, however, their competency and skills are insufficient because of lack of training and education. Although the career development program has been set it is still unclear and depends on the local government or other management organizations of the workplace. In addition the reward system is realized as unfair compared to other workers and the remuneration system lacks national guidelines for nursing personnel especially in the private sector<sup>91</sup>.

(2) The Number of Indonesian Nurses

The distribution of health workers in Indonesia is still unclear as not all provinces receive the data on health workers from the regencies/cities under its territory. It is recorded that there are 410,067 health workers, which includes 173,948 nurses (42.4 percent)<sup>92</sup>.

Table 49 Number of Health Human Resources

Nurse	173,948
Dental Nurse	10,384
Midwives	93,889
Pharmacist	19,953
Community health workers	28858
Nutritionist	12,762
Physical therapist	2,985
Medical technician	15,483
Medical workers (Doctors)	51,805
Total health workers	410,067

Source: MOE (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat

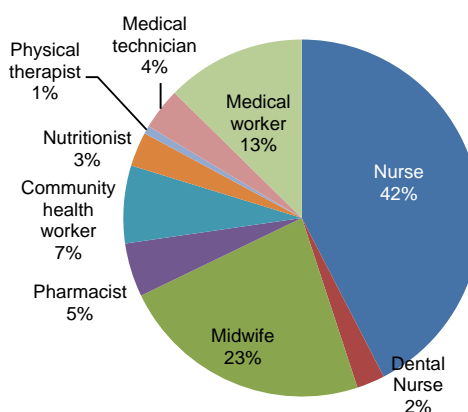


Chart 27 Ratio of Health Human Resources

According to SKN (National Health System) in 2003, the number of population per one nurse was 2,850 which changed to 1,366 in 2010 (calculation with Indonesian population 237,556,363 in 2010 and the number of employed nurses in 2009). The ideal ratio is 117.5 nurses per 100,000 people based on 2010 Health Indicators of Indonesia; therefore 279,129 nurses in total are needed<sup>93</sup>. However, the actual ratio in 2009 is 73.2 nurses per 100,000 people, thus there is still shortage of approximately 100,000 nurses. Although the number of nurses is enough, the shortage of nurses is caused by unequal distribution and insufficient placement of nursing personnel. Indonesia is recognized as one of 57 priority countries with critical shortage of health workforce with less than 2.3 health workforce per 1,000 populations which is defined by WHO (World health Organization)<sup>94</sup>.

91 MOH (2010). Action Plan For Professional Nursing, Midwifery, And Medical Technician Services Year 2011-2014.

92 MOE (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat.

93 MOE (2010). Potret Ketersediaan Dan Kebutuhan Tenaga Perawat.

94 WHO (2006). World Health Report 2006.



(3) Distribution of Nurses in Indonesia

The common workplaces for nurses are hospitals and health centers. The number of hospitals and health centers has increased as shown in Tables 50 and 51.

Table 50 Number of Hospitals in 2005-2009

Management Organization	2005	2006	2007	2008	2009
MOH/Provincial/District/City Government	452	464	477	509	552
Army/Police	112	112	112	112	125
Other ministries and Government owned enterprises	78	78	78	78	78
Private sectors	626	638	652	673	763
Total	1,268	1,292	1,319	1,372	1,518

Table 51 Number of Health Centers with Beds and without Beds in 2005-2009

	2005	2006	2007	2008	2009
HC with beds	2077	2497	2683	2438	2704
HC without beds	5592	5518	5551	6110	6033
Total	7,669	8,015	8,234	8,548	8,737

Source: MOH (2010). Profile Kesehatan Indonesia Tahun 2009

There are other health facilities such as 23,163 branches of public health centers (*Pustu*), 70,046 integrated service posts (*Posyandu*), 25,271 local midwiferies (*Polindes*), and 11,287 village health posts (*Poskesdes*) but there are no nurses.

The population per nurse is 1,366 in the country, but this number is different from the islands such as 1,465 in Jawa, 3,078 in South Sumatra, 2,338 in South Sulawesi which is more than the national indicator, and 579 in Maluku and 414 in Riau (both less than the national indicator)<sup>95</sup>. This is because of concentration of population in main islands and uneven locations of nursing schools. In addition, geographic difficulties with lack of transportation and infrastructure facilities in the rural areas cause rejection of nurses to be placed as well as uncertainty of future carriers of nurses<sup>96</sup>

In this way, regional disparity can be seen in that there are relatively ample human resources in urban areas but shortages in the provinces. In addition, as features of the domestic labor market, since job openings are few and salaries are low in hospitals and health posts, etc., some graduates pursue careers outside of nursing or find no work at all. In order to utilize such non-employed nurses, the PPNI declares it will “strive to open the doors from Indonesia to the world and improve Indonesian competitiveness through enhancing the capacity of nurses.” In addition,

95 MOH (2009). Profile Kesehatan Indonesia Tahun.

96 Agus Suwandono et.al. (2005). Human resources on health (HRH) for foreign countries: A case of nurse ‘Surplus’ in Indonesia and based on the interview from related organizations.

since the curriculum ideal of D3 states the following: “to produce new professional nurses who have the ability to compete at home and abroad,” it can be seen that the government is encouraging the overseas employment of its nurses.

(4) Trends of Nursing Labor Market in Indonesia

According to the source<sup>97</sup>, the number of new recruitment is approximately 2,000-3,000 persons per year in public sector and 2,500-3,000 persons per year in private sector. The government limited the maximum budget up to 3,000 per year while 22,000 nurses newly graduate every year. Therefore, these conditions create a discrepancy of nurse production and placements in which approximately more than 15,000 nurses do not get proper placements; in other words, there is a surplus of roughly 15,000 nurses. Future estimation of demand for nursing personnel is shown in Table 52 and the estimation of supply of nurses is indicated in Table 53.

Table 52 Estimated Demand for Nursing Personnel

(Number of TNI, POLRI and Private Hospital are a total number of Midwife, Nurse and Dental hygienists)

Type of hospital and HC	2014	2019	2025
Hospitals by MOH and Local Governments	60,022	140,137	183,684
Community Health Centers	240,515	230,681	220,847
The Port-based Health Office (KKP)	653	668	835
Indonesian National Army (TNI)	11,050	12,050	13,500
National Police of RI (POLRI)	3,850	4,300	4,750
Private Hospital	62,571	71,773	82,815
Estimated Demand by Other Countries	9,280	13,100	16,920

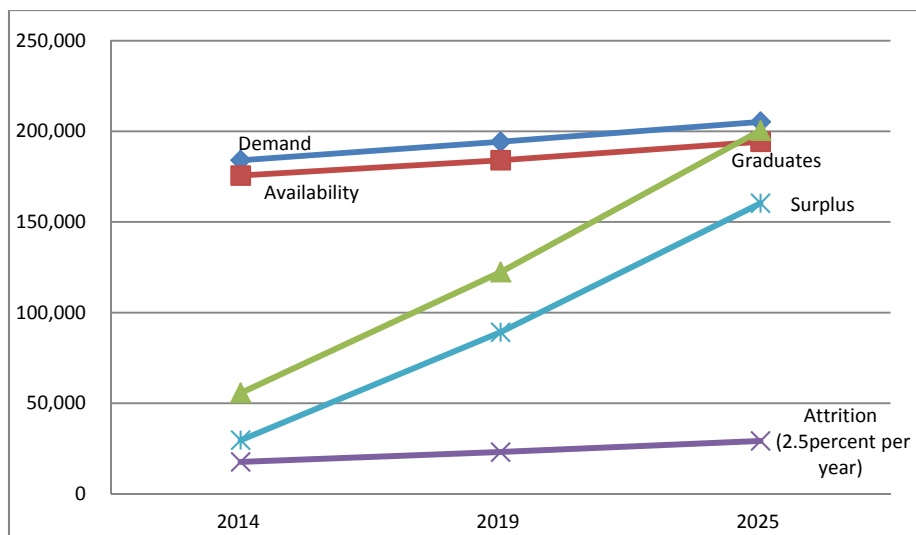
Table 53 Estimated Supply for Nursing Personnel

Year	2011-2013	2014-2018	2019-2024
Graduates	55,635	122,329	200,425
Graduates/Year	18,545	24,466	33,404

Source: MOH (2011). Chapter IV Planned Need for Human Resources for Health

Chart 28 indicates the balance of the demand and supply of nursing personnel. In 2025, it is estimated that 160,290 nurses will be surplus.

97 Agus Suwandono et.al. (2005). Human resources on health (HRH) for foreign countries: A case of nurse ‘Surplus’ in Indonesia and based on the interview from related organizations.



Source: MOH (2011). Chapter IV Planned Need for Human Resources for Health

Chart 28 Estimated Supply and Demand for Nursing Personnel (Unit:Person)

#### 4-3-2 The Overview of Careworking Sector<sup>98</sup> and Labor Market in Indonesia

Indonesia does not have an education and qualification system for careworkers and there is no requirement for the long-term care insurance system as in Japan. Therefore, the overview of careworkers' sector mentions the aspects of the elderly or disabled people who may need care. The directorate of elderly social service and the directorate social rehabilitation of disabled under the MOSA (Ministry of Social Affairs) manage these fields. The provided services depend on each facility<sup>99</sup>.

##### (1) The Situation of Care for Elderly People in Indonesia

The ratio of elderly aged over 65 years has been increasing year by year as shown in the table below. Accordingly, Indonesia may move towards an aging society.

Table 54 Estimation of Population aged 65 and over and Trends in Mean Life Expectancy

Year	Population aged 65 and over	Ratio of Total Population (percent)	Life Expectancy at Birth
1980	7,700,000	5.5	55.30
1990	11,300,000	8.9	61.12
2000	14,400,000	7.2	64.05
2010	23,900,000	9.7	70.08
2020	29,000,000	11.4	73.3

Source: MOSA (2010). Modul Pendampingan dan Perawatan Sosial Lanjut Usia (Home Care)

98 This section referred to MOHLW (2011). Report on International Situation 2009-2010.

99 Based on the interview from related organizations.

In Indonesia, the elderly are generally taken care of by their families. Therefore, social services for the elderly target the specific persons who live alone or have some disabilities. According to the statistics of MOSA, there are 1,644,002 elderly people without any relatives. Welfare services provided by the facilities for the elderly are welfare services, day care, health care services, service for the elderly with the trauma, home based services, medical services. There are 278 nursing homes in total consisting of two facilities under MOSA (219 residents), 70 facilities under local governments (5,523 residents), and 165 private facilities (7,370 residents)<sup>100</sup>.

The Directorate of Elderly Social Service conducted a survey regarding the human resources and provided services in 2010. According to the results, staff distribution is as shown in Table 55. There are social workers, doctors, psychologists and caregivers allocated in a half of nursing homes. However, the number of each staff is different and depends on each nursing home. The nursing home visited for research arranged nurses but this survey did not count the number of nurses.

Table 55 Staff Distribution in Nursing Home

Human Resources	No. of Facility (Total 212)
Social worker	128 60.4%
Doctor	118 55.7%
Psychologist	73 34.4%
Elderly caregiver	109 51.4%

Source: MOSA (2010). Profil Panti Sosial Tresna Werdha (PSTW)

The services in the nursing home are divided into seven categories providing “daily basis” and “not conducted every day” as shown in Table 56.

Table 56 Seven Provided Basic Services

Provided Services	Activities	No of Facility (Total 212)
1. Physical Guidance	Gymnastics and walking, etc.	180 84.9%
2. Religious Guidance	Worship	206 97.2%
3. Social Guidance	Social assistance conducted by individuals or groups	172 81.1%
4. Psychosocial Guidance	Counseling by a social worker or psychologist	117 55.2%
5. Skills Guidance	Weaving, gardening and etc.	174 82.1%
6. Recreation	Visit to the place of entertainment or recreation and etc.	167 78.8%
7. Medical Check	Medical examinations implemented by doctors or paramedics	198 93.4%

Source: MOSA (2010). Profil Panti Sosial Tresna Werdha (PSTW)

Health and welfare systems for the elderly have many challenges such as lack of budget, lack of facilities and the differences in each local governments under the decentralization policy ,therefore, the management and operation are needed further development.

100 Bima CONC (2010). The report of first study tour for Indonesian nursing school. <http://bimaconc.jp/news/cat5/> (accessed 2011-11-23).

In addition, home care training is conducted in 15 provinces by MOSA, which has developed community-based services for the elderly since 2006. To meet the needs and problems of the elderly, it is necessary to increase the capacity of caregivers thus the appropriate training (Home Care) module has been created (refer to attachment). According to the module, training programs consist of physical and psychological health for the elderly in the aspects of social welfare and similar to the nursing situation in Japan. However, it is unclear for the level of physical function of the elderly as well as required care level. Through the research of the situation by visiting nursing homes and collecting information from relevant organizations, there might be fewer elderly who are categorized in the situation of requiring long-term care level 5-3 in the Japanese system. Indonesia places emphasis on the following Elderly Welfare Act (No. 13 chapter 8 year 1998) and differs from the situation in Japan.

The government, communities and families have to take care and take responsibility for elderly people, as mentioned in Law No. 13 Chapter 8, 1998 about the welfare of the elderly people<sup>101</sup>. In chapter 12, it mentioned that the need for increasing social welfare of non-potential elderly people is included:

- a) Religious service, mental and spiritual
- b) Health service
- c) Service for easier way to using facilities, public facilities and infrastructure
- d) Provision of facilities to get legal aid
- e) Social protection

## (2) The Situation of Care for Disabled People in Indonesia

For disabled people, the measures are implemented in accordance with “Law on People with Disabilities (Act No. 4 of 1997)”. According to the statistics of MOSA, there are 1,544,184 people with disabilities. From the number of beneficiaries receiving the funds since 2006, there are 17,000 people (in 30 provinces) with severe disabilities in 2009 and 20,000 people (in all 33 provinces) in 2010. There are five kinds of facilities applied such as physical disabilities, visually impaired, hearing impaired, mental retardation and psychiatric as shown in Table 57. The services and staffing depend on each facility in the same way as the nursing homes and MOSA does not well recognize the actual situation. Therefore, the situation of careworkers is unknown. Careworkers can receive certain training for taking care of disabled people, however, relevance to caregiving like Japanese seems to be low.

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101 Source: MOSA (2010). Modul Pendampingan dan Perawatan Sosial Lanjut Usia (Home Care).

Table 57 Overview of Institutional Welfare Measures for People from Indonesian Statistics in 2004

Physical Disabilities	No. of Facilities	No. of Residents
MOSA	4	790
Local Gov.	3	235
Total	7	1025

Visually Impaired	No. of Facilities	No. of Residents
MOSA	2	150
Local Gov.	3	150
Total	5	300

Hearing Impaired	No. of Facilities	No. of Residents
MOSA	4	490
Local Gov.	14	653
Total	18	1143

Mental Retardation	No. of Facilities	No. of Residents
MOSA	2	400
Local Gov.	3	200
Total	5	600

Psychiatric	No. of Facilities	No. of Residents
MOSA	4	390
Local Gov.	4	400
Total	8	790

Source: MOHLW (2011). 2009~2010年海外情勢報告

### (3) Trends of Careworker Labor Market in Indonesia

As mentioned above, there is no specific job of careworker in Indonesia. The staff working as a caretaker accounts for a half of existing facilities thus the domestic labor market is small. On the other hand, Indonesian workers working abroad as a careworker are many as indicated in Table 19 and most of them are female. They are accepted in the host countries without any specific qualifications after graduating from high-school or even the under level of high-school education which depends on each country. Therefore, the labor market overseas may possibly be large. More information on each country accepting careworkers is described in the sections 4-5 and 4-6.

## 4-4 The Situation of Government Policy and Strategy for Overseas Placement in the Nursing Care Sector

Indonesian government adopted the policy on overseas placement of nurses in 1992. There was demand of nurses from the developed countries in 1980 and this demand increased especially in Middle East countries in 2000. The placement is based on G to G, G to P, and P to P mechanisms. Currently the main way is individuals and private agencies as Companies of Indonesian Work Force Recruitment for Oversea Job (Pengerah Jasa Tenaga Kerja Indonesia: PJTKI). However, because the ability levels of speaking and writing English are still low and nurses cannot pass the examinations set by each host country, the number of nurses working overseas is still small even though there is a surplus of nurses and big demand. As the Indonesian government promotes the overseas placement of not only nurses but also personnel in other industries, English education has been enhanced recently<sup>102</sup>.

102 Based on the interview from the related organization, Institute for International Business Communication (2009). TOEIC News Letter February 2009 No.104. [http://www.toEIC.or.jp/sys/letter/News104L\\_9164.pdf](http://www.toEIC.or.jp/sys/letter/News104L_9164.pdf) (accessed 2011-12-06).

In the aspect of protection of human resources, the Indonesian government hopes for the further application placement on inter-governmental cooperation programs or diplomatic relations in an effort to expand job opportunities, particularly for purposes of overcoming a temporary surplus of nurses as well as transfer of technology and science. Table 58 indicates the target of the relations of cooperation in the placement of Indonesian human resources for health abroad including nurses<sup>103</sup>.

Table 58 Target of the Relations of Cooperation in the Placement of Indonesian HR for Health Abroad in 2010-2025

Method	2010	2014	2019	2025
G-to-G	1. Japan 2. Timor-Leste (RDTL)	1. Qatar 2. Kuwait 3. Sudan 4. Saudi Arabia 5. ASEAN (MRA of 2015)	1. UEA 2. UE 3. Norway	1. Canada 2. U.S.A 3. Australia
G-to-P P-to-P	1. The Netherlands 2. Norway 3. Saudi Arabia 4. ASEAN 5. Kuwait 6. UEA	1. Taiwan 2. South Korea	Continued	Continued

Source: MOH (2011). Center for Planning and Efficient Use of Human Resources for Health

#### 4-5 Actual Placement and Intergovernmental Agreement between Indonesia and Other Countries in the Nursing Care Sector

Concerning the actual overseas placement of Indonesian workers in the nursing and care fields and intergovernmental agreements for this, the following paragraphs describe dispatches based on the Japan-Indonesia as well as conditions in each country.

##### 4-5-1 Placement under Japan-Indonesia EPA (Intergovernmental Agreement)

###### (1) Nursing Course<sup>104</sup>

Japan leaves the selection of the candidates to Indonesia. Table 59 shows the number of passing people in each procedure. The successful rate of matching differs from the year with 37-67 percent and there are different requirements between candidates and accepted facilities. The final passing rate against the number of applicants is low at 26-41 percent therefore passing selection is difficult. In addition, the long procedure hampers candidates to apply this scheme especially, those who are working.

103 Based on the interview from the related organization and MOH (2011). CHAPTER IV PLANNED NEED FOR HUMAN RESOURCES FOR HEALTH. In the article, health human resources includes eight health professionals such as nurses, specialists, general practitioners, dentists, midwives, laboratory technician, radiographer, community health workers (SKM) and does not mean only the nurse.

104 This section referred to MOH (2011). Review preparation program of Indonesian nurses to japan in the framework IJEPa in 2008-2011.

Table 59 Number of Applicants and Arocedure of *Kangoshi* Course in Indonesia

	2008	2009	2010	2011
	Batch I	Batch II	Batch III	Batch IV
Maximum No. of recruitment	200	200	200	200
No. of applicants	328	473	149	115
Document selection	238	433	144	-
Competency Test	238	354	108	-
No. of people passing competency test	179		103	102
Medical Check-up	179			
No. of people passing medical check-up	174			
Psychological Test	174	355	129	92
No. of people passing psychological test	170	-	121	91
Matching	170	-		
No. of people passing matching	110	197		
Medical Check-up		187	117	-
No. of people passing medical check-up		176	109	79
Matching			106	79
No. of people passing matching			39	53
Pre-Japanese language training		175		
Refuses	6	2	0	6
No. of candidates accepted in Japan	104	173	39	47

Source: MOH (2011). Review preparation program of Indonesian nurses to japan in the framework IJEPA in 2008-2011

According to Table 59, the passing rate of each procedure can be calculated as shown in Table 60.

Table 60 Passing Rate of Each Procedure of *Kangoshi* Course

	2008	2009	2010	2011
Document selection	73%	92%	97%	89%
Competency Test	75%	-	95%	-
Psychological Test	98%	-	94%	99%
Medical Check-up	97%	94%	93%	87%
Matching	65%	55%	37%	67%
Final Successful Rate	32%	37%	26%	41%

Source: Calculation based on the BNP2TKI data

There are a few S1 nurses, accounting for approximately 10 percent of all.

Table 61 Educational Level of Applicants of *Kangoshi* Course

	2008	2009	2010	2011
D3	197	323	-	32
S1	36	19	-	8
Other	5	12	-	7
Total	238	354	-	47

Source: MOH (2011). Review preparation program of Indonesian nurses to Japan in the framework IJEPA in 2008-2011

Table 62 indicates the number of Indonesian candidates and the maximum accepted number of nurses with 200 has not been changed, however, the number of candidates is decreasing after the peak in 2009. There are some reasons estimated such as decreasing demand for foreign nurses because of increasing the number of Japanese who have willingness to work in the nursing care



sector under the influence of recession; the load of work for training and national examination study as well as financial burden; insufficient communication in Japanese; and attractiveness of working in other countries.

The Batch I in 2008 has already expired the three-year stay in Japan, however, they were allowed to extend their stay for one more year and to continue working and studying even though they failed the Japanese national examination. This is because the Batch I and II could not receive the further training which started in 2010 in order to improve the low passing rate of Japanese national examination<sup>105</sup>. There are some requirements to extend their stay and 68 candidates could meet them, however, only 27 candidates (40 percent) applied and the rest of them returned to Indonesia. There are various reasons such as the influences of the Great East Japan Earthquake, discontent over the treatment and support system from the workplace, disappointment in the work duty and family problems<sup>106</sup>. 62 of the EPA first batches went back to Indonesia by August 2011 because they were unable to meet the set standard. The Japanese government provided them Internet based home study system for Japanese nursing board exam and held preparation exam in Jakarta in October 2011. However, Japan has not announced clear strategy for continuous support to the candidates who did not meet the set standard. As of 2011, the EPA agreement excludes any support to candidates who returned. It seems to be difficult for those candidates to work again in public hospitals in Indonesia due to a small vacancy rate. The EPA scheme should consider how to support them after returning.

Table 62 The Changes in the Number of Accepted Indonesian Candidates as *Kangoshi*

Year	No. of nurses candidates	Male	Female	No. of nurses working in Japan	Returnee	No. of nurses passing National Exam			Extension
						2008	2009	2010	
2008 Batch I	104 (2008.8.7)*	29 (28%)	75 (72%)	42 (2009.2.13)**	62	0	2	13	27
2009 Batch II	173 (2009.11.13)	-	-	159 (2010.1.16)	16	-	0	2	-
2010 Batch III	39 (2010.8.7)	5 (13%)	34 (87%)	37 (2010.12.4)	2	-	-	0	
2011 Batch IV	47 (2011.7.5)	11 (23%)	36 (77%)	47 (2012.1.6)	0	-	-	-	
Total	363			285	80	0	2	15	27

Source: MOHLW, AOTS (as of 2011-12-1)

Note: \* Immigration day in Japan \*\* Date to start working at a hospital or caregiving facility

105 Cabinet decision (2011- 03-11). 経済連携協定 (EPA) に基づくインドネシア人及びフィリピン人看護師・介護福祉士候補者の滞在期間の延長について.

106 Mainichi Newspaper morning edition in Tokyo (2011-11-03). インドネシア : 看護師第 1 陣, 高度医療を学ぶ夢破れ 日本語が壁, 6 割帰国.

(2) Careworker Course

Table 63 shows the number of candidates passing in each procedure. A few people have Japanese language qualification (N2). In 2009, 1,300 people applied to the scheme because of the training conducted by MOMT and misunderstandings regarding the eligibility for applicants.

Table 63 Number of Applicants and Procedure of *Kaigofukushishi* Course in Indonesia

	2008 Batch I	2009 Batch II	2010 Batch III	2011 Batch IV	
Maximum No. of recruitment	300	300	300	300	
No. of applicants	155	1,300	353		
Document selection	131	595	327		
Psychological test	-	-	307		
No. of people passing psychological test	-	-	179		
Joint Interview (JICWELS)	131	585	177		
Medical check-up	131	203	175		
No. of people passing matching	126	203	163		
No. of people passing matching	104	203	77		
Pre-Japanese Language training	-	188	75		
No. of candidates accepted in Japan	104	189	77	58	<b>Total Sum</b> 428
(Note) No. of Non-Nurse	-	75	10	5	90
(Note) No. of persons who have Japanese qualification	3	1	2	1	7
(Note) Male	48	-	23	13	-
(Note) Female	56	-	52	44	-
Returnee	-	3	1	-	4

Source: MOHLW, AOTS, BNP2TKI (as of 2011-9-26)

Note: There is no data of 2011 selection in BNP2TKI

Table 64 shows the passing rate based on Table 63. Except for 2008, the final successful rate is low at 15-22 percent. Psychological test is a test to find out the interests, personality, intelligence, morale and commitment of prospective migrant careworkers (*Kaigofukushishi*) of this program<sup>107</sup>. In 2010, 42 percent of applicants failed to pass this test but its reasons could not be identified.

Table 64 Passing Rate of Each Procedure of *Kaigofukushishi* Course

	2008	2009	2010
Document selection	85%	46%	93%
Psychological Test	-	-	58%
Medical Check-up	96%	100%	93%
Matching	83%	100%	47%
Final Successful Rate	67%	15%	22%

Source: Calculation based on the BNP2TKI data

107 BNP2TKI (2010). Pendaftaran Calon Nurse (Kangoshi) dan Careworker (Kaigofukushishi) ke Jepang Program G to G 2011.

<http://www.bnpt2ki.go.id/info-ke-jepang-mainmenu-215/3226-pendaftaran-calon-nurse-kangoshi-dan-care-worker-kaigofukushishi-ke-jepang-program-g-to-g-2011.html> (accessed 2011-11-03).

## 4-5-2 Overseas Placement to Other countries<sup>108</sup>

### (1) Overseas Placement in Nurses

Indonesian nurses have worked in Australia, Canada, USA, Saudi Arabia and Qatar. Each country sets the criteria shown as the Table 65.

Table 65 Needs and Criteria of Five Countries for Foreign Nurses

	USA	Australia	Saudi Arabia	Kuwait	Malaysia
Needs	Unlimited number of nurses for 'S1' & 100 nurses for academic level	-	1,000	-	-
Criteria	<ul style="list-style-type: none"> <li>- TOEFL<sup>*1</sup>540 (S1), 450 (D3)</li> <li>- Passed CGFNS<sup>*2</sup></li> <li>- Green Card</li> <li>- D3 nurses need to take ESL<sup>*3</sup> for 6 months</li> </ul>	<ul style="list-style-type: none"> <li>- IELTS<sup>*4</sup>5.5-6.5</li> <li>- Worked at nursing home 6 months-</li> <li>- Evaluated by Flinders University</li> <li>- Pre-register. Course</li> </ul> <p>North Australia</p> <ul style="list-style-type: none"> <li>- IELTS 6.0-6.5</li> <li>- Passed Immersion Course</li> </ul>	<ul style="list-style-type: none"> <li>- Female aged under 35 years</li> <li>- 2 year work experience at hospital</li> <li>- Able to speak English</li> <li>- Passed written test, audience, &amp; health test</li> </ul>	<ul style="list-style-type: none"> <li>- Men and Women, age maximum 35 years</li> <li>- D3 &amp; S1 nurse</li> <li>- Experience Minimum 2 years working D3, S1 at least 1 year</li> <li>- Able to speak English</li> <li>- Specialization areas include Maternity, NICU<sup>*6</sup>, PICU, Mental, and Hemodialysis</li> <li>- General, Emergency and ENT</li> <li>- Passed selection by the Kuwait Ministry of Health, written test and interview</li> </ul>	<ul style="list-style-type: none"> <li>- D3 nurse</li> <li>- Passed ESL in Indonesia</li> <li>- Passed MNB test</li> <li>- Posted in private hospital as on the job training in the first year</li> </ul>
Possible length of contract	3 years and can be extended	3 years and can be extended	1 year and can be extended	2 years and can be extended	3 years and can be extended
Fringe benefits	- None	- North Australia: RN Course	<ul style="list-style-type: none"> <li>- Free housing</li> <li>- 3 times Meal</li> <li>- Transportation</li> <li>- Nursing Dress</li> <li>- Health Insurance</li> <li>- After 3 years will get 50 percent salary increased</li> </ul>	<ul style="list-style-type: none"> <li>- Civil Service, Provided accommodation (residence, meals, and local transport) by the Ministry of Health Kuwait</li> <li>- Given ticket Jakarta - Kuwait go and return</li> </ul>	<ul style="list-style-type: none"> <li>- Housing</li> <li>- Civil Service, Territory</li> <li>- Allowances</li> <li>- Air ticket</li> </ul>

Source: Muharso (2005). Interactive Discussion of Foreign HRH Indonesia, BINAWAN Website. <http://www.binawan-ihs.ac.id/whatson/news/index.php?page=news&newsid=77> (accessed 2012-1-9)

Notes: <sup>\*1</sup>TOEFL : Test of English as a Foreign Language  
<sup>\*2</sup>CGFNS: The Commission on Graduates of Foreign Nursing School  
<sup>\*3</sup>ESL : English as Second Language  
<sup>\*4</sup>IELTS : International English Language Testing System  
<sup>\*5</sup>MNB : Nursing Board of Malaysia  
<sup>\*6</sup>NICU : Neonatal Intensive Care Unit, PICU: Pediatric Intensive Care Unit, ENT: Ear, Nose and Throat

108 This section referred to Agus Suwandono et. Al. (2005) Human resources on health (HRH) for foreign countries: A case of nurse 'Surplus' in Indonesia, Mika Okushima (2008). 台湾受入れ再開後のインドネシア人介護労働者と送出制度改革-銀行債務制度とイメージ戦略から看護・介護教育へ-. 異文化コミュニケーション研究第 20 号. Kanda University of International Studies.

There were no data regarding the actual number of nurses working in these countries at BNP2TKI. According to MOH, there are 856 nurses in Kuwait and 65 nurses in Qatar in total in 2011. MOH also did not have data of the number of nurses in other countries even though recognizing there are some Indonesian nurses because MOH deals with the intergovernmental cases only. Past placement overseas can be summarized as shown in Table 66.

In the case of Indonesia, nurse migrant labor was historically conducted with the former colonial power of the Netherlands. In recent times, employment agencies that have received orders from the Middle East have sought cooperation from the MOH and nurses have come to be dispatched through their offices. Dispatches are conducted as P to G programs with Saudi Arabia and Kuwait. Moreover, the Specialist and Overseas Medical Human Resources Training Center under the MOH previously conducted intensive training for selected outstanding students from each province aiming to obtain the qualification of National Council Licensure Examination-Registered Nurse (NCLEX-RN) in the United States. However, this center was abolished in 2011 and the program was suspended. As for the reasons, even if students were able to pass the American nurse examination, it was still necessary to bind a contract with an employment agency, making it difficult for them to enter the market. Currently, the MOH only conducts G to G programs. Also, there are individuals who respond to job offers via the Internet<sup>109</sup>. Therefore, Indonesian nurses seek overseas employment via the following routes: ① intergovernmental programs, ② tie-ups between nursing schools and employment agencies, ③ employment agencies recognized by the MOMT, and ④ individual efforts.

Table 66 Overseas Placement of Indonesian Nurses by Receiving Countries

Year	Recipient Country	Number of Applied Nurses	Number of Nurses Passed the Test	Passing Rate (percent)	Mediation Way
1975-2004	Netherland	-	Estimation 3,000	-	Government
1996	UAE	120	11	9.2	Private Agency
1997	UAE	123	17	13.8	Private Agency
1998	UAE	600	143	23.8	Private Foundation
	Netherland	300	60	20.0	Private Agency
1999	UAE	300	50	16.7	-
	Saudi Arabia	-	300	-	Government
2000	UAE	315	60	19.0	Private Agency
	Kuwait	726	241	33.2	Private Agency
	USA	-	A few	-	Individual
	Netherland	-	100	-	Government
2001	Kuwait	768	210	27.3	Private Agency
2002	Kuwait	754	241	32.0	-
	UK	19	4	21.1	-
2004	Saudi Arabia	120	58	48.3	-
2005	Saudi Arabia	179	107	59.8	-
2003-2006	Kuwait	-	450	-	-
	USA	-	12	-	Individual

Source: MOH (2007). Center for Empowering of Profession and HRH for Foreign Countries, 2005<sup>110</sup>

109 According to interviews with officials.

110 Mika Okushima (2008). 台湾受入れ再開後のインドネシア人介護労働者と送出制度改革-銀行債務制

## (2) Overseas Placement in Careworkers

Information on the careworkers is very scarce and unclear. But there are many careworkers working overseas categorized into the educational level depending on the host countries while the work of careworkers is not dominated by nurses because of the unmatched competence with the nursing area. However, in terms of JIEPA scheme, some students prefer to work as a careworker in order to avoid taking the exam for nurse selection and prior to going overseas<sup>111</sup>.

When it comes to Indonesian careworkers working overseas, Taiwan has accepted many Indonesians accounting for 80 percent of the migrant careworkers in informal sectors as shown in Table 67. BNP2TKI announced job opportunities in Taiwan on its Website<sup>112</sup>.

Table 67 Indonesian Careworkers in Taiwan

(Unit: Person)

Year	No. of Careworkers	Home Care	Facility
2004	32,257	28,794	3,463
2007	158,360	150,832	1,103

Source : Mika Okushima (2008). 台湾受入れ再開後のインドネシア人介護労働者と送付制度改革-銀行債務制度とイメージ戦略から看護・介護教育へ-. 異文化コミュニケーション研究第 20 号. Kanda University of International Studies

Other countries such as Hong Kong, Singapore, Malaysia and Netherlands also accept Indonesians as careworkers through the private agencies but the details of the situation could not be obtained<sup>113</sup>.

## (3) Salary Levels in Overseas Employment

Salaries (monthly salaries) differ according to country as shown in Table 68. Since the wages of Indonesian nurses are usually between 10,000-20,000 yen and no more than 30,000 yen at best, there is great economic appeal in working overseas. Meanwhile, when working as careworkers overseas, salaries can range widely from 40,000-140,000 yen when working overseas.<sup>114</sup>

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度とイメージ戦略から看護・介護教育へ-. 異文化コミュニケーション研究第 20 号. Kanda University of International Studies.

111 JICA – CHRUI (2011). Background Information Survey on Nurses.

112 BNP2TKI (2011-07-21). Taiwan Buka Peluang Ribuan TKI Perawat. <http://www.bnptki.go.id/berita-mainmenu-231/4938-taiwan-buka-peluang-ribuan-tki-perawat.html> (accessed 2011-11-14).

113 Based on the interview from the related organizations.

114 Naomi Hosoda (2009). フィリピン人にとって移住労働とは. 始動する外国人材による看護・介護-受入れ国と送付国の対話. Sasakawa Peace Foundation.

Table 68 Comparison of Salary Levels (case of Indonesian nurses)

Country	Salary level (monthly) (case of Indonesian nurses)
United States	386,000-578,000 yen
Canada	28,000 yen
United Kingdom	24,000 yen
Australia	240,000-320,000 yen
Japan	(First batch candidates): 110,000-211,300 (average 151,300 yen) (After acquiring <i>kangoshi</i> qualification): 162,600-280,000 (average 208,400) yen
Kuwait	116,000-216,000 yen
Saudi Arabia	145,000 yen
Singapore	89,000 yen

Source: Mika Okushima (2011-12-16). インドネシア・フィリピンの看護教育・資格制度・海外派遣の概要, MOHLW. 第2回「看護師国家試験における母国語・英語での試験とコミュニケーション能力試験の併用の適否に関する検討会

#### 4-6 Increased and Estimated Demands in the Nursing Care Sector in Japan with a Low Birthrate and an Aging Population

This section discusses the labor demand in the nursing sector and care sector against a background of declining birthrate and aging population.

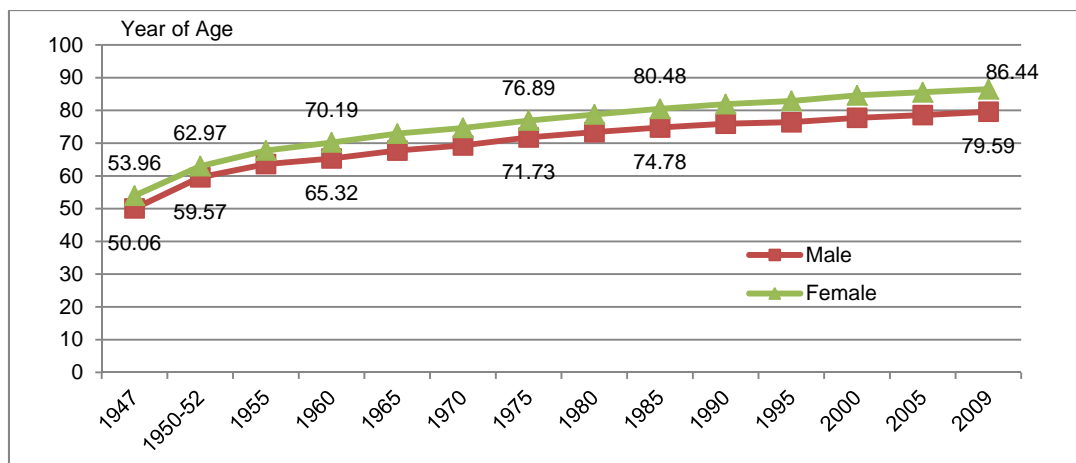
##### 4-6-1 The Current Situation and Prediction in Japan with a Low Birthrate and an Aging Population <sup>115</sup>

###### (1) Transition of Population in Japan

The total population in Japan was 128.06 million as of October 1, 2010. The population of the elderly aged 65 and older was 29.58 million, constituting 23.1 percent of the total population and marking a record high. The population aged 65-74 is 15.28 million, comprised 11.9 percent of the total population, and the population aged 75 or older is 14.30 million and it is comprised 11.2 percent of the total population. The percentage of the elderly aged 65 and older was less than 5 percent out of the total population in the 1950's. Then it increased to more than 7 percent in 1970's, which is defined as a level of aging society. After that, it increased to 14 percent in 1994 and reached more than 20 percent in this century. This percentage indicates that one out of five people is elderly and one out of nine people is aged 75 and older. Regarding life expectancy, Japan had the longest life expectancy in the world in 1983 and has ranked top until now. The life expectancy at birth in Japan is 79.59 years for males and 86.44 years for females in 2009, which is estimated to reach 83.6 years for males and 90 years for females in 2055. Regarding to DALY<sup>116</sup> stated by WHO, male and female in Japan is the top of the world therefore Japan is a country with health and longevity.

115 This section referred to MOHLW (2011). Annual Report on the Aging Society:2011.

116 DALY (Disability Adjusted Life Years) is considering the quality of life in the aspect of "active life



Source: MOHLW Website. <http://www.mhlw.go.jp/toukei/saikin/hw/life/life09/01.html> (accessed 2011-12-23)

Chart 29 Trends of Average Life Expectancy

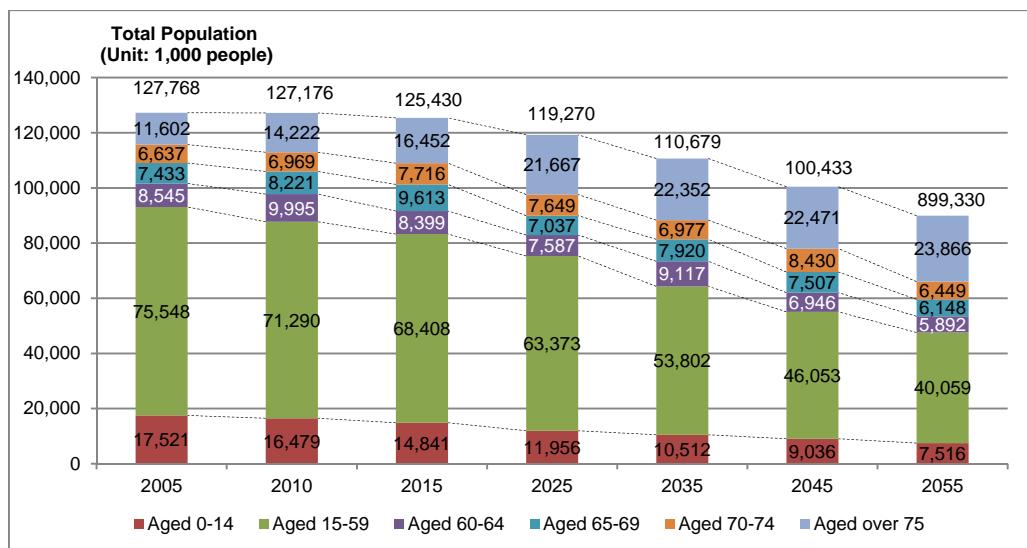
There are two factors for aging society in Japan. One of them is the improvements of living conditions, good nutrition, and advances in medical technology leading to extended life expectancy and increase in the number of population aged over 65 years. Another is decrease of young people population with lower fertility rate.

Japan's population showed an increase, experiencing two baby booms in 1947-49 (TFR: Total Fertility Rate<sup>117</sup>: 4.32) and 1971-74 (TFR: 2.14). However, a society with a decreasing population has become a reality in Japan with the TFR declined to a record low of 1.26 in 2005 and the overall population on a downward trend and 1.37 in 2009.

Consequently, the population will decrease as shown in Chart 30. In 2055, the population will decline by 12 million and continue declining by 89.93 million. The percentage of the elderly to the total population will be 25.2 percent in 2013 with the elderly accounting for one out of four people. Then it will reach to 40.5 percent with one elderly out of 2.5 people. The ratio of the elderly per population of productive age was 1:11.2 in 1960 and changed to 1: 2.8 in 2010, and is then estimated to become 1: 1.3 in 2055. Therefore, one old-aged depends on every 1.3 workers with further declining birth rate and aging of the population. Thus, the shortage of workforce will be inevitable.

expectancy" and "life expectancy without disability" and not just how many years people can live.

117 The total fertility rate (TFR) is the average number of children that would be born to a woman (15-49 years) over her lifetime. If TFR is less than 2.0 population decline occurs (replacement level).



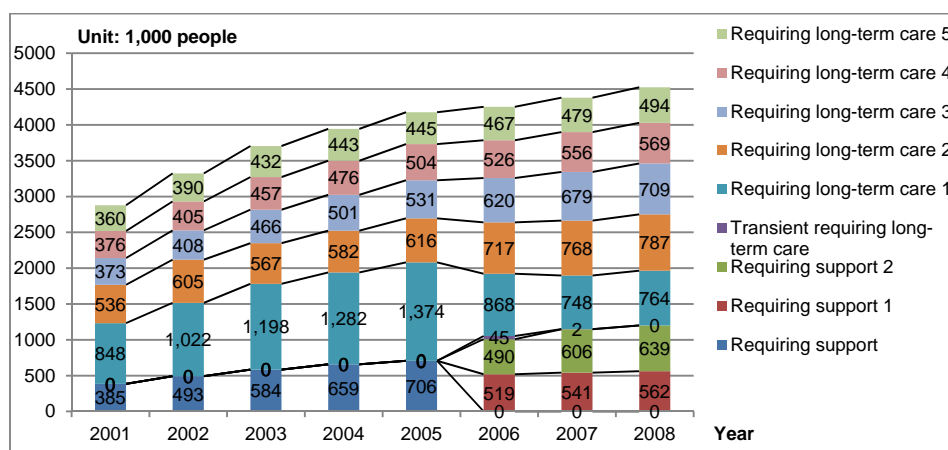
Source: Ministry of Internal Affairs and Communications (2005). 国勢調査. For 2010 onwards, National Institute of Population and Social Security Research (2005-12). 日本の将来推計人口

Note: Total for 2005 includes people of age unknown

Chart 30 Population Projection of Japan (Estimates of FY 2006)

## (2) Care for the Elderly

The number of people needing care went up by 4,500,000 in 2008 especially increasing the percentage of people aged 75 years as well as the elderly the with level 3-5 based on the long-term care insurance system<sup>118</sup>. Therefore, the demand for care and support for the elderly will increase accompanying the aging population combined with the diminishing number of children, which related to the shortage of population of productive age.



Source: MOHLW (2011). Annual Health, Labour and Welfare Report 2009-2010. <http://www.mhlw.go.jp/english/wp/wp-hw4/index.html> (accessed 2011-11-03)

Note: Categorization has been changed in 2006 based on the revised Long-term Care Insurance System

Chart 31 Changes in the Number of Long-term Care Service Users (Aged over 65)

118 The long-term care insurance system started in 2000. The user has to pay 10 percent of the costs and the upper limit to the monthly amount of service use ("basic limit to benefits") is determined for each care level.



Table 69 Estimated Condition Requiring Care

Care Level	Time of criteria of long-term care requirement (Rough basic limits to benefits per month)
Requiring support 1-2	More than 25 minutes less than 32 minutes or equivalent condition (Level 1: 4,970 units/month, Level 2: 10,400 units/month)
Requiring long-term care 1	More than 32 minutes less than 50 minutes or equivalent condition (16,580 units/month)
Requiring long-term care 2	More than 50 minutes less than 70 minutes or equivalent condition (19,480 units/month)
Requiring long-term care 3	More than 70 minutes less than 90 minutes or equivalent condition (26,750 units/month)
Requiring long-term care 4	More than 90 minutes less than 110 minutes or equivalent condition (30,600 units/month)
Requiring long-term care 5	More than 110 minutes or equivalent condition (35,830 units/month)

Note: Criteria of “long-term care requirement” is the time of ladder indicating the level of requiring care in accordance with the table below

Directly assisted activities of daily living	Assistance for meals, bathing, toilet support and etc.
Indirectly assisted activities of daily living	Household assistance such as cleaning, laundry, and etc.
Activities related behavioral problems	Search for the wandering, clean up filthy act and etc.
Activities related rehabilitation	Training for physical functions for leading daily life
Activities related medical care	Management of transfusion, treatment of decubitus and other auxiliary medication

Source: MOHLW (2006). 介護保険制度における要介護認定の仕組み.  
<http://www.mhlw.go.jp/topics/kaigo/kentou/15kourei/sankou3.html> (accessed 2011-01-13)

#### 4-6-2 Demand of Workforce on Nurses

##### (1) Employment, Re-Employment and Turnover Situation on Nurses

Most nurses work at hospitals, followed by clinics, nursing stations and long-term care facilities. Graduates from nursing training courses in 2008 (including university and colleges) have been working as nurses with 86.8 percent at hospitals (96.9 percent) and clinics (1.5 percent). Regarding assistant nurses, 61.3 percent of graduates in 2008 found work at hospitals (73.2 percent), clinics (20.4 percent), and long-term care facilities (6.4 percent). 31.6 percent of them proceeded to higher education. Re-employment has been increasing year by year especially, by introducing “7 to 1 nursing system<sup>119</sup>” in 2006. Turnover in 2006 was estimated at 120,000. Nurses who are qualified but not in work are estimated to be around 50 million people<sup>120</sup>.

119 7 to 1 is a standard of staffing as one nurse to take care of seven patients. 10 to 1 nurse was the previous figure and 5 to 1.7 is the standard in the developed countries.

120 Masahiro Kawagoe (2009). 看護師・介護職員の需給予測. 季刊・社会保障研究. Vol45. No.3.

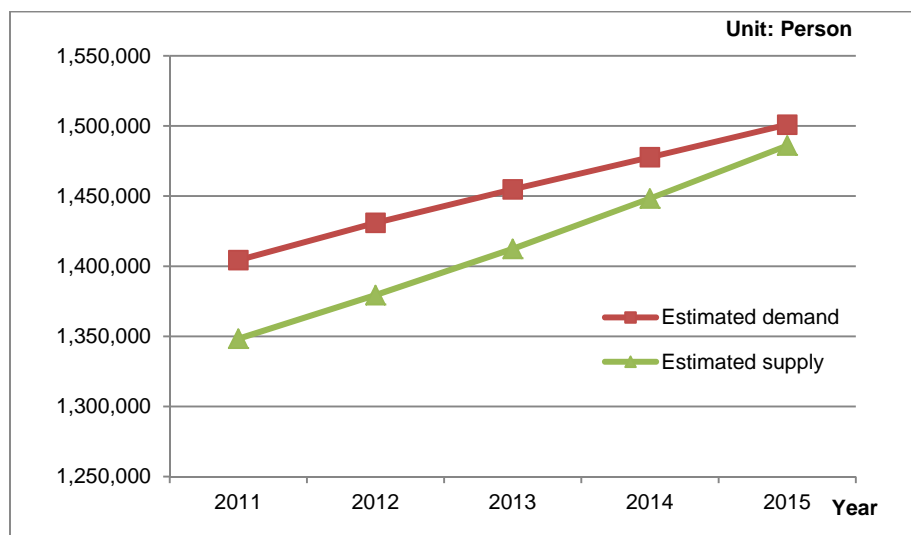
(2) Estimated Demand on Nurses<sup>121</sup>

The shortage of nurses is recognized because of the results of aging society and advances on medical technology. According to the 7<sup>th</sup> projection of estimated supply and demand for nursing personnel, the demand for nursing personnel from 2011 to 2015 is estimated to increase from 1,400,000 to 1,500,000 with 6.9 percent growth rate. The details of increase are from 900,000 to 970,000 with 7.3 percent growth rate at hospitals, from 230,000 to 240,000 at clinics, and from 28,000 to 33,000 at home-visit nursing stations with 16.9 percent growth rate. The demand at the facilities related to long-term care will increase from 153,000 to 165,000 with 7.4 percent growth rate, and from 20,000 to 22,000 at social welfare services and home-visit services. The demand at nursing schools, health centers and research institutions is 20,000, 38,000 and 15,000, respectively. In this estimation, midwives are also included and the increased demand is about 2,000.

(3) Estimated Supply on Nurses

The number of supply on nurses is estimated to increase from 1,348,000 to 1,486,000 with 10.2 percent growth rate. The number is estimated to increase from 1,320,000 to 1,450,000 on new employment, from 50,000 to 53,000 on new graduates and from 123,000 to 137,000 on re-employment with 11.6 percent growth rate. On the other hand, the number of retirements will increase from 145,000 to 152,000 with 4.8 percent growth rate.

The estimation on supply and demand for nursing personnel is projected in the chart below.



Source: MOHLW (2010-12-21). 第七次看護職員需給見通しに関する検討会報告書

Chart 32 Projection of Estimated Supply and Demand for Nursing Personnel

121 The calculation for estimating the number of demand is “the number of employment + Number of new employment + number of employed graduates at the beginning years - the number of retirement” by each prefecture.

#### (4) Estimated Demand for Nurses Over Long-term

According to the study (Kiyohide Fushimi (2008), Studies on providing nursing service system on the basis of local circumstances), the estimated demand of nurses is 1,918,000-1,997,000 (actual practical number of people) in 2025. If separating into acute and sub-acute /recovery beds at the general ward, the number of estimated demand of nurses is 1,839,000-1,997,000. In 2025, the estimated supply is 1,798,000, therefore, the gap between demand and supply of nurses is 120,000-199,000 and 41,000-121,000, respectively. Thus, there would be a significant shortage of nursing personnel in 2025<sup>122</sup>.

As a result, there is a need for filling the gap mentioned above. The MOHLW has three main strategies to address the shortage of nurses; 1) increase nursing students, 2) promote continuing work and 3) encourage re-employment. Especially, to promote continuing work, improvement of working conditions, introducing various styles of work, quality improvement of nurses by training and ensuring the number of nurses at home-visit nursing stations will be implemented<sup>123</sup>. Accepting foreign nurses is not the measures to resolve the shortage of nurses as mentioned above<sup>124</sup>.

#### 4-6-3 Demand of Workforce on Careworkers

The persons working in the field of nursing were approximately 3.28 million in 2005. The number of staff working in the long-term nursing care insurance services accounted for 40 percent with 1.12 million people. The required number of careworkers is estimated to be an additional 400,000-600,000 in 10 years<sup>125</sup>. However, there are some issues regarding careworkers such as 1) high turnover rate compared to other industries (Table 70), 2) employment offers at all times (Table 71), and 3) 270,000 people actually engaged in the practical field among approximately 470,000 people who are qualified as careworkers. Although careworkers are professionals for nursing care, only 40 percent of them work at long-term nursing care insurance facilities and 20 percent of them work in home care services. Therefore, higher quality of staff is required as well as to ensure the quantity of them.

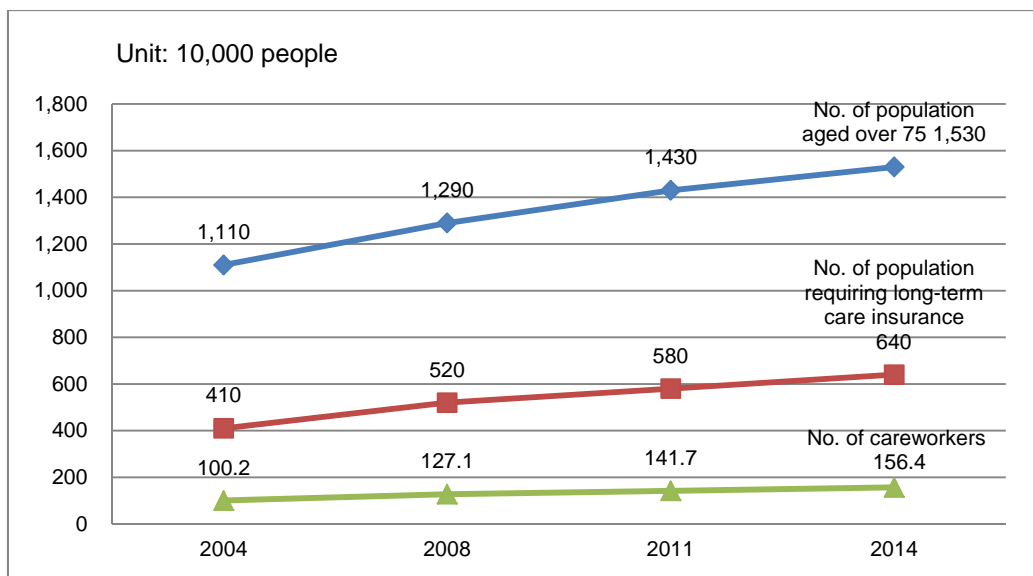
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122 MOHLW (2010-12-21). 第七次看護職員需給見通しに関する検討会報告書.

123 MOHLW (2010-12-21). 第七次看護職員需給見通しに関する検討会報告書.

124 MOHLW (2011). EPAに基づく外国人看護師候補者の受入れと看護師国家試験の概要について.  
<http://www.mhlw.go.jp/stf/shingi/2r9852000001xy3p-att/2r9852000001xy6o.pdf> (accessed 2012-01-03).

125 Estimate the number of careworkers based on the growth rate of the elderly requiring long-term care and the number of elderly and aged 75 and over (see article of footnote 75).



Source: MOHLW 介護福祉士のあり方及びその養成プロセスの見直し等に関する検討会 (2006-7-5). これからの介護を支える人材について

Chart 33 Changes in the Number of People Certified for Long-term Care/Support Need

Table 70 New Employment and Turnover Rate in 2007

Careworkers + Home Helpers	New Employment Rate 27.4% (workers in all fields : 16.0%)
	Turnover rate 21.6% (workers in all fields : 16.2%)

Sources: The rate of “Careworkers + Home Helpers” referred to Care Work Foundation (2008-7). 介護労働実態調査, and the rate of workers in all fields referred to MOHLW (2006). 雇用動向調査

Table 71 Ratio of Job Offers to Job Seekers (the job related to carework)

	Full-time	Part-time
Nationwide	2.10 times (all fields : 0.97 times)	3.48 times (all fields : 1.30 times)
Tokyo	3.52 times (all fields : 1.30 times)	6.27 times (all fields : 1.95 times)

Source: MOHLW (2006). 雇用動向調査

The characteristics of careworkers is that there are many married women working as part-time<sup>126</sup>. They tend to consider the “Wall of 1.03 million yen” and “Wall of 1.3 million<sup>127</sup>” as well as need to take care of their children or family members; therefore many part-time working housewives limit the working hours. In addition, the reason why the demand of part-time job is higher than full-time is that there is cost benefit in hiring part-time workers. Furthermore, disappointment with work conditions

126 “Full-time staff” means person who work for regulated hours by the facility and “Part-time staff” is other who work for short time or have limit according to income and working hours.

127 “Wall of 1.03 million yen” means if annual income is less than 1.03 million yen, the housewife does not need to pay the income tax and can receive allowance for spouse; therefore, they limit the working hour. “Wall of 1.3 million” means if annual income is more than 1.3 million yen, the housewife has to pay national pension and health insurance; therefore many part-time working housewives limit the working hour.

such as wages and working hours, discontent with relationships at workplace and self or family's issues are main causes of turnover.

In addition, the wages of careworkers tend to be low compared with other occupations in the field of health and welfare as well as the industry as a whole.

Table 72 Comparison of Average Age, Length of Employee, Gender Ratio and Average Wage by Industry and Occupation

	Total			Male				Female			
	Average Age	Length of Employee (Year)	Contractual Cash Earning (1,000 Japanese Yen)	Ratio of Male (%)	Average Age	Length of Employee (Year)	Contractual Cash Earning (1,000 Japanese Yen)	Ratio of Female (%)	Average Age	Length of Employee (Year)	Contractual Cash Earning (1,000 Japanese Yen)
Categorization: Industry											
Industry	40.9	11.6	328.8	67.9	41.7	13.1	369.3	32.1	39.1	8.6	243.1
Medical health care	38.8	8.2	333	25.3	39.3	8.6	465.1	74.7	38.7	8	288.3
Welfare	39	7.1	242.2	25.6	38.5	7.7	282.9	74.4	39.2	6.9	228.5
Services	37.9	9.3	269	70.9	39.6	10.6	407.7	29.1	33.8	6	275
Categorization: Occupation											
Doctor	40.9	4.8	888.9	78.8	42.4	5	937.7	21.2	35.3	4.3	706.7
Nurse	35.9	6.8	322	6.2	33.8	6	312.8	93.8	36	6.9	322.6
Assistant Nurse	44.5	9.9	277.1	8.3	38	9.7	292.5	91.7	45.1	1	275.7
Care Manager	44.9	7.1	260.3	24.2	39.9	7	286.8	75.8	46.5	7.1	251.8
Home Helper	43.9	4.4	211.7	16.2	36.3	3.4	242.7	83.8	45.4	4.6	205.6
Staff of Social welfare facilities	35.8	5.2	215.8	31.4	32.7	5.1	231.7	68.6	37.2	5.3	208.6

Source: MOHLW (2009). 平成 20 年賃金構造基本統計調査.

[http://www.mhlw.go.jp/topics/kaigo/gaiyo/hoken\\_21.html](http://www.mhlw.go.jp/topics/kaigo/gaiyo/hoken_21.html) (accessed 2011-12-27)

Therefore, MOHLW implements the following in order to secure the number of careworkers as well as quality of them; 1) to improve working environment for continuous working, 2) to establish a career path system to improve the quality, 3) to raise awareness of nursing care in order to promote participation in the nursing care sector, 4) to encourage unemployed qualified personnel to work for effective use of human resources, 5) to promote diverse participation in the nursing care sector<sup>128</sup>. As in the case of nurses, foreign careworkers under EPA are not intended to solve the shortage of human resources in the nursing care sector.

#### 4-7 Demand for Low-cost Labor in the Nursing Care Sector

Within the country in Japan, many qualified persons in the nursing care sector are estimated to work in different sectors or are unemployed. Therefore, current strategy for shortage of human resources in the nursing care sector is to promote hiring of those who are unemployed with qualifications<sup>129</sup>. This strategy implies that the shortage of human resources will be solved simultaneously if the working conditions are improved. However, there are a certain measures in the nursing care sector that hamper the actual free market system. In addition, nurses and careworkers tend to specialize in their

128 MOHLW (2007). 社会福祉事業に従事する者の確保を図るための措置に関する基本的な指針:平成 19 年厚生労働省告示第 289 号. <http://www.mhlw.go.jp/seisaku/09.html> (accessed 2011-12-06).

129 MOHLW (2010-12-21). 第七次看護職員需給見通しに関する検討会報告書, MOHLW (2009). 福祉・介護人材確保対策について. <http://www.mhlw.go.jp/seisaku/09.html> (accessed 2011-12-06).

qualification. On the other hand, users of long-term care insurance, managers in long-term care facilities and local governments are likely to restrict the labor cost because the high labor cost places an enormous financial burden on them. Internationally, the concept of “Decent Work” is required for governments and all employers. “Decent Work” is defined as “gives opportunities for work that is productive and delivers a fair income; provides security in the workplace and social protection for workers and their families; offers better prospects for personal development and encourages social integration; gives people the freedom to express their concerns, to organize and to participate in decisions that affect their lives; and guarantees equal opportunities and equal treatment for all<sup>130</sup>”. Governments and all employers need to meet this concept for any workers. Therefore, although there is demand for low-cost labor in the nursing care market, it is difficult to accept foreign workers as low cost laborers.

#### **4-8 Changes in the Number of Qualified Nurses and Careworkers**

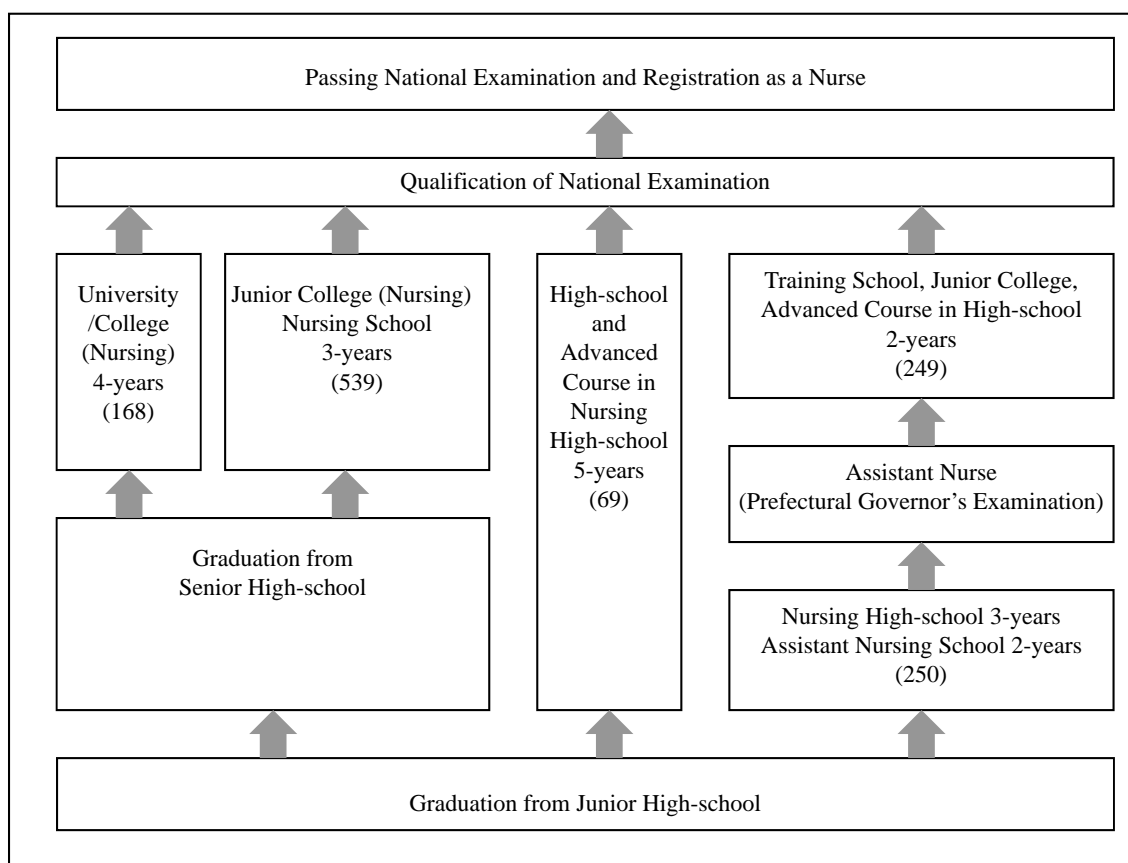
In this section, firstly, number of qualified nurses is reviewed. After that, number of careworkers is summarized.

##### **(1) Nursing Education System**

In Japan, a nurse is defined as “a person who engages in providing care to person with injuries and/or illnesses or postpartum women, or to assist medical treatment under the license of the Minister of Health, Labor and Welfare” (Article 5 of the Act on Public Health Nurses, Midwives and Nurses). There are several courses of basic nursing education in Japan. In the main courses, basic nursing education is provided at four-year colleges/universities, three-year junior colleges or three-year training schools after graduation from high-school to take a national examination to obtain the national license. The educational institutions offering these three courses are under different regulating authority; colleges/universities and junior colleges are under the jurisdiction of Ministry of Education, Culture, Sports, Science and Technology, while most training schools are under the jurisdiction of MOHLW. The chart below shows the framework of nursing qualification in Japan. Recently the number of universities has increased, however, junior colleges/nursing schools still dominate as a main route to get nursing qualification.

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130 Takeo Ogawa (2009). 日韓協力による東アジア共同体に向けての介護人材育成構想. Bulletin of Kyushu University Asia Center Vol.5 June 2010. pp57-67.



Source: Masahiro Kawagoe (2009). 看護師・介護職員の需給予測

Notes: The number of blanks means the number of existing schools based on the source.  
Public Health Nurse and Midwife qualifications require different study framework

Chart 34 Japan Study Framework of Nursing Qualification

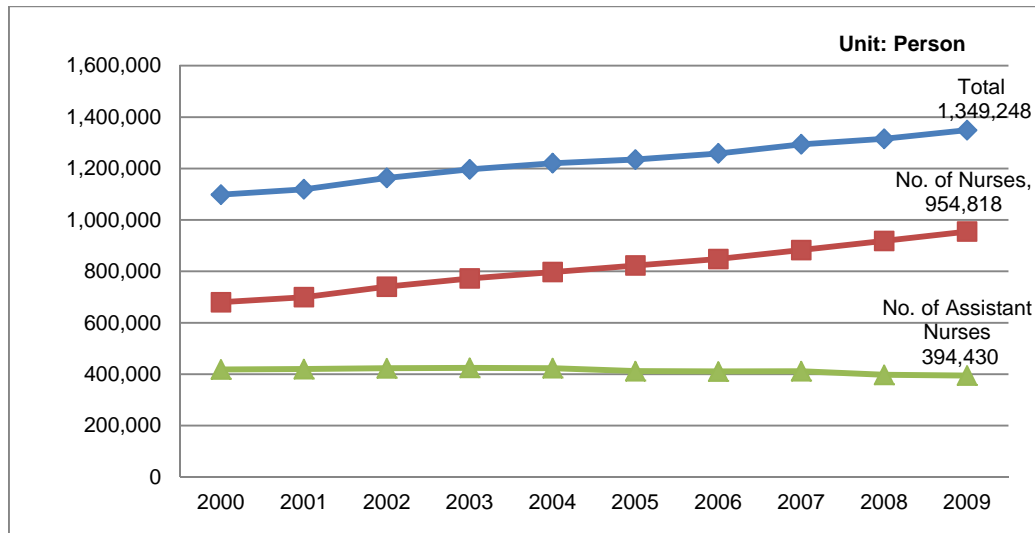
## (2) National Examination of Nurses

The national examination of nurses is defined to examine required knowledge and skills as a nurse (Article 17 of the Act on Public Health Nurses, Midwives and Nurses). In addition, the eligibility to take the national examination is given to those who complete the nursing education indicated in Chart 34 (Article 21 of the Act on Public Health Nurses, Midwives and Nurses). In terms of the eligibility to take the national examination for the persons who graduate from foreign nursing education school or obtain the nursing license in foreign countries, there are a certain regulations. Those who do not graduate from junior high-school and high-school in Japan must have Level 1 of the Japanese Language Proficiency Test before taking the national examination<sup>131</sup>.

131 MOHLW (2011). EPAに基づく外国人看護師候補者の受入れと看護師国家試験の概要について.  
<http://www.mhlw.go.jp/stf/shingi/2r9852000001xy3p-att/2r9852000001xy6o.pdf> (accessed 2012-01-03).

(3) The changes in the number of employed nurses and assistant nurses

In 2009, the number of employed nurses was 1,349,248 in total consisting 954,818 registered nurses and 394,430 assistant nurses. The chart shows the annual changes in the number of nurses and assistant nurses. The number of nurses has been increasing every year while that of assistant nurses has stayed almost the same.



Source: Japan Nursing Association (2010). 平成 22 年 看護関係統計資料集.  
<http://www.nurse.or.jp/toukei/pdf/toukei04.pdf> (accessed 2011-1-9)

Chart 35 Annual Changes in Number of Nurses and Assistant Nurses

#### 4-8-2 Changes in the Number of Certified Careworkers

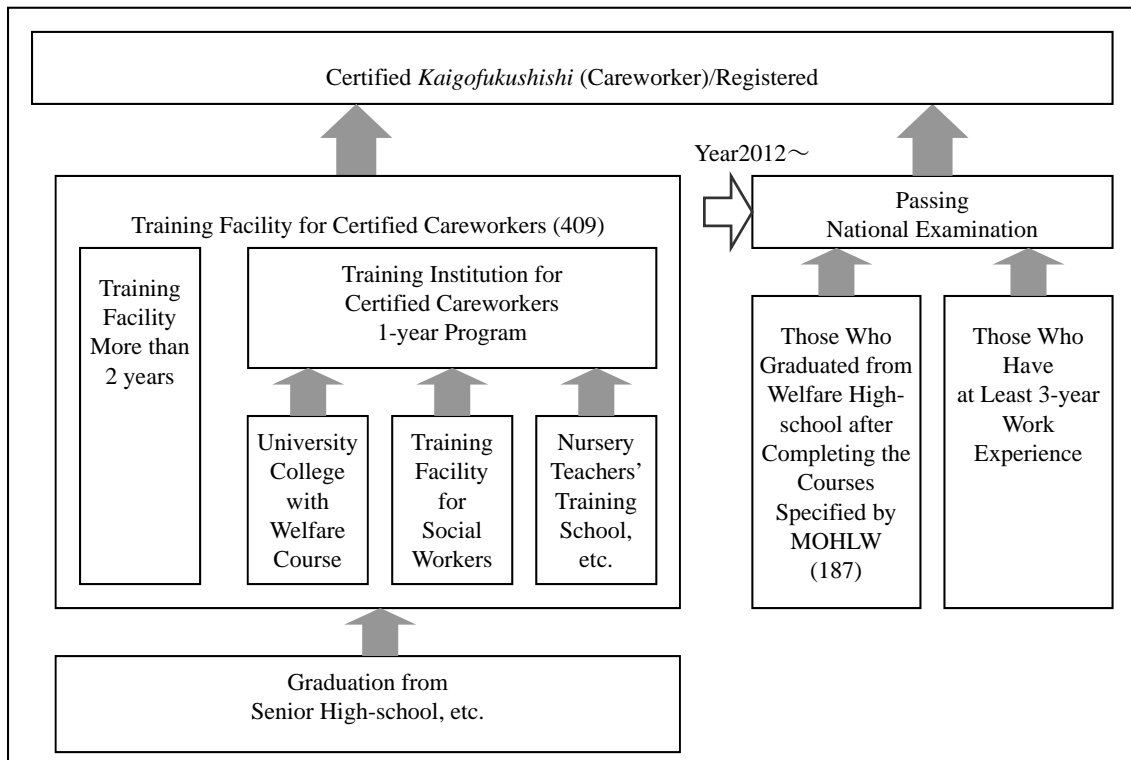
(1) Certified Careworkers (*Kaigofukushishi*) System

Certified Social Workers and Certified Careworkers Act was established in 1978 and implemented in 1988. Certified careworkers are defined as a person who provides bathing, bodily waste elimination, meals and any other required care for people who are under condition of physical or emotional disabilities by specialized knowledge and skills as well as provides guidance of nursing care for those who receive care and also their caregivers. As of 2006, there are 544,000 certified careworkers accounting for 40 percent of careworkers. When revising the required long-term care insurance system, certified careworkers are necessary for the future<sup>132</sup>.

The certified careworker qualification is given on passing the national examination after three-year work experience. Another route is to graduate from the training facilities and registration without passing the national examination (see Chart 36). However, the national examination is compulsory to get the certified careworker in April 2012.

132 MOHLW (2006-7-5).これからの介護を支える人材について.





Source: Masahiro Kawagoe (2009). 看護師・介護職員の需給予測

Note: The number of blank means the number of existing e schools based on the source

Chart 36 Japan Study Framework of *Kaigofukushishi* (Careworker) Qualification

(2) Home Helper Certificate and Other Certification of Nursing Care

Home helper certificate is not a national certification. It is given to complete the training provided by private or public institutions. The training is regulated as a vocational training and training hours are different by Grade, for example, 230 hours for Grade 1, 130 hours for Grade 2 and 50 hours for Grade 3. Table 73 indicates there are 808,315 home helpers as full-time workers and the number of home helpers with Grade 2 is the largest. However, there are many unemployed home helpers in the same way as nurses and their number is estimated as 2,283,000 which account for 85.6 percent of the people completing the training (2,673,000)<sup>133</sup>.

133 The Japan Research Institute, Limited (2011-07-26). 平成22年度潜在ホームヘルパーの実態に関するアンケート調査研究 結果概要.  
[http://www.jri.co.jp/MediaLibrary/file/pdf/company/release/2011/110726/jri\\_110726.pdf](http://www.jri.co.jp/MediaLibrary/file/pdf/company/release/2011/110726/jri_110726.pdf) (accessed 2011-11-29).

Table 73 Careworkers by Service (regular employees)

(Unit: Person) 2007-10-1

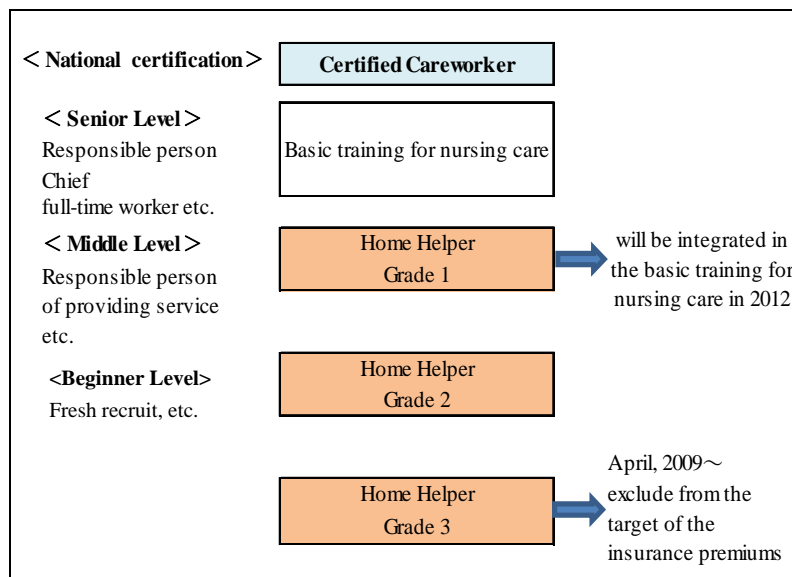
	Nursing care prevention services								Facility services			
	Home-visit care	Home-visit bathing service	Home-visit nursing care	Commuting for care	Commuting rehabilitation service		Nursing care preventive short-term stay at a care facility	Nursing care preventive daily life care for elderly in specific facilities	Nursing care preventive daily life care in communal living for elderly with dementia	Welfare facilities for the elderly requiring long-term care	Health care facilities for the elderly requiring long-term care	Sanatorium type medical care facilities for the elderly requiring care
					Health care facilities for the elderly requiring long-term care	Sanatorium type medical care facilities for the elderly requiring care						
Kaigofukushishi	43,674	1,489	...	23,648	8,635	4,606	28,337	9,369	21,546	73,834	47,384	8,570
Careworker	163,742	5,642	...	100,801	22,883	16,378	69,392	39,959	95,377	164,291	95,719	34,131
Home Helper Class 1 (Represent of Careworker)	15,544	276	...	...	...	...	...	...	...	...	...	...
Home Helper Class 2 (Represent of Careworker)	93,179	3,154	...	...	...	...	...	...	...	...	...	...
Home Helper Class 3 (Represent of Careworker)	704	19	...	...	...	...	...	...	...	...	...	...

Source: MOHLW (2007). 従事者の状況.

<http://www.mhlw.go.jp/toukei/saikin/hw/kaigo/service07/kekka6.html> (accessed 2011-11-28)

Note: “...” means no survey data

The certified careworker and home helper is related as the Chart 37.



Source : MOHLW (2008). 介護職員基礎研修について.

<http://www.mhlw.go.jp/topics/2008/02/dl/tp0228-1a.pdf> (accessed 2011-12-28)

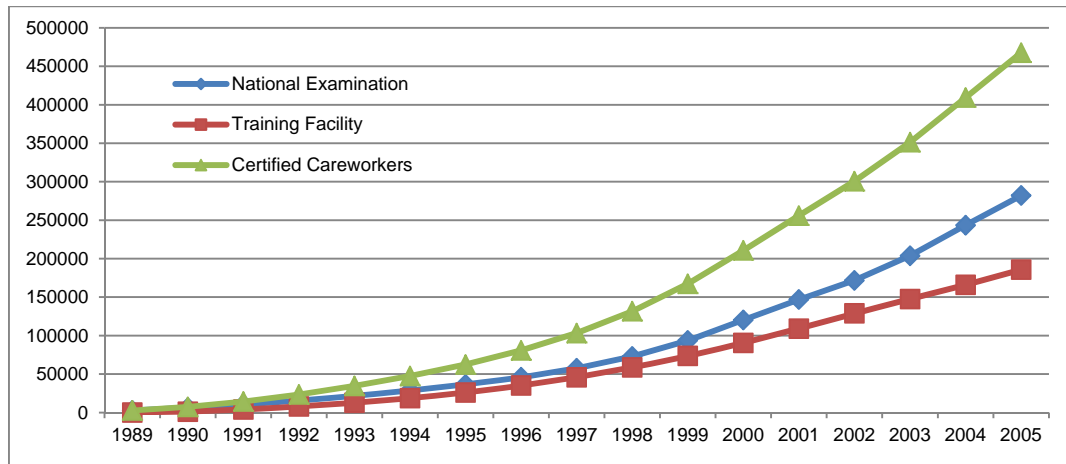
Chart 37 Certified Careworkers in the Long-term Care Insurance System

Moreover, a qualification system for care support experts was introduced from fiscal 1998, and careworkers and home visit careworkers (Grade 2 or higher) can sit the examination for this

together with social welfare workers and nurses, etc.<sup>134</sup>. The number of care support experts in fiscal 2011 is 545,801.

### (3) Changes in the Number of Qualified Careworkers

The chart below shows the process to obtain qualification as a careworker.



Source: MOHLW 介護福祉士のあり方及びその養成プロセスの見直し等に関する検討会 (2006-1-31). 介護福祉士の現状について

Chart 38 Annual Changes in Number of Certified Careworkers (Unit: Person)

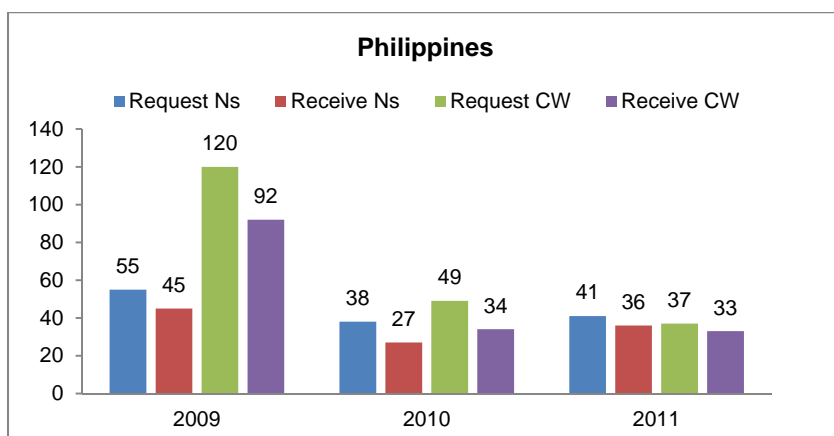
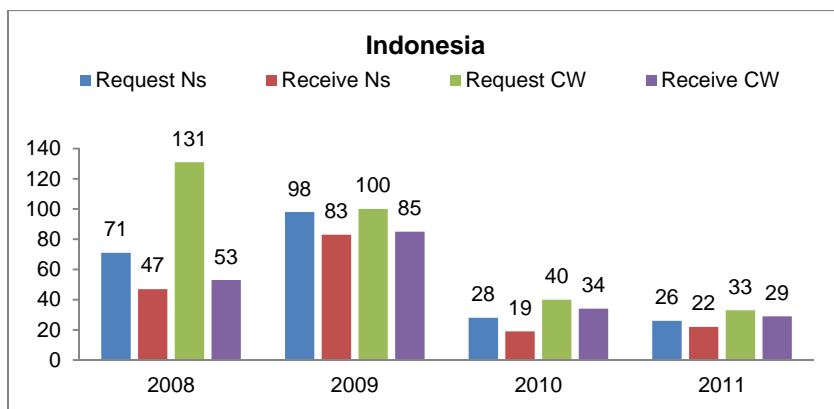
## 4-9 Situation Accepting Foreign Nurses and Careworkers in Japan

The accepting foreign nurses and careworkers were very limited in Japan before introducing the scheme of Japan and Indonesia or Philippines EPA. Nurses are accepted as the eligibility of residence with medical professionals but there were no persons who could meet the requirements. Only a few doctors and dentists immigrated and worked in Japan.

### 4-9-1 Changes in the Number of Accepted Foreign Nurses under the EPA Program

The nurses and careworkers from the two countries of Indonesia and Philippines have been accepted to work in Japan under the EPA. The charts show the changes in the number of accepted foreign nurses between 2008 and 2011. The number of nurses and careworkers has been decreasing in both countries because the numbers of hospitals and caregiving facilities which hope to receive foreign nurse and careworker candidates have been decreasing after the peak of 2009. The reasons why the applications from the facilities dropped are almost same as those in Indonesia such as easily hiring Japanese because of the influence of economic recession, workload and financial burden, Japanese language barrier and concentration on the current candidates.

134 Takeo Ogawa (2010). 日韓協力による東アジア共同体に向けての介護人材育成構想. Kyushu University Asia General Policy Center Bulletin 5. pp57-67.



Ns : Nurse candidate  
 CW : Careworker candidate  
 Source: Data provided by JICWELS

Note: There are overlapping facilities in Indonesia and Philippines

Chart 39 The Changes in the Number of Accepted Foreign Nurses

The matching rate of the facilities varied from 40 percent to 80 percent. The reasons from the facilities side are not to match the request in terms of sex, age, work experience such as specialized area in ICU, operation theater and so on. On the other hand, candidates' requests are for wages, working location and living with their acquaintances in the neighborhood.

Table 74 Successful Matching Rate among the Applied Facilities

	Indonesia		Philippine	
	Request Nurse	Request CW	Request Nurse	Request CW
2008	66.2%	40.5%	-	-
2009	84.7%	85.0%	81.8%	76.7%
2010	67.9%	85.0%	71.1%	69.4%
2011	84.6%	87.9%	87.8%	89.2%
Total	76.7%	66.1%	80.6%	77.2%

Source: Calculate based on the data provided by JICWELS

#### 4-9-2 Actual State of Foreign Nurse and Careworker Candidates Coming to Japan

Concerning the actual number of candidates coming to Japan based on EPA, those from Indonesia were previously described in section 4-5-1 so are omitted here. Table 75 shows the situation regarding candidates from Philippines. Originally, only candidate careworkers from Philippines were permitted to take part in language courses <sup>135</sup>, however, recruitment was not carried out in fiscal 2011.

Table 75 Numbers of Nurses and Careworkers Accepted from Philippines

Year	Candidate Nurses	Candidate Nurses Persons Completing Employment Contract and Returning Home	Candidate Careworkers (employed)	Candidate Careworkers (in education)
2009	93	28	190	27
2010	46	3	72	10
2011	70	1	61	-
Total	209	32	323	37

Sources: JICWELS (2011). 平成 24 年度版 EPA に基づく外国人看護師・介護福祉士候補者受入れパンフレット, MOHLW (2011-12-1). 厚生労働省資料 2

#### 4-9-3 Background of the Facilities Receiving the Candidates

The largest number of hospitals receiving nurse candidates is the group with 101-200 beds which is the middle scale of hospitals. On the other hands, the facilities with capacity of 51-100 residents account for a half of all.

Table 76 Capacity of Accepting Facilities

① Hospitals receiving nurse candidates			② Facilities receiving careworker candidates		
The total No. of beds	No. of hospitals	Rate	No. of residents	No. of facilities	Rate
Less than 100	13	7.3%	Less than 50	37	14.5%
101-200	55	31.1%	51-100	173	67.6%
201-300	30	16.9%	101-150	37	14.5%
301-400	17	9.6%	151-200	6	2.3%
401-500	24	13.6%	More than 201	3	1.2%
501-600	19	10.7%			
More than 601	19	10.7%			

Source: JICWELS (2011). 巡回訪問・相談窓口などからの受入れ状況などについて.  
[http://www.jicwels.or.jp/html/hp\\_images/h24\\_ukeire\\_setumei\\_2.pdf](http://www.jicwels.or.jp/html/hp_images/h24_ukeire_setumei_2.pdf) (accessed 2011-09-26)

Notes: The number of beds and residents are as of the time when registering on JICWELS  
The number of facilities are based on the year 2008-2011

The main reasons for receiving foreign nurse and careworker candidates were “activation of workplace” and “international exchange” with 80 percent. “To solve the shortage of human resources” was 30-40 percent and not the main purpose of receiving them. On the other hand, 80-90 percent of

135 The education course refers to cases where candidates enter careworker training facilities in Japan and go into employment as careworkers after obtaining the qualification.

those facilities responded that acceptance led to “the increase of the workload” and “the increase of the financial burden”. Therefore, this might lead to the decrease of applied facilities<sup>136</sup>.

There are some issues during the stay of foreign nurses and careworkers such as management of employment (32 percent), training (22 percent), management of their life (20 percent), management of their health (20 percent), management of their stay (6 percent), social insurance (5 percent), customs and religion (4 percent) and mental health (3 percent). The details are as shown in Table 77. Therefore, there are some issues when employing foreign nurses and careworkers that differ from hiring Japanese.

Table 77 Main Consultation from the Facilities Receiving Foreign Nurses and Careworkers

Subject	Main Contents
Management of Employment	<ul style="list-style-type: none"> <li>• How to deal with returnees</li> <li>• Translate candidates regarding the work conditions</li> <li>• Work condition regarding wage and paid leave</li> <li>• Attitude for work</li> </ul>
Training	<ul style="list-style-type: none"> <li>• Motivation for study</li> <li>• Requirement for training condition</li> <li>• How to use the textbooks</li> </ul>
Management of Life	<ul style="list-style-type: none"> <li>• Temporary return to home</li> <li>• Attitude for living</li> <li>• Anxiety after the Great East Japan Earthquake</li> </ul>

Source: JICWELS (2011). 巡回訪問・相談窓口などからの 受入れ状況などについて.  
[http://www.jicwels.or.jp/html/hp\\_images/h24\\_ukeire\\_setumei\\_2.pdf](http://www.jicwels.or.jp/html/hp_images/h24_ukeire_setumei_2.pdf) (accessed 2011-09-26)

#### 4-9-4 Background of Accepting Nurse and Careworker Candidates under the EPA Program

This section presents the background of accepting nurse and careworker candidates under the EPA program regarding age, religion, purpose of application to EPA program and working experience in Japan.

[Age]

The average age of nurse candidates is older than that of careworker candidates. This is because nurse candidates are required to have work experience while careworker candidates can apply without it. In addition, the average age becomes younger and reasons are thought to be that many candidates are female and aiming to get married and give birth in the future as well as the difficulties in studying Japanese language and passing the national examination. Also, receiving agencies tend to prefer younger candidates.

136 Reiko Ogawa (2010). 来日第1陣のインドネシア人看護師・介護福祉士候補者を受け入れた全国の病院・介護施設に対する追跡調査 (第1報) : 受け入れの現状と課題を中心に. *Bulletin of Kyushu University Asia Center* Vol.5 June 2010. pp85-98.

Table 78 Average Age of Candidates

Year	Nurse Candidates		Careworker Candidates	
	Indonesia	Philippines	Indonesia	Philippines
2008	27.0	-	23.7	-
2009	26.7	31.7	23.5	30.5
2010	26.6	31.6	23.6	26.7
2011	25.9	27.5	23.0	25.8

Source: JICWELS (2011-9). 巡回訪問・相談窓口などからの受入れ状況などについて。  
[http://www.jicwels.or.jp/html/hp\\_images/h24\\_ukeire\\_setumei\\_2.pdf](http://www.jicwels.or.jp/html/hp_images/h24_ukeire_setumei_2.pdf) (accessed 2011-09-26)

[Religion]

Most Indonesian candidates are Muslims. In Islam, there are some religious activities such as fasting during Ramadan, praying for five times per day, covering head with a scarf and so on. These acts do not restrict work, however, one example was reported that candidates stopped fasting for a half day or one day when assisting bathing<sup>137</sup>.

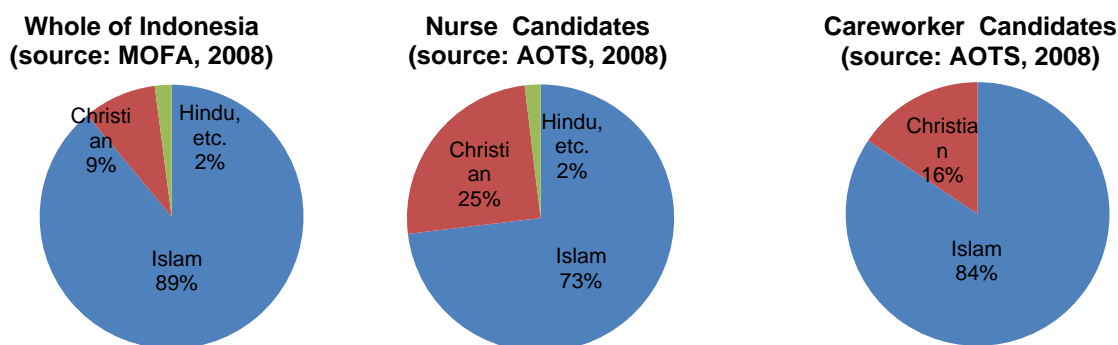


Chart 40 Religious Background of Indonesian Candidates

[Purposes of applying to EPA program]

The most common purpose in applying to EPA program is “To continue working in Japan by passing Japanese national examination” at 86.4 percent, followed by “To improve nursing knowledge and skills” at 72.2 percent and “To send the salary to family” at 56.1 percent<sup>138</sup>. Through the research, there are other reasons for coming to Japan such as “G to G program is more secure than P to P program”, “to be able to receive the sufficient training”, “passing the selection test of Japan even though applying to other countries” and so on.

137 Nikkei BP (2011-12-20). 外国人看護師・介護福祉士候補者の現状から移民受け入れを考える. Nikkei Business. <http://business.nikkeibp.co.jp/article/life/20111216/225256/?P=1> (accessed 2011-12-20).

138 MOHLW (2011). インドネシア人看護師候補者受入実態調査 (平成 22 年 2 月, EPA に基づく外国人看護師候補者の受入れと看護師国家試験の概要について. <http://www.mhlw.go.jp/stf/shingi/2r9852000001xy3p-att/2r9852000001xy6o.pdf> (accessed 2012-01-03).

[Working experience in Japan]

Nurse candidates can work as an aid nurse on the job training before passing national examination and obtaining the qualification of Japanese nurse, which is defined in the law. Their actual duties are arranging patient environment, assisting meals, toilet, bathing and transferring. Previous experience fields were surgery, operation theater, emergency room and so on. Therefore, there is a gap of work between Japan and Indonesia or Philippines and they have less opportunity to gain advanced nursing knowledge and skills in Japan.

#### **4-9-5 National Examination and Japanese Language Training under the EPA Program**

Based on the cabinet decision (as of 18<sup>th</sup> June 2010), placing hiragana above the difficult Chinese characters, writing English with the name of diseases and making question sentences easy to understand for those who are not native speakers of Japanese were introduced to the national examination in 2011<sup>139</sup>. The framework for obtaining a qualification of the national examination for the candidates under the EPA program differs from the general case of foreigners as indicated in Chart 41. In the general case, foreigners are required to pass level one of the Japanese Language Proficiency Test (N1). On the other hand, candidates under the EPA program start from the beginners' level and aim to gain N4 level. According to the Japanese language training held currently, 72 persons out of 200 (76 percent) are reported to have studied Japanese language, however, actual number of persons with advanced level was 26 (13 percent). Therefore, the rest of them accounting for 87 percent start at the beginners' level. Persons with advanced level take advantage in matching. In Indonesia, the number of Japanese language learners is ranked 4<sup>th</sup> in the world<sup>140</sup>, however, teaching Japanese language at a nursing school is very limited.

Table 79 Japanese Language Learners, Institutions and Teachers

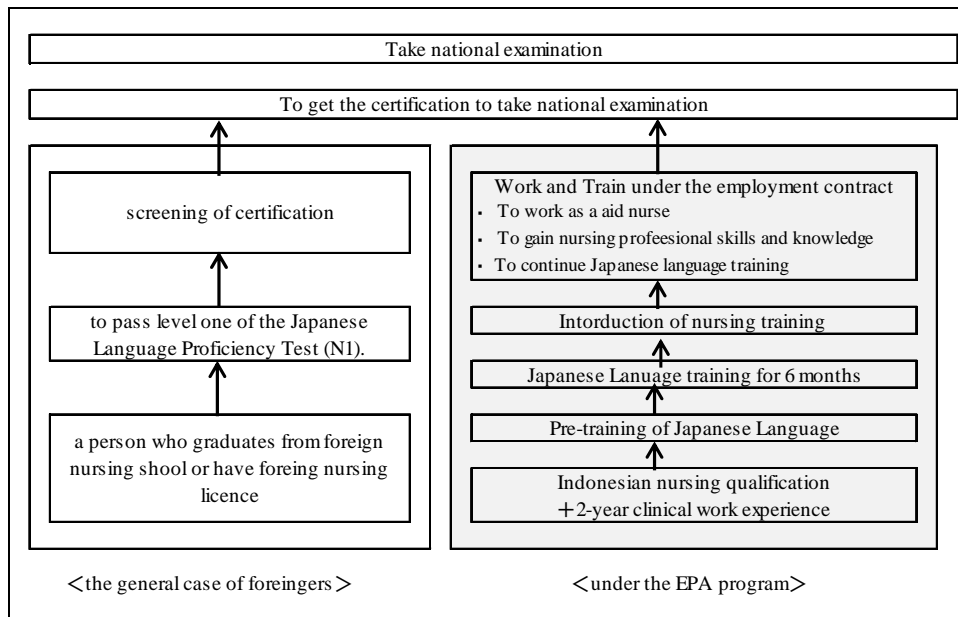
Year	No. of Japanese Language Learners	No of Japanese Language Institutions	No. of Japanese Language teachers
2006	272,719	1,084	2,651
2009	716,353	1,988	4,089

Source: Japan Foundation (2011). 海外の日本語教育の現状 日本語教育機関調査・2009年概要

139 The cabinet decision (2010-06-18). 規制・制度改革に係る対処方針.

140 Japan Foundation (2011). 海外の日本語教育の現状 日本語教育機関調査・2009年概要.





Source : MOHLW (2011). EPAに基づく外国人看護師候補者の受入れと看護師国家試験の概要について.  
<http://www.mhlw.go.jp/stf/shingi/2r9852000001xy3p-att/2r9852000001xy6o.pdf>  
 (accessed 2012-01-03)

Chart 41 Framework for Taking the National Examination by Foreigners and Candidates under the EPA Program

According to the survey of JICWELS, most candidates (63.6 percent) can communicate by “using plain words and speaking slowly”, while 19.2 percent of candidates can communicate without any problems. Therefore, the communication level is insufficient to accomplish the duty requiring specific terminologies and identifying the needs of patients as well as understanding the patients’ conditions through the nursing records and staff reporting. Therefore, Japanese staff always need to instruct them<sup>141</sup>.

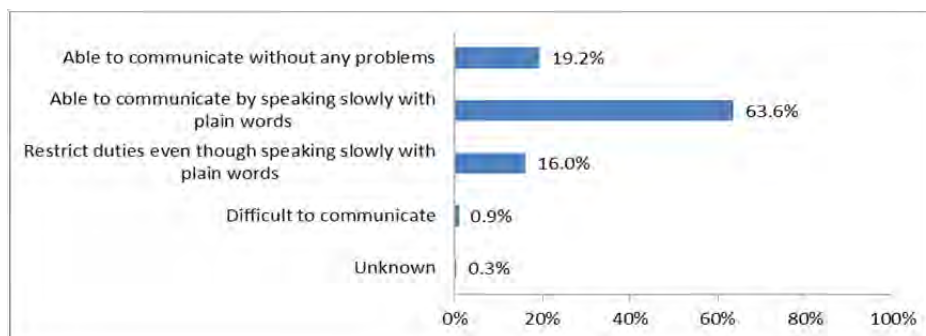


Chart 42 Communication Level of Nurse Candidates (respondents of responsible persons for training)

141 Based on the interviews from related organizations.

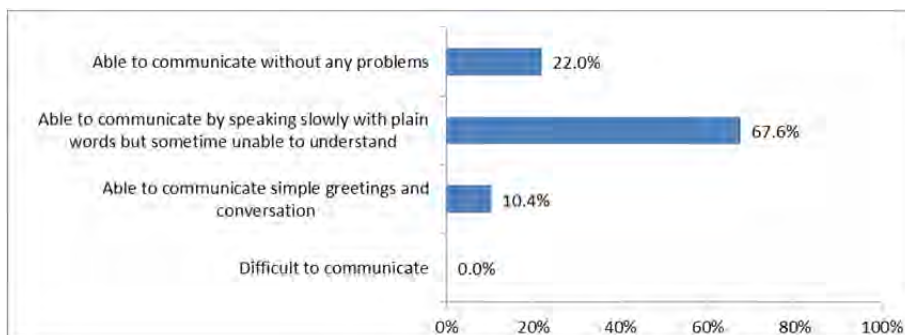


Chart 43 Communication Level of Nurse Candidates  
(respondents of responsible persons for training)

Regarding support for Japanese language study and study for national examination, most facilities provided candidates within the facilities or expected them to depend on self-study. Only 30 percent of facilities could provide support for study by professionals, therefore, there is a need for professionals who can teach Japanese language and also the national examinations of nurses and/or careworkers<sup>142</sup>. This is related to the results of national examination.

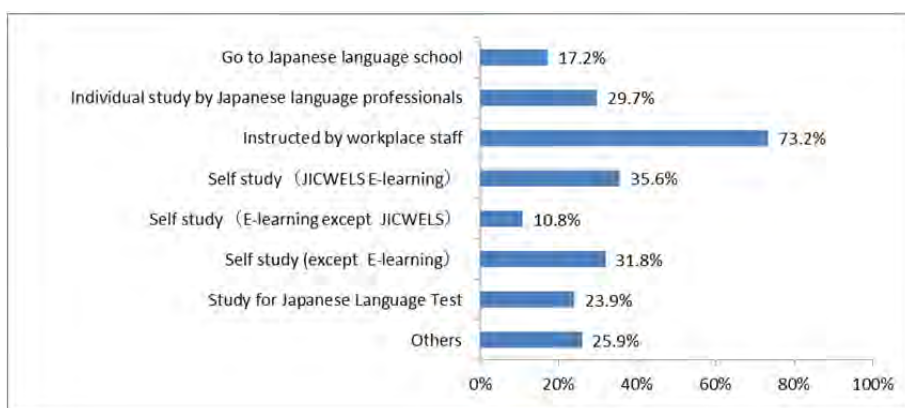


Chart 44 Communication Level of Careworker Candidates  
(respondents of responsible persons for training)

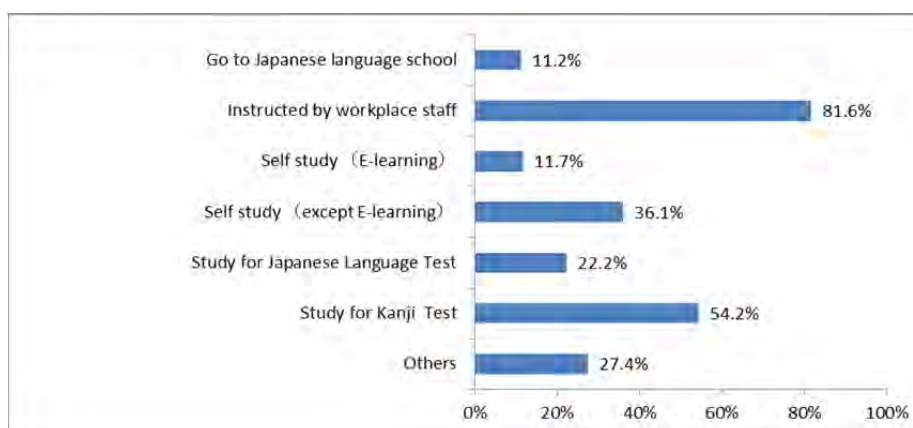


Chart 45 Learning Method of Japanese Language of Careworker Candidates  
(respondents of responsible persons for training)

142 Based on the interviews from related organizations.

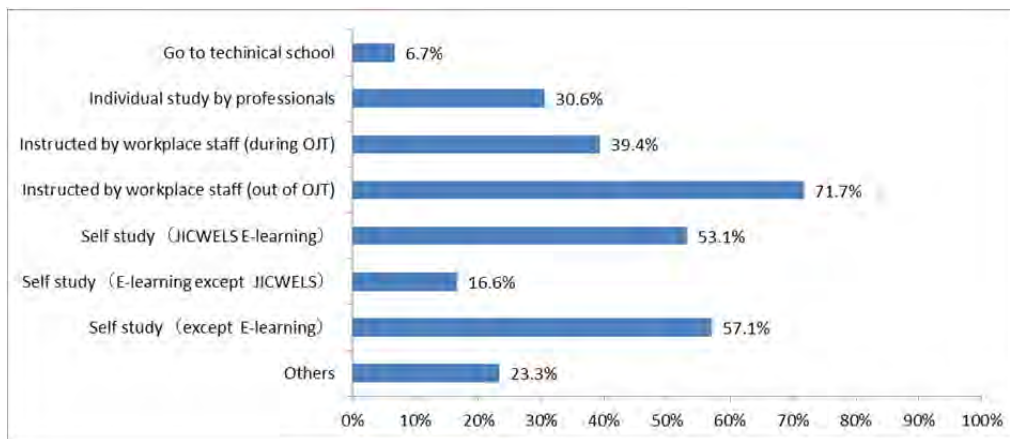


Chart 46 Learning Method of National Examination of Nurse Candidates  
(respondents of responsible persons for training)

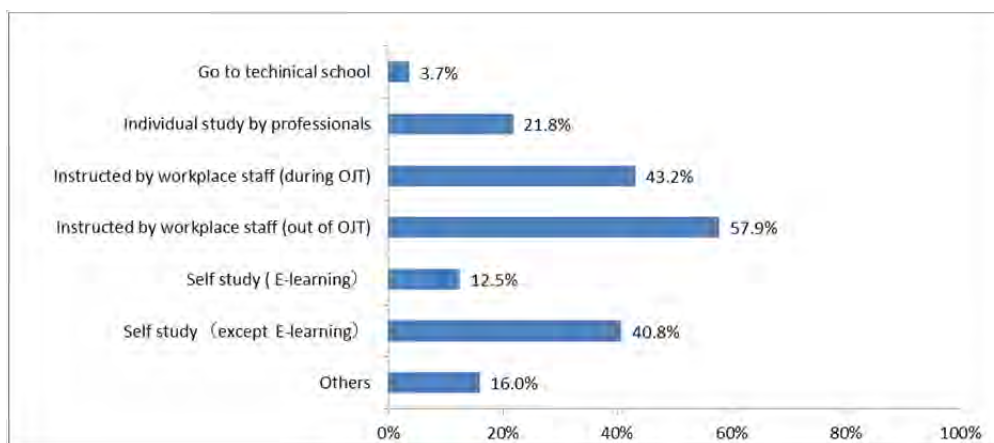


Chart 47 Learning Method of National Examination for Careworker Candidates  
(respondents of responsible persons for training)

Source: JICWELS (2011-9). 巡回訪問・相談窓口などからの受入れ状況などについて.  
[http://www.jicwels.or.jp/html/hp\\_images/h24\\_ukeire\\_setumei\\_2.pdf](http://www.jicwels.or.jp/html/hp_images/h24_ukeire_setumei_2.pdf) (accessed 2011-11-26)

Notes: Respondents from nurse candidates: 146 facilities and 343 candidates  
Respondents from careworker candidates: 202 facilities and 465 candidates

#### 4-9-6 Pass Rate of National Examination of Candidates under the EPA Program

Among Indonesian candidates, only 15 out of 104 in the Batch I, 2 out of 173 in the Batch II and none out of 35 in the Batch III could pass the national examination. The pass rate is low with 14.3 percent and the pass rate in the candidates during 2 years is only 1 percent in both Indonesia and Phillipines. There was only one candidate who could pass in the first year. This result directly indicates the difficulties to pass the national examination for candidates under the EPA program, therefore, there is a need to address this issue. When it comes to pass rate of Japanese, it is approximately 90 percent every year and for foreigners in the general cases it is approximately 80 percent.

Table 80 The Changes in the Number of Candidates Passing the National Examination

No. of the total sum of the year 2008-2010		Overall	Other Foreigners	Indonesia			Philippines	
				2008 Batch I	2009 Batch II	2010 Batch III	2009 Batch I	2010 Batch II
2008	Applicants	50,906	35	82	-	-	-	-
	Successful Applicants	45,784	28	0	-	-	-	-
	Pass Rate	<b>89.9%</b>	<b>80.0%</b>	<b>0.0%</b>	-	-	-	-
2009	Applicants	52,883	82	100	95	-	59	-
	Successful Applicants	47,340	67	2	0	-	1	-
	Pass Rate	<b>89.5%</b>	<b>81.7%</b>	<b>2.0%</b>	<b>0.0%</b>	-	<b>1.7%</b>	-
2010	Applicants	54,138	95	91	159	35	73	40
	Successful Applicants	49,688	84	13	2	0	1	0
	Pass Rate	<b>91.80%</b>	<b>88.4%</b>	<b>14.3%</b>	<b>1.3%</b>	<b>0.0%</b>	<b>1.4%</b>	<b>0.0%</b>

Source: MOHLW (2011). EPAに基づく外国人看護師候補者の受入れと看護師国家試験の概要について. <http://www.mhlw.go.jp/stf/shingi/2r9852000001xy3p-att/2r9852000001xy6o.pdf>(accessed 2012-01-03)

In regard to the national examination of careworkers, results have not yet been disclosed. Indonesian careworker candidates will take it on January 2012 for the first time. There is concern over the low pass rate of national nursing examination among Indonesian nurse candidates, while the Japanese pass rate of the national examination of careworkers is about 50 percent annually.

#### 4-9-7 After the EPA Candidates Return to Indonesia from Japan

As mentioned above, 62 nurses of the first batch have gone back to Indonesia until August 2011 because they failed to pass the Japanese national examination. Japanese government provided returnees Internet based home study system for the Japanese national examination as well as held a preparation examination in Jakarta in October 2011. However, Japan has not announced clear strategy for continuous support, therefore, only 14 returnees applied<sup>143</sup>. As of 2011, the EPA agreement excludes any support to candidates who have returned. To address this issue, AOTS Alumni Association<sup>144</sup> will plan to provide study space and other support to returnees who want to try again to take the Japanese national examination.

In addition, the Japanese embassy in Indonesia held a job fair for returnees in October 2011. In total, 34 Japanese-affiliated companies and hospitals in Indonesia participated. After this, there is no information whether the returnees can find a job or not. A Japanese participant said the returnees' Japanese language level was lower than expected<sup>145</sup>.

It seems to be difficult for those candidates to work again in public hospitals in Indonesia due to a small vacancy rate. The EPA scheme should consider how to support them after retuning.

143 Mainichi Newspaper morning edition in Tokyo (2011-11-03).インドネシア：看護師第1陣、高度医療を学ぶ夢破れ 日本語が壁、6割帰国.

144 AOTS Alumni Association is established in 70 cities among 43 countries. They have common experience of training in Japan and contribute their experience locally as well as in Japan and all over the world (source: the information provided by AOTS).

145 Based on the interviews from the related organizations.

#### 4-10 Situation of Nurses and Careworkers in the World

There are challenges and problems in developed and developing countries nationally and globally. Nurses and careworkers are included in health personnel and major international organizations stated their policies to react as shown in the table below. WHO summarized “WHO Global Code of Practice on the International Recruitment of Health Personnel” (2010), which guides both incoming and sending countries to set better system focusing on human rights. Nurse shortage is severe in Europe and the U.S. and they welcome foreign nurses to meet the domestic needs. In response, Asian countries such as Philippines and China are eager to send nurses. Incoming nations have made effort to attract foreign nurses through making simplified migrant process and providing better benefits. In contrast, sending countries aim to enhance their nursing educational level to compete internationally.

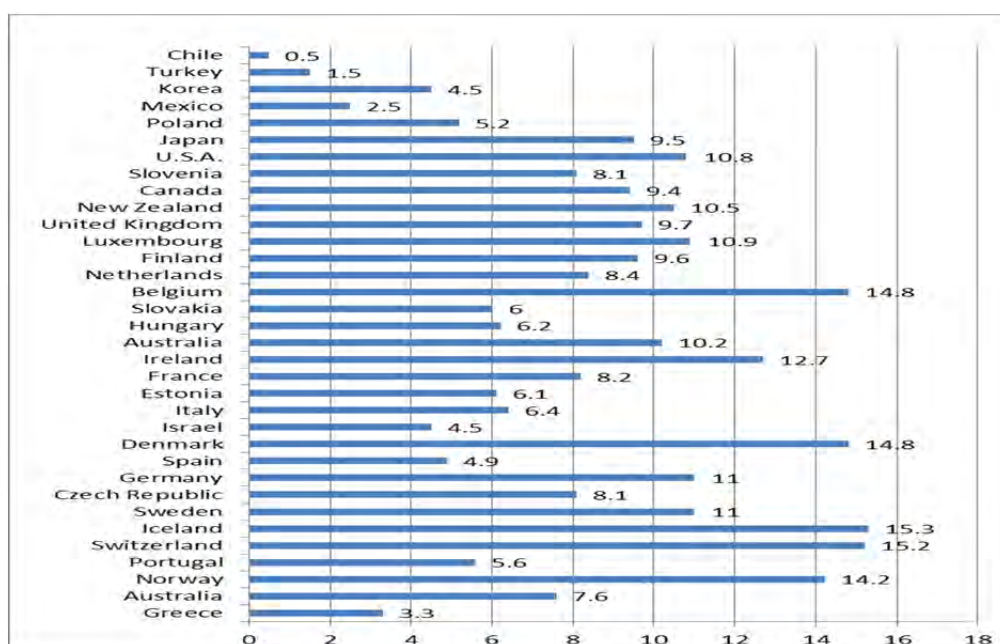
Table 81 The Strategy for Health Human Resources (HHR) by International Aid Agencies

	WHO	Global Health Workforce Alliance	WB	USAID
Policy and stance on HHR	<ul style="list-style-type: none"> <li>- Since the adoption of international agreements that correspond to HHR to achieve MDGs, strengthen to support for HHR</li> </ul>	<ul style="list-style-type: none"> <li>- Increase the number of HHR by education and training</li> <li>- Regarding HHR immigration, approach to both receiving and sending countries</li> </ul>	<ul style="list-style-type: none"> <li>- Address the issue of HHR by strengthening the whole health system</li> </ul>	<ul style="list-style-type: none"> <li>- Support assistance through programs focusing on specific health issues</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>- Guideline for HHR</li> <li>- Internationally sharing information, knowledge research and analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Capacity development within the country for HHR</li> <li>- Study for incentives and dissemination of results</li> </ul>	<ul style="list-style-type: none"> <li>- To assist each country in the framework of lending and to strengthen cooperation with other organizations</li> </ul>	<ul style="list-style-type: none"> <li>- Sharing HHR assessment, practice tools</li> <li>- Common understandings with other donors</li> <li>- To strengthen monitoring and evaluation for HHR</li> </ul>
Target on HHR	<ul style="list-style-type: none"> <li>- Focus on 57 priority countries in critical shortage of HHR</li> </ul>	<ul style="list-style-type: none"> <li>- Target on the HHR to increase the number of HHR with low cost and covering many people</li> </ul>	<ul style="list-style-type: none"> <li>- Development HHR and encourage appropriate allocation</li> <li>- Focus on Africa and South-East Asia</li> </ul>	<ul style="list-style-type: none"> <li>- Currently no HHR program</li> </ul>

Source: JICA report (2009-3)

#### 4-11 Policy to Maintain Workforce of Nurses and Careworkers in the World

This section summarizes the situation of each country regarding acceptance and sending of nurses. The number of nurses per 1,000 populations of OECD countries is as shown in the table below. The USA and UK have more nurses than Japan has. Many developed nations absorb migrant nurses against the shortage. We reviewed literature in major incoming countries (the USA, UK, German, Netherland, UAE, Australia) and sending countries (Philippines, Singapore, Malaysia, Taiwan, Korea, China). In our literature review, Korea did neither sending nor receive nurses nor careworkers, therefore, it is excluded from further description in this section.



Source: 社会実情データ図録 (2011). <http://www2.ttcn.ne.jp/honkawa/1930.html> (accessed 2011-12-06)

Chart 48 Comparison of the Number of Doctors and Nurses per 1,000 population (OECD, 2009)

##### (1) USA<sup>146</sup>

USA is attractive for foreign nurses because they can gain high salary with bonus, paid leave, free medical treatment including dental care and accommodation. USA can provide attractive workplace for foreign nurses. Agents can conduct necessary documentation procedure instead of hospitals, therefore, the workload of hospitals to recruit foreign nurses is less as the result, and many hospitals hire foreign nurses. Before working in USA, foreign nurses have to pass documentation selection, interview, English test, pre-test (CGFNS: Commission on Graduates of Foreign Nursing Schools) and national test (NCLEX: National Council of State Boards of Nursing Licensing Examination). After passing all requirements, foreign nurses can immigrate to USA. The basic monthly salary of foreign nurses is US\$ 4,000-7,000 which is the same amount

146 Tomoki Maruyama (2008-7-17). 海外における外国人看護師受入れ事情: 財団法人医療関連サービス振興会セミナー第150回. <http://www.ikss.net/enterprise/images/150.pdf> (accessed 2011-12-04).

as that of Americans. In USA, labor market test has to be conducted to protect domestic labor market. It is to announce job vacancies and if there are no applications then the government can receive nurses. To secure the working conditions, ANA (American Nurses Association), SEIU (Service Employees International Unions) and labor unions work for the improvement of social security, unfair conditions, racism, and other problems.

One of the problems in nursing migration in USA is that it takes about six months to get qualification of CGFNS and NCLEX. Therefore, they cannot get any employment opportunities while they are waiting for the results of exam. In addition, interviews and practical skills cannot be examined with CGFNS and NCLEX, therefore, screening of nursing competency is insufficient. To ensure the competency, practical skills exam or twinning are required as mandatory. Furthermore, to establish a common national organization to register nurses is needed to manage the foreign nurse migration in the whole country because currently, it is implemented by each province and it is difficult to manage nursing migration.

(2) UK<sup>147</sup>

The UK aggressively started to recruit foreign nurses from other countries in 2000; consequently more than 28,000 foreign nurses were registered in the UK in 2004. Out of 35,000 new registrants, 14,000 nurses (40 percent) are from foreign countries mainly Philippines, India, South Africa and Australia. They can start working without UK's nursing qualification after about three months for screening and registration. Once foreign nurses are permitted to work, they can live with their spouses who can also work in the UK. Their work permit can renew without limitation, therefore, it means they can live in the UK permanently. When registering in Nursing Council, identification is required to be submitted to the UK by the Nursing Management Authority in the candidate's own country. The UK procedures are easier when compared with those of other countries, therefore, the UK takes an advantageous position in foreign nurses' employment. The UK Department of Health certification permits the agencies to arrange the recruitment. In immigration, the Nursing and Midwifery Council (NMC) conducts review of documents such as competency, experience, degree and academic results. In addition, foreign nurses work as apprentices in the first six months then they can be registered as nurses. During this period, the salary is paid but low. Foreign nurses' wages are about US\$ 2,500-7,500 depending on their job title but their nationality is not considered. The RCN (Royal College of Nursing) is responsible for labor unions to secure work environment.

However, as the result of promoting immigration policies, the UK highly depends on the workforce of foreign nurses. It has raised questions about domestic workforce, therefore, the government recently has engaged into the development of domestic talent. There is another

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147 Tomoki Maruyama (2008-7-17). 海外における外国人看護師受入れ事情: 財団法人医療関連サービス振興会セミナー第150回. <http://www.ikss.net/enterprise/images/150.pdf> (accessed 2011-12-04).

problem that skilled nurses have moved into the USA to seek much better work environment, therefore, the government needs to take steps to create more attractive work environment for them. In addition, there are difficulties identifying foreign nurses working conditions because there are only limited opportunities such as immigration or revising work permit to figure out their work, and there is no way to know if they engage in different industries.

(3) German<sup>148</sup>

The total population was about 82.5 million and its aging rate was 18.6 percent in 2004. German started inviting foreign workforce as “Guest Worker Program” after World War II because of labor shortage. As a result, the share of foreigners was about 7.3 million (8.8 percent of total population) in 2005.

There are around 2,200 hospitals in Germany. Out of a total number of 700,000 nurses, 25,500 foreign nurses are working. Around 1960, nurses started to migrate from Korea, Philippines, India and Indonesia due to the lack of domestic nurses. Since 1990’s, people prefer to hire cheap careworkers from Eastern Europe. People from EU nations are free to enter and work in Germany. Those who are outside EU nations are legally permitted to work in Germany if they have licenses such as nursing, and lawyering and proficiency in German language. On the other hand, a total of 3.5 million people are jobless but there is a shortage of 50,000 nurses and careworkers. Aging of both German people and foreign immigrants causes various health needs coming from their own culture. A project which includes cultural sensitive education to meet those needs has been introduced.

(4) Netherlands<sup>149</sup>

Netherlands has supplemented foreign labor through “Guest Worker Program” due to lack of workforce. Foreign nurses have been migrated from Surinam since 1950’s and from Indonesia since 1970’s. Though most nurses are reported to return their countries after staying couple of years, at this point, medical and care giving workforce are enough. However, up to 14.2 percent in 2006 due to aging. The number of nurses is not enough due to aging of not only nation but also nurses. In addition, the needs for home care are not met. Global nurse migration also causes the lack of nurses in the Netherlands. Almost all EU countries suffer from shortage of caretakers for the elderly. Therefore, nurses who pass the nursing license in the Netherlands settle in other EU nations especially the UK. In contrast, “cross-border care” in which patients emigrate to have medical treatment or care is becoming more common due to the EU’s expansion.

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148 Kazuyo Hashimoto and Rie Yokoyama (2008). ドイツとオーストラリアの看護の現状と課題-わが国の看護システムの方向性を探る. アドミニストレーション 15(1,2) November 2008, Prefectural University of Kumamoto, 熊本県立大学総合管理学会, Noriko Tsukada (2010). 介護現場の外国人労働者 日本のケア現場はどう変わるのか. Akashishoten.

149 Noriko Tsukada (2010). 介護現場の外国人労働者 日本のケア現場はどう変わるのか. Akashishoten.



In the Netherlands, there was previously a movement in opposition to acceptance of foreign nurses, and lack of specialist training in home countries and language issues were cited as problems at this time. Since some elderly people can only speak Dutch, the language barrier was cited as a serious problem in nursing and care work. The Nursing Association of the Netherlands first wants the government to improve the working environment for Dutch nurses in order to prevent deterioration in the quality of nursing. Regarding the background to this, foreign nurses who arrive in the Netherlands without first obtaining sufficient information work at a lower level than their Dutch counterparts and receive lower wages for doing the same work. Furthermore, health care users in the Netherlands have high demands and it is thought that consideration should be given to the effort and labor burden of Dutch nurses in order to maintain corresponding high levels of service.

(5) UAE (United Arab Emirates)<sup>150</sup>

Many foreign nurses work in UAE these days. Both official and private institutions offer benefits to immigrant nurses such as one month paid holiday and housing. Hospitals directly hire immigrants and shoulder expenses for interview and candidate's transportation. The government sets standards for screening. The MOH provides assessment guidelines and qualifications. Foreign laborers account for 80 percent of total population. Immigrant nurses find it difficult to communicate with patients in Arabic specifically in rural areas. To deal with it, Arabic language training or interpreters are installed.

(6) Australia<sup>151</sup>

Population aging rate exceeded 17 percent and Australia faces graying society similar to Japan. Hospital patient ratio is 3.6 beds per 1,000 of population and average hospitalization is about 4.2 days which is half of Japan. The Home and Community Care Program targeted home based care rather than hospital based in 1985. The program led to shortages of family nurses. Actually, nurses work to complement the shortage of registered nurses. There are approximately 180,000 employed nurses, of whom 155,000 are registered nurses and the remainder are junior nurses or assistant nurses. Nurses mainly work in hospitals, nursing homes and in home visit nursing. In order to make up for the shortage of nurses, Australia trains practical nurses (corresponding to junior nurses in Japan) that can be called on in a short time, and it stages nursing courses.

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150 Tomoki Maruyama (2008-7-17).海外における外国人看護師受入れ事情: 財団法人医療関連サービス振興会セミナー第150回. <http://www.ikss.net/enterprise/images/150.pdf> (accessed 2011-12-04).

151 Kazuyo Hashimoto and Rie Yokoyama (2008). ドイツとオーストラリアの看護の現状と課題-わが国の看護システムの方向性を探る. アドミニストレーション 15(1,2) November 2008, Prefectural University of Kumamoto, 熊本県立大学総合管理学会.

(7) Philippines<sup>152</sup>

The government educates more nurses to export to other countries aiming for more remittance. The number of nursing schools has been increased from 40 in 1970's to 450 in 2009. In consequence, domestic nurses are overflowing and the quality of education has deteriorated. Additionally, 3,500 medical doctors shifted their profession into nursing to seek better salary in the past ten years. The amount of the nurse's salary in the U.S. is reported 25 times higher than it is in Philippines. A lot of careworkers also have been trained and working as housekeeper in other countries.

Table 82 Overseas Placement of Philippine Nurses

Country/ Year	2003	2004	2005	2006
Saudi Arabia	5740	5640	4627	5640
UAE	452	218	670	768
Kuwait	102	408	191	340
Ireland	414	190	297	248
USA	392	373	3853	202
Libya	104	10	23	158
United Kingdom	3088	800	546	145
Qatar	484	318	133	140
Singapore	652	166	129	73
Trinidad Pago	-	-	113	68
Total	11428	8123	10582	7782

Source: Naomi Hosoda (2009).フィリピン人にとって移住労働とは.始動する外国人材による看護・介護-受入れ国と送出し国の対話. Sasakawa Peace Foundation

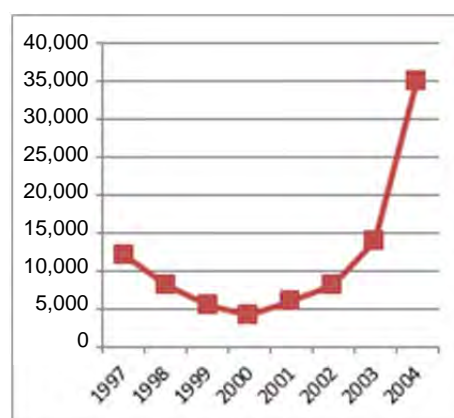


Chart 49 Chances on Philippine Nurses

(8) Singapore<sup>153</sup>

There is no limit on number of renewing Employment Pass in Singapore. The Government sets qualification that immigrate candidates must finish nursing course in their countries with one-year work experience and pass Singapore Nursing License Examination. Each employer also evaluates candidates through three-month-trial period. The Government limits the number of foreign nurses to less than 30 percent of total number of nurses in each hospital to secure working place for Singaporean nurses. Foreign nursing schools are legally permitted to settle in Singapore to retain nurses easily. However, due to salary gap, there is a brain drain to the U.S. and Europe countries.

152 Naomi Hosoda (2009).フィリピン人にとって移住労働とは.始動する外国人材による看護・介護-受入れ国と送出し国の対話. Sasakawa Peace Foundation.

153 Tomoki Maruyama (2008-7-17). 海外における外国人看護師受入れ事情: 財団法人医療関連サービス振興会セミナー第150回. <http://www.ikss.net/enterprise/images/150.pdf> (accessed 2011-12-04), Ayaka Matsuno (2009). ILO/EU Asian Programme on the Governance of Labour Migration Technical Note Nurse Migration: The Asian Perspective. [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_160629.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_160629.pdf) (accessed 2012-1-15).

(9) Malaysia<sup>154</sup>

Malaysia has opened migrate nurses due to labor shortage. The reason for the nurse shortage roots from aging society and increasing opening hospitals. Despite the lack of domestic nurses, every year, 400 Malaysian nurses have immigrated to the Middle East, the U.S. and so forth. Nursing school graduates can choose language from either Malay or English for nursing board exam. It relates to encourage working in other countries. On the other hand, as the precaution to retain numbers of nurses, the government-United agreement between Albania, Bangladesh, India, Indonesia, Myanmar, Pakistan and Philippines that certain qualified nurses can work in Malaysia. Migrants who have qualified can bring their families to Malaysia.

(10) Taiwan<sup>155</sup>

The situation in Taiwan is similar to Japan regarding the low birth rate, aging and shortage of nurses. Taiwan has imported careworkers because the social position of careworkers is low. About 75 percent of careworkers were foreign migrates in 2005. Private companies train and hire careworkers because the country has no public care insurance. The contract is usually for three years which is renewable. There are some discussions on matters such as no uniform standard of education and frequent illegal accidents. For example, some employers force staff to work outside of contract and there are sexual abuse incidents. The government is planning to encourage its own nationals to become careworkers rather than employing foreign migrants.

(11) China<sup>156</sup>

China has uncertain potential for the nurse's overseas placement. Although China faces a serious shortage of nurses with a nurse-to-population ratio of 1:1000, the government promotes nurses overseas placement to developed countries, especially Singapore and Saudi Arabia. However, Chinese nursing education system, which has three levels, namely mid-associate degree programs (secondary level programs), associate degree programs, and baccalaureate or bachelor programs, hampers the overseas placement of nurses. The reason is that the majority of nurses graduate from mid-associate degree programs and are not qualified to migrate to the United States as nurses unless they receive additional education and qualifications. Therefore, the government has reformed the education policy, and consequently the number of graduates with higher nursing education has been increasing. Chinese nurses have since attracted attention from countries with

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154 Ayaka Matsuno (2009). ILO/EU Asian Programme on the Governance of Labour Migration Technical Note; Nurse Migration: The Asian Perspective.

[http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_160629.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_160629.pdf) (accessed 2012-1-15).

155 Yokota et.al. (2009). 2009年3月29日勉強会報告「外国人/看護師問題を考える」. 医療360°.

[http://医療360.jp/files/foreign\\_workers.pdf](http://医療360.jp/files/foreign_workers.pdf) (accessed 2012-12-5).

156 Ayaka Matsuno (2009). ILO/EU Asian Programme on the Governance of Labour Migration Technical Note; Nurse Migration: The Asian Perspective.

[http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_160629.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_160629.pdf) (accessed 2012-1-15).

shortages of nurses. The Chinese Nursing Association (CNA) has welcomed the current trend and encouraged nurses to go abroad so that their obtained skills, knowledge, and experience will bring back more powerful and effective force to the country. China ranked up on the list of top countries of CGFNS Certification in 2004 for the first time and continues to rank 3<sup>rd</sup> following Philippines and India. As of August 2007, there are six CGFNS testing centers in China: Beijing, Shanghai, Guangzhou, Chengdu, Hong Kong, and Taipei (Taiwan). In addition, Chinese Government signed a Letter of Intent with the U.K. Government in 2006 to facilitate the recruitment of nurses from China to the U.K.

(12) ASEAN Mutual Recognition Arrangement (MRA) on Nursing Services<sup>157</sup>

As mentioned above, ASEAN Mutual Recognition Arrangement on Nursing Services will be implemented in 2015 for “the movement of natural persons.” However, the four kinds of barriers and challenges are pointed out, namely 1) Language, 2) National Licensure Examination, 3) Nursing Education/Training and 4) Capacity of Nursing Regulatory Authority (NRA).

1) Language

Among Asian countries, language diversity without common language is a serious concern to work in other countries. Language ability is extremely important for nurses and their work because nurses should provide medical care without failure or misunderstanding as well as respond to patients’ requirements and needs. For Philippines, Singapore, India, and Malaysia, where English is used as an official language or is a widely spoken language, the movement of nurses is relatively smooth. However, for other countries, language is an immense barrier for nurses to work abroad.

2) National Licensure Examination

In relation to language, national licensure examination is also one of the challenges. Most Asian countries such as Japan, Korea, Thailand and China conduct national licensure examinations in their national language only. Therefore, passing the national licensure examination restricts foreign nurses.

Only Singapore and Malaysia have introduced a separate examination for foreign and/or foreign-trained nurses with the national language and English.

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157 Ayaka Matsuno (2009). ILO/EU Asian Programme on the Governance of Labour Migration Technical Note; Nurse Migration: The Asian Perspective.  
[http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_160629.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_160629.pdf)  
(accessed 2012-1-15).

3) Nurse Education/Training

Nurse education and training also differ from each country so that the quality assurance of nurses to meet the requirements of the placement country is important. For example, Philippines provides the nursing curriculum modeled on USA and there are many lecturers who receive training and work in USA so that nursing students can study those things and easily move to work in the USA. However, most Asian countries have their own national nursing education and training curriculum. To facilitate the free movement of nurses in the region, it is important to recognize the quality and contents of nursing education and training mutually.

4) Nursing Regulatory Authority (NRA)

NRA in each country is necessary in order to supervise the registration of nurses and the quality of nurse qualifications to uphold professional nursing standards. However, the capacity of NRAs in Asia varies and hampers MRA on Nursing Services. In fact, Indonesia, Cambodia, Laos, and Vietnam requested for a deferral to implement the MRA because of the insufficient capacity or the absence of established NRAs.

These four issues mentioned above can be applied to the case of the acceptance of nurses and careworkers under JIEPA. These four issues should be addressed in both the sending and receiving countries.

# Chapter 5 Pre-departure Training for Emigrant Workers in Indonesia

In this chapter, pre-departure training for Indonesian emigrant workers is referred as follows. Beside these training courses, Indonesian government provides basic guidance about working abroad (BLK:12-hour paid module, and BP3TKI:8 hour-free modules.) As for these public modules, refer to Annex 9.

## 5-1 Pre-departure Training in Industrial Sector

In this section pre-departure training before labor migration in industrial sector in Indonesia is summarized. As mentioned in “3-5”, Sending organization of ITTIP system must provide pre-training under administrative direction of MOMT. Therefore, here pre-training of sending organization is mainly referred to. About training for labor emigrants going to foreign countries besides Japan, PJTKIs seem to provide such trainings, however, in this research only one example mentioned in “5-2” was confirmed and that training was not manufacturing but care nursing training. PJTKIs usually recruit workers from graduates of vocational schools or experienced manufacturing workers; therefore, it is supposed that PJTKIs do not provide technical trainings about manufacturing skills.

(1) Training by both the sending organization and supervising organization.

a. Supporting Agency	IMM <sup>158</sup>
b. Training Title	Pre-departure training
d. Details of the Activity	Business manners, discipline, sports, and Japanese language are main subjects. In the off-the-job training at the IM Japan training center in Japan, trainings are provided regarding technical intern training program, safety, crane and forklift. After returning to Indonesia, every time job interview meeting is held. IMM has cooperative relations with Ministry of Industry and Trade, MOMT and CEVEST.
e. Budget and Scale	Annual budget of HQ is 1.5 billion JPY (2011). No information about particular budget for activities in Indonesia.
f. Duration	Residential trainings; 4-months in Indonesia and 1-month in Japan.
f. Past Record	Number of trainees started from 11 in the first batch in 1992. Current numbers are fluctuating as 1,866 (2006), 1,620 (2008), 758 (2009), 1,065 (2010) and 876 (as of Sep. 2011). IMM is the biggest sending organization and almost 50 percent of Indonesian trainees are from IMM every year.

158 Information sources are interviews with MOMT staff and IMM’s Website, <http://www.imm.or.jp/> (accessed 2012-1-1).

(2) A sending organization, a branch of an international NGO of environment and agriculture

a. Supporting Agency	OISCA-International
b. Training Title	Pre-departure training & local office activities
d. Details of the Activity	Agriculture, Japanese language and culture
e. Budget and Scale	<ul style="list-style-type: none"> <li>• Annual budget per trainee is 120,000 JPY around including maintenance cost of machine and uniform.</li> <li>• Requesting TQ to accept 20 trainees in 2012.</li> </ul>
f. Duration	Pre-departure training takes 9 months, in addition to working experience as local staff for 2 years maximum.
f. Past Record	In 1980's Indonesian government requested them to dispatch trainees once. In current system they re-started sending trainees from 2007. Number of trainees is a few every year. Except for only 1 trainee who requested training of car painting, all trainees have been trained in agriculture. All trainees are joining activity of OISCA after returning to Indonesia. OISCA utilizes this system as reward and motivation enhancement for local staff. All sending cost is owned by OISCA.

(3) A sending organization which is a group company of a major supervising organization

a. Supporting Agency	PT. Japan Indonesian Economic Center (PT. JIAEC)
b. Training Title	Pre-departure training
d. Details of the Activity	Business manners, discipline, sports, cooking, and Japanese language (N7) and life are main subjects. PT. JIAEC provides Job-hunting support for ex-trainees and Japanese language training for private companies. Basically, there is no technical training subject but only 1 program of manufacturing train.
e. Budget and Scale	<ul style="list-style-type: none"> <li>• Annual budget of HQ is 1.2 billion JPY and 60 million JPY from that budget is sending to PT. JIAEC (2011).</li> <li>• Number of trainees is 465 in 2011, and during 2013-15 the number is planned to increase to 1,400.</li> </ul>
f. Duration	Residential training; 4-month in Indonesia and 1-month in Japan. 4-month training in Indonesia is divided into 2 parts. Former 2-month is in Surabaya, Yogyakarta, and Jakarta, besides latter 2-month is in Jakarta.
f. Past Record	JIAEC HQ has 40-year history including that of former organization. PT. JIAEC was founded in 1993. 300-500 Indonesian trainees were dispatched from PT. JIAEC every year from 2006.

(4) A sending organization which is a group company of a local Japanese language school

a. Supporting Agency	PT. MINORI
b. Training Title	Pre-departure training
d. Details of the Activity	Business manners, discipline (5S, safety, QCD, etc.), sports, and Japanese language are main subjects. PT. MINORI has own sewing classroom and, on request basis, provides other technical pre-trainings of manufacturing of electronics, painting, printing, operating machine, welding and electrical wiring with affiliate organizations. For job-hunting support, PT. MINORI plans to introduce ex-trainees to Japanese companies, follow-up training, and recruitment to group organizations of PT. Minori.

e. Budget and Scale	<ul style="list-style-type: none"> <li>• Number of staff is 9 and capital is 40 million IRP.</li> <li>• Annual budget per trainee is around 200,000 JPY.</li> <li>• Number of trainees is about 20 on request basis every year.</li> </ul>
f. Duration	5-10 months
f. Past Record	Founded in 2008 and approved as a sending organization in the name of LPK MINORI. 10 trainees of first batch were sent in 2010, and 16 trainees were sent in 2011.

(5) A local self-funding sending organization

a. Supporting Agency	Yayasan Putra Indonesia
b. Training Title	Pre-departure training
d. Details of the Activity	Business manners, discipline (5S), sports, and Japanese language are main subjects. On request basis technical training can be provided.
e. Budget and Scale	<ul style="list-style-type: none"> <li>• Number of staff is 14.</li> <li>• Annual budget per trainee is around 95,000 JPY.</li> <li>• Number of trainees is decided based on request from Japanese agencies. Started sending a few trainees from 2004. Currently, 10 trainees in 2008, 12 in 2009, 40 in 2010, and 70-80 in 2011.</li> </ul>
f. Duration	3-4 months. Most of the duration is for Japanese language training.
f. Past Record	Founded in 2003 with request from Japanese-side and got permission in 2003. From 2004, sending trainees every year.

In addition to above organizations, research team requested telephone interview to 73 organizations which were listed on the administrative document of MOMT in mid-December, and got 30 answers including that of Yayasan Putra Indonesia. (About detailed answers, refer to Annex 5.) According to their answers, all 30 organizations provide Japanese training, and two out of three provide training of Japanese culture, safety management, and business manner. One out of three organizations provide technical trainings such as welding, casting, computer, car manufacturing, agriculture, and so on. It seems that those technical trainings are held based on a request basis. Training cost per trainee is almost 100,000-200,000 JPY, and in some cases training cost and registration fee are lower. Training duration is various, two to seven months, but many of organizations provide training of three to four months.

Moreover, though it is not classroom training in Indonesia, JITCO provides free Japanese language training materials and educational information on their Website, “JITCO Japanese Teaching Materials ひろば” (<http://hiroba.jitco.or.jp/>, accessed 2011-11-30) in six languages; Japanese, English, Chinese, Indonesian, Vietnam, and Thai.

## 5-2 Pre-departure Training and Education in the Nursing Care Sector

In this section, pre departure training and education in the nursing care sector will be mentioned including Japanese language education. The BIMA foundation provides the training indicated below in (1) and (2). Bima CONC (Cooperation for Overseas Nurses and Care Workers) links with the group of JIAEC Association. The Japan Foundation provides training (3), which leads Japanese education and



has 22 branches in 21 countries all over the world. Others are (4) provided by Indonesian private agency and (5) conducted by private nursing school.

(1) Intensive Japanese language training

a. Organization	BIMA foundation																						
b. Training Title	Intensive Japanese language training targeted nursing school graduates and applicants of EPA scheme																						
c. Details of the Activity	<ul style="list-style-type: none"> <li>- Japanese language training</li> <li>- To study Japanese culture, etiquette, environment and etc.</li> <li>- To know the situation of Japanese hospitals and nursing care</li> </ul>																						
d. Budget and Scale	<ul style="list-style-type: none"> <li>- Annual budget: Approximately 30,000,000 yen (individual payment for meals)</li> <li>- The number of trainees: 25-30 persons who receive recommendation from a nursing school affiliated to BIMA</li> <li>- Selection is conducted to confirm the willingness to work in Japan under JIEPA scheme</li> <li>- To recommend participants and affiliated schools to return to their previous workplace in case of fail</li> </ul>																						
e. Duration	Approximately 2.5-10 months																						
f. Past Record	<ul style="list-style-type: none"> <li>- The training starts from October 2010</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 35%;">Duration of Training</th> <th style="width: 15%;">No. of Participants</th> <th style="width: 15%;">No. of Candidates of JIEPA</th> <th style="width: 35%;">JIEPA Scheme</th> </tr> </thead> <tbody> <tr> <td>2.5 months in 2009</td> <td>19</td> <td>16</td> <td>2010 (Batch III)</td> </tr> <tr> <td>5 months in 2010</td> <td>20</td> <td>14</td> <td>2011 (Batch IV)</td> </tr> <tr> <td>3 months in 2011</td> <td>17</td> <td>(during training)</td> <td>2012 (Batch V)</td> </tr> <tr> <td>10 months from Dec. 2011</td> <td>25</td> <td>(Unknown)</td> <td>2013 (Batch VI)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>- The frame of EPA has been changed every year so that it is difficult to determine the training period.</li> <li>- Most of participants wish to attend as a careworker because nursing courses must require more than 2-year work experience. The nurses who are employed are difficult to attend the training because they need to quit their job and no payment during the training.</li> <li>- 30 percent would be dropped out from the group training or the process of selection of JIEPA scheme.</li> </ul>			Duration of Training	No. of Participants	No. of Candidates of JIEPA	JIEPA Scheme	2.5 months in 2009	19	16	2010 (Batch III)	5 months in 2010	20	14	2011 (Batch IV)	3 months in 2011	17	(during training)	2012 (Batch V)	10 months from Dec. 2011	25	(Unknown)	2013 (Batch VI)
Duration of Training	No. of Participants	No. of Candidates of JIEPA	JIEPA Scheme																				
2.5 months in 2009	19	16	2010 (Batch III)																				
5 months in 2010	20	14	2011 (Batch IV)																				
3 months in 2011	17	(during training)	2012 (Batch V)																				
10 months from Dec. 2011	25	(Unknown)	2013 (Batch VI)																				

(2) Japanese Language Training in the Nursing Schools

a. Organization	BIMA foundation
b. Training Title	Japanese language training in the nursing schools as a module of school seminar regarding Japanese nursing care sector
c. Details of the Activity	<ul style="list-style-type: none"> <li>- Japanese language training in the affiliated nursing schools as a module</li> <li>- Send the Japanese language teacher to the nursing school</li> </ul>
d. Budget and Scale	<ul style="list-style-type: none"> <li>- Annual budget: including the budget above</li> <li>- Number of target: Unknown</li> </ul>
e. Duration	Study from first grade to third grade (3 years)
f. Past Record	<ul style="list-style-type: none"> <li>- To start in Nov. 2010</li> <li>- Conducted at 5 nursing schools such as Maharudika (Cirebon), Pertamedika (Jakarta), Khadijah Palembang (South Sumatra), Notokusumo (Yogyakarta) and Bari (Bari). In addition, other colleges of nursing / nursing schools will be added (see Annex).</li> <li>- Seminars are conducted at approximately 25 requested schools throughout the country in 2011</li> </ul>

(3) Preliminary Japanese Language Training for Indonesian candidates under the FY 2011 EPA

a. Organization	Japan Foundation
b. Training Title	Preliminary Japanese language training for Indonesian candidates under the FY 2011 EPA (2011-10-21)
c. Details of the Activity	<ul style="list-style-type: none"> <li>- To learn basic Japanese conversation and literacy</li> <li>- To establish the independent learning style through preparation and review of daily study</li> <li>- To obtain the basic knowledge to start the life in Japan</li> <li>- Curriculum including Japanese language training and understandings of Japanese culture, society and nursing care situation, etc.</li> <li>- 850 hours in total</li> </ul>
d. Budget and Scale	<ul style="list-style-type: none"> <li>- Annual Budget: Approximately 200 million Yen (no individual payment)</li> <li>- No. of participants: 200</li> <li>- Place: Training center under the MOE in Jakarta</li> <li>- Teachers: 31 Japanese (dispatched from Japan), 14 Indonesian (local)</li> </ul>
e. Duration	12 October 2011 – 11 April 2012 (6 months)
f. Past Record	<ul style="list-style-type: none"> <li>- 52 nurse candidates and 148 careworker candidates are currently attending the training. They are candidates of the Batch V in 2012</li> <li>- The training for 47 nurse candidates and 58 careworker candidates of Batch IV in 2010 was conducted for 3 months by Japan-ASEAN Foundation</li> </ul>

(4) Pre vocational training for overseas placement

a. Organization	PT.KARYA ANTAR BANGSA SEJATI (KABASCO) MANPOWER AGENCY JAKARTA (Private agency)
b. Training Title	Pre vocational training for overseas placement (mainly Taiwan, Hong Kong, Singapore and Malaysia)
c. Details of the Activity	<ul style="list-style-type: none"> <li>- Training for the occupations such as cooking, laundry, spa, housekeeper and nursing (home helpers) including language training.</li> <li>- Specific training in care sector is not conducted.</li> </ul>
d. Budget and Scale	<ul style="list-style-type: none"> <li>- Annual budget: Unknown</li> <li>- Participants need to pay approximately Rp. 1,5 million</li> <li>- The number of past placement: Unknown (Recruitment is done by the request from the targeted countries through the selection, then training is provided)</li> </ul>
e. Duration	Training hours depend on each dispatched country. (Singapore: 450 hours, Taiwan: 350 hours, Hong Kong: 400 hours)
f. Past Record	Unknown

(5) Pre training for overseas placement

a. Organization	BINAWAN Institute of Health Sciences (Private nursing school)
b. Training Title	Training for overseas placement (graduates or current students who can meet the requirements of each dispatched countries)
c. Details of the Activity	<ul style="list-style-type: none"> <li>- English language training</li> <li>- When receiving the request from the countries such as Kuwait, Saudi Arabia, UAE, Qatar, the Netherlands and Australia, training is held in order to pass each country' requirements particularly the selection exam.</li> <li>- In the training, teaching materials regarding the exam are shared by each country and pretesting is conducted during training. The contents of the exam are nursing knowledge and skills in terms of maternity, pediatrics, medical operation, geriatric and community health care. The exam is English written test and no practical test.</li> </ul>

d. Budget and Scale	<ul style="list-style-type: none"> <li>- Annual budget: Unknown</li> <li>- Participants need to pay US\$ 5,000-10,000 in total depending on the dispatched countries. Most of them cannot pay at the time to participate the training therefore, they need to repay the debts from their salary after starting to work overseas.</li> </ul>
e. Duration	Approximately 3 months
f. Past Record	Unknown

In addition, the three-day follow-up training was conducted for careworker candidates who joined the training in year 2008 in February 2010. Another follow-up training was conducted for the same persons in February 2011. Furthermore, “NIHONGO de CARE-NAVI” (<http://ind.nihongodecarenavi.jp/>, accessed 2011-11-30) in Indonesian version has been published for the glossary of nursing care since 2009.

## Chapter 6 Official Human Development Assistances by Multinational and Bilateral Aid for Industrial and Nursing Care Sectors in Indonesia

### 6-1 Human Development Assistances in Indonesian Industrial Sector

This section refers to human development assistances starting after 2001 by multinational and bilateral aid for industrial, mainly manufacturing, sector of Indonesia<sup>159</sup>. Projects for Aceh reconstruction are not included because their main objective is not TVET.

- (1) An inclusive project of vocational training, basic subjects such as mathematics and science, and new entrepreneurial development

a. Supporting Agency	ADB (Asian Development Bank)
b. Project Title	Enhance Continuing Skills Development <sup>160</sup>
c. Conducting Agency	MOE
d. Details of the Activity	In partnership with the Government and other donors, the Project is expected to increase the number of Indonesian workers with internationally competitive and entrepreneurial skills over the long-term. This is consistent with the Government's economic and industry policy agenda. The medium-term outcome of the Project is expected to be expanded enrolments, improved quality, relevance and efficiency, and strengthened partnerships with industry in the model VSSS (Vocational Senior Secondary School) . Key success indicators will include (i) a 20 percent increase in enrolments in model VSSS, (ii) teaching of academic subjects, especially mathematics, the sciences and English, upgraded to national standards through upgraded curricula with increased time allocations in model and alliance schools, (iii) agreements with local industry in at least 50 percent of model VSSS to implement student skills assessment using local industry personnel, (iv) entrepreneurship start-up programs offered in all model VSSS; and (v) arrangements with international companies or agencies for mutual skills recognition trialed in at least 40 model VSSS.
e. Budget and Scale	50.00 million US\$ (ADB), 16.50 million US\$ (Gov)
f. Duration	31 March 2008 ( Approval)
g. Result of the activity	• Improved quality and relevance, expanded access, and greater efficiency in senior secondary vocational education.

159 There was no project confirmed in the above conditions conducted by AusAID (the Australian Agency for International Development), DFID (Department for International Development), SDC (Swiss Agency for Development and Cooperation), USAID (United States Agency for International Development), and bilateral assistances from Middle East countries, and also in multinational assistance by WB and UNDP (United Nations Development Programme).

160 Ref. ADB Website. <http://pid.adb.org/pid/TaView.htm?projNo=33409&seqNo=05&typeCd=2> (accessed 2012-1-30).

(2) Projects about management of vocational training school, planning curriculum, trainers' training, etc.

a. Supporting Agency	ADB (Asian Development Bank)
b. Project Title	Vocational Education Strengthening Project <sup>161</sup>
c. Conducting Agency	MOE
d. Details of the Activity	<p>Basic concept is the same as the above (1). Following Outputs are expected.</p> <p>Output 1. Refocused vocational school management using a business approach</p> <p>Output 2. Improved quality of teaching and learning in model and alliance schools</p> <p>Output 3. Strengthened school industry linkages in model VSs</p> <p>Output 4. Enhanced entrepreneurship focus in model VSs</p>
e. Budget and Scale	80.00 million US\$ (ADB Loan) , 35.00 million US\$ (Government)
f. Duration	31 March 2008 (Board Approval) – 30 November 2013
g. Result of the activity (as of September 2011)	<ul style="list-style-type: none"> <li>• Still in implementation period. Bidding computer equipment had been opened in September 2011.</li> <li>• Current status of each Output is as follows.</li> </ul> <p>Output 1. Refocused vocational school management using a business approach</p> <ul style="list-style-type: none"> <li>- 90 model and 220 alliance schools identified have started implementing their approved school business plans; first year block grants have been disbursed. Progressing reporting against targets has been slow.</li> </ul> <p>Output 2. Improved quality of teaching and learning in model and alliance schools</p> <ul style="list-style-type: none"> <li>- ICB procurement of equipment packages for the 90 model schools is currently ongoing; 5 of the 10 packages have been approved by ADB for financial opening while 5 are recommended for re-bidding.</li> <li>- Second phase of HRD training program is ongoing under self-management with third party.</li> <li>- Curriculum reform initiatives have been undertaken and are to be implemented in 2011.</li> <li>- Teacher training by government has not commenced. Difficulty in securing funds from within current budget being experienced.</li> </ul> <p>Output 3. Strengthened school industry linkages in model VSs</p> <ul style="list-style-type: none"> <li>- Schools have developed links with industry and employers. On job training, and training in school production units underway. Strategy to support students into self-employment being considered but not fully implemented.</li> <li>- Lack of M &amp; E and data on what happens to students when they graduate in terms of employment or increased income levels.</li> <li>- Industry experts conducting assessments of student competence</li> </ul> <p>Output 4. Enhanced entrepreneurship focus in model VSs</p> <ul style="list-style-type: none"> <li>- Systems to support self-employment not yet fully developed or implemented.</li> <li>- Income streams at school level still being developed.</li> </ul>

161 Ref. ADB Website. <http://pid.adb.org/pid/LoanView.htm?projNo=33409&seqNo=01&typeCd=3> (accessed 2011-12-7).

(3) A project focusing on improvement of the youth employment

a. Supporting Agency	ILO (International Labour Organization)
b. Project Title	Education and Skills Training for Youth Employment in Indonesia (EAST) <sup>162</sup>
c. Conducting Agency	ILO
d. Details of the Activity	<ul style="list-style-type: none"> <li>• The first integrated theme of the project is focused on children of junior high-school age (roughly 13 to 15 years of age) and their home communities. It promotes access of children to junior high-school through activities to prevent and retrieve drop-outs and working children; extra-curricular activities to develop life skills (personal, social and pre-vocational); and activities to develop teachers' ability to guide and counsel students about continuing their education (in either formal or non-formal settings) and preparing for decent employment. This component will be implemented through educational authorities, teachers' associations and community organizations/NGOs.</li> <li>• The second integrated theme of the project is focused on out-of-school youth (aged 15 to 29 years) attending non-formal training programs. It promotes the development of decent employment for youth through support for the provision of core life and work skills (linked to labour market demand); entrepreneurship skills; and employment guidance and counseling. This component will be implemented through non-formal training providers, both governmental and non-governmental.</li> <li>• The third integrated theme of the project is focused on youth (usually aged 15 to 18 years) attending upper secondary schools. It promotes preparation for decent employment through development of entrepreneurship skills as well as support for career guidance and counseling. This component will be implemented through educational authorities and NGOs.</li> <li>• The fourth integrated theme of the project is focused on youth (normally aged 18 years and above) attending three Training and Vocational Education Centres (BLKs) in Jayapura, Sorong and Banda Aceh. It will focus on capacity building for Vocational Education and Training Centre management; increased linkages with the private sector; implementation of competency-based standards; and limited provision of equipment. It will also support linkages with other BLKs in targeted provinces for knowledge management purposes.</li> <li>• The fifth integrated theme consists of research, advocacy and policy level activities focused on documenting the links between the elimination of child labour and support to decent work for youth; bringing the concerns of young entrepreneurs to the attention of provincial and national level policymakers; and promoting the mainstreaming of good practices and lessons learnt from all the project components.</li> </ul>
e. Budget and Scale (as of March 2011)	22,675,772US\$
f. Duration	1 January 2006 - 31 October 2011
g. Result of the activity (as of March 2011)	<ul style="list-style-type: none"> <li>- Synergies built with 15 Government and UN development schemes/projects at national and provincial levels. Establishment of a network of collaboration with 163 private sector companies to facilitate the placement of trained youths.</li> <li>- 12,200 junior high-school level children in hard to reach areas prevented</li> </ul>

162 Ref. ILO Web site. [http://www.ilo.org/jakarta/whatwedo/projects/WCMS\\_116125/lang--en/index.htm](http://www.ilo.org/jakarta/whatwedo/projects/WCMS_116125/lang--en/index.htm) (accessed 2011-12-1) .

	<p>from child labour, through improved education services, and direct support.</p> <ul style="list-style-type: none"> <li>- The project has a strong impact in terms of character building of junior high-school level students, demonstrated through increased attendance in school, increased number of hours spent in school (beyond required time), less bullying, more group work, and positively assertive participation in class.</li> <li>- Training for out of school youths - By the end of 2010, 69 percent of out of school young women and men trained on vocational and/or entrepreneurship skills were either employed or started a business (against 33 percent for those trained on entrepreneurship skills only). The project has been successful not only in recruiting women in non-traditional trainings (mechanic, etc.), but also in facilitating their placement (in garage shops, air-conditioning repair shop etc.), following awareness raising efforts with community and training providers.</li> <li>- The project built and piloted a model of tripartite based skills development for out of school youths with Government as a facilitator and training provider, Trade Unions training youths on “Youth Rights at Work”, and Employers accepting the placement of trained youths. The model is documented in a new “4 in 1 Handbook for Training Providers” that was accepted by the Ministry of National Education and will be used by the regional training centres across Indonesia.</li> <li>- Business skills - Consolidation of a network of 226 trainers and 20 Master Trainers of Start and Improve Your Business in the country, which will be used by Government and donors’ entrepreneurship programme in 2011.</li> <li>- Revitalization of Technical and Vocational Education Centers - The TVET centre in Aceh (BLKI) has now an increased capacity for training delivery, relevant assessment center for certification, and an 9001:2008/IWA2 certification.</li> <li>- Entrepreneurship spirit - 49,084 students (151 per cent of the targeted 32,500 students) from senior high-schools and vocational senior high-schools who followed the Know About Business (KAB) classes demonstrate a proactive attitude to the World of Work, with more than half of them quoting opening a business as a potential career option (against close to 0 per cent for non KAB classes).</li> </ul>
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(4) A project for public organizations such as a technical university

a. Supporting Agency	KfW (Kreditanstalt für Wiederaufbau)
b. Project Title	The Indonesia-German Institute Programme <sup>163</sup>
c. Conducting Agency	Technical College -Surakarta (ATMI) and other vocational schools
d. Details of the Activity	The Financial Cooperation project Indonesian-German Institute (IGI) provided following technical equipment in more than 20 vocational schools in Indonesia; machinery, appliances, computers, instruction materials and spare parts. Main fields were metal-working, textiles, leather and wood-working, automation, food production and IT. The Financial Cooperation funds served to open up career prospects for school leavers, staff members of small businesses and job-seekers.

163 Ref. KfW (2011-7).

[http://www.kfw-entwicklungsbank.de/ebank/EN\\_Home/Sectors/Education/Project\\_Examples/Education\\_in\\_Indonesia.jsp](http://www.kfw-entwicklungsbank.de/ebank/EN_Home/Sectors/Education/Project_Examples/Education_in_Indonesia.jsp) (accessed 2011-12-20).

e. Budget and Scale	13.7 million €
f. Duration	Project finance in 2001 (Phase1) & 2003 (Phase2).
g. Result of the activity	The average absorption rate of IGI graduates was 63 percent in 2005, 73 percent in 2006, 78 percent in 2007 and 67 percent in 2008, meaning around 70 percent on average. This figure must be compared to the 22.4 percent rate chalked up by graduates of other vocational schools.

(5) A project of IT training at a University

a. Supporting Agency	KOICA
b. Project Title	Information Technology Training Center University of Indonesia <sup>164</sup>
c. Conducting Agency	Depok & Salemba Campuses, University of Indonesia
d. Details of the Activity	<ul style="list-style-type: none"> <li>• Creating ICT education centers in Depok &amp; Salemba Campuses.</li> <li>• In total 6 (=4+2) classrooms and office space in 2 campuses.</li> </ul>
e. Budget and Scale	1.25 million US\$ (Grant)
f. Duration	2001–2003
g. Result of the activity	In the visiting research in December 2011, sustainable training management was recognized. KOICA is planning supplement procurement for ICT equipment because original equipment was old.

(6) A project of IT training at a ministerial training center

a. Supporting Agency	KOICA
b. Project Title	The Project of “The Establishment of Korea-Indonesia ICT Training Center” <sup>165</sup>
c. Conducting Agency	Ministry of Communications and Information Technology
d. Details of the Activity	<ul style="list-style-type: none"> <li>• Construction of the Center of Training and Development of Information and Communication Technology (BPPTIK) in Jababeka Industrial Estate Bekasi.</li> <li>• BPPTIK established on an area of Bekasi Regency 2.5 hectares. There is a main building, welfare building, and dormitories that can accommodate up to 300 people a day. Hall was able to accommodate up to 4,000 trainees each year. The type of training was held at the BPPTIK namely: object-oriented programming, information security, animation, computer networks, information management, documentation and library, web design, web programming, ethics and computer security, database systems, operating systems, and others.</li> </ul>
e. Budget and Scale	8.9 million US\$
f. Duration	2007.5.7 (R/D) – 2009.6
g. Result of the activity	After handing over in 2009, BPPTIK was opened in May 2011.

164 Information source is an interview at KOICA Indonesia Office. Besides these two projects, in the project of “Korea-Indonesia Technology and Cultural Cooperation Center” (2006-2007), there was PC training. But its PC classroom was a part of a cultural and hostel institution, not a vocational training classroom.

165 Ref. KOICA Indonesia Office. <http://koicaindonesia.org/project-aid/68> (accessed 2011-12-4), Ministry of Communications and Information Technology (2011-10-21). <http://web.kominfo.go.id/content/press-release-no-41pihkominfo52011-opening-largest-ict-training-center-indonesia-minister-co> (accessed 2011-12-4).



(7) A project focused on concrete construction engineering at a university

a. Supporting Agency	NL Agency, Ministry of Economic Affairs, Agriculture and Innovation, of the Netherlands
b. Project Title	Transfer of Technology on Cost Effective and Sustainable Concrete Constructions <sup>166</sup>
c. Conducting Agency	Betonvereniging <sup>167</sup> , Gadjah Mada University
d. Details of the Activity	<p>Project purpose</p> <ul style="list-style-type: none"> <li>• The short-term objective of the project is to develop graduate and post graduate courses on sustainable and cost effective concrete construction technology (cost effective design, repair &amp; maintenance and attractive social housing), to be included in the Curriculum of the Faculty of Engineering, at Gadjah Mada University.</li> <li>• The long-term objective of the project is to support infrastructure development in a cost-competitive and sustainable manner.</li> </ul> <p>Spin-off</p> <ul style="list-style-type: none"> <li>• The project results will be disseminated by means of a seminar, and the knowledge will be institutionalized in the curriculum of the GMU Department of Architecture and Planning.</li> <li>• Of the sixty (60) lecturers to be trained, 45 will be from several different universities in Indonesia. It is therefore expected that vocational and academic courses on the design, construction, maintenance and repair of concrete structures and houses of institutes in other parts of the country will be also be updated and improved. Yearly evaluation and updating of the courses will be secured and laid down in a future cooperation plan. The new courses will be accredited and integrated in the BSc and MSc courses for the regular students at the GMU Department of Architecture &amp; Planning.</li> </ul>
e. Budget and Scale	537,736 €(NL Agency Contribution: 430,189 €)
f. Duration	01 May 2010 - 30 April 2012
g. Result of the activity (as of 16 August 2011)	<p>Result 1: Project start-up;</p> <p>Result 2: Study materials prepared;</p> <p>Result 3: Teach-the-teachers program implemented;</p> <p>Result 4: First regular courses and institutionalizing knowledge.</p>

166 Ref. NL Agency, Ministry of Economic Affairs, Agriculture and Innovation, of the Netherlands. <http://www.agentschapnl.nl/en/nl-evd-internationaal/indf-transfer-technology-cost-effective-and-sustainable-concrete-constructions> (accessed 2012-12-27).

167 Ref. Betonvereniging. <http://www.betonvereniging.nl/?lang=UK&id=192> (accessed 2011-12-27).

- (8) A project of curriculum planning and management of vocational training based on the European standard

a. Supporting Agency	NL Agency, Ministry of Economic Affairs, Agriculture and Innovation, of the Netherlands
b. Project Title	Implementing Responsible Care in the Indonesian Technical Vocational Education System and Processing Industries in Indonesia <sup>168</sup>
c. Conducting Agency	Vapro-OVP <sup>169</sup>
d. Details of the Activity	<p>Project purpose</p> <ul style="list-style-type: none"> <li>• The short-term objective of the project is to implement the Responsible Care principles in schools by developing a HSE (Health, Safety and Environment) training curriculum. There are two important long-term objectives, the first one is the development of an integrated system for Responsible Care that leads to less accidents, and a safer and cleaner workplace and environment in companies, and the second important long-term objective is bridging the gap between occupational practice and companies' demands and Vocational Technical Education in Indonesia and extending the current VTE curricula with a HSE module.</li> <li>• The main goal of this project proposal is the development and implementation of a HSE training curriculum that constitutes a theoretical component, practical lab exercise and an extensive practical training program that takes place at the workplace or internship place of the trainee.</li> <li>• When the project is completed participating schools have: <ul style="list-style-type: none"> <li>- an HSE curriculum and training methodology that will be part of the current VTE curricula and that will be approved and accredited by the Ministry of Education.</li> <li>- an HSE module that can be used to train operators from companies and that is perceived by companies as the standard for HSE Training.</li> </ul> </li> </ul> <p>Spin-off</p> <ul style="list-style-type: none"> <li>• KN-RCI will continue to advocate the Responsible Care principles amongst its (future) members and will stress the importance of training. Involving the MOE in the project ensures that both the supply and the demand side of VTE are represented. The MOE can adopt elements in national educational standards and examinations and promote the results to schools. The University can take care of developing national standards and publishing articles. Participating schools will embed the developed training in their total training offer and brochures. ITS will largely play the role that PMLF plays in the Netherlands, namely to maintain and develop curricula based on education standards and company demands. PMLF will continue to assist ITS in this role. The schools from the project will fulfill a forerunner role to further modernize the VTE curricula and cooperate with KN-RCI in finding new companies for the new HSE training.</li> </ul>
e. Budget and Scale	748,195 €(NL Agency Contribution: 598,556 €)
f. Duration	1 September 2007 - 30 June 2010
g. Result of the activity (as of 16 August 2011)	<p>Result 1: Inception phase completed</p> <p>Result 2: HSE Curriculum developed</p> <p>Result 3: Trainers and experts trained</p> <p>Result 4: Pilot group of 180 operators trained and HSE-certified</p> <p>Result 5: Project results disseminated</p>

168 Ref. NL Agency, Ministry of Economic Affairs, Agriculture and Innovation, of the Netherlands. <http://www.agentschapnl.nl/en/nl-evd-internationaal/indf-implementing-responsible-care-indonesian-technical-vocational-education-s> (accessed 2011-12-27).

169 Ref. VAPRO. <http://www.vapro.nl/> (accessed 2011-12-27).

## 6-2 Human Development Assistancess in Indonesian Industrial Nursing Care Sector

There are two projects regarding nursing which are implemented by WB. As nursing and care sector support projects targeting the Government of Indonesia by bilateral aid and international assistance agencies, projects ① and ② by the World Bank (WB) have been confirmed. The HPEQ project also targets doctors, dental surgeons and midwives, however, only items concerning nurses are stated. Moreover, as the WB previously implemented a project aimed at strengthening the health care system including medical careworkers in four provinces, this is stated in ②. This included implementation of a qualification test, etc. for registering medical careworkers, so was similar to the existing project. Apart from that, it hasn't been possible to ascertain the record of support in the nursing and careworker fields within other agencies. There were no projects regarding careworkers.

### (1) Health Professional Education Quality Project (HPEQ) regarding nursing<sup>170</sup>

a. Organization	WB
b. Name of Project	Health Professional Education Quality Project (HPEQ)
c. Implementer	Ministry of National Education Directorate General of Higher Education
d. Contents of Project	Objectives: <ul style="list-style-type: none"> <li>• To strengthen quality assurance policies governing the education of health professionals in Indonesia</li> </ul> Components: <ul style="list-style-type: none"> <li>① Strengthening policies and procedures for school accreditation</li> <li>② Certification of graduates using a national competency-based examination</li> </ul>
e. Budget	Total project cost: US\$ 86.72 million Specific investment loan
f. Duration	24 September 2009 – 31 December 2014
g. Achievement (as of 18 May 2011)	<ul style="list-style-type: none"> <li>• Regarding establishment of the independent National Accreditation Agency (NAA), Accreditation Board for Higher Education (BAN-PT)) are ongoing and the issue on the body of authority to validate the standards for nurses still needs further discussions among stakeholders.</li> <li>• The issues regarding the process to accredit nursing Diploma3 level education institutions and the process to certify the competencies have been resolved.</li> <li>• The basic research regarding accreditation instrument in Nursing Schools will be implemented in 2012.</li> <li>• A formal entity with responsibility for oversight of accreditation standards, competency-based examination for nursing is underdeveloped.</li> <li>• Drafts of education and competency standards for nurses have been finalized and are waiting for validation</li> </ul> <p>→ WB loans money to government of Indonesia and the MOE has responsibility to implement this project. WB formally conducts monitoring &amp; evaluation twice a year as well as WB Indonesia office occasionally conducts M&amp;E.</p>

170 Ref. WB's Website.

[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2011/06/04/205E73A323B96BFA852578A50071B441/1\\_0/Rendered/PDF/P1133410ISR0Di004201101307220117149.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2011/06/04/205E73A323B96BFA852578A50071B441/1_0/Rendered/PDF/P1133410ISR0Di004201101307220117149.pdf).  
(accessed 2011-11-30).

(2) Health work force and services project /Provincial health project III<sup>171</sup>

a. Organization	WB
b. Name of Project	Health work force and services project /Provincial health project III (HWS Project or PHP III)
c. Implementer	MOH
d. Contents of Project	<p>Objectives:</p> <ul style="list-style-type: none"> <li>To Support health sector decentralization in four provinces (Jambi, East Kalimantan, West Kalimantan, and West Sumatera) for sustainable financing and client-centered delivery of health services</li> </ul> <p>Components</p> <ul style="list-style-type: none"> <li>Strengthen health workforce policy, management and development in a decentralized context in order to improve locational efficiencies and equity in the distribution and use of health resources in the districts.</li> </ul> <p>* Health workforce includes doctors, dentists, nurses and midwives</p>
e. Budget	Original Total Commitment: US\$ 105.6 million, Disbursed Amount: US\$ 55.7 million Specific Investment Loan
f. Duration	6 December 2003 – 31 December 2008
g. Achievement (as of 27 June 2009)	<ul style="list-style-type: none"> <li>This project performance was concluded as “Moderately Unsatisfactory” (01/09/2009)</li> <li>All four provinces developed an HRH (Human Resources for Health) Master Plan.</li> <li>The project also supported fellowships and training for health workforce development, including the improvement of in-service training at the province and district levels.</li> <li>Except nurses, competency-based standards for health workforce were established at the national level during the course of HWS and each of the four provinces made considerable progress in implementing new standards for licensing, certification, and registration of health professionals in ways reflecting the new emphasis on demonstrated competence. The necessary decrees and regulations were already enacted in East Kalimantan by December 2008 and were at various stages of preparation in another three provinces.</li> </ul>

171 Ref. WB (2009).

([http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2011/06/04/205E73A323B96BFA852578A50071B441/1\\_0/Rendered/PDF/P1133410ISR0Di004201101307220117149.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2011/06/04/205E73A323B96BFA852578A50071B441/1_0/Rendered/PDF/P1133410ISR0Di004201101307220117149.pdf), accessed 2011-11-30).

## **Chapter 7 Conclusion and Recommendation**

### **7-1 Conclusion and Recommendation in Industrial Sector**

In this section, after summarizing the whole of this research on employment and human resource development in the industrial sector, conclusions and recommendations are given.

#### **7-1-1 Overview of Employment and Human Resource Development in Industrial Sector**

(1) Indonesian-Side:

Currently, the macroeconomic situation of Indonesia is good, and employment indexes like unemployment rate are also improving. However, labor laws and policies to protect existing employees have made entrance of regular employment closer for these five or six years, and non-regular employment has become popular in youth employment. As a result of these employment matters, it is a big issue how to develop young human resources who are going to be next leaders of Indonesia. Additionally, in local supporting industries which are engines of industrial development of Indonesia, companies are facing challenges to develop young skilled workers because of insufficient capacity of technical training schools, maintenance status of national technical skill standards and certification system, and lack of public financial assistance to technical trainings, etc. (Regarding the development of local supporting industries, as referred to in the next subsection, it is one of the main topics of JIEPA, and official supports from Japan have already started. )

Under these conditions, in Indonesian-side, there is a certain demand for ITTIP socially. Most of trainees and interns of ITTIP system are the youth who gave up an advanced education because of financial problems. It is natural that they seek to work in Japan under relatively higher employment and wage conditions than those of Indonesian companies. On the other hand, among Japanese manufacturers which have started operation in Indonesia already, labor demand for ex-ITTIP interns is stable because they are accustomed to work in Japanese style of management and can communicate in Japanese. Especially in cases of Japanese SEMs starting local operations from now on, to train local staff is a big burden, therefore, potential labor demand for ex-ITTIP interns is supposed to be big. Moreover, there are Japanese manufacturers and an NGO which utilize ITTIP system to train local staff as leaders in Japan. Generally, for such aims, AOTS system is available. Awareness about utilizing the ITTIP system to train local workers in their headquarters or affiliate companies in Japan has been low.

Although there is an annoying problem of wage gap between ex-ITTIP interns and local companies, ITTIP system can work for improvement of youth employment. Some sending organizations advocate such policies to utilize ITTIP system to improve youth employment or

poverty problems. In this research it was confirmed that at least two organizations had surely such management strategies. (PT. Minori and Yayasan Putra Indonesia in Annex1 are such organizations.)

(2) Japanese-Side:

In Japan, decrease of labor population is inevitable because of declining birthrate and aging population, and acceptance of foreign workers is a big point of controversy. In current edition of “Basic Plan for Immigration Control” of Ministry of Justice, as European countries and Singapore, to accept high-skilled laborers is the main target, and this policy might not change in the short-term. As for employment of existing foreign workers, MOHLW promotes mainly improvement of employment of international students and Japanese descendants in a severe domestic labor market. SMEs of manufacturing sector which have sustained economic development of Japan have a challenge of a terrible shortage of youth employees rather than a training of young workers. For that, Small and Medium Enterprise Agency tries to promote youth recruitment of SMEs.

Thus, for the difficult issue of decreasing labor force, each ministry and agency tries to take a counter measure from each specialty. Against this complex policy background, foreign workers have been accepted to Japan. It can be said that ITTIP system also functions to supply foreign laborers mainly to labor-intensive industries in rural areas.

It is certain that one of the main reasons for utilizing the ITTIP system is a merit in labor cost for Japanese companies, especially SMEs. However, other reasons to utilize this system and labor conditions are different by company<sup>172</sup>. For example, both companies interviewed in this research intend to utilize this system as a first step of expanding their operations in Indonesia<sup>173</sup>. Moreover, it was impressive that all three trainees and two ex-trainees interviewed in this research hoped to work more in Japan because enjoyment of the whole life in Japan, shopping, travels, etc., works as a strong incentive.

In the next subsection, conclusion and suggestions are referred about how to enforce this system from the viewpoint of international cooperation and human development.

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- 172 Ref. Yasushi Iguchi (2010). 東アジア経済統合下の産業活性化に向けた新たなイニシアチブ. 経済学論究第 63 巻第 3 号. 関西学院大学経済学部研究会.  
<http://kgur.kwansei.ac.jp/dspace/bitstream/10236/3712/1/20100423-4-29.pdf> (Access 2012-1-29). In this report, effects of “Brazilians” and “ITP trainees” on (1) proportion of manufacturing industry in each prefectural GDP, (2) number of companies, and (3) number of employers were analyzed with econometric estimation of 2001-2006 data, together with effects of other explanatory variables such as average wage, labor productivity, and others. In the analysis result, “Brazilians” had positive effects on all three, and “ITP trainees” had also positive effects on (2) and (3).
- 173 About questionnaire analysis on reasons of hiring foreign employees, refer the second chapter of the following book. Jiro Nakamura et al.(2009). 日本の外国人労働力. Nikkei Publishing Inc. Here many reasons to hire foreign employees are listed, for example, “utilizing their language skills”, “creating international network”, “having no restriction on nationality”, etc.

## 7-1-2 Challenges and Recommendations in Industrial Sector

Under the assumption that JICA would start activities related to this research for the industrial sector of Indonesia, the following potential needs are reasonable to consider.

### (1) Coherent Assistance Strategy with Industrial Supporting Initiative of EPA

In the JIEPA there is the consensus named “Initiative for Manufacturing Industry Development Center (MIDEC)” that aims to strengthen industrial competitiveness of Indonesia. MIDEC includes several supports in the industries of automotive parts, electrical and electronics, metallic processing, and so on. Regarding MIDEC, Japanese Ministry of Trade and Industry requested JICA to start the “Project for Welding Technique Improvement” (November 2010-September 2012) with Ministry of Industry, Indonesia. Future JICA projects in industrial sector should keep coherency with MIDEC, too<sup>174</sup>. JETRO Jakarta office also conducts human development support in industries of automotive parts and molding<sup>175</sup>. Especially about modeling, JETRO works together with JAVADA to support IMDIA. Cooperation with these existing public and private activities is required to future JICA activities in the industrial sector.

### (2) Supporting Pre- and Post-Education for Trainees of Technical Intern Training Program

As described above, in the background of technical intern training program, there are various kinds of intentions of actors. However, from the viewpoint of international cooperation, JICA activity must contribute firstly to the trainees, and secondly to companies hiring ex-trainees. Fundamentally, in Indonesian youth labor market where non-regular employment is usual, ex-trainees who have working experiences in Japan and understand Japanese communication have employability for Japanese manufacturing companies. Pre- and post-education, especially of Japanese language, and follow-up activities for job-hunting by ex-trainees are worth considering. Moreover, subjects of such activities are sending organizations in Indonesia and their regulatory agency is MOMT; therefore, including capacity building of MOMT must be effective to support (ex-) trainees of technical intern training program.

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174 Regarding MIDEC, there is another JICA activity, “Project on Service Improvement of NAFED” (2010-2015), that is not related to industrial human development but capacity building of government.

175 About the detailed activity of JETRO Jakarta office, refer JETRO Website ([http://www.jetro.go.jp/jetro/overseas/idn\\_jakarta/about/](http://www.jetro.go.jp/jetro/overseas/idn_jakarta/about/), checked on 2011.12.22). JETRO activity regarding to industry of automotive parts will be completed in JFY 2011. As of research interview at the beginning of January 2012, there is no clear policy following that.

## **7-2 Conclusion and Recommendation in Nursing Care Sector**

This section suggests recommendations about nursing care sector based on the findings through this research.

### **7-2-1 Overview of Employment and Human Resource Development in Nursing Care Sector**

#### **(1) Indonesian-Side:**

Regarding the human resource in nursing, accreditation system, standardization of nursing education, national examination and licensing have been promoted by the HPEQ projects. These things are also related to ASEAN MRA of nurses. When revising the nursing license, a minimum of 25 Professional Credit Units is required for every five years. The human resources have been developed in order to secure and improve the quality of nurses on the stage of transition. In the domestic labor market, although the shortage of nurses and uneven distribution of placement are recognized, there is no job vacancy and many nurses cannot find a job. While overseas placement is encouraged, the number of nurses working overseas is small because of the language barrier. According to the estimation of demand and supply, the surplus of nurses within the country will be continued and there is a need for overseas placement

When it comes to careworkers, there is no qualification system but training is provided by MOSA and each service providing facility. This training focuses on social welfare and differs from the care provided in Japan for those who need long-term care. On the other hand, many Indonesians work as careworkers in Asia and Middle East countries however, their work categorizations are unclear. The ratio of the elderly has been increasing and extended life expectancy in Indonesia means there is a need for careworkers who have specialized knowledge and skills in care sector. In addition, the training for certified of careworker was conducted in 2009 only.

#### **(2) Japanese-Side:**

Regarding nursing human resources, four-year university/college education has become the mainstream shifting from three-year vocational school and master's and doctor's program, therefore, the nursing sector has more highly specialized areas. The number of qualified nurses has been increasing and continuing this increase, however, demand is exceeding supply thus it is necessary to measure shortage of nurses. Furthermore, in the labor market, nurses are in short supply due to work environment issues even though many unemployed qualified nurses exist within the country.

In terms of careworkers, while the number of qualified careworkers has been continually increasing, they account for about 40 percent of actual caregivers and the rest of them are home



helpers and unqualified workers. There is much unemployment among both careworkers and home-helpers even after they obtain qualifications, therefore, the job-offers-to-seekers ratio of careworker is always high. Besides high labor turnover rate and low wage compared others cause of the shortage of careworker.

Moreover, because Japan will face the shortage of people in their productive years while increasing the number of elderly, to secure human resources is necessary especially in the nursing care sector.

### (3) Accepting Indonesian Nurses and Careworkers under EPA

At present, the passing rate of national nursing examination is low (the first national examination for careworkers will be conducted in January 2012 so there is no result for now). This is because of 1) insufficient Japanese language ability, 2) difficulties of understanding the national examination due to differences in education and health care systems between Japan and Indonesia, 3) insufficient support for Japanese language and national examination and unclear roadmap to pass the national examination for three years in accordance with working at the accepted hospitals. Regarding the aspect 1), Japan-ASEAN Fund provided additional three-month training in 2010 and six months in 2011 by the MOFA of Japan. Although basic conversation is possible for candidates, it is not good enough to carry out work. In terms of 3), the countermeasures were taken such as writing hiragana letters on top of each kanji character and writing diseases in English. However, the number of learning textbooks and lectures for teaching the nursing examination based on the differences between the two countries are also insufficient. Another issue is to gain the broad range of knowledge to pass the national examination and not acknowledge through clinical training in Japan. Although the training system is required by JICWELS, there is no standard and each hospital provides different support for language training and examination study. Furthermore, the number of facilities has been decreasing because of low cost merit from of the workload and the financial burden. In addition, another issue is not enough assistance for those who failed the national examination and returned to Indonesia.

Countries such as USA, Middle East Asian, Singapore and Malaysia set the examination in English before accepting and if nurses can pass the examination, they start training, working and can extend their stay. The study of examination is provided by private agencies in the country in order to pass it.

## **7-2-2 Challenges and Recommendations in Nursing Care Sector**

Based on the situations described above, the following recommendations can be made in exploring the future assistance to Indonesia in human resources development for nursing care sector.

(1) Ensuring the Quality of Nursing Education

The HPEQ Project of the WB has been contributing to the promotion of quality of the formal nursing education of Indonesia. On the other hand, though training for nurses was systematized, its implementation is dependent on each municipality and thus varies. Therefore, the needs exist for assistance in continuous education and practical training in order to ensure the quality of the comprehensive nursing education.

(2) Enhancing the Results of EPA

The biggest challenge is to improve acceptance rate, which has been fairly low. The challenges previously mentioned, i.e., 1) differences in situations and systems of medical care and nursing between two countries; and 2) insufficient preparation for the national examination of Japan, could be overcome by expansion of the courses before the departure to Japan, as this enables allocation of sufficient time and opportunities for learning during three years or more as determined by EPA. Example of support for such purpose could be promotion of 1) provision of opportunities in Indonesia in order to familiarize the reality of Japanese medical care and duties of nurses and careworkers, which are currently partially implemented; 2) setting up trial exams in order to familiarize the Japanese national exams; 3) incorporation of questions in the Japanese National Exams into the screening exams for nurses based on EPA; and 4) access to e-learning. It is confirmed by the present research that there exist nursing educational institutions and private training which have already incorporated these subjects in their courses before the departure, and therefore, there are possibilities for assistance through private-public partnership. At the same time, it is necessary to strengthen and expand training facilities and materials, trainers, and scholarship schemes etc. in these institutions and organizations. Some private organizations are already experienced in development of human resources for industries, and therefore it would be effective to use knowledge and experiences of such organizations.

Another challenge in enhancing the results of EPA is lack of assistance to the returnees who had failed the National Exams, as there is no regulation as to the support to them after their return to Indonesia. In order not to waste their three to four-year experiences in Japan, it would be desired to provide continued learning opportunities of the Japanese language and for the preparation of the Japanese National Exam. By linking these with the courses before departure, the textbooks, instructors and learning facilities can be shared, and thus such assistance can be efficient. Therefore, it is worth exploring possibilities of provision of comprehensive assistance in training from pre-departure to after-return.

Furthermore, providing assistance related to employment after the return can be considered, such as organization of regular sessions regarding job opportunities as organized in 2011, and establishment of structures by which the EPA participants can contribute to Indonesia using their skills and technical capacity acquired in Japan.

(3) Assistance in the Field of Care

In Indonesia, the national system for education and qualification of careworkers has not been established, thus it is required to clarify the needs and policy regarding the careworkers. In 2009, MOMT implemented the training for careworkers, but discontinued it because of its low outcome. There is, however, demand on the BNP2TKI side for continued training for the certification of careworkers. At the same time, there is substantial number of Indonesian human resources who are working abroad as careworkers. Therefore, considering the future needs, it would be useful to provide assistance in system-building and training which leads to establishment of the education of careworkers.