

The impact of financial crisis on unemployment among immigrants in Japan

Hirohisa Takenoshita, Sophia University

Recent comparative studies on social stratification have been concerned about the role of institutional arrangements on socioeconomic outcomes among immigrants and native-born persons. Research on immigrants in different institutional settings can make a significant contribution to the theoretical development of both stratification and immigration research.

The incorporation of immigrants into the labour market depends to a considerable extent on the institutional arrangements of employment and industrial relations, and citizenship and welfare policies in the country of destination. The recent economic slowdown that originated from the US mortgage crisis hit the economies in other countries. Nevertheless, the extent to which gaps in unemployment widened between the foreign-born and the native-born over time differ across nations. This cross-national variation appears to depend on institutional arrangements of the labour market structure, industrial relations and employment policies.

Changes in the economy and labour market in Japan in 1990s and 2000s influenced immigrants. Increasing global economic competition has forced the labour market to become more flexible and has thus led to rapid growth in the number of non-standard workers, although the employment stability for regular workers has remained intact. During this period, immigrant workers who came from Asia and Latin America have increased rapidly because the Japanese economy demanded the temporary immigrant workforces shunned by the native-born workers. Many immigrant workers were employed as part-time workers and temporary workers controlled by labour dispatching agencies. They can be easily dismissed during the time of economic slowdown because of their nature of employment contract. Brazilian workers represent typical cases of the precarity of employment status among immigrants in Japan.

Before the economic crisis occurred in Japan in 2008, rates of unemployment among Brazilian temporary workers were as low as their Japanese counterpart. However, after the economic crisis occurred in 2008 and 2009, the unemployment rates rose dramatically among immigrant workers than among Japanese workers. In fact, whereas unemployment rates among Japanese workers increased from 3.9 per cent in 2007 to 5.1 per cent in 2009, unemployment rates among Brazilian workers rose tremendously from 4.3 in 2007 to 26.5 per cent in 2009. This result demonstrates the economic vulnerability among immigrant workers in Japan.

This study aims to capture the way in which economic crisis affected immigrants' employment in Japan. In addition, this study compares situations of unemployment among immigrant groups. The way in which immigrants have been incorporated into the labour market in Japan seems to differ among immigrant groups, although many immigrant groups may be treated similarly in the labour market in Japan. To determine the effect of contexts of reception for immigrants on labour market outcomes, I compare unemployment among several immigrant groups.

To examine these causal mechanisms, I use the data derived from the 2009 survey for immigrants in Shizuoka Prefecture. This survey was conducted by Shizuoka Prefectural Government. The author also assisted in implementing the survey. This study tries to explain the causal mechanisms by which the divergence in unemployment occurred among immigrants in Japan by relying on the statistical data on immigrants in Japan.