

ILLEGAL IMMIGRATION IN AMERICA

A Reference Handbook

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Illegal Immigration in Asia: Regional Patterns and a Case Study of Nepalese Workers in Japan

Keiko Yamanaka

By the early 1990s Asia had become one of the most active sites of international labor migration in the world. This was primarily due to its rapidly developing economy and the increasing regional integration that resulted in growing economic disparity between a few rich countries and the many poor neighbors in their region. Illegal immigration, a significant contributor to regional economic development, has emerged as a volatile political issue since the late 1980s. The five developed countries with mature economies—Japan, Korea, Taiwan, Hong Kong, and Singapore—currently import labor, whereas the two recent developers, Malaysia and Thailand, import labor and simultaneously export surplus labor.¹ Most neighbors of these seven labor importers in East, Southeast, and South Asia suffer from stagnant economies and large populations and therefore export abundant surplus labor to the former.

By 1998, the dynamics of regional labor exchange were rapidly changing as the recent economic crisis hit most Asian countries. In many countries, such as Korea, Thailand, and Indonesia, much wealth that had been accumulated as a result of people's hard work during the period of prosperity was reduced overnight to a fraction of its former magnitude, and the once-plentiful employment opportunities abruptly disappeared. As a result, immigrant workers who were once welcomed in the labor-importing countries became scapegoats for their frustrated citizens. Conversely, emigration as an alternative means for economic survival appealed even more than before to desperate citizens in the poor, labor-exporting countries. Here I focus on illegal immigration in Asia up to 1997, when the economic crisis began to take a heavy toll of Asia's immigrants. Although the crisis has already exerted enormous impact on regional labor mi-

Table 20.1
Economic and Demographic Indices of Asian Countries by Status of Global Labor Migration

Labor Migration Status by Country*	1995 GDP (Millions of 1990-dollar) 1	Growth in GDP 1985-1995 (annual %) ¹	GDP in GDP 1985-1995 (annual %) ¹	1995 GDP per Capita (1990-dollar) 1	Growth in GDP Per Capita (%) 1985-1995 1	1996 Population (millions) 2	Pop. Growth 1985-1995 (annual %) ³	Pop. Age < 15 (%) 2	1996 Pop. Urban (%) 2	1996 Infant Mortality Rate 2
LABOR IMPORTING										
Japan	3,127,999	3.0	3.0	25,101	2.6	126.1	0.4	16	78	4
South Korea	363,191	8.8	8.8	8,087	7.8	45.9	1.0	23	74	11
Taiwan	218,955	7.9	7.9	10,268	6.8	21.5	-	24	75	5
Hong Kong	95,619	6.5	6.5	15,616	5.3	6.4	1.2	19	-	-
Singapore	52,540	8.2	8.2	17,590	6.2	3.5	1.8	23	100	4
LABOR IMPORTING & EXPORTING										
Thailand	127,867	9.4	9.4	2,195	8.0	60.1	1.5	30	19	32
Malaysia	64,688	7.7	7.7	3,212	5.0	21.0	2.5	36	51	11
LABOR EXPORTING										
China	658,625	9.7	9.7	549	8.2	12,167	1.3	26	29	31
Philippines	51,820	3.4	3.4	764	1.2	73.4	2.3	38	47	34
Indonesia	149,015	6.6	6.6	755	4.9	204.3	1.8	34	31	66
Vietnam	9,347	5.8	5.8	127	3.6	75.1	2.2	40	20	38
Laos	1,201	5.5	5.5	246	5.5	5.1	3.0	45	19	102
Cambodia	-	-	-	-	-	11.2	3.0	46	13	111
Myanmar	32,701	2.0	2.0	725	0.2	46.8	2.2	36	25	49
India	376,218	5.2	5.2	405	3.3	949.7	2.0	35	26	75
Bangladesh	26,503	4.2	4.2	224	2.4	122.2	2.1	42	16	77
Nepal	3,756	4.8	4.8	175	2.0	22.6	2.1	42	10	79
Sri Lanka	10,359	4.4	4.4	578	3.3	18.7	1.4	35	22	17
Pakistan	48,936	5.1	5.1	359	2.0	137.8	3.1	41	28	91
Iran	112,095	1.4	1.4	1,640	-1.9	67.5	2.7	44	58	53

Note: Countries are listed by geographic location from east to west in each of the three categories.
Source: 1—UNIDO (1997); 2—Population Research Bureau (1997); 3—United Nations (1997).

labor-importing and exporting (Thailand and Malaysia); and (3) labor-exporting (China, Philippines, Indonesia, Vietnam, Laos, Cambodia, Myanmar, India, Bangladesh, Nepal, Sri Lanka, Pakistan, and Iran).

During the decade 1985–1995, the average annual growth rate in gross domestic product (GDP) of each of the five labor-importing countries in Asia ranged from 6.5 percent for Hong Kong to 8.8 percent for Korea. Japan’s economic growth was comparatively small, 3 percent, during this period, but the country’s GDP accounted for 56 percent of the total GDPs of the countries listed in Table 20.1. As a result of such rapid growth, average annual growth rates in GDP per capita of these countries ranged from 2.6 to 7.8 percent, which doubled individual incomes for the decade 1985–1995. The nation with the highest GDP per capita in 1995 was Japan, with U.S. \$25,101, followed by Singapore, Hong Kong, Taiwan, and Korea, in that order, with Korea the lowest at U.S. \$8,087.⁴ Demographic indices of these countries shown in Table 20.1 further demonstrate low population growth, rapidly aging populations, urban concentration, and improved quality of life (measured by the low infant mortality rate).

Malaysia and Thailand, the two countries in the midst of their migration transition, also showed impressive annual growth rates in GDP, 7.7 percent and 9.4 percent, respectively, between 1985 and 1995. The GDP per capita shot up accordingly in each country during the decade, yielding an average annual rate of increase of 5 percent for Malaysia and 8 percent for Thailand. The actual figure for the 1995 GDP per capita was U.S. \$3,212 for Malaysia and U.S. \$2,195 for Thailand, considerably lower than the GDP figures for the five labor-importing countries—for example, one-fifth to one-third of Taiwan’s GDP per capita of U.S. \$10,268. Part of these relatively low income figures is explained by the rapid population growth and the low productivity of their agricultural and informal sectors, which coexist with modernized formal sectors in these countries.

Poor and Stagnant Economies

The “labor-exporting” category of Table 20.1 reveals that China and Indonesia experienced rapid economic growth from 1985 to 1995. China, with the largest population in the world, turned to global trade and succeeded in expanding its domestic production by nearly ten percent annually. Similarly, Indonesia, the fourth most populous country in the world, kept up with neighboring Malaysia and Thailand in industrialization with an annual GDP growth rate of nearly seven percent during the decade. As a result, during this prosperous period both China and Indonesia increased the GDP per capita annually by 8.2 percent and 4.9 percent, respectively. Despite their rapid growth rates in GDP per capita, the actual figure for China’s 1995 GDP per capita was U.S. \$549, and for Indonesia it was U.S. \$755, a mere fraction of the GDP per capita received by citizens of the five labor-importing countries.

Other countries in Table 20.1, the Philippines, Vietnam, Laos, Cambodia,

heavily on the Malaysian labor force across and within its border, although political and social power resides in the dominant population of people of Chinese descent (Wong 1997). Malaysia shares close ethnic and linguistic ties with its large, but poor, neighbor, Indonesia, whose citizens once freely crossed the Strait of Malacca and the Java Sea to Malaysia for settlement and employment (Hugo 1993). Similarly, Hong Kong has been an integral part of southern Chinese culture and society, receiving hundreds of thousands of refugees at times of political upheaval on the mainland despite the fact that the border had been closed since the 1949 communist revolution (Lui Ting 1987). Korea faces the problem of an estimated 2 million people of Korean descent whose ancestors fled the aftermath of the 1951–1953 Korean War to northeastern China, now seeking better economic opportunities in Korea—their recently wealthy ancestral homeland—often as illegal immigrants (Park 1995). Thailand shares, with poor neighbors Myanmar, Laos, and Cambodia, a long land border cutting across dense jungles and rugged hills, which presents them with the impossible task of controlling widespread illegal immigration (Stern 1996). In each of these examples, geographic proximity reinforces cultural and linguistic ties connecting people across national borders.

Past studies have found that these international historical, cultural, and personal ties play critical roles in international migration because they greatly facilitate entry, employment, and settlement in the host country (Kritz, Lim, and Zlotnik 1992). Such “a complex web of social roles and interpersonal relationships” (Boyd 1989: 639) leads to a rapid development of extensive information networks linking migrants at their destination with one another and with their kinsmen at their place of origin. Once the migrants’ networks are established in the host country, they tend to grow into small-scale ethnic communities with their own institutions and enterprises (Castles and Miller 1993: 25). Restrictive immigration policies, fluctuating business cycles, and public opinion hostile to immigrants and ethnic minorities can negatively affect the development of ethnic communities. However, ethnic communities tend to remain resilient and flexible because family and community ties sustain the flow of immigrants into the host country, while growing ethnic enterprises absorb incoming immigrants into the workforce. Until recently, illegal immigration in Asian labor-importing countries rarely became a serious political problem precisely because close ethnic and cultural ties absorbed migrants into the social and economic fabrics of the receiving country (Hugo 1993, 1995).

Immigration Policy and Control

Host governments have tolerated illegal immigration for other important economic reasons as well. Unchecked flows of unskilled foreigners alleviate labor shortages and fuel economic growth in the short run (Pillai 1995). They provide inexpensive, tractable labor much needed by industry to create competitive economic advantage in the global market. In the long run, however, the growing

presence of these employees is often perceived as threatening harm to the host country’s economy. Immigrant workers, by replacing domestic workers in low-skilled and low-paid jobs, raise the possibility that unemployment rates will rise, ineffective industries will be preserved, and exploitative work conditions will prevail. The growing number of low-paid foreign workers may be thought to contribute to ethnic conflict, rising crime, and disruption of the social fabric of the nation. Their presence is often used by politicians to arouse exaggerated fears not only of negative economic consequences but of threat to national security and sovereignty.

Policymakers, caught in the dilemma between the need to import labor and the consequences of doing so, typically respond in ad hoc fashion. That is, they first permit entry of a small number of unskilled workers to ameliorate an acute labor shortage. Then, as demand for labor increases, they allow greater numbers to enter. Asian governments have, in this process, repeated exactly what their American and European counterparts did in the 1950s and 1960s. By the mid-1990s, however, each of the seven Asian labor-importing countries had arrived at policy decisions regarding principles, legal codes, and contract labor schemes with which to deal with unskilled immigrants. The metaphor of a door is often used in international migration literature in describing a country’s immigration policy as symbolic of the permeability of the country’s borders to foreigners.⁷ The policy decisions of these labor-importing nations reflect the historical experience, political ideology, and population composition of the host country. They can be classified into three distinctive models of principles and mechanisms for control of immigrants. Employing the door metaphor, these can be described as (1) the “front door” policy adopted by Singapore, Hong Kong, and Taiwan; (2) the “loose door” policy maintained by Malaysia and Thailand; and (3) the “back door” policy employed by Japan and Korea.

Here, a country is regarded as having a “front door policy” when it officially makes contract labor programs available to unskilled foreigners who are thereby permitted to enter the country for lawful employment under closely monitored controls. A country has a “loose door policy” when it makes available contract programs for unskilled foreigners but is unable to control its borders (for geographic, cultural, and/or political reasons), with the result that many immigrants are able to enter unnoticed. Finally, a country has a “back door policy” when it officially prohibits all unskilled foreigners from being employed and maintains effective enforcement mechanisms but in practice admits them under artificial “contract labor programs” designed to allow their entry when needed. In the “front door policy” countries, illegal immigration has been sharply curtailed. In the “loose door” and “back door” countries, however, large numbers of illegal immigrants enter, posing serious political and social problems (see Table 20.2).⁸

Front Door Policy. Singapore, Hong Kong, and Taiwan, the three major Asian countries that follow a “front door policy,” import unskilled labor through a number of state-run programs for labor-short industries, including

manufacturing, construction, marine, and retail and domestic and personal services. By the 1990s all three countries had moved their labor-intensive production to other countries with low labor costs, while upgrading the domestic economy from manufacturing-based to service- and information-based. This industrial restructuring reduced significantly the dependence on foreign labor in manufacturing industries. Foreign workers, mostly from neighboring Asian countries, are still in strong demand by employers in large construction projects, small-scale manufacturing, nursing institutions, and private homes. Because a high proportion of female immigrants work as domestic helpers in the three countries, gender plays an important role in determining patterns of immigration and their employment. Domestic service providers are predominantly from the Philippines but increasingly include those from Thailand and Sri Lanka (Cheng 1996; Constable 1997).

Illegal immigration occurs, albeit small in volume, in these "front door policy" countries, despite stringent enforcement of controls. It most commonly takes the form of overstaying a valid work or tourist visa beyond its expiration (Sullivan, Gunasekaran, and Sununta 1992; Tsay 1992). A legal immigrant can also become illegal by changing an employer without authorization. Employers may violate immigration and labor laws by failing to register their foreign workers in order to evade the payment of expensive levies, security bonds, and other fees required by law. They may also ignore the ceilings set for the maximum proportion of foreign workers allowable by law in each industry ("dependency ceilings"), the purpose of which is to maintain a balance between the immigrant pool and the domestic labor force. Each state imposes criminal penalties on all violators—immigrants, employers, and their intermediaries. Penalties include steep fines, imprisonment, and, in the case of Singapore, three strokes of the cane.

Loose Door Policy. Malaysia and Thailand, with their porous borders, are home to a large number of illegal immigrants, mostly from culturally similar and geographically adjacent neighbors of Indonesia, in the case of Malaysia, and Myanmar, in the case of Thailand. The Malaysian government permits more than 700,000 contract workers to labor in plantation agriculture, construction sites, manufacturing factories, and private homes. In the remote plantations of both peninsular and east Malaysia, however, illegal immigration is widespread. While accurate statistics are unavailable, it is estimated that they number at least a million. This significantly weakens the Malaysian government's ability to manage its economy. Therefore, the "loose door policy" is actually less a policy than a de facto consequence of the failure of the government to control its borders. Despite considerable monetary and physical risks, Indonesian migrants employ clandestine brokers to arrange illegal entry and employment in Malaysia and Singapore (and the Middle East) (Hugo 1993; Spaan 1994). Small-scale Malaysian employers are inclined to hire illegal immigrants rather than contract workers, because abiding by the law entails going through a bureaucratic quagmire and waiting several months for workers to arrive.

Thailand, whose labor importation began only in the early 1990s, has not yet developed contract labor programs for unskilled foreigners. The lack of legal procedures, together with ineffective border control, has left the country largely defenseless against illegal immigration. The Thai government estimated 525,000 illegal workers in 1994. Two-thirds of the immigrants were Burmese, many of whom were ethnic minorities fleeing persecution by the military regime in their homeland. In Thailand's southwestern, northern, and eastern border provinces, illegal immigrants arrive on foot or by boat in search of employment in farming, fishing, construction, textile and footwear manufacturing, domestic service, and prostitution (Stern 1996; Human Rights Watch 1993). Border control officers often extort bribes from illegal entrants. Moreover, the lack of effective enforcement, together with the low wages required, encourages Thai employers to hire illegal foreigners. The Thai government has failed to establish a contract labor program for unskilled foreigners such as those found in Singapore and Malaysia. In order to deal with the large, but unknown, number of undocumented immigrants in its country, the government introduced, between September and November 1996, an amnesty for illegal immigrants, of whom 372,000 reported and were granted two-year work permits. This number is believed to represent about half of the total estimated to have been—and still remain—in the country.

Back Door Policy. Japan and Korea, both wealthy Far Eastern countries with relatively homogeneous populations, permit foreigners to work only in selected skilled occupations. Despite this restrictive rule shutting the door against unskilled foreigners, both countries are home to hundreds of thousands of unskilled immigrants who have entered as legal residents, workers, and tourists. In 1990 Japan opened its doors to South Americans of Japanese descent up to the third generation, most of whom lived in Brazil. As a result more than 200,000 such people were in Japan in 1996 to enter its unskilled labor market, working on assembly lines in manufacturing industries (Yamanaka 1996). Japan also grants limited-term visas to company "trainees," mostly from other Asian countries, to work in similar jobs in order to learn new skills. In 1996, there were 21,000 trainees in Japan.⁹ In addition, foreign students are allowed to work for twenty hours per week while pursuing their studies. Finally, female entertainers enter and work legally as singers and dancers in bars and cabarets for limited periods (Piquero-Ballescas 1992). Adding to the 300,000 such legal immigrant workers, an estimated 284,000 illegal immigrants, mostly tourist visa-overstayers from other Asian countries, were working in Japan in construction, manufacturing, and service jobs, long shunned by the majority middle-class Japanese.

Korea's immigration policy resembles Japan's in its restrictions on unskilled labor but for reasons of national security gives no exemption to Chinese of Korean descent to work legally in the country, as Japan does to South Americans of Japanese descent to work in Japan. Like Japan, Korea manages "company trainee" programs. In 1996, 66,000 Asians of diverse nationalities were in such programs.¹⁰ Outside of this narrow legal channel, 130,000 illegal workers (twice as many as the number of company trainees) in the country had overstayed their

Table 20.3
Nepalese Entry into, and Exit from, Japan: 1986–1995

Year	Entries				Exits		Excess: Entries Over Exits [7]****
	All [1]	% Short- term Visa [2]*	Sex Ratio [3]**	% of Males 15-29 Yrs [4]***	Voluntary Exits [5]	Involuntary Exits [6]	
1986	986	69.2	457	38.4	867	0	119
1987	1,292	69.4	595	40.4	1,089	1	202
1988	1,671	76.3	593	47.2	1,311	11	349
1989	2,964	83.0	818	52.9	2,020	37	907
1990	1,671	65.2	533	41.6	1,145	394	132
1991	2,154	66.4	492	42.3	1,127	93	934
1992	1,982	60.1	445	33.5	1,136	127	719
1993	1,837	59.4	420	28.8	1,178	209	450
1994	2,174	58.8	394	27.3	1,840	244	90
1995	2,686	58.3	355	26.7	2,025	269	392
Total	19,417	66.4	542	38.3	13,738	1,385	4,294

Source: Japanese Ministry of Justice (1987–1996).

* [2] and [6] show percentages of short-term visas among all entries and exits for the year, respectively.

** [3] shows the numbers of males per 100 females each year.

*** [4] shows the proportion of males, fifteen to twenty-nine years of age, to the total number of male entrants each year.

**** [7] = [1] - [5] - [6].

tion records also reveal a gradually shifting sex ratio of men to women among the Nepalese entrants between 1989 and 1995, from 8 to 1 in 1989, to 3.6 to 1 in 1995.

The estimated total of 3,000 Nepalese visa-overstayers is a mere drop in the ocean of the estimated total of 284,000 visa-overstayers in Japan in 1996 and therefore poses little threat to Japan's immigration control. Significant, however, is the fact that the population of Nepalese overstayers grew rapidly in the ten years following 1986. This pattern of Nepalese immigration growth contrasts sharply with Bangladeshi and Pakistani immigration. Both Bangladesh and Pakistan had established mutual visa exemption agreements with Japan, enabling their nationals to clear immigration checkpoints without difficulty. Many of these arrivals proceeded to overstay their visas and engage in unauthorized employment (Morita and Sassen 1994; Mahmood 1994). The Japanese government reacted *immediately*, canceling the visa exemption agreements with Bangladesh and Pakistan in January 1989. Whereas in 1988 there were 14,500 Bangladeshi and 20,000 Pakistani arrivals in Japan, in 1990 entries dropped drastically to 3,400 for Bangladesh and 7,100 for Pakistan and remained at the same, or even lower, level thereafter. In 1996, 6,500 Bangladeshi and 5,500 Pakistani visa-overstayers were reported in Japan, representing a significant degree of attrition in those populations between 1988 and 1996.

Unlike their South Asian predecessors, Nepalese have never enjoyed the priv-

ilege of visa-exempted free entry into Japan. Nevertheless, despite all governmental efforts to control their entry, Nepalese have sustained a steady flow of arrivals and an increasing visa-overstayer population since 1989. This suggests the importance of migrants' cultural values, antecedent information networks, and strategies to circumvent immigration laws blocking entry to the target country and to enable such migration patterns to endure over time.

The Gurkha Connection

Nepal is made up of many ethnic groups, each with distinctive history, language, and religion (Berreman 1963; Bista 1996). The 1991 Nepalese national census lists sixty ethnic and caste groups within Nepal's 18.5 million population (Nepalese Central Bureau of Statistics 1996). Despite this extraordinary ethnic heterogeneity, the country's economic resources and political power have been historically monopolized by upper-caste, Nepali (i.e., Indo-Aryan)-speaking Hindu elites (Brahmans and Chhetris), accounting for 29 percent of Nepal's 18.5 million population. As ethnic minorities lacking political clout in national politics, Tibeto-Burman-speaking, multiethnic, multilingual, Buddhist/"animist" groups, making up 35.5 percent of the total population, have relied for some 180 years on recruitment into "Gurkha Brigades" of the British and Indian armies for economic survival.

The British were mightily impressed by the skill and gallantry of their defeated adversaries in the Anglo-Nepalese War of 1814–1816. As a result, they were convinced that Gurkha recruitment to their own armies was essential to maintenance of their military supremacy in South Asia. Since then, Gurkhas have fought numerous wars and battles for the British in every corner of the world, as early as the 1817 Pindari and Maratha Wars in India and including the two world wars, the 1982 Falkland Island War with Argentina, and as recently as the 1991 Gulf War (Cross 1985; Des Chene 1993; Pahari 1991). After Indian independence in 1947, most Gurkha battalions were incorporated into the Indian army, but some moved to Southeast Asia with the British, where "insurgents" had become increasingly active in Malaysia, Singapore, Brunei, and Indonesia. In 1970 the British moved their Gurkha Brigades to Hong Kong, where its 8,000 soldiers were deployed primarily in Border Patrols to block illegal immigrants' entrance from mainland China (Pahari 1991: 12). More than 180 years of transnational experience has established the extensive social networks of Gurkhas, often called the "Gurkha Connection," linking soldiers and their families across national boundaries throughout the world (e.g., Banskota 1994).

Between November 1995 and February 1998, I conducted a study among Nepalese immigrants currently working in Hamamatsu and Toyohashi, central Japan, and Nepalese return migrants from Japan in Kathmandu and Pokhara in central and western Nepal, respectively.¹¹ Systematic interviews and survey data were collected from 159 men and thirty women, supplemented by informal in-

struction industries. Hamamatsu, a city of .5 million in western Shizuoka Prefecture, is a center for Japan's lifeline automobile and motorcycle industries. It harbors the headquarters of several major companies, including Suzuki, Yamaha, and Honda. Near Toyohashi, a city of 350,000 in eastern Aichi Prefecture adjacent to Hamamatsu, is Toyota City, home of another giant automaker, Toyota.

Altogether, Hamamatsu and Toyohashi are home to tens of thousands of small- to large-scale subcontractors supplying the parts assembled by automobile manufacturing companies ("automakers") to become vehicles. The industrial structure connecting an automaker with its numerous parts suppliers has historically comprised a pyramidal hierarchy of dependency. Automakers—a few very large corporations that assemble automobiles—are at the top of the hierarchy. They obtain the components to be assembled from large, "first-order" contractors who, in turn, obtain constituent parts of the components from numerous "second-order" contractors. The process continues down to third- and even fourth-order contractors. In one instance, a single automaker drew upon 47,308 contractors in a three-level hierarchy (Ito 1993: 86). Statistics on Hamamatsu's manufacturing establishments confirm these unequal hierarchical relationships. An overwhelming eighty seven percent of the establishments in the automobile industry there have fewer than thirty employees, which suggests that most establishments are small, third-order or even "fourth"-order subcontractors (Hamamatsu City 1991).

Immigrant workers, both legal and illegal, find this area (referred to later as the Tokai region) attractive because of its chronic labor shortage among small-scale subcontractors. In 1997 more than 8,000 Brazilians of Japanese descent (called *Nikkeijin*, literally, people of Japanese descent) registered as long-term residents in Hamamatsu alone. The number of illegal immigrants in Tokai is difficult to estimate, but there are substantial numbers, mostly from Asia, including an estimated 500 Nepalese.¹⁴ Following the 1990 immigration reform establishing the illegality of hiring unskilled foreigners, many Japanese companies, threatened by criminal penalties, replaced illegal workers with legal *Nikkeijin* workers. An important question arising from the newly emerging availability of foreign workers concerns the structure of the low-skilled labor force as it is stratified according to workers' collective characteristics: nationality (whether Japanese or not), ethnicity (whether of Japanese descent or not), and legality (whether legal resident or not). The relationships between these workers' characteristics and employers' characteristics (i.e., the industry in which the employer is engaged and the relative size of the employers' organizations) are the subject of the next section.

Employment and Wages

As might be expected from the existing hierarchical industrial structure, 75 percent of 150 Nepalese men and 77 percent of twenty six women work in factories manufacturing automobile parts of plastic and metal. Most of the rest

are working in construction industries, building private homes and public roads. More than half are employed by establishments with fewer than thirty employees. Those who report being employed by larger establishments are hired by labor contractors who, in turn, dispatch them to their jobs in large factories. Despite employment in such peripheral sectors of the industries, Nepalese workers report wages comparable to those of *Nikkeijin* and even of Japanese co-workers. On the average, Nepalese men earn 1,125 yen per hour (roughly U.S. \$11.25), and women earn 835 yen (U.S. \$8.35). In Kathmandu, the average monthly income for a government official or university professor is about 5,000 Nepal rupees (roughly U.S. \$100).¹⁵ In Tokai, an illegal, unskilled male makes that amount in a single day.

A breakdown of their hourly wage data (unreported here) further reveals that, while workers' age, education, and ethnicity/caste have little relationship to their wage levels, the type of industry in which they are employed, the years spent in Japan, and the number of job changes all make small, but systematic, statistically significant differences in their earnings. This means that regardless of company size, workers' wages are higher in construction industries than in manufacturing or service employment and that they tend to increase as workers' work experience and Japanese cultural competence increase over time. Moreover, comparisons of average monthly wages (not reported here) among illegal Nepalese, legal *Nikkeijin*, and Japanese workers in the manufacturing industry demonstrate an important finding: differences in national, ethnic, or legal status do not appear to contribute to significant wage differences. This suggests that Japanese small-scale employers place a high value on Nepalese workers' willingness and physical capacity for intensive labor in construction and manufacturing. It should be noted, however, that research clearly shows that regardless of nationality, ethnicity, or legal status, gender divides and ranks workers in Japan according to well-established patterns of wage and social discrimination against women (cf., Brinton 1993).

Roles of Illegal Workers

Japanese employers, although willing to pay the Nepalese hourly wages nearly equivalent to those of other workers, save significant labor costs by not granting them the numerous expensive benefits, entitlements, and job security that are granted to Japanese and (to a limited degree) legal *Nikkeijin* workers. Clearly, the relatively inexpensive and flexible labor that illegal workers offer to peripheral employers motivates them to employ illegals at standard wages. For them, hiring illegal workers increases profits while costing little. Although criminal penalties for hiring illegal workers have existed since 1990, the Japanese government has rarely enforced them. This is a manifestation of the "back door policy." It suggests that the aim of the penalty code is to discourage employment of illegals rather than to eradicate the practice. The following statement from an interview with the president of a manufacturing factory with twenty-seven

duction and is therefore largely irrelevant and unrelated to quality of life for subsistence farmers and peasants in countries whose agricultural production is not directly linked to the national economy (see Nader and Beckerman 1978).

6. In September 1985 financial representatives of the Group of Five—the United States, Japan, West Germany, France, and the United Kingdom—convened in the Plaza Hotel, New York City, where they issued the “Plaza Agreement,” devaluing the U.S. dollar in relation to other major currencies (Schaeffer 1997: 48). As a result, the conversion rate for Japanese yen, for example, rose from 254 to the dollar in 1985 to 185 in 1986, to 151 in 1987, and to 127 in 1988, having thus doubled in value over these three years (Japanese Statistical Bureau 1998: 430).

7. An example is David M. Reimers’ *Still the Golden Door* (New York: Columbia University Press, 1992), referring to the United States as a destination attractive to Third World immigrants in the post-1965 Immigration Act era.

8. Information in Table 20.2 is drawn from many sources: for Singapore, Soon-Beng and Chew (1995), Wong (1997), Hui (1998); for Hong Kong, Skeldon (1995) and Levin and Chiu (1998); for Taiwan, Tsay (1995); for Malaysia, Pillai (1995) and Pillai and Yusof (1998); for Thailand, Sussangkarn (1995) and Chalamwong (1998); for Japan, Okunishi (1995), Iguchi (1998) and Japan Immigration Association (1997); for Korea, Park (1995, 1998).

9. Trainees are recruited through four channels: (1) governmental agencies and international organizations; (2) private corporations; (3) intermediary organizations; and (4) the Japan International Training Cooperation Organization. In many cases of private recruitment of trainees for subsidiaries or joint-venture companies overseas, Japanese employers treat trainees as substitute labor on the assembly line (Oishi 1995).

10. Foreign trainees in Korea come from fourteen selected countries through two channels: (1) foreign affiliates of Korean firms and (2) the Foreign Training Cooperation Corps (FTCO) under auspices of the Korea Federation of Small Business (Park 1998). The majority of foreign trainees arrive through the second channel and work as unskilled laborers in labor-short companies in the manufacturing industries.

11. For research methods employed in this study and findings from analyses of the Nepalese data, see Yamanaka (1998).

12. Information on the current numbers of Gurkha soldiers and ex-soldiers was obtained in interviews with Major Dipak Bahadur Gurung (December 17, 1997, Kathmandu) and the Singapore Gurkha Pensioners’ Association (December 18, 1997, Kathmandu). See also Aryal (1997).

13. This finding was derived from comparison of the two groups of Nepalese migrants to Japan: (1) the “Gurkha group” (N = 131), comprising members of eight nonelite, Tibeto-Burman language-speaking peoples; and (2) the “non-Gurkha group” (N = 58), including three power elite groups: two Indo-Aryan (Nepali)-speaking castes, Brahmans and Chhetris, and one Tibeto-Burman-speaking group, Newars.

14. The remaining Nepalese workers are mostly in the Greater Tokyo Metropolitan Area laboring in restaurants, laundries, printing shops, and meat-processing centers.

15. Japanese yen were valued at 107 per U.S. dollar in 1994, 93 in 1995, and 106 in 1996 (Japanese Statistical Bureau 1998). The figure of 100 yen per dollar is used here for convenience. During this period the Nepalese rupee was valued at about fifty per U.S. dollar.

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