

“Socio-Economic Impact on Foreign Residents in Japan under COVID-19”

by Assoc. Prof. Wako Asato, Kyoto University

Assoc. Prof. Asato, Wako is the focus advisor for Society, Economy and Governance at Kyoto University. He is teaching students of the joint degree master programme in transcultural studies. His past research focused mostly on sociological phenomena like care work and people with a migration background from South East Asia. Even though he is a PhD of Economics under strictly formal considerations his perspective during the lecture was more like that of a social worker. He regularly engaged in voluntary caritative projects even before COVID-19 hit Japan. For instance, he helped immigrant children with Filipino background in public schools since 2011. During the pandemic he directly engaged with people in need by cooperation with food banks and distributing these resources. He used his personal office space to store astonishing amounts of these relief packages and he also involved groups of students with this endeavour. He used this contact with the foreign resident community to conduct an informal survey on the one hand and to provide quasi-legal counsel on how to apply for social security benefits. This hands-on approach makes his hypotheses seem especially well founded and testify to his personal conviction. But it has to be stated that his method of research used a qualitative and not a quantitative approach. Further research is necessary for that reason.

Four lectures were scheduled to take place on the first day of our seminar. Assoc. Prof. Asato, Wako had the dubious honour of giving his lecture right before the lunch break. Nevertheless, he managed to captivate us students and make the presentation very appealing.

He primarily focused on the situation of foreign residents of Japan who relied on the social safety net as a result of pandemic related economic setbacks. This was especially relevant to me because Austria is dealing with the consequences of quite a high number of foreign residents also. He interviewed 615 persons. The majority was of South East Asian origin which might be a result of his personal past involvement with this community in particular. He recorded a severe reduction in overall income for these groups while more western foreigners seemed to fare better. Ten people from the USA participated in his survey in which they stated only to have lost insignificant amounts of income. We cannot draw any conclusions from this because of this small sample size. Quite many people lost all income. In another survey from before the pandemic only 20 of 560 foreigners reported to have no income at all but now more than 160 of 564 fell into that category. Asato found that this problem affected especially the lower and middle income brackets. Most affected were part-timers and students who lost 65% and 68% of their income respectively.

He put attention to the problem of the paradox of rights and work. Short and midterm residents were less affected than long-term residents. The second category faces less government oversight and as a result is more involved in part-time work. The regular full-time employees were not laid off quite as much as the part-timers. He put this forth as evidence that vulnerable groups also suffered substantially more than the general populace. This also coincides with the findings of the other lecturers on that day. This general conclusion was dubbed the burning-glass-theory.

Asato also tried to find out if different kinds of industries were affected the same during the pandemic. As part of his survey he also analyzed in what field the participants were working and what rate of reduction to their income they experienced. Evidently only the IT sector could claim an increase which was a result of the heightened importance of software in home-office work and because of the digitalization in general as a prolonged trend. Also, the medical field was not affected very much, which was to be expected during a global pandemic. The most drastic income loss was experienced by people working in entertainment, culinary and the hotel industries. They lost close to three quarters of their overall money. Asato concluded that this was due to lay-offs in the wake of Japan closing the borders to tourists in general at the start of the pandemic.

These phenomena seemed to be more of a gendered process than one would assume. The gender pay gap in Japan increased as far as the participants in the survey were concerned. Asato put forth the hypotheses that because women work more often in part-time contracts their income reduction was more severe.

Part of the survey was to identify the most pressing concerns of foreign residents in Japan. For students living expenses were most stressful during the pandemic. Their loss of income while at the same time having next to no financial reserves served as a possible reason for this. One particular finding was that foreign residents from South East Asian countries were quite worried that their relationship with relatives living overseas deteriorating. Asato stated that most of them were sending money from their monthly paychecks to care for and improve the standing of their relatives left behind. This was put at risk because of the economic ramifications of the pandemic. This also strengthens the claim of the burning-glass-theory.

The majority of the survey was dealing with the social security net and the specific measures the Japanese government put forth to combat pandemic related economic struggles and whether or not they were effective as well as the reasons for these conclusions. First Asato reported that foreign residents started to adapt to the pandemic related layoffs in their own way. Many engaged in new sidelines like crab fishing, bread baking, mask making and vegetable gardening. This was not just to better provide for themselves with the limited means available to them but also to generate new income during times of formal unemployment.

Asato used qualitative interviews which he presented in the style of case studies. He said that these cases in particular are quite representative for underlying problems and abusive situations for foreign residents working in Japan during the pandemic. In the first case a receptionist was not able to find employment by himself and entered into a contract with private employment agencies. They were paid a total sum of 500.000 Yen to provide him with suitable job openings and help him with the application process. This was at least partly successful as he landed a position in a Japanese-style pub. Although this contract was signed in April 2020 he was only allowed to start working in November 2020. There was no written specification in the contract as to why he was to abstain from working for this duration. Even after he started working there, he was only paid on an hourly basis for a few hours every week. His manager confessed during the course of a dispute over leave pay that he was told to discriminate against his employees. This dispute started when he discovered that significant amounts of social security taxes were not paid by his employer. As a result, his application for Covid-19-Leave-Pay was denied. He asked the administrative Labour Bureau to intervene and warn the company. A settlement was

reached in this case. During the discussion of this case, it was stated that public prosecution of these cases of malevolent breach of contract thus fraud does not happen in general. The public prosecutors have a quite extensive discretionary power and only charge suspects if the case is easy and straightforward. The reluctance to sue was exploited by some employers to drive down costs.

Case 2 dealt with a housewife who was laid off during the pandemic. She received Covid-19 housing security benefits at least up to the point where she did not send in her monthly report. There was a language barrier because the instructions were only available in Japanese while these language skills lack in quite many foreign residents in Japan. She used a loan of 100.000 Yen to stay afloat afterwards. Like in case 1 she applied for Covid-19-Leave-Pay but this was also denied because the company did not register their foreign part-time employees for the social security benefits to cut costs. She took up sidelines like Youtube and baking bread to provide for her family.

Case 3 focused on a foreign resident from Vietnam who lost his residence permit after brokering part-time work contracts for other Vietnamese. But instead of being detained in the detention center he was released on the basis of provisional release to counteract the spread of Covid-19. Afterwards he was an undocumented foreigner without the ability to apply for social security measures. The income of his wife was not enough to sustain their household even with support from Asato and the food bank. In the end the family returned to Vietnam and also faced difficulties there because the children were not allowed to enter into school during the normal school year as it had already started.

As a result, the situation of foreign residents was portrayed to be quite heterogeneous but in many aspects precarious. The government measures did not suffice to alleviate these economic hardships.

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