

## Utilization of Official Statistics on Foreign Workers in Japan<sup>\*</sup>

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### Abstract

As the number of foreign workers in Japan has surged, there is a growing demand for more comprehensive official statistics that can provide detailed insights into the work and daily lives of foreign nationals. In response to this demand, a status of residence item was added to the Basic Survey on Wage Structure in 2019, and a new Survey on the Employment Situation of Foreign Workers was established in 2023. This paper summarizes the new information that can be obtained through these updated and newly introduced official statistics. It also reviews existing statistics concerning the entry, residency, and employment of foreign nationals, including the Statistics on Legal Migrants, the Statistics on Foreign Nationals, the Population Census, and the Notification of Employment Status of Foreign Nationals. By covering both old and new official statistics, the paper illustrates the relationships and complementarities between them, providing insights into the usefulness of these newly introduced statistics. However, none of the surveys alone can fully capture the reality of foreign employment in Japan. It is crucial to understand the scope and limitations of each survey to use them appropriately.

Keywords: foreign workers, Statistics on Foreign Nationals, Population Census, Notification of Employment Status of Foreign Nationals, Basic Survey on Wage Structure

JEL Classification: J11, J15, J21, Y10

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### I. Introduction

The number of foreign workers in Japan, which stood at approximately 0.5 million in 2008, reached about 2.05 million by 2023, accounting for 3.4% of the total workforce (Cabinet Office, 2024). As the presence of foreign workers in Japan rapidly increases, there is an increasing demand for a better understanding of their working conditions and daily lives through statistical data. There is also a growing policy-driven need to formulate foreign labor policies based on evidence. These trends reflect a broader societal recognition of statistical data as a vital public good.

However, there has also been growing awareness that current statistical data are insuffi-

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cient to fully elucidate the realities of foreign workers' employment and living situations. A major reason for this is that many official Japanese statistics do not include questions that distinguish whether respondents are foreign nationals. As a result, even when foreign nationals are among survey respondents, it is impossible to extract and tabulate their responses separately. One exception is the Population Census (hereinafter referred to as "the Census"), which includes a nationality question and, until the late 2010s, was the only official statistic that allowed comparisons between foreign and Japanese nationals in terms of demographics and employment status. Public statistics used in labor policy, such as the Employment Status Survey and the Labour Force Survey, have been continuously reviewed and adjusted to reflect changes in social conditions while maintaining efficiency and accuracy. However, because these surveys do not include questions about nationality, they cannot be used to distinguish between responses from foreign and Japanese nationals. Consequently, these surveys cannot be used to compare foreign and Japanese respondents with respect to factors such as household income, contract duration, willingness to change jobs, or job-seeking behavior.

Amid the sharp rise in the number of foreign workers since the 2000s, calls for more detailed official statistics on the foreign population have grown. In 2008, employers were required to submit the Notification of Employment Status of Foreign Nationals (hereinafter referred to as "the Notification"), resulting in aggregated figures being published as a full-count survey. In 2019, the Basic Survey on Wage Structure (BSWS) added a question about foreigners' status of residence. In 2023, the Survey on the Employment Situation of Foreign Workers (hereinafter referred to as "the Survey") was newly introduced. These expansions of survey coverage, additions of survey items, and the creation of new statistics have finally made it possible to clarify various aspects of foreign workers' wages, language proficiency, and more.

This paper summarizes the new findings resulting from these recent expansions of the official statistics. Before doing so, we review pre-existing statistics—namely, the Statistics on Legal Migrants (SLM), the Statistics on Foreign Nationals (SFN), the Census, and the Notification—to clarify what these data can and cannot reveal. By covering old and new statistics, this paper clarifies why new statistics were needed and how the new data complement existing resources. Note that, unless otherwise specified, the discussion throughout this paper is based on publicly available data accessible via platforms like e-Stat and does not assume the use of microdata requiring an application for permission to use.

The structure of this paper is as follows: Sections II through VI review the characteristics of foreign nationals or workers captured by each official statistic—the Statistics on Legal Migrants, the Statistics on Foreign Nationals, the Population Census, the Notification of Employment Status of Foreign Nationals, the Basic Survey on Wage Structure, and the Survey on the Employment Situation of Foreign Workers, respectively. Section VII compares these statistics, and Section VIII concludes.

## II. Statistics on Legal Migrants and Statistics on Foreign Nationals

### II-1. Foreign Population

The SLM, compiled by the Immigration Services Agency (ISA), consists of monthly and annual reports that aggregate figures such as the number of foreign nationals entering and exiting Japan<sup>1</sup>. The SFN (formerly the Statistics on the Foreigners Registered (SFR)) aggregates the number of foreign nationals residing in Japan at the end of each half year. The SLM is regarded as flow data, while the SFN represents stock data. Both statistics have been published in annual reports since the 1960s.

Foreign nationals entering and residing in Japan are required to obtain a status of residence based on their activities or on an individual's personal status or position<sup>2</sup>. These two statistics, covering both entries and current residents, report the number of foreign nationals by status of residence. Since residing in Japan without valid status is illegal, both datasets offer comprehensive coverage of the population of legal foreign residents.

However, the total number of foreign residents reported in the SFN does not precisely reflect the number of foreign nationals actually residing in Japan at the time of the survey<sup>3</sup>. First, unauthorized overstayers (78,000 as of July 1, 2024) are not included. On the other hand, foreign nationals temporarily abroad with (special) re-entry permission are still counted<sup>4</sup>. For example, in 2021, 281,000 people left Japan under re-entry permissions, of which 235,000 had the special re-entry permission (2022 Immigration Control Report). Though it is unclear how many of them were abroad at the time of the statistics' reference date, as long as they retained a residence in Japan, they were included in the count. According to the SLM, re-entry permissions were rarely used by those with "Technical Intern Training (TIT)" or "Specified Skilled Worker (SSW)" statuses, and were mainly used by "Permanent Residents" or those with the "Engineer/Specialist in Humanities/International Services (EHI)" status.

### II-2. Estimating the Number of Foreign Workers

It is not possible to directly observe the number of foreign workers—i.e., foreign nationals who engage in the activities of managing a business involving income or activities for which they receive remuneration in either the SLM or the SFN. When using both statistics, the number of foreign workers must be inferred based on the employment eligibility and ac-

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<sup>1</sup> The figures in the Monthly Report of SLM are preliminary and subject to revision.

<sup>2</sup> A "status of residence" is a classification that defines the types of activities a foreign national is permitted to engage in while in Japan. It is a qualification granted by the ISA upon obtaining permission for landing.

<sup>3</sup> The data are as of the end of June and the end of December each year. From the 1970s to 2012, however, only the end-of-December data were reported.

<sup>4</sup> The "special re-entry permission" system allows foreign residents with valid passports to re-enter Japan within one year of departure without obtaining re-entry permission in advance each time.

tual activities associated with each status of residence group.

Under Japan's status of residence system, foreign nationals are classified into six categories provided for under the Immigration Control and Refugee Recognition Act (Immigration Act), along with a separate category for "Special Permanent Residents," as defined in the Special Act on the Immigration Control of, Inter Alia, Those Who Have Lost Japanese Nationality Pursuant to the Treaty of Peace with Japan (see Table 1). The former group includes those engaged in activities specified in Appendices 1 (1)-(5) and Appendix 2 of the Immigration Act. Those with a status of residence with employment eligibility under (1) and (2) of Appendix I are permitted to engage in the activities of managing a business involving income or activities for which they receive remuneration. Foreign nationals who are granted a work-permitted status of residence enter and stay in Japan as workers; therefore, those holding a status of residence listed in (1) and (2) of Appendix I of the Immigration Act can be regarded as foreign workers.

By contrast, those with statuses in (3) and (4) of Appendix 1 of the Immigration Act, such as "Student" or "Dependent," are classified as non-working statuses and are not allowed to work. The "Designated Activities" status in (5) of Appendix 1 may or may not allow work, depending on the authorized activity. However, even those with a non-working status of residence, as well as family members of "Designated Activities" status holders who are not permitted to work, may engage in employment to a limited extent if they obtain permission to engage in activity other than that permitted under the status of residence previously granted (hereinafter referred to as "permission for other activities") from the ISA.

Table1. Categories of Residence Status

Law		Residence status
Immigration Control Act: Appended Table I	(1)Work-related status	Diplomat, Official, Professor, Artist, Religious Activities, Journalist
	(2)Work-related status	Highly Skilled Professional, Business Manager, Legal/ Accounting Services, Medical Services, Researcher, Instructor, Engineer/ Specialist in Humanities/ International Services, Intra-Company Transferee, Nursing Care, Entertainer, Skilled Labor, Specified Skilled Worker, Technical Intern Training
	(3)Non-work-related status	Cultural Activities, Temporary Visitor
	(4)Non-work-related status	Student, Trainee, Dependent
	(5)	Designated Activities
Immigration Control Act: Appended Table II (Residence-based statuses)		Permanent Resident, Spouse or Child of Japanese National, Spouse or Child of Permanent Resident, Long-Term Resident
Special Act on the Immigration Control of, inter alia, those who have lost Japanese Nationality pursuant to the Treaty of Peace with Japan		Special Permanent Resident

Source: Compiled from the "List of Statuses of Residence" on the website of the ISA

“Designated Activities” refers to activities specifically designated by the Minister of Justice for individual foreign nationals. The contents of these activities are defined in Ministry of Justice Notification No. 131 of May 24, 1990, and as of May 2024, activities up to Notification No. 54 have been designated<sup>5</sup>. There are also unlisted activities, such as preparation for transition to “Specified Skilled Worker (i)” status, job hunting after graduation, and cases involving former long-term residents who cannot return home. Among the 73,000 individuals in this category, the largest subgroups were as follows: 13,000 preparing to transition to “Specified Skilled Worker (i)” status; 12,600 on Working Holiday; 5,400 applying for refugee status; 4,000 participating in internships; and 3,500 under Economic Partnership Agreements (EPAs) (SFN, end of 2023). The specific activities designated for each foreign national, along with whether employment is permitted, are stated in the “designation” issued by the Minister of Justice at the time of entry or when permission for a change of status of residence is granted<sup>6</sup>. However, the number of “Designated Activities” status holders who are permitted to work is not publicly disclosed.

The number of individuals receiving permission for other activities is published in the SLM. In 2023, 334,000 foreign nationals were granted such permission. Once granted, the permission remains valid for the duration of the residence status. Of these individuals, 243,000 were classified as “Students,” 78,000 as “Dependents,” and 14,000 as “Other Categories.” The number of workers among those receiving permission for other activities is reported in the Notification, as described in Section IV. However, due to differences between the flow-based SLM and the stock-based Notification—and the fact that not all recipients of such permission actually engage in work—the figures reported in the SLM and the Notification do not align.

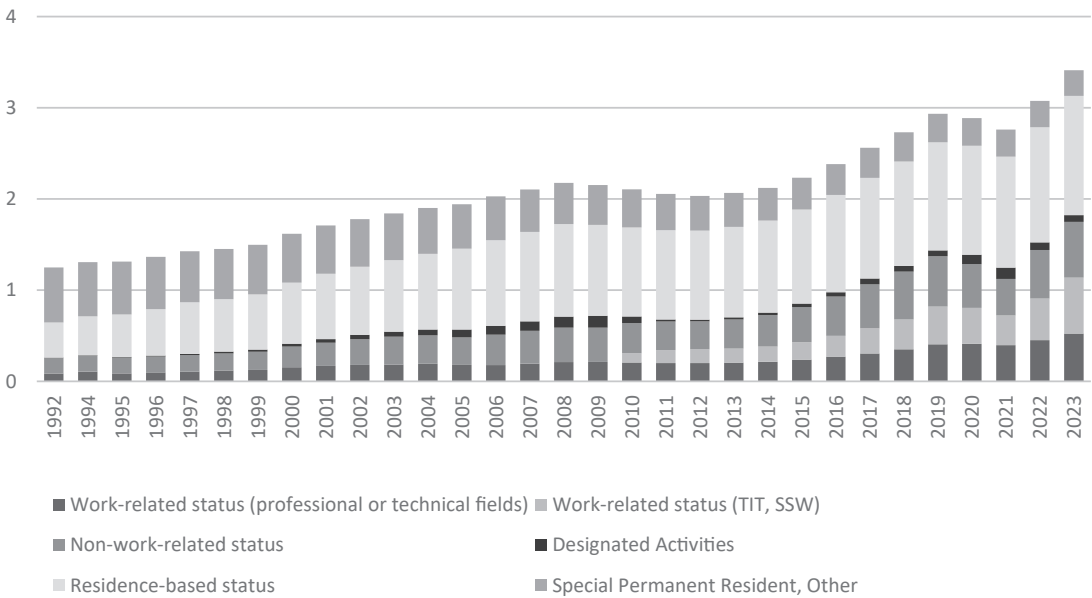
Appendix 2 of the Immigration Act includes the residence status based on personal status or position, often referred to as “residence-based statuses,” which allow unrestricted activity in Japan. This group included 1.59 million people, accounting for 46.6% of all foreign residents as of the end of 2023, according to the SFN. Residents with status based on personal status or position, as well as “Special Permanent Residents,” are not subject to restrictions on their activities while residing in Japan and often stay for the long term; as a result, a significant portion of them are in the non-working population, including retired elderly individuals. However, the labor force status and number of employed persons among residents with status based on personal status or position and “Special Permanent Residents” cannot be ascertained from either the SLM or the SFN.

Figures 1 and 2 show trends in the number of foreign residents by type of status of resi-

<sup>5</sup> Items 11, 48, and 49 have been deleted, leaving 51 categories of activities currently listed. [[https://www.moj.go.jp/isa/policies/bill/nyukan\\_h02.html](https://www.moj.go.jp/isa/policies/bill/nyukan_h02.html)]

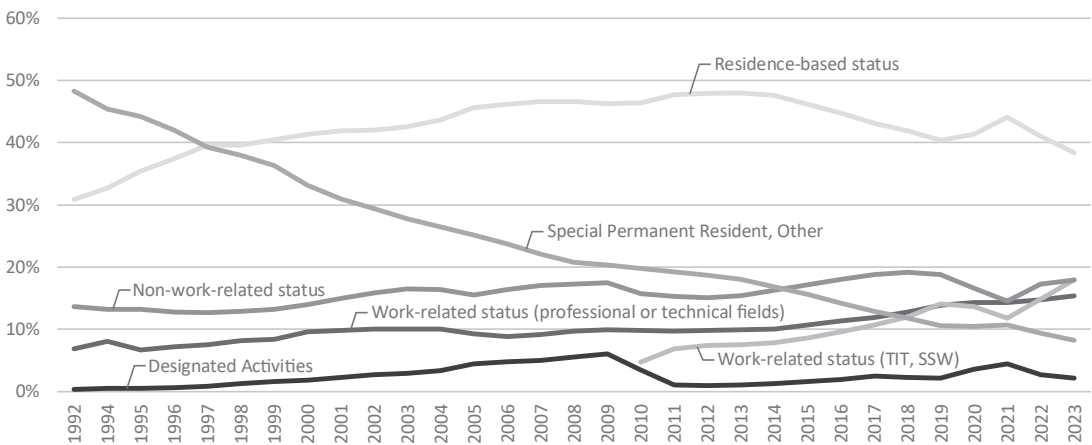
<sup>6</sup> Applicants for recognition of refugee status are classified into Cases A through D based on the content of their application forms for refugee or complementary protection status. This classification determines both whether they are permitted to work and the length of time before such permission is granted. Until 2017, all asylum seekers were uniformly permitted to work in Japan six months after filing their applications. However, in January 2018, the policy was revised to restrict employment for applicants who were clearly not eligible for refugee status. Foreign nationals who are recognized as refugees are granted “Long-Term Resident” status, which carries no restrictions on employment.

Figure 1. Number of Foreign Nationals by Type of Status of Residence (in Millions)



Source: Statistics on the Foreigners Registered

Figure 2. Proportion of Foreign Nationals by Type of Status of Residence



Source: Statistics on the Foreigners Registered

dence (excluding “Temporary Visitor”) and the share of each category. As of the end of 2023, the total number of foreign residents stood at 3.4 million—2.7 times higher than in 1992. By category, the number of foreign residents with work-related statuses increased by a factor of 13.3, those with non-work-related statuses by 3.6, and those with residence-based statuses by 3.4. In contrast, the number of “Special Permanent Residents” has nearly halved due to natural decrease by death which exceeds birth, and naturalization by acquiring Japanese nationality. Consequently, the share of this group among all foreign residents has de-

clined significantly. Until the 2000s, the proportion of residents with residence-based statuses increased, driven by the rapid growth in the number of Nikkei (people of Japanese descent) workers and their families. Since the 2010s, however, the proportion of those with work-related statuses has risen. This shift has been influenced by changes in immigration policy, including the expansion of eligibility and activity scope for the EHI status and the establishment of new categories such as TIT and SSW.<sup>7</sup>

Based on the foregoing discussion, the estimated number of foreign workers in 2023 is calculated to be 2.38 million<sup>8</sup>. After subtracting 55,000 self-employed workers (2020 Census) and an estimated 170,000 workers among “Special Permanent Residents,” the adjusted number of foreign workers is 2.15 million. This figure is not substantially different from the 2.05 million foreign workers reported under the Notification, as discussed in Section IV.

### *II-3. Use as Time-Series Data*

Several points need to be considered when using the SLM and the SFN as time-series data. The first point is the consistency before and after the amendment of the Immigration Act (Act No. 79 of December 15, 1989) in 1989. Since the framework of residence status underwent a major revision under this amendment<sup>9</sup>, there is no one-to-one correspondence between the statuses of residence before and after the revision—not only in terms of status names, but also in terms of eligible individuals and permitted activities. Therefore, it is necessary to carefully examine whether the status-of-residence-based tabulated data from the two statistical sources can be reconciled across the revision.

The second point is the handling of the “Designated Activities” status. TIT workers, highly skilled professionals, and fourth-generation Nikkei were initially granted the “Designated Activities” status of residence before specific statuses were created for each group and each group was incorporated into existing status categories. Because the contents of “Designated Activities” vary widely and are frequently revised, observing increases or decreases in the total number of people with “Designated Activities” does not have much significance. Trends in workers under the “Designated Activities” status should be analyzed by referencing the specific activity contents and linking them to their subsequent status of residence.

<sup>7</sup> Although the TIT Program was established in 1993, the “Technical Intern Training” status of residence was newly created in 2010. Prior to that, TIT workers had been granted statuses of residence such as “Trainee” or “Designated Activities.” The decline in the number of “Designated Activities” around 2010, as shown in Figure 2, reflects the change in status of residence for TIT workers from “Designated Activities” to “Technical Intern.” The “Specified Skilled Worker” status of residence was newly introduced in 2019 and has grown rapidly since the COVID-19 pandemic.

<sup>8</sup> The total number was calculated by summing 1.14 million individuals with work-permitted statuses (excluding “Diplomatic” and “Official”), 353,000 non-working status holders engaging in “permission for other activities” (as reported in the Notification), 64,000 individuals under “Designated Activities,” and 882,000 individuals with residence-based statuses, from which the number of unemployed persons (2.4%, based on the 2020 Census) was subtracted. For “Designated Activities,” the figure includes only those engaged in activities likely to permit employment. For residence-based status holders, the estimate assumes the same labor force participation rate as Japanese nationals aged 15 and over (61.9%). Since the total also includes 24,000 individuals under “Other” Designated Activities for which employment eligibility cannot be determined, as well as those temporarily abroad (number unknown), the estimate is likely to be an overstatement.

<sup>9</sup> For details, see Fukuyama and Hashimoto (2025).



The third point is the differences between the SFR and the SFN. With the enforcement of the revised Immigration Control Act in 2012, the Alien Registration Act was abolished, and a new residency management system was introduced. As a result, foreign nationals became subject to the Residential Basic Book Act, in the same way as Japanese nationals<sup>10</sup>. Up until 2011, the SFR was based on foreigners registered under the Alien Registration Act. In this case, even “Temporary Visitors” or unauthorized overstayers were counted in the statistics if registered. Since 2012, the SFN has begun aggregating data on mid- to long-term residents who intend to stay in Japan for more than three months and on “Special Permanent Residents.”<sup>11</sup> A comparison between the SFR and the SFN shows that the number of foreign residents recorded in the 2011 SFR, which included individuals such as “Temporary Visitors” and those without a status of residence, was 2.08 million, whereas the number in the 2012 SFN, which excluded such individuals, was 2.03 million. In the 2011 SFR, there were 24,000 “Temporary Visitors,” 4,000 individuals without a status of residence, and 4,000 “Others.” Excluding these groups, the number of foreign residents amounted to 2.05 million. Therefore, the (apparent) decline in the foreign population from 2011 to 2012 can be attributed mainly to the change in the scope of aggregation. As discussed above, even the SLM and the SFN do not precisely capture the number of foreign residents. Nevertheless, as they comprehensively cover foreigners entering and residing in Japan, these two are regarded as the most reliable among statistics related to foreigners. In fact, the foreign resident registration data, which serve as the source of the SFN, are used to calculate imputed values for “Unknown” nationality distinctions (Japanese/non-Japanese) in the Census, as will be discussed in the following section.

### III. Population Census

#### III-1. Overview

The Census, conducted by the Statistics Bureau of the Ministry of Internal Affairs and Communications, is the only complete enumeration survey that covers all individuals and households residing in Japan. Based on the results of this Census, the legal population, electoral district boundaries, and the distribution of local allocation tax grants are determined. Furthermore, the Census serves as a sampling frame for other surveys, such as the Labour Force Survey and the Comprehensive Survey of Living Conditions. Among the fundamental statistics designated by the Minister of Internal Affairs and Communications as particularly

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<sup>10</sup> The statistical tables in the SFN are based on “place of residence” information collected by the Immigration Services Agency (ISA). However, a foreign national’s “place of residence” is not equivalent to the “address” defined under the Residential Basic Book Act. This point is noted on the ISA’s website under “Statistics Q&A.” In practice, mid- to long-term residents must report their new address to the municipal office within 14 days of moving. The reported address is promptly transmitted to the ISA. Therefore, the “place of residence” in the SFN is regarded as being nearly identical to the “address” under the Residential Basic Book Act.

<sup>11</sup> The “total foreign residents” is defined as including not only “foreign residents” but also (1) individuals granted a period of stay of three months or less, (2) those with the “Temporary Visitor” status of residence, and (3) those with the “Diplomatic” or “Official” status of residence, among others.



important, the Census is regarded as the most essential statistical survey<sup>12</sup>.

The Census is conducted every five years and targets individuals who habitually reside in Japan at the time of the survey<sup>13</sup>; foreign nationals are also included in the target population. For foreign nationals, separate tabulations from those of Japanese nationals are provided for items such as age, sex, marital status, and nationality in the *Basic Complete Tabulation on Population and Households*, as well as labor force status, type of job, and employment status in the *Basic Complete Tabulation on Labour Force*. However, the status of residence is not among the survey items.

The Census is conducted through enumerators who visit each household and distribute survey forms and online response guides. In the 2020 Census, if submission via the internet or paper forms was not confirmed by October 7, enumerators revisited households to encourage responses. If they were still unable to make contact, the enumerators filled in information such as name, sex, and number of household members on the form, based on information obtained through interviews with neighboring households. Article 13 of the Statistics Act obligates respondents to answer the items on the Census form; however, the proportion of forms completed through proxy interviews has increased rapidly in recent years, rising from 1.7% in the 2000 Census to 16.3% in the 2020 Census<sup>14</sup>.

### III-2. Increase in “Unknown” Nationality and Multilingual Support

Since the 1990 Census, when the number of “newcomers” arriving in Japan after the late 1980s began to increase, various efforts have been made to raise awareness of the Census among foreign residents and to encourage their participation<sup>15</sup>. In the 1990 Census, multilingual translation booklets were prepared in ten languages. By 1995, both the translation booklets and the foreign language communication forms were available in fifteen languages. Foreign enumerators were also permitted to facilitate household visits. In the 2005 Census, the number of languages available for the translation booklets and the foreign language communication forms increased to 19, and by the 2010 Census, this number had risen to 27<sup>16</sup>.

In the 2020 Census, printed questionnaires and public awareness posters targeting foreign residents were prepared in twenty-seven languages. Online responses were available in six languages, and multilingual call centers (supporting ten languages) as well as three-way

<sup>12</sup> For an overview of the Census as a whole, see Unayama (2022) for detailed discussion.

<sup>13</sup> The 2020 Census was conducted as of midnight on October 1, 2020, targeting individuals who had been living, or were expected to live, in the relevant dwelling in Japan for three months or longer.

<sup>14</sup> In the 2020 Census, responses were submitted via the internet (37.9%), by mail (41.9%), and to enumerators (3.3%). Conducted during the COVID-19 pandemic, the Census saw an increase in responses by mail and a significant decline in submissions to enumerators. For households that could not be reached even through follow-up interviews, demographic attributes were transcribed from administrative sources such as the Residential Basic Book; however, the number and proportion of such cases have not been disclosed.

<sup>15</sup> For the history of multilingual support in the Census, see the Statistics Bureau (2024a).

<sup>16</sup> The effectiveness of “plain Japanese” (yasashii nihongo) has been increasingly recognized by both national and local governments, and some municipalities have employed it in their public outreach for the Census. However, as of the 2020 Census, no Census questionnaire had been created in plain Japanese.

interpretation services (covering twenty languages) were also introduced. Additionally, awareness-raising efforts included six-language leaflets and TV/radio commercials<sup>17</sup>. These multilingual measures were expected to improve response rates among foreign nationals who have difficulty understanding Japanese-language materials and questionnaires. However, information on the response methods and languages used by foreign households has not been published.

As mentioned above, the proxy interview rate in the Census has increased in recent years, but the proportion of foreign households among those interviewed by proxy is unknown. However, some studies comparing the Census with the SFN, such as Ishikawa (2005) and Koike (2022), have pointed out that, due in part to the unwillingness of foreign nationals residing in Japan for employment purposes to cooperate with the survey, the number of foreign residents recorded in the Census is lower than that reported in the administrative statistics of the SFN.

For households that did not respond to the paper questionnaire or the online survey, follow-up interviews with neighboring households are conducted to collect three items: the name of the household head, the total number of household members, and their breakdown by sex. Such an increase in proxy interviews directly contributes to a rise in cases where attributes not covered in the interviews, such as age and nationality, remain unknown. Table 2, based on data from the Statistics Bureau (2024b) and Census data from e-Stat, summarizes the number of Japanese and foreign respondents, as well as the number and proportion of respondents whose nationality (Japanese/non-Japanese) was “Unknown.” The number of cases with “Unknown” nationality has gradually increased since 1975, reaching 2.20 million in the 2020 Census. The proportion of the total population with “Unknown” nationality also rose significantly after 2010, reaching 1.75% in the 2020 Census.

### III-3. Imputing “Unknown” Japanese/Foreign Status

Since the 2015 Census, the Statistics Bureau has published reference tables that supplement “Unknown” responses through allocation procedures. The stated reason is “to improve the convenience for data users” (Statistics Bureau, 2024b), but it can be inferred that the sharp increase in proxy interview rates and the number of “Unknown” entries in key items also contributed to the change in aggregation methods.

In the 2015 Census, the allocation was applied to nationality and age in the *Basic Complete Tabulation on Population and Households*. Specifically, the procedure involved the following steps: (1) creating cross-tabulation tables by municipality; (2) imputing “Unknown” values in the target items by allocating them in proportion to the distribution of known data; and (3) producing reference tables on the imputed values based on step (2).

<sup>17</sup> See Statistics Bureau (2024a); Statistics Division of the Population Census, Statistics Bureau, “Implementation Status of the 2020 Population Census (Fieldwork Edition),” [<https://www.stat.go.jp/info/kenkyu/kokusei/yusiki32/pdf/08sy0100.pdf>]; and “On the Public Relations of the 2020 Population Census,” [<https://www.stat.go.jp/info/kenkyu/kokusei/yusiki32/pdf/07sy0400.pdf>].



In the 2020 Census, nine items were subject to imputation: age, nationality (Japanese/non-Japanese), marital status, labor force status, industry (major groups), occupation (major groups), employment status, place of working or schooling, and place of usual residence five years ago. Furthermore, for age and nationality, the imputed values were calculated through a two-step process: preliminary processing followed by allocation. The preliminary processing for nationality differed by household type. For households with two or more members, “Unknown” nationality was imputed using the hot-deck method<sup>18</sup>, with donor households limited to those other than households with “Unknown” values in basic items<sup>19</sup>. In contrast, for single-person households, the cold-deck method<sup>20</sup> was used, drawing on foreign resident registration data to impute “Unknown” nationality. In the 2020 Census, a reference table was also published for the 2015 Census, in which the nationality of individuals with “Unknown” Japanese or foreign status was retrospectively tabulated using a two-step imputation process.

The details of the preliminary processing conducted in the 2020 Census using the hot-deck and cold-deck methods, including the definitions of distances between samples, have not been disclosed. However, by comparing the imputed values for “Unknown” entries with the raw data, it is possible to confirm how the cases with “Unknown” nationality (i.e., Japanese/non-Japanese) were allocated to either the Japanese or foreign categories (Table 2).

In the 2015 Census, when only allocation processing was applied, the 1.06 million individuals with “Unknown” nationality (i.e., whether Japanese/non-Japanese) were distributed as 1.04 million Japanese (97.8%) and 23,000 foreigners (2.2%). In the retrospective tabulation using the two-step method that included preliminary processing, the same number of “Unknown” cases was allocated as 898,000 Japanese (84.9%) and 160,000 foreigners (15.1%). When the two allocation methods are examined, the retrospective tabulation with preliminary processing results in 137,000 fewer imputed cases for Japanese nationals and a corresponding increase in imputed cases for foreign nationals, compared to the method without such processing. Foreign nationals often include younger individuals living alone, such as students and TIT workers; therefore, the cold-deck method using foreign resident registration data likely had a significant impact on the imputation of “Unknown” nationality cases.

In the 2020 Census, 2.20 million individuals with “Unknown” nationality status were allocated as 1.86 million Japanese nationals and 345,000 foreign nationals. The proportion of imputed individuals among the total population with imputed values was 1.5% for Japanese nationals and 12.6% for foreign nationals, indicating that more than 10% of the imputed for-

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<sup>18</sup> The hot-deck method is an imputation technique in which missing values are replaced with those from donor records selected from among respondents. Donors are identified based on similarities in the following factors: small area, sex, type of household, and type of building.

<sup>19</sup> A household in which all members have “Unknown” values for age, relationship to the household head, and marital status is classified as a household with “Unknown” values in basic items.

<sup>20</sup> The cold-deck method is an imputation technique in which donor records are selected not from the Census data itself, but from an external dataset—in this case, the foreign resident registration data—based on similarities in small area and sex. The values from these donors are then substituted for the missing values.

foreign population was retrospectively supplemented through the two-step allocation process.

### III-4. Foreign Workers

The Census asks individuals aged 15 and older whether they worked during the week of September 24-30 of the survey year, and publishes the *Basic Complete Tabulation on Labour Force* including employment status, industry, occupation, etc. Key official statistics on workers' employment include the Employment Status Survey and the Labour Force Survey, both conducted by the Statistics Bureau. The Employment Status Survey is conducted every five years and targets individuals aged 15 and over in the surveyed households. It collects information on whether they are employed or not, and for those who are employed, it examines their usual employment and non-employment status. The Labour Force Survey is a monthly survey that investigates the employment status of household members aged 15 and over. Both statistical surveys may include foreign nationals among the respondents; however, since there is no question regarding whether a respondent is Japanese or foreign, it is not possible to extract and tabulate foreign national samples. Therefore, until 2024, the Census was the only fundamental statistic that surveyed the labor force status and employment status of foreign nationals and allowed for direct comparison with Japanese nationals.

In the 2020 Census, the *Basic Complete Tabulation on Labour Force* began publishing imputed values for “Unknown” entries—such as labor force status, industry, occupation, and employment status—calculated through allocation methods, as reference tables. However, unlike the *Basic Complete Tabulation on Population and Households*, the *Basic Complete Tabulation on Labour Force* does not conduct imputation for “Unknown” entries regarding Japanese or foreign status or nationality. Therefore, for employment status in the 2020 Census, reference tables with imputed values are published for statistical tables that do not distinguish between Japanese and foreign nationals. However, for statistical tables specifically concerning the employment status of foreign nationals, only the raw data without imputation are published.

When calculating the labor force participation rate from raw data, the rate for foreign nationals (77.9% in 2020) is substantially higher than that for Japanese nationals (61.9% in the same year). Based on the previous discussion regarding the “population” of foreign nationals in the 2020 Census, which estimated that over 300,000 individuals were imputed through the two-step process, it is presumed that a significant number of employed persons are also included among the imputed foreign population (who are, however, not included in the *Basic Complete Tabulation on Labour Force*)<sup>21</sup>.

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<sup>21</sup> If a greater number of young, single-person foreign households are being imputed in the *Basic Complete Tabulation on Population*, it can be inferred that many of those with “Unknown” nationality (Japanese/non-Japanese) who are not included in the *Basic Complete Tabulation on Labour Force* are TIT workers, SSW, or international students working with permission for other activities.

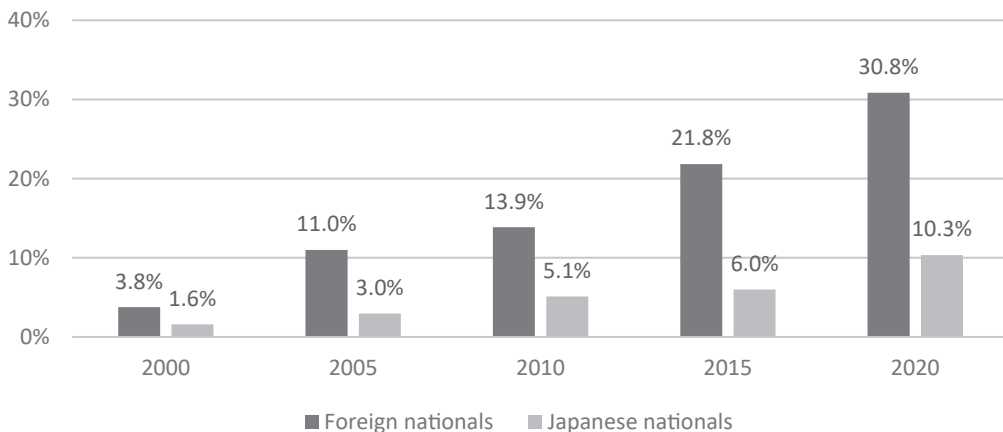
### III-4-1. Labor Force Status

For individuals aged 15 and over whose nationality status (Japanese/non-Japanese) is identified, labor force status is reported separately for Japanese and foreign nationals. Notably, in every survey year, the proportion of foreign nationals with unknown labor force status is higher than that of Japanese nationals (Figure 3). In the 2000 Census, there was no significant difference between foreign nationals and Japanese nationals in the proportion of individuals aged 15 and over whose labor force status was unknown (3.8% for foreign nationals and 1.6% for Japanese nationals). Since the 2005 Census, the proportion of “Unknown” cases among foreign nationals has risen sharply, reaching 30.8% in the 2020 Census.

Among foreign nationals whose labor force status was classified as “Unknown,” many are likely individuals who either responded to the survey themselves but failed to adequately complete the sections related to employment status, or whose nationality was identified through interviews with neighbors but whose labor force status could not be determined. If many foreign nationals with unknown labor force status were actually engaged in work, the number of foreign workers reported in the Census is likely to be an underestimation of the actual figure. Even if these individuals were actually engaged in work, they are not reflected in tabulations by industry or occupation.

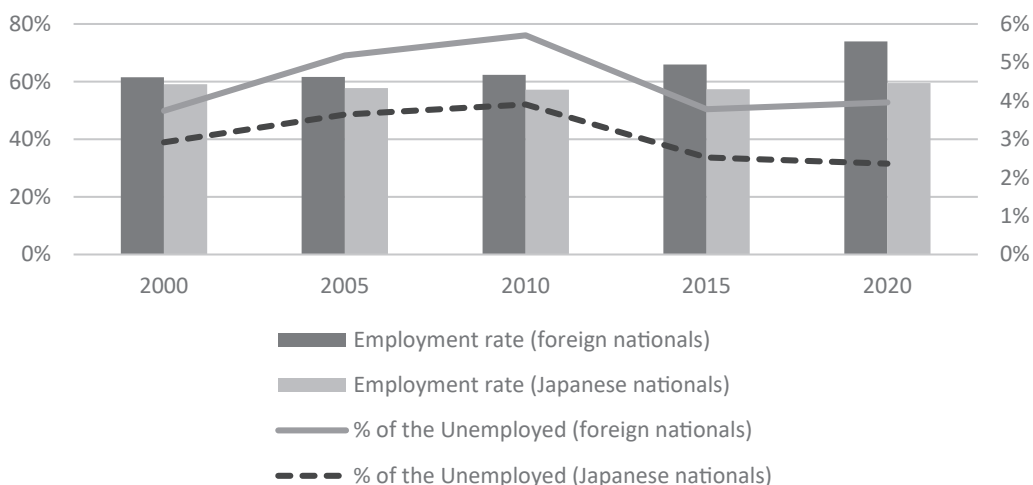
Figure 4 presents the employment rate and the proportion of unemployed individuals for Japanese and foreign nationals, excluding those with unknown labor force status. The employment rate is defined as the proportion of employed persons among the population aged 15 and over, while the proportion of unemployed individuals is defined as the share of unemployed persons among the labor force<sup>22</sup>. The proportion of employed persons among foreign nationals is higher than that among Japanese nationals, and this gap has widened over time. In the 2020 Census, the proportion for foreign nationals was 14.5 percentage points higher. This trend corresponds to the relative increase in foreign nationals residing under

Figure 3. Proportion of Persons with “Unknown” Labor Force Status among the Population Aged 15 and Over



Source: Population Census

Figure 4. Employment Rate and Proportion of the Unemployed



Source: Population Census

work-related statuses, compared to those under residence-based or non-work-related statuses (see Figures 1 and 2). Foreign nationals also tend to exhibit a higher unemployment share than Japanese nationals.

Among the population aged 15 and over, those who are neither employed nor unemployed are classified as not existing within the labor force. A breakdown of this group shows that among foreign nationals, many cite “Housework” and “School attendance” as reasons, while among Japanese nationals, “Other” reasons are more common. Since “Other” reasons often include retired elderly individuals, this difference in composition likely reflects differences in the age structure between foreign and Japanese nationals.

Employed individuals are further classified into those who “Mostly worked,” “Worked besides doing housework,” “Worked besides attending school,” and those who were “Absent from work.” In the case of foreign nationals, employment is often regulated by their status of residence. Work-related residence statuses are granted for the purpose of operating income-generating businesses or engaging in remunerative activities. Foreign nationals residing under these statuses are therefore likely to fall into the category of “Mostly worked.” Non-work-related status holders, as explained in Section II-2, may engage in employment within certain limits if they obtain the permission for other activities from the ISA. Therefore, employed individuals with the “Student” status of residence are likely to fall under the category of “Worked besides attending school,” while those with the “Dependent” status are likely to be categorized as “Worked besides doing housework.” For foreign nationals with

<sup>22</sup> In the Census, “unemployed persons” are defined as individuals who did not work during the one-week period from September 24 to September 30 of the Census year. In contrast, the “completely unemployed” in the Labour Force Survey are defined in accordance with ILO international standards as those who (1) were not working, (2) were available to start work immediately, and (3) were actively seeking employment. It is unclear whether the unemployed individuals identified in the Census meet conditions (2) and (3) of the Labour Force Survey definition. Therefore, in this paper, the ratio of unemployed individuals to the labor force is referred to as the “proportion of unemployed individuals,” rather than the “unemployment rate.”



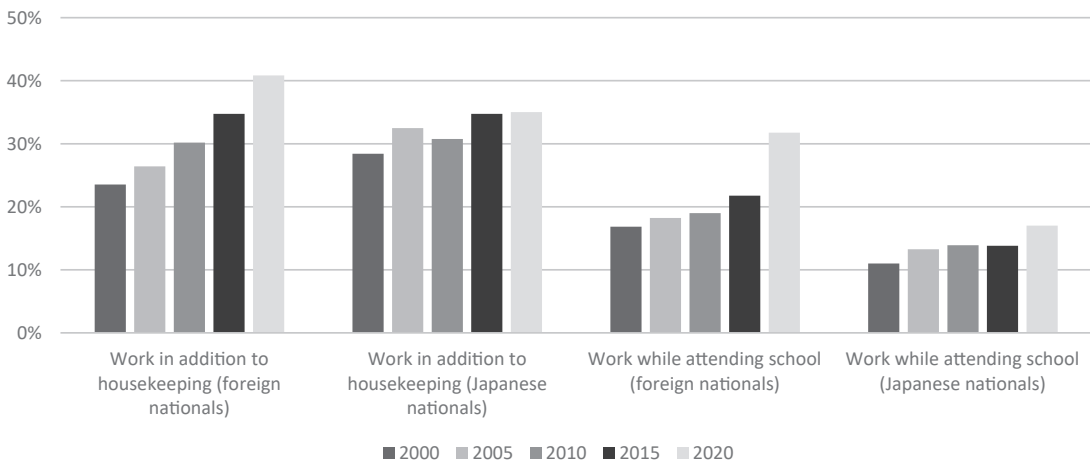
residence-based statuses, the status of residence does not impose restrictions on employment. Therefore, unlike individuals with work-related or non-work-related statuses, it is difficult to determine whether work or other activities constitute their primary activity, as this cannot be inferred from their status of residence.

From 2000 to 2020, the number of foreign nationals who worked besides doing housework or worked besides attending school increased by 1.7 times and 2.1 times, respectively. This change corresponds to an increase in residence-based status holders who work besides doing housework or attending school, as well as non-work-related status holders who have obtained permission for other activities. Figure 5 shows, separately for foreign and Japanese nationals, the proportion of those “Working besides doing housework” among the total of those employed in this category and those not in the labor force due to housework, as well as the proportion of those “Working besides attending school” among the total of those employed in this category and those not in the labor force due to attending school. In both “Housework” and “School attendance,” the proportion of individuals who were working is higher among foreign nationals. In particular, the 2020 Census shows a notable increase in the proportion of foreign nationals working besides attending school. These results indicate a relative decline in foreign nationals who are exclusively engaged in housework or attending school, and an increase in foreign family members and international students who have part-time jobs while doing housework or attending school.

### III-4-2. Employment Status (Self-Employed and Employees)

The number of self-employed foreign nationals, including sole proprietors and piece-rate workers, is another characteristic of foreign labor that can only be captured through the Census. If the categories “Self-employed, employing others” and “Self-employed, not employing others” are combined and defined as “Self-employed,” the total number of self-employed foreign nationals in the 2020 Census was 55,000. The number of self-employed for-

Figure 5. Proportion Working While Housekeeping or Attending School

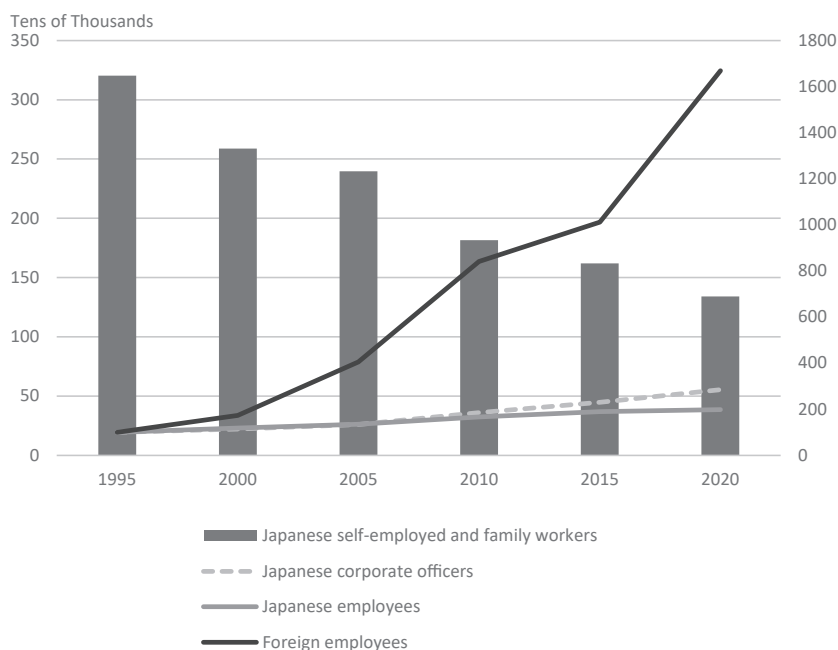


Source: Population Census

eign nationals was 69,000 in the 2000 Census and 50,000 in the 2010 Census, indicating that their number has shown little increase over the past two decades. More than 70% of self-employed foreign nationals were engaged in the tertiary sector, particularly in “Accommodation and food services” and “Wholesale and retail trade.” The small number of self-employed foreign nationals corresponds to the fact that over 90% of employed foreign nationals are wage workers<sup>23</sup>.

The number of employees by industry can also be obtained from the BSWS and the Notification<sup>24</sup>. However, there are certain groups, such as those in the agricultural sector, that can only be captured through the Census. As shown in Figure 6, the number of Japanese self-employed individuals and family employees in the agricultural sector declined by approximately 60% between 1995 and 2020. During this period in the agricultural sector, the number of Japanese board members, wage workers, and foreign employees increased; in particular, the number of foreign employees surged 16.7 times—from 1,853 to 30,929. Such

Figure 6. Changes in the Employment Structure of Agriculture



Note: The bar chart (left axis) shows the number of Japanese self-employed and family workers, while the line chart (right axis) plots the index for each group—Japanese corporate officers, Japanese employees, and foreign employees—setting their respective 1995 levels to 100.

Source: Population Census

<sup>23</sup> In the 2020 Census, among employed individuals (excluding those whose employment status was “Unknown”), the proportion of employees—those employed (including board members) by companies, organizations, individuals, or government agencies—was 93.4% for foreign nationals and 88.5% for Japanese nationals. Meanwhile, 4.0% of foreign nationals and 1.9% of Japanese nationals had an “Unknown” employment status.

<sup>24</sup> The BSWS is a sample survey and estimates the number of workers using expansion weights.

changes in Japan's agricultural employment structure—particularly the shift toward wage labor premised on the acceptance of foreign workers—cannot be observed through the BSWS, which excludes establishments in the primary industry, or the Notification, which only covers foreign nationals.

### III-4-3. Last School Completed

The Census investigates the education of household members during the large-scale survey conducted every ten years. Studies such as Machikita (2015) have also presented characteristics of foreign nationals by type of last school completed (educational attainment), but this item also has a high rate of “Unknown” responses. In the 2020 Census, the last school completed was “Unknown” for 34.6% of foreign nationals and 14.6% of Japanese nationals.

In the 2020 Census, the response category “University/graduate school” used in previous surveys up to 2015 was divided into two separate categories: “University” and “Graduate school.” Table 3 shows the last school completed by graduates, categorized by sex and by nationality (foreign and Japanese nationals). The proportion of junior high and high school graduates does not differ greatly between foreign and Japanese nationals, nor between men and women. On the other hand, certain notable patterns can be observed among graduates of junior/technical colleges, universities, and graduate schools. First, regarding gender differences, the proportions of graduates by type of last school completed show smaller gender gaps among foreign nationals, whereas the gaps are larger among Japanese nationals. Next, the proportion of individuals with longer years of education is higher among foreign nationals—for example, 7.3% of foreign nationals had completed graduate school compared to 2.3% of Japanese nationals. Such differences in the last school completed between foreign and Japanese nationals reflect both immigration policies that favor the residence of university and graduate school graduates and differences in age distribution, with foreign nationals tending to be younger than Japanese nationals<sup>25</sup>. However, e-Stat does not publish tabulated data on the last school completed specifically for employed foreign nationals.

The Census also collects information on household types and mobile populations,

Table 3. Proportion of Graduates by Last School Completed (Foreign and Japanese Nationals, 2020)

		Elementary	Junior high school	High school	Junior college	University	Graduate school
Foreign nationals	Total	1.5%	12.4%	41.0%	11.3%	26.5%	7.3%
	Male	1.1%	11.4%	39.6%	10.8%	28.3%	8.8%
	Female	1.9%	13.3%	42.1%	11.6%	24.9%	6.1%
Japanese nationals	Total	0.9%	13.2%	44.2%	16.3%	23.1%	2.3%
	Male	0.5%	12.7%	43.1%	9.1%	30.8%	3.8%
	Female	1.3%	13.5%	45.2%	22.8%	16.1%	1.0%

Note: Totals exclude “Unknown” cases.

Source: Population Census

among other topics; however, e-Stat does not publish tabulated data on these items specifically for employed foreign nationals. Information on the marital status, household composition, and migration of employed foreign nationals that is not available on e-Stat can be analyzed using one of the following resources provided by the Statistics Center: custom tabulations, anonymized data, or on-site facilities, all of which are accessible upon application. However, the use of these services is governed by the Statistics Act, which requires users to fulfill specific purposes and conditions, pay the prescribed fees, and make the outcomes publicly available.

## IV. Notification of Employment Status of Foreign Nationals

### *IV-1. Overview and Considerations*

The Notification, compiled by the Ministry of Health, Labour and Welfare (MHLW), is an administrative statistic based on records routinely created using administrative data concerning foreign employees and their workplaces.

Employers who hire foreign nationals are legally obligated under the Employment Measures Act to report to the Minister of Health, Labour and Welfare (via Hello Work) at the time of hiring and separation. They must confirm and submit information including the foreign national's name, nationality, status of residence, period of stay, and whether they hold permission for other activities<sup>25</sup>. The report must also include the name, address, and telephone number of the workplace, the employment insurance establishment number, and the date of hiring or separation. The MHLW compiles information from valid notifications as of the end of October each year and publishes a summary titled "Summary Reports of the Notification" around the end of the following January. This survey is characterized by its annual complete enumeration of foreign employees and the publication of aggregated data categorized by status of residence. Information on indirect employment, such as the number of dispatching and contracting establishments employing foreign nationals and the number of foreign nationals employed there, is not available from other government statistics.

Since 2020, the residence card number has also been included in the required items for reporting. However, the aggregated items that are published, such as the nationality and status of residence of employees, the prefecture, industry, and size of the establishment, have not changed significantly since 2008. As an annual survey, the Summary Reports of the Notification provide a practical source for monitoring trends in the employment of foreign nationals in Japan, and they are often preferred over the Census which is conducted only once every five years. They are also frequently cited in government publications and media reports. However, it should be noted that the aggregated figures do not represent the total

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<sup>25</sup> Residence statuses such as "Highly Skilled Professional," "Engineer/Specialist in Humanities/International Services," and "Designated Activities (Future Creation Individual)" are subject to educational attainment requirements. Holders of these statuses are also granted preferential treatment when applying for permanent residency.

<sup>26</sup> For details on the items to be reported, see Machikita (2022).

number of foreign workers, as they exclude “Special Permanent Residents” as well as non-employees such as the self-employed and family workers.

Currently, all foreign nationals employed are subject to the reporting requirement, except those who are “Special Permanent Residents” or hold the statuses of residence “Diplomat” or “Official.” However, from 1993 to 2006, the survey covered all establishments with 50 or more employees, as well as those with 49 or fewer employees that were selected by the local public employment security offices based on regional circumstances and administrative needs. Despite the fact that many establishments employing foreign nationals are small or medium-sized enterprises, a large number of small establishments were not surveyed. Moreover, as the survey was voluntary in nature, the annual response rate remained around 60%. Therefore, there is no continuity between the survey results up to 2006 and those from 2007 onward, when reporting became mandatory, and it is advisable to avoid making time-series comparisons across this period<sup>27</sup>.

There are other points to note regarding the Summary Reports of the Notification. As mentioned above, this statistic is compiled based on the information reported by employers to Hello Work when hiring or separating from foreign employees. If a foreign national works at more than one workplace, their employment information is registered at each workplace, resulting in the government’s published number of foreign workers being a cumulative total<sup>28</sup>. There is also a possibility that changes in the status of residence of foreign employees are not accurately reflected. This is because foreign employees who remain with the same employer are not required to report changes in their status of residence to Hello Work upon renewal, and as a result, the data may be aggregated based on their status of residence at the time of initial employment<sup>29</sup>. Furthermore, the Notification is submitted based on the location of the employing establishment; however, this does not necessarily mean that the foreign national is actually working in the same prefecture as that of the employing establishment<sup>30</sup>. In the case of foreign nationals employed by dispatch or subcontracting companies, whose workplaces change every few months, it is often the case that the prefecture of the reporting employer does not match the prefecture of the actual workplace.

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<sup>27</sup> Studies such as Sano (2002) have examined issues related to the former Notification.

<sup>28</sup> See Kambayashi and Hashimoto (2017) for details.

<sup>29</sup> A considerable number of foreign nationals with work-related statuses or residence-based statuses (other than “Permanent Resident”) change their status to “Permanent Resident” with the permission of the ISA after residing in Japan for the period required by their respective status of residence. Therefore, the published figures in the Summary Reports of the Notification may overestimate the number of work-related status holders and residence-based status holders (other than “Permanent Resident”) who remain with the same employer for an extended period, while underestimating the number of “Permanent Residents.” In addition, for individuals who change their status from TIT to SSW, the change in status may not be reflected in the statistics if they remain continuously employed at the same workplace.

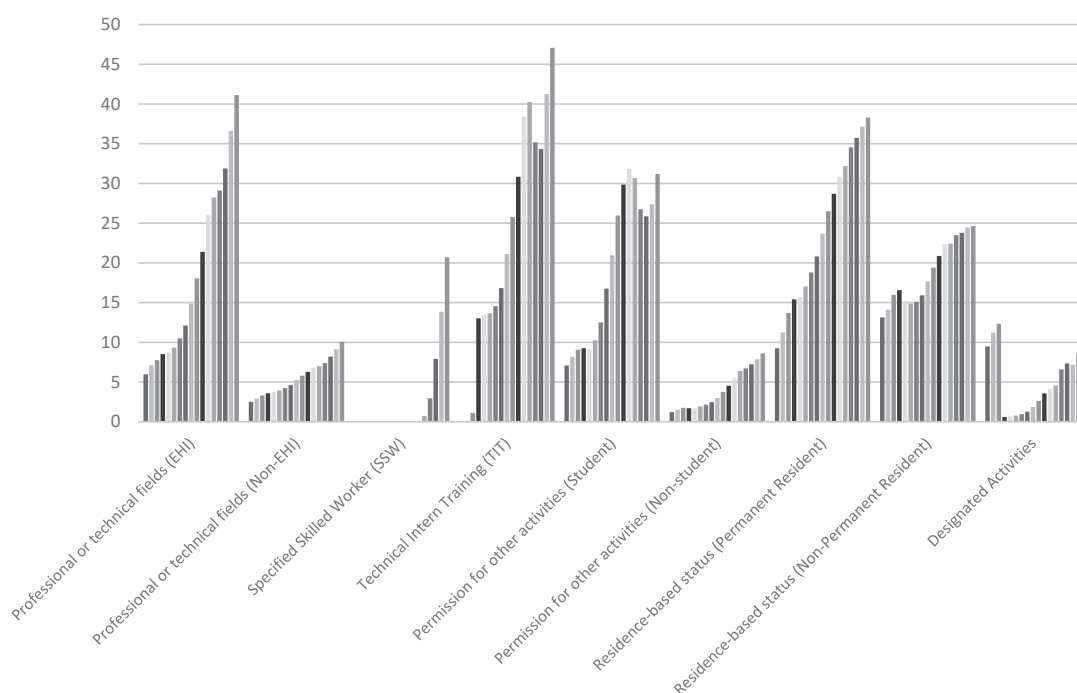
<sup>30</sup> See Review Meeting on the Employment Policy for Foreign Workers, *Interim Report Review Meeting on the Employment Policy for Foreign Workers: Evidence-Based Policy-making on Employment of Foreign Workers and Cross-Sectoral Assistance with Cooperation between the Public and Private Sectors* (2021, p. 37). [<https://www.mhlw.go.jp/content/11655000/000867908.pdf>]

## IV-2. Foreign Employees and Employing Establishments

Figure 7 shows the number of employed foreign nationals by status of residence from 2008 to 2023. In recent years, the number of foreign nationals with the statuses of residence EHI, SSW, TIT, and “Permanent Resident” has increased rapidly. Since 2020, the number of employed international students working with permission for other activities has stagnated, and the growth in employment of foreign nationals in professional or technical fields<sup>31</sup> other than EHI and those with residence-based statuses other than “Permanent Resident” has been relatively limited. It is highly likely that the number of employed foreign nationals under statuses such as EHI and SSW has increased rapidly due to the introduction of new statuses of residence and the relaxation of eligibility requirements.

As of the end of October 2024, the number of employed foreign nationals reached a record high of 2.30 million, marking a 12.4% increase from 2023 when the figure exceeded 2 million for the first time. The number of employed foreign nationals has doubled in less than ten years since it surpassed one million in the 2016 survey. In 2024, the number of establish-

Figure 7. Number of Foreign Employees by Status of Residence (2008-2024, in Tens of Thousands)



Note: Acceptance of workers under the SSW status began in 2019. The TIT status was newly established in 2010; until 2009, TIT workers were granted the Designated Activities status.

Source: Notification of Employment Status of Foreign Nationals

<sup>31</sup> This paper defines work-related statuses, excluding SSW and TIT, as statuses of residence in professional or technical fields.

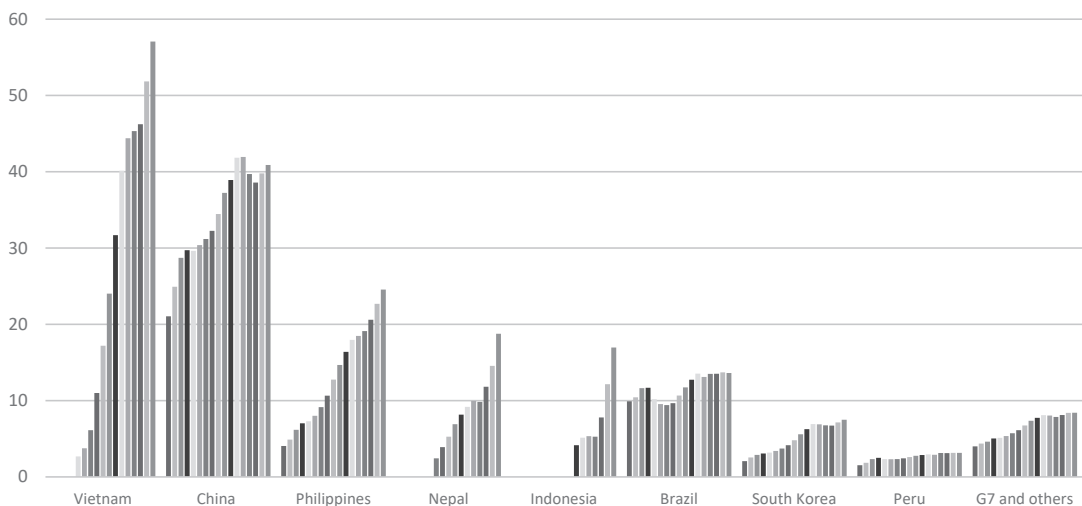
ments employing foreign nationals also reached a record high of 342,000.

Figure 8 shows the number of employed foreign nationals by nationality from 2008 to 2024. Currently, Vietnam is the leading country of origin among employed foreign nationals, whereas China held the largest share until 2019. The number of foreign workers from Vietnam, the Philippines, and Indonesia has increased rapidly with the expansion of the TIT Program, while the growth in Nepalese workers reflects the rise in international students with permission for other activities. Although the number of employed foreign nationals from advanced countries such as South Korea and the G7 nations has also increased, the most significant growth since the 2000s has been among workers from developing countries in Asia.

This statistic also provides aggregated figures on the number of employed foreign nationals by prefecture and industry. According to the 2024 survey, the industries with the highest shares of employed foreign nationals, in order of size, were manufacturing (26.0%), services (not elsewhere classified) (15.4%), wholesale and retail trade (13.0%), accommodation and food services (11.9%), and construction (7.7%). There have been no significant changes over time in the major industries employing foreign nationals or in their composition ratios. The Census also allows for the calculation of the composition ratios of foreign workers by major industry category and prefecture, and the discrepancy from the numbers reported in the Notification is relatively small<sup>32</sup>.

The size of establishments employing foreign nationals is also an important piece of in-

Figure 8. Number of Foreign Employees by Nationality (2008-2024, in Tens of Thousands)



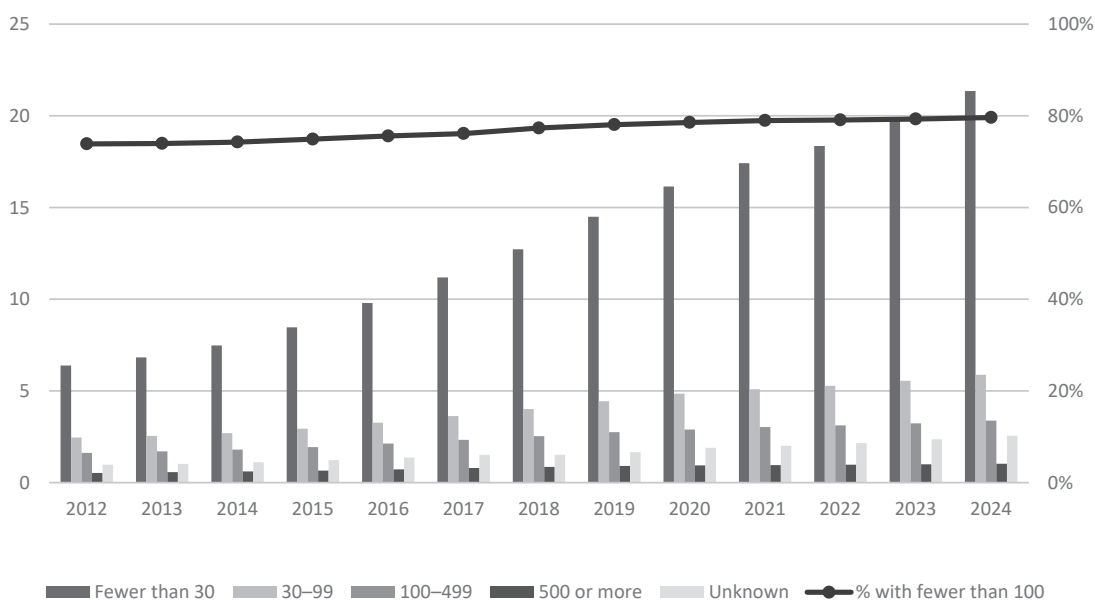
Note: Employment figures by nationality have been published since 2012 for Vietnam, 2014 for Nepal, and 2018 for Indonesia. The category “G7 and others” includes France, the United States, the United Kingdom, Germany, Italy, Canada, Australia, New Zealand, and Russia.

Source: Notification of Employment Status of Foreign Nationals

<sup>32</sup> Machikita (2015) conducts a detailed analysis of the number of foreign workers by industry and gender using the Census from 2000 to 2010.



Figure 9. Foreign-Employing Establishments by Size and Share of Small-Scale Firms



Note: The bar graph (left axis) shows the number of establishments (in tens of thousands), while the line graph (right axis) indicates the proportion of establishments with fewer than 100 workers.

Source: Notification of Employment Status of Foreign Nationals

formation reported in the Summary Reports of the Notification. For example, since 2012, when data by establishment size began to be published, the majority of establishments employing foreign nationals have consistently had fewer than 30 employees (Figure 9). In the 2024 survey, 79.6% of establishments employing foreign nationals had fewer than 100 employees. While the number of establishments employing foreign nationals increased 2.9 times from 2012 to 2024, the number of those with fewer than 30 employees grew by 3.3 times. This suggests that employing foreign nationals has become increasingly essential for smaller establishments<sup>33</sup>.

## V. Basic Survey on Wage Structure

The BSWS is an annual fundamental statistical survey conducted by the MHLW to understand the wage structure of employees. As part of a series of wage structure surveys conducted since 1948, this statistical survey aims to clarify the characteristics of wages by type of employment, class of position, occupation, gender, age, educational attainment, and length of service<sup>34</sup>.

<sup>33</sup> The employment of foreign nationals by small and medium-sized enterprises is discussed in detail in Hashimoto (2024).

<sup>34</sup> This paper describes the survey items related to wages and other characteristics of foreign workers in the BSWS. For an overview of the survey's general features and considerations when using it for empirical analysis, see Kawaguchi and Toriyabe (2022).

The survey covers private establishments with 5 regular employees or more and public establishments with 10 regular employees or more. The sampling method consists of stratified 2-stage sampling where the establishments are the primary sampling units while the employees are the secondary sampling units. The establishments are stratified by prefecture, industry, and size of establishment. The desired precision is based on average scheduled cash earnings of a regular employee. Since 2015, the number of sampled establishments has remained relatively constant at about 78,000, but the effective response rate has shown a declining trend (75.1% in 2015 and 70.6% in 2023). The effective response rate tends to be lower for smaller establishments. In the 2023 survey, the effective response rate was 66.6% for establishments with 10-29 regular employees and 53.3% for those with 5-9 regular employees. Since 2019, status of residence has been added to the worker-related items in this survey. Because only foreign nationals hold a status of residence, workers for whom a status of residence is recorded on the survey form are classified as “foreign workers”<sup>35</sup>. On e-Stat, items such as scheduled cash earnings of foreign workers are published separately for regular and part-time workers.

However, not all foreign nationals working in Japan are covered by the BSWS. Foreign nationals residing under the statuses of “Special Permanent Resident,” “Diplomat,” or “Official” are not required to fill in their status of residence on the survey form, even if they are selected as part of the survey sample. The number of “Special Permanent Residents” has been declining since this status was granted under the current legal framework in 1991<sup>36</sup>. As of the end of 2023, there were 281,000 such residents, of whom 270,000 were aged 15 or older (according to the SFN). Assuming the same employment rate (61.2%) as that of the total sample in the Labour Force Survey for the same year, the number of employed “Special Permanent Residents” is estimated to be 165,000.

Furthermore, self-employed individuals, corporate officers, employees of private establishments with four or fewer regular employees, and employees in primary industries (agriculture, forestry, and fisheries) are also not included in the scope of the BSWS. According to the 2020 Census, the number of self-employed foreign nationals and corporate officers was 55,000 and 46,000, respectively, while those employed in primary industries totaled 34,000. By using the share of regular employees in small establishments (15.8%) calculated from the 2021 Economic Census for Business Activity and the total number of foreign workers reported in the 2023 Summary Reports of the Notification (2.05 million), the estimated number of foreign workers employed at establishments with four or fewer regular employees in the secondary and tertiary industries is 324,000<sup>37</sup>. As a result, the number of foreign workers not covered by the BSWS is estimated to be approximately 630,000, including the estimated number of employed “Special Permanent Residents”.

The BSWS reports on foreign workers’ scheduled cash earnings, annual special cash

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<sup>35</sup> It is likely that foreign nationals were included in the worker samples in surveys conducted before 2018, but since there were no survey items distinguishing between Japanese and foreign workers, wage information specific to foreign workers could not be compiled.

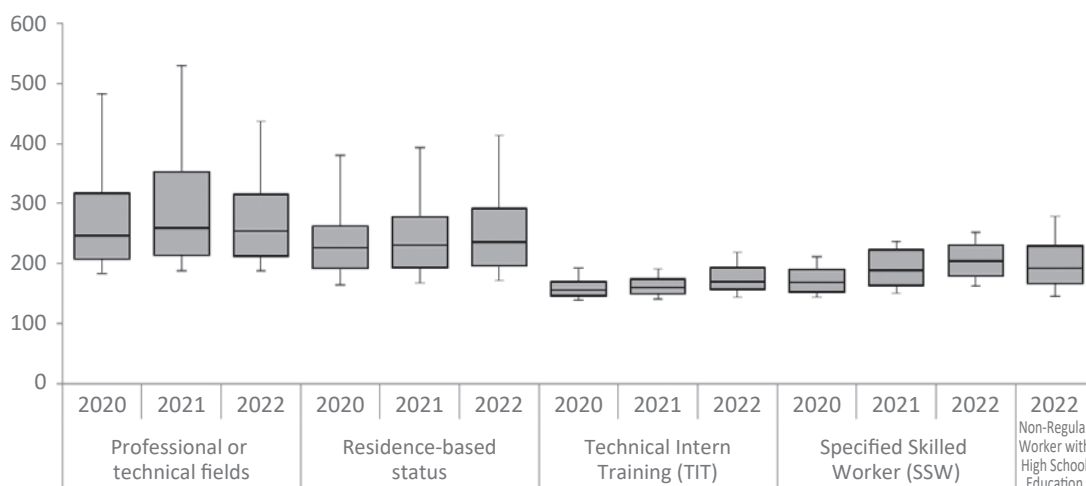
<sup>36</sup> The “Special Act on the Immigration Control of, inter alia, those who have lost Japanese Nationality pursuant to the Treaty of Peace with Japan” (Act No. 71 of 1991).

earnings, length of service, and actual number of scheduled hours worked, and these data are published on e-Stat by industry, firm size, and employment type. For example, Figure 10 is a box-and-whisker plot created using the dispersion coefficients of scheduled cash earnings by status of residence group for foreign nationals (regular workers). This figure shows that foreign nationals in professional or technical fields have a higher median scheduled cash earnings and greater dispersion compared to TIT workers and SSWs. A comparison over time also confirms that the median scheduled cash earnings of TIT workers and SSWs have increased.

However, given the patterns of wage differentials by firm size and industry in Japan, it is highly likely that the average wages of foreign workers employed in micro-enterprises and primary industries who are not covered by the BSWs are lower than those of foreign workers included in the survey. Accordingly, the average wages of foreign workers reported in the BSWs are likely somewhat higher than the average wages of all foreign workers overall<sup>38</sup>.

It should be noted that e-Stat does not publish statistical tables for the group of regular workers excluding foreign nationals (which includes Japanese nationals and “Special Per-

Figure 10. Scheduled Cash Earnings of Foreign Employees (Regular Workers, in Thousands of Yen)



Source: Basic Survey on Wage Structure

<sup>37</sup> The Economic Census publishes the number of regular employees by establishment size. In the 2021 survey, 15.8% (7.98 million) of regular employees at private establishments (excluding agriculture, forestry, and fisheries as well as public sector employment), out of a total of 50.42 million, were employed at establishments with 1 to 9 employees. The term “employees” here includes not only regular employees but also paid corporate officers and temporary workers. Therefore, establishments with 1 to 9 employees in the Economic Census were regarded as broadly corresponding to private establishments with four or fewer regular employees in the BSWs. Based on this assumption, the proportion of employees at establishments with 1 to 9 employees was used to estimate the number of foreign workers employed at small establishments. However, since foreign nationals are more likely than Japanese to be employed at smaller firms (Hashimoto 2024), the actual number of foreign workers employed at small establishments is likely higher than this estimate.

<sup>38</sup> Although the effective response rate of the BSWs tends to be lower for smaller establishments, the weighting method used to expand the sample to the overall population has been revised since the 2020 survey so that it is no longer affected by the response rate. Therefore, the impact of the low response rate among small establishments on estimated values such as average scheduled cash earnings is considered to be mitigated.

manent Residents”). Therefore, it is not possible to compare the wages of foreign and Japanese workers using the published data<sup>39</sup>. When making comparisons, it is necessary to use the average or dispersion coefficients of *all* workers within a given category. For example, the far right of Figure 10 illustrates the dispersion coefficients from the 2022 survey for non-regular workers with a high school education, including foreign nationals. Additionally, e-Stat does not publish statistical tables that disaggregate the foreign worker sample by attributes such as age, educational attainment, or gender. As with the Census, analysis of such detailed items requires meeting the usage criteria set by the Statistics Bureau, such as for “academic research purposes” or “statistical data utilization for the formation of a digital society.” It is also necessary to apply for the use of secondary official statistics services, such as custom tabulations or access to anonymized data.

As seen throughout this section, the BSWS faces several challenges, including the exclusion of a substantial number of foreign workers from its survey population, limited aggregation items related to foreign nationals, and the inability to directly compare wages and other characteristics between foreign and Japanese workers. Nevertheless, the addition of status of residence to the survey items is highly significant, as it has made it possible for the first time in official statistics to capture information on the wages and working hours of foreign nationals.

## VI. Survey on the Employment Situation of Foreign Workers

The Survey is a general statistical survey newly established by the MHLW in 2023, aimed at investigating the actual employment situation of foreign workers, their recruitment pathways, and companies’ employment management practices. This section outlines the background of the survey’s establishment and summarizes its key characteristics as observed in the questionnaire.

Information on the residency and employment of foreign nationals has become increasingly accessible through official statistics introduced in the preceding sections. However, aspects such as the employment management of foreign nationals and their pathways into employment, although presumed to differ from those of Japanese workers, have remained unaccounted for in existing statistics. In response, a new statistical survey was established with a framework that enables the simultaneous collection of data from establishments employing foreign nationals and from the foreign workers themselves. By linking the results of these two surveys, the data can be analyzed as matched employer–employee data.

The Survey uses the Notification and the Employment Insurance Establishment Data as its population framework. The Survey targets establishments that belong to one of the 18 major industries defined by the Japan Standard Industrial Classification, employ at least five insured workers under the employment insurance system, and have at least one foreign

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<sup>39</sup> Studies such as Hashimoto (2022), Korekawa (2023), and the Cabinet Office (2024) compare the wages of foreign and Japanese workers. These analyses were conducted using survey form data (microdata) obtained through formal requests for data provision under Article 33 of the Statistics Act, with permission granted for secondary use.

worker. These establishments are randomly selected, except for those with 500 or more foreign workers, which are all included in the survey. The foreign workers surveyed are those in regular employment at these establishments, with up to ten individuals selected per establishment. The sample for the establishment survey is selected through stratified random sampling, with strata defined by industry (18 categories), establishment size (5 categories), and the number of foreign workers employed (2 categories). The sample for the worker survey is selected using stratified two-stage random sampling, with the establishments selected for the establishment survey serving as the primary sampling units, and the foreign regular employees at those establishments serving as the secondary sampling units. The number of foreign regular employees selected within each establishment depends on the total number of such workers employed at the establishment: if there are between 1 and 9 workers, all are selected; if there are 10 or more, 10 workers are selected. The establishment survey also requests information on Japanese regular employees at the same workplace. This includes data such as educational attainment, working status, employment type, years of service, job title, occupation, working hours, and scheduled cash earnings. This allows for comparisons of human capital and employment conditions between foreign and Japanese workers within the same establishment.

This survey includes primary industries (agriculture, forestry, and fisheries), which are not covered by the BSWS; however, the scope of the target establishments differs. Specifically, establishments with four or fewer insured workers under the employment insurance system<sup>40</sup> but employing a large number of short-time workers, and thus having five or more regular employees, are included in the BSWS but are not covered by this survey. Such differences arise from the fact that the BSWS and the Survey use different population frames: the former uses the Establishment Frame Database, while the latter uses the Employment Insurance Establishment Data.

To obtain matched employer–employee data that include information on both establishments and workers, the survey is conducted as follows. First, a contractor commissioned by the MHLW distributes the survey questionnaires by mail to approximately 9,000 selected establishments. The envelope also includes the worker questionnaires, and each establishment is required to randomly select survey participants from among its foreign regular employees. Establishments selected for the establishment survey submit their responses to the contractor either by mail or online. Foreign workers selected for the worker survey are provided with a questionnaire in both plain Japanese (with furigana) and English for mail responses, and can choose from five languages—plain Japanese, English, Chinese, Vietnamese, and Portuguese—for online responses. The response rate is expected to be 50% for the establishment survey and 30% for the worker survey (Mitsubishi UFJ Research and Consulting, 2023).

In the establishment questionnaire, the establishment’s survey respondent is asked to

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<sup>40</sup> Under the employment insurance system, workers are not eligible for coverage if, regardless of their job title or employment type at the workplace, their scheduled weekly working hours are less than 20 hours, or if they are employed without the prospect of continuing for at least 31 days. The latter exclusion applies to temporary workers and some regular employees.

provide information on hiring policies, reasons for employing foreign workers and related challenges, staffing shortages or surpluses by job category, and the characteristics of both foreign and Japanese regular employees. In the worker questionnaire, the questions consist of annual items and rotating items that change over a three-year cycle. The annual items include experiences of changing residence status, country or region of birth, schools attended in Japan and abroad, native language, and Japanese language proficiency. In the first year of the rotating items, the survey collected information on the characteristics of foreign workers and their pathways into employment. In the second year, the survey is scheduled to cover topics such as the employment status of spouses, presence and location of children, household income, and remittances to family members in the home country. In the third year, it is planned to examine workers' intentions to change jobs, engagement in side jobs, and participation in self-development activities.

The Survey, which allows foreign workers to respond and provides the option of plain Japanese and enables linkage with the establishment survey, represents a new development in official statistics concerning foreign workers. As the survey continues to be conducted in the future and various challenges become clearer, it is likely that the questions and response options will be revised and that survey methods will be adjusted to improve response rates and data accuracy.

## **VII. Comparison and Selection Among Statistics**

Table 4 provides a summary of the key features of official statistics on foreign nationals explained thus far. Each statistical survey has various features, such as the scope of coverage, frequency of implementation and whether it is a complete enumeration or a sample survey. However, a large sample size or frequent citation does not necessarily guarantee the accuracy of a statistic or the reliability of its results. This section introduces two such examples.

The first example concerns discrepancies in the number of foreign nationals and respondent biases between the SFN and the Census. The SFN targets foreign nationals with a place of residence in Japan, while the Census covers individuals who have been living in Japan for at least three months at the time of the survey or who are expected to reside for three months or more. Although both are complete enumeration surveys, foreign nationals who have left Japan with a re-entry permit at the time of the Census are not included in the Census coverage. On the other hand, the same foreign national would be included in the SFN if they maintain a place of residence in Japan during a temporary return to their home country. Thus, because the two surveys define their target populations differently—actual residence in Japan for the Census versus having a registered place of residence in Japan for the SFN—the reported number of foreign nationals does not match between the two.

Until the 1990s, when residence-based status holders such as “Special Permanent Residents” and “Long-Term Residents” accounted for the majority of foreign nationals residing in Japan, the number of foreign nationals reported in the Census remained stable at 82-86%

Table 4. Characteristics of Official Statistics on Foreign Nationals

	Statistics on Legal Migrants (SLM)	Statistics on Foreign Nationals (SFN)	Population Census	Notification of Employment Status of Foreign Nationals	Basic Survey on Wage Structure (BSWS)	The Survey on Employment Situation of Foreign Workers
Ministry in charge	Ministry of Justice	Ministry of Justice	Ministry of Internal Affairs and Communications	Ministry of Health Labour and Welfare	Ministry of Health Labour and Welfare	Ministry of Health Labour and Welfare
Theme (minor classification)	Migration	Population	Population	-	Wages and working conditions	Wages and working conditions
Statistical type	Business statistics	Business statistics	Fundamental statistics	Business statistics	Fundamental statistics	General statistics
Survey unit	-	-	Households	-	Establishments	Establishments, workers
Start year	1950	1960	1920	1993	1948	2023
Years foreign nationals' data available	1962	1960	1950	2008	2019	2023
Survey frequency	Monthly, annually	Twice a year	Every five years	Annually	Annually	Annually
Administrative records (population)	Master file of immigration records for foreign nationals	Master file of immigration records for foreign nationals	Basic Resident Registration	Notification of Acquisition and Loss of Employment Insurance Coverage, Notification of Employment Status of Foreign Nationals	Establishment Frame Database	Notification of Employment Status of Foreign Nationals Data, employment insurance covered establishments data
Type of survey	Complete enumeration	Complete enumeration	Complete enumeration	Complete enumeration	Sample-based	Sample-based
Sample size	-	-	-	-	78,000 Establishments (2023)	Establishments: 9,000; Foreign regular workers: All if 1–9, 10 if 10 or more
Coverage	Entrants and returnees	Foreign nationals with a residence in Japan	Residents	Employees	Employees	Employees
Groups not covered or not quantifiable in the survey	Workers	Workers	Individuals temporarily abroad with re- entry permits	Special Permanent Residents, Self- employed persons	Special Permanent Residents, self- employed persons, Primary industries, establishments with 4 or fewer regular employees	Special Permanent Residents, self- employed persons, establishments with 4 or fewer employment insurance insured employees
Items not covered in the survey	Labor force status	Labor force status	Status of residence, firm size, wages	Education, occupation, wages	Nationality	Establishments: sales, value added

Note: The SFN was titled "Statistics on Foreigners Registered" until 2011. The Notification of Employment Status of Foreign Nationals is not published on e-Stat, so its statistical category is unspecified. For the Population Census, the first available year is when disaggregated results for Japanese and foreign nationals became accessible on e-Stat. For the "Notification of Employment Status of Foreign Nationals," 2008—the year it became a complete enumeration—is considered the first available year.

Source: Author's compilation



of that in the SFN (Ishikawa, 2005). However, since the 2000s, the gap between the two sources has widened, with the Census figures falling to 77-79% between 2000 and 2015. Furthermore, the recent widening of the gap is not due solely to an increase in temporary departures. As discussed in Section III-2, another major contributing factor is the sharp rise in the number of individuals whose nationality (Japanese/non-Japanese) was classified as “Unknown” in the Census.

Even if the number of foreign nationals recorded in the Census is lower than that in the SFN, bias in means or dispersion coefficients would not be a serious concern as long as the “Unknown” classifications, such as Japanese/non-Japanese, nationality, or labor force status, occur randomly. However, in the case of foreign nationals, nonresponse to the survey is unlikely to occur randomly. For example, it may be more common among those who frequently travel between Japan and their home country for work or family reasons, those whose occupations make them more likely to be absent when Census takers visit, those unfamiliar with the existence of the survey or how to respond, and those who lack nearby Japanese or co-national acquaintances who can assist them in completing the questionnaire. Conversely, foreign nationals who have lived in Japan for a long time who are more aware of the survey or who live in communities where support from coworkers or neighbors is more accessible are likely to be more cooperative with statistical surveys. When individuals with certain attributes are more (or less) likely to respond to a survey, even a complete enumeration may yield results that do not accurately reflect the actual living or working conditions of the population of foreign nationals. Such respondent bias can therefore affect the quality of the survey results.

The second example concerns the discrepancy between the actual employment status of foreign nationals and their self-perception of that status. In the 2020 Census, the number of foreign employees in the agricultural sector was 31,000, while the number reported in the Notification for the same year was 38,000. While the fact that the Census reports fewer foreign employees is consistent with the previous example, the focus here is on the employment status of foreign employees. According to the Census, among foreign employees engaged in agriculture, 13,000 were classified as “Regular employees,” 1,000 as “Temporary employees,” and 17,000 as “Part-time employees and others.” Other statistical surveys<sup>41</sup> confirm that the majority of foreign workers in the agricultural sector are those with a status of TIT or SSW, both of whom are, in principle, employed full-time under direct employment contracts. In contrast, the Census asks respondents to report their employment status based on their job title or designation at the workplace. This suggests that even among foreign workers in the agricultural sector who work in a manner similar to regular employees, a considerable number perceive themselves as being in non-regular positions.

It appears that workers with a status of TIT or SSW tend to have divided self-perceptions of their employment status, influenced by their job titles at the workplace and differences in treatment compared to regular employees working alongside them. Therefore, com-

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<sup>41</sup> Ministry of Agriculture, Forestry and Fisheries, “Acceptance of Foreign Workers in the Agricultural Sector” [<https://www.maff.go.jp/j/keiei/foreigner/attach/pdf/index-189.pdf>]

parisons of employment status between foreign and Japanese nationals using the Census, such as arguments that foreign nationals are more likely to be in non-regular employment than Japanese nationals, may mistakenly reflect differences in self-perception regarding employment status, rather than actual differences in employment arrangements between the two groups.

The two examples discussed here highlight the importance of understanding the characteristics of each statistical source, selecting the one that is appropriate for the research purpose and engaging in accurate analysis within the scope of what the chosen statistic can reliably capture.

## VIII. Conclusions

In Japan, until the early 2010s, the range of information on foreign labor available through official statistics was limited and many characteristics of foreign workers could only be understood through ad hoc surveys conducted by public and private organizations. However, such surveys faced challenges related to the quality of their results, including issues such as non-representative samples and the inability to track changes in the target population over time due to their one-time implementation. Since the late 2010s, with the rapid increase in the number of foreign residents, there has been a growing recognition of the need to continuously understand the working and living conditions of foreign nationals. In response, efforts have been made to enhance official statistics on foreign residents, including improvements to existing surveys and the introduction of new ones. In the future, it will be important to establish a division of roles among surveys with official statistics continuously covering key items while smaller-scale surveys supplement areas that require more timely data or fall outside the scope of official statistics.

However, it is unlikely that the challenges surrounding official statistics, such as a shortage of survey personnel, low usage rates of online surveys, and declining response rates, will improve in the near future. Furthermore, in survey statistics that require responses from foreign nationals themselves, challenges include limited awareness of the survey and language barriers. In surveys completed by employers, there is the additional issue of low response rates among small and medium-sized enterprises, which account for the majority of foreign employment. To produce accurate statistics while reducing the burden on foreign nationals and small and medium-sized enterprises when responding to surveys, one possible approach is to shift the focus from survey-based statistics that rely on their cooperation to greater utilization of administrative records. For example, data such as status of residence application records, labor insurance information, and tax records from corporate and income taxes are highly useful as they can provide accurate information without increasing the burden on respondents. Analyses using such data are likely to provide greater insight into the actual employment conditions of foreign nationals.

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