

**KEYNOTE SPEECH**  
**Amb. William Lacy SWING, Director General**  
**International Organization for Migration (IOM)**

**INTERNATIONAL WORKSHOP ON ACCEPTANCE OF FOREIGN  
NATIONALS AND THEIR INTEGRATION INTO JAPAN:**

*Diversity Management in Workplaces:*

*Do Japanese firms provide attractive and fulfilling working environments?*

**Time and Date:** 13:30 – 17:00, Friday, 26 February 2016

**Venue:** Curian (Small Hall), 5-18-1 Higashi-oi, Shinagawa City, Tokyo)

**Organizers:** Ministry of Foreign Affairs (MOFA), International Organization for  
Migration (IOM), and Shinagawa City

**Supporters:** Council of Local Authorities for International Relations (CLAIR)

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**Introduction**

State Minister for Foreign Affairs, Mr. Yoji MUTO  
The Mayor of Shinagawa City, Mr. Takeshi HAMANO  
Director General, Consular Affairs Bureau, MOFA, Mr. Masaki NOKE  
Distinguished Speakers and Panelists  
Ladies and Gentlemen

It is a great honour for me to visit Japan yet again and a great honour to take part in this annual workshop for the eighth consecutive year.

I continue to be impressed by the Foreign Ministry's unique initiative and inspired by the quality of these annual workshops. I am delighted -- once again -- to be presented with the opportunity to contribute to the strengthening of cooperation among the Ministry of Foreign Affairs, local governments, academic institutions, international organizations, the private sector and the migrants themselves.

I congratulate the workshop co-organizers for choosing such a relevant and timely theme, "Diversity Management in Workplaces."

We are living in a world on the move. We are witnessing the greatest human mobility in recorded history. The drivers of migration -- demography, demand for labour, digital revolution, distance-shrinking technology, disasters natural and man-made, and dreams of a better life -- will make migration a megatrend of our century. More and more people will arrive on our shores and doorsteps who do not look like us or speak as we do, but if properly welcomed and given the opportunity to integrate, can enrich our societies and economies through their contribution.

Today, my message for this workshop is clear. Human mobility promotes social diversity, and if managed well, diversity benefits everyone in the form of social, economic and cultural vitality. It is particularly relevant and timely for this workshop to address diversity management in workplaces. After all, our workplaces are, in many ways, microcosms of social diversity. The workplace is key to the promotion of successful migrant integration.

With this key message in mind, I would like to make three points:

**I. Global competition for labour is intense.**

**II. To compete effectively, the Japanese workplace is destined to become more diverse.**

**III. Managing workplace diversity is key to attracting and retaining labour.**

**I. Global competition for labour is intense**

A few realities:

- In 2015, 244 million people (3.3 % of the world's population) were living outside their country of origin.
- The number of people living abroad is expected to reach 405 million by 2050.
- Of the 244 international migrants, some 65% are migrant workers. These are people outside their country of origin whether low-skilled, high-skilled or in between, and who are either employed or seeking employment.
- About 45% of migrant workers are women.
- The number of internal migrants is three times greater at more than 750 million.
- Together, external and internal migrants total one billion migrants -- in other words, -- one in seven people in the world is a migrant -- Migration is thus unquestionably, a megatrend of this century.

IOM's thesis is three-fold: increased migration is:

- *inevitable*, due to the digital revolution, distance-shrinking technologies, demographics and disasters;
- it is *necessary*, for durable and equitable economic growth;
- and migration is *desirable*, if well-governed.

Therefore, large-scale migration is not so much a problem to be solved, as a human reality to be managed.

This perspective is particularly relevant in high-income, ageing societies -- such as Japan -- with negative replacement rates and shrinking populations -- societies in which more people are dying than being born -- as in most of the industrialized world

-- including Japan in particular. All societies need to formulate the right blend of migration policies to meet their current and future social and economic needs.

For sure, migration will never be *the only answer* to these needs; but there can be no doubt that migration has to be *part of the answer*. And for this part of the answer to be achieved, effective policies are needed to attract and retain foreign talent at all skill levels:

Competition for foreign labour is now a global reality and it is intense. This is why increasing workplace diversity is necessary if our society is to flourish. A recent McKinsey<sup>1</sup> study found that:

- In the absence of efforts to upgrade the skills of the labour force -- a shortage of 38 to 40 million highly skilled workers will occur in advanced economies by 2020.
- In the same period, China alone -- a rapidly ageing society itself -- is projected to have a gap of 23 million university-educated workers.
- Some EU countries have high unemployment rates; however, disaggregating these statistics reveals structural unemployment throughout the EU with dire shortages in specific sectors: ICT, health, engineering, and business services.

Traditional immigration countries like my own, the United States, as well as Australia, Canada, and New Zealand -- frequently review their migration management policies and procedures -- to ensure they remain attractive to migrant workers.

European countries, too, have sought to be more competitive in the labour field.

And in recent years, the race for the “best and brightest” has expanded to a number of rapidly emerging economies such as India, China and Malaysia – which have begun to advertise their need for qualified migrant workers. They will be tough competitors in the future.

At their annual meeting in October, the World Bank and the IMF unveiled a study which concluded that countries with migrant-friendly policies are more likely to succeed economically than those that do not.

## **II. To compete effectively, the Japanese workplace is destined to become more diverse**

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<sup>1</sup> McKinsey & Company is a private American worldwide management consulting firm headquartered in New York City that conducts qualitative and quantitative analysis in order to evaluate management decisions.

Like most of the developed countries, Japan is an ageing society -- Japan also happens to have one of the world's lowest birth rates -- One fourth (26.8%) of the Japanese population is 65 years or older. According to Government estimates, those 65 or older will comprise one-third of Japan's population 15 years from now. Given the current rate, Japan's working-age population will decline by fifty-percent -- that is from 82 million in 2010 to 44 million in 2060.

Late last year, Reuters surveyed major Japanese firms on having foreign workers in their workforce. 76% supported the idea. One could argue that before accepting more foreign labour, it should be assured that (a) mismatch of local labour is addressed, and (b) local labour and local resources (women, elderly, and the handicapped) are fully tapped and maximized.

While this is understandable, the idea of putting more women at work also presents a challenge as 1 in 3 Japanese women surveyed in 2013 were hesitant to pursue a career after marriage, and 60% of women workers leave their job after the first child.

A recent survey of foreign workers on life and work in Japan showed that, an overwhelming 89% regarded Japan as an appealing place to live; however, only 22% found working in Japanese firms attractive. Some of the workplace challenges encountered were: long working hours (affecting work-life balance), unequal treatment between Japanese and non-Japanese workers, and slow promotion, among others.

This brings me to my third and final point.

### **III. Managing workplace diversity is key to attracting and retaining labour**

To compete effectively in the global labour market, Japan will have to ensure it is attractive in areas such as -- equal opportunity; -- gender balance; -- family-friendly contracts; -- work-life balance; -- and promotion on merit. As the third largest economy in the world, Japan is competing with other big time world players for foreign labour. How can Japan improve?

First, Japanese is a difficult language and is not widely spoken outside of Japan. Language ability is necessary in the workplace but also in daily interaction with people in the community. Japanese Government and Japanese firms' support in language training is an investment well spent. This could be arranged before the foreign worker comes to Japan, and continued while in Japan. A very recent example... the other day, the NHK Morning News announced that Governor Matsuzoe of Metropolitan Tokyo decided to provide financial assistance to language schools and to NGOs that organize Japanese language lessons to foreign nationals residing in the Tokyo metropolitan area.

Second, important as it is, the workplace should not become a place of isolation. It should not be the only point of contact with the host society. Although conditions in workplaces *per se* are important incentives for foreign workers to opt to stay, the nature and quality of the general social milieu is crucial: the importance of access to public services such as housing, health, and education for children, cannot be overstated.

Third, foreign workers will be more secure and, therefore, integrate more readily if there is transparency and equity in the employment system; and if both Japanese and non-Japanese workers enjoy equality of treatment in terms of wages and working conditions, insurance, portability of pension, taxes and social security.

Finally, despite persuasive evidence about the benefits of migration and the integration of foreign nationals, strong anti-migrant populist sentiment is widespread today, and growing. This stems from unfounded fear. Unfortunately, such misperceptions and stereotypes are on the increase against the backdrop of the influx into a Europe largely unprepared to receive them. Last year some 1.04 million migrants and refugees entered the European territory. 3,771 died on the way. The trend continues. More than 110,000 have arrived since the beginning of the year and, tragically, 413 are known to have lost their lives.

In these circumstances, there are two major challenges. First, it is all too easy to characterize migrants and refugees as threatening intruders. As a host country, Japan will need to put forward *a different narrative*. One that is more welcoming. Managing social diversity is never an easy task. Those countries which are able to integrate foreign workers through preparedness and resources will be in the best position to reap the benefits of diversity.

Second, governments and people will need to learn to manage diversity, for most if not all countries will become, increasingly, more multi-cultural, more multi-ethnic, and more multi-religion. We need to move the debate from one on identity to one on shared interests and values.

## **Conclusion**

To conclude: let me reiterate that it is wise and timely for Japan to consider how best to diversify its labour market. It is for Japan alone to determine at which pace this is to be done. However, all indications from both government and non-government experts, point to the reality that Japanese society is rapidly greying; the population base is rapidly decreasing; and the native workforce will be halved in 30 to 40 years.

With an economy largely dependent on the exportation to the whole world of innovative technologies, Japan will be faced with the challenge of attracting and integrating foreign workers -- if Japan is -- to keep its edge in the global market economy, if not its survival. The competition for the best and the brightest will be tough. And Japan being a “newcomer” in this arena, it will need to work harder even if that will require adjustments to the traditional Japanese work culture and move at par with international practices.