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REMITTANCES FROM JAPAN TO BRAZIL: TRANSNATIONAL CONNECTIONS OF "DEKASSEGUI" MIGRANTS

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1. “Discovering” migrants: the power of remittances

“Dekassegui” (decasségui): Brazilian migrants in Japan. This term has been recently incorporated into the major Brazilian dictionary Dicionário Houaiss.

A 13 March 1996 article in *O Estado de S.Paulo* (one of Brazil's leading newspapers), provides an example of how the contributions of dekasseguis turned into an important issue for both the public and private sectors:

" Dekasseguis today guarantee the account balance of our country with their **remittances of more than US\$ 2 billion**. In Japan, they contribute an estimated **\$ 250 million in taxes** to the central, provincial, and local governments. And they spend at least **\$ 350 million per year** in international phone calls. Part of this money goes to the Brazilian Telephone Company. The average account balance of the more than **33,000** people in branches of the *Banco do Brasil* in Tokyo and Hamamatsu is **\$25,000.**"

(13 March 1996 article in *O Estado de S.Paulo*, cited in the book *Searching for Home Abroad - Japanese-Brazilians and Transnationalism*)

The media has emphasized the significance of the economic contribution of Brazilian migrants who work in Japan: references to the "remittances" have been recurrent in most of reports.

Brazilian government's "Policy of Assistance for Citizens Living Abroad".

A new Consulate in Nagoya; and the creation of the so-called Conselhos de Cidadãos (Citizens' Council) in Tokyo and Nagoya Consulates.

2. *Dekasseguis*: Who are those migrants

Brazilians in Japan differ from Brazilian migrants in other countries.

The majority of migrants are of Japanese descent, due to the Japanese government's migration policy.

The reform on the Immigration Law in 1990.

Most of Brazilians in Japan are living and working with a legal status.

The so-called Dekassegui boom occurred on the early 90s. Since then, the number of Brazilians suffered a minor reduction only once, and has increased year by year, as shown on Table 1.

Table 1: Number of foreign nationals in Japan

Nationality	1995	1997	1999	2001	2003
Korea*	666,376	645,373	636,548	632,405	613,791
China	222,921	262,164	294,201	381,225	462,396
Brazil	176,440	233,254	224,299	265,902	274,700
Philippines	74,297	93,265	115,685	156,667	185,237
Peru	36,269	40,394	42,773	50,052	53,649
U.S.A.	43,198	43,090	42,802	46,244	47,836
Others	142,800	174,567	199,805	245,907	277,421
Total	1,362,371	1,482,707	1,556,113	1,778,462	1,915,030

Source: Japanese Ministry of Justice, Dec. 2003

(*)Includes North and South Koreans

286,577 Brazilians nationals with Alien Registration in Japan (Dec. 2004).

Brazilians are the third-largest foreign community in Japan after Koreans and Chinese: the main "newcomer" ethnic minority in Japan.

The number of Brazilians in Japan may be larger than statistics show, since first-generation Japanese-Brazilians who have not renounced Japanese nationality do not need visas to enter and work in Japan and therefore are not counted.

The majority of these Brazilians are economically active: 20 to 39 years old.

Initially, the majority of migrants were single male. Recently, the gender balance has been more equilibrated: in late 2003, there were 151.136 men against 123.564 women.

Although Brazilians are present in all 47 Japanese prefectures, they are concentrated on the industrialized prefectures, where they work as non-skilled, manual laborers.

A recent trend is that many Brazilians launched businesses for compatriots (the so-called "ethnic businesses"), and many migrants have moved from the factories to white-collar jobs within the ethnic market.

10,568 Brazilians got the Permanent Visa (Eijuusha) as of 2003. It is 16 times more than in 1998.

This number does not mean necessarily that Brazilians intend to stay "forever" in Japan. They may be recurring to this for pragmatic motivations, as they want to be freed from the inconvenience of renewing the visa on a 3-year basis.

Table 2 - Number of Permanent Visa (Eijusha) issued for residents of Brazilian nationality

1999	2000	2001	2002	2003
4,592	9,062	20,227	31,203	41,771

Source: Ministry of Justice of Japan

Should the term "Dekassegui" be replaced by "Immigrant"?

Some Brazilians in Japan now are identifying themselves as "immigrants".

A network called Gaikokujin Shuju Toshi Kaigui (Committee for Localities with a Concentrated Foreigner Population).

Table 3 shows the massive presence of Brazilians in each municipality.

Table 3-Cities with a significant presence of foreigners (mainly Brazilians)

Municipality	Population	Number of Foreigners *	% of total population	Number Of Brazilians	Nationality 1 st	Nationality 2 nd .	Nationality 3 rd .
Oizumi (Gunma)	42,573	6,217	14.6	4,686	Brazil	Peru	Philippines
Toyota (Aichi)	344,549	11,162	3.2	5,396	Brazil	Korea	China
Suzuka (Me)	194,176	6,969	3.6	3,715	Brazil	Peru	Korea
Minokamo (Gifu)	50,820	3,475	6.8	2,407	Brazil	Philippines	China
Utsunomiya (Nagano)	109,434	2,902	2.7	1,650	Brazil	China	Philippines
Iwata (Shizuoka)	90,128	4,112	4.6	2,556	Brazil	China	Philippines
Kosai (Shizuoka)	44,601	2,528	5.7	1,745	Brazil	Peru	Indonesia
Hamamatsu (Shizuoka)	596,988	21,068	3.5	11,716	Brazil	Philippines	Peru

Source: Gaikokujin Shuju Toshikaigui

3. Japan-Brazil route: how the money is sent

The Portuguese language media enables migrants to have fast and reliable information, including how and where to make remittances.

Informal means include mailing cash in letters and people who bring the money with them.

Compared to other remittance markets, the Japan-Brazil route is a role model as the majority of the remittances are made through official channels, within the formal financial system.

Both senders and receivers of these money transfers are well served by banks in Brazil and Japan.

Banco do Brasil has virtual monopoly of the market. Branches even in small cities such as Ueda, in Nagano Prefecture, a mountain region where an increasing number of Brazilians have moved to.

Recently, two of the biggest private banks in Brazil - Bradesco and Itaú -- have made an intensive campaign through the Brazilian TV channel and Portuguese language newspapers in Japan regarding their Remittance service.

The campaign of Itaú on newspapers both in Japan and Brazil is also meaningful for detecting what are the needs of Brazilians in Japan: "*Seguro para quem envia, fácil para quem recebe*" ("Secure for who sends, easy for who receives")

"A maneira mais simples e rápida de enviar segurança"
("The most simple and fast way of sending security").

It may be important to say that these advertisements have targeted not only the senders of remittances in Japan, but also the potential receivers of those remittances in Brazil, with advertisements published in the main newspapers of Japanese immigrants in São Paulo.

Many services are available:

24-hour telephone remittance service; fax remittance; Internet banking remittance; from the Japanese Postal Offices' ATM; from Japanese banks' ATM; from convenience stores' ATM.

Low fees which vary from USD 9 to USD 19.

Around 50% of remittances are made in amounts of up to USD 500.

Special services such as forms and assistance in Portuguese, as well as longer working hours for telephone assistance to accommodate the free time of Brazilians.

(According to Tsutomu Sakoda, general manager of Tokyo branch of Santander Banespa Bank).

A survey made by IDB with the recipients of remittances in Brazil has found that the amount of the remittances is considerably higher than what is remitted from other regions.

While only 2% of the remittances from USA and Europe surpassed US\$ 1000, among Brazilians in Japan this number jumped to 19%.

Migrants are very sensitive to the floatation of the exchange rates. Many of them check the Dollar-Yen-Real rates on a daily basis through various media.

Table 4 - Correlation between "Savings in Japan" and "Remittances to Brazil"

Respondents (% of total)

I made a shift from Remittances to Savings	390 (26.5%)
From a certain moment, I reduced the remittances	299 (20.3%)
I always remit a certain amount to Brazil	239 (16.2%)
I have made almost no savings, and no remittances as well	220 (14.9%)
I always have made savings	186 (12.6%)
From a certain moment, my savings have decreased	90 (6.1%)
I made a shift from Savings to Remittances	46 (3.1%)
My savings and remittances have both decreased	3 (0.2%)

Source: Hitotsubashi Daigaku Shakaigakubu (1999: p.75)

Some migrants are reducing remittances in behalf of savings.

The same study detected that, along with "recession" (which is an external factor, out of the migrant's control), some changes on migrants' strategies have affected their remittances and savings (See Table 5):

Table 5 - Reasons for changes in the Remittances or Savings during the period of stay in Japan

	Respondents (% of total)
My incomes have decreased due to the recession	150 (38.8%)
My expenditures have increased	74 (19.1%)
Other reasons	69 (17.8%)
I have brought my wife and children to Japan	48 (12.4%)
I have bought something in Japan	17 (4.4%)

Source: Hitotsubashi Daigaku Shakaigakubu (1999)

Many migrants are "expending more" and "bringing wife and children to Japan". Some of them are even buying a house in Japan. People who bought only the essential for "surviving" now buy more goods for their comfort.

Two opposite discourses are circulating among Brazilians in Japan. One is that migrants should take advantage of the goods and services that only may be accessed in the "First World" country. In 2005, it was launched the *Jornal do Carro* (*Car Journal*), targeting Brazilians who want to invest their money in powering their cars.

On the other hand, there are strong voices alerting that Brazilians should save more than spend.

For instance, the "Guia do Milionário" (Guide of the Millionaire), a local program aired on Brazilian TV channel in Japan, not only provides information on how to save money, but has presenters who insist that "Don't forget we are here (in Japan) to save money!".

4. The destiny of the money - dilemmas and challenges

When asked about "How is the remittance used?" by the IDB Survey, 46% of Brazilians answered "Daily expenditures", which is less than the 54% who answered "Investments". These findings are consistent with the general view that a significant number of Brazilians of Japanese descent do not depend on remittances for surviving.

1,280,000 Japanese immigrants and Brazilians of Japanese descent, mostly of "urban middle class" background (1988 census).

90% of Japanese-Brazilians lived in urban areas, with only 23 percent of them earning less than five minimum-salaries a month.

On the "remittances" issue, one could not talk about Japanese-Brazilians as a whole, due to the regional disparities in Brazil (Table 6).

Table 6 - Do Families left in Brazil rely on remittances of migrants?

	Tom̃ -A" u (Par State, North of Brazil)	Cocuera (Mogi das Cruzes, near S o Paulo City)
Incomes of the family left in Brazil:		
Doesn't depend	46.2%	100.0%
Remittances + Incomes in Brazil	39.3%	-----
Depends entirely on remittances	10.7%	-----
No Answer	3.6%	-----
Receiving remittances from Japan?		
Yes	67.9%	33.3%
No	28.6%	66.7%
No Answer	3.5%	-----

Source: Kyodo Kenkyu Dekasegi Nikkei Burajirujin (1995)

On a wealthy locality near São Paulo City, none of the inhabitants depended on remittances, while in another city in the less wealthy region of Brazil, half of the respondents depended on remittances.

Social and economic conditions of the homeland (on national and local levels) have resulted in clearly different behaviors.

We should not, however, overestimate this regional disparity, as the absolute majority of Japanese-Brazilians live in São Paulo and Paraná States -- two of the wealthiest regions in the country.

The typical goals of Dekassegui migrants: buying a house or apartment, a new car, and starting and/or owning a business.

Many of them have succeeded in buying their cars and houses -- even provoking a rise on the land prices in small cities like Maringá, in Paraná state.

That is why there is a consensus that the challenge, now, would be help them reach the other dream: to own a business.

My perception is that remittances sent from Japan to Brazil are helping recipients to get some typical middle-class wishes (electronic goods, travels, and leisure), and not necessarily to pay for the very basic expenses of the daily life (such as food and clothes)

Entrepreneurship – how to read the numbers

"Do you have any plans to start your own business in the future?" (IDB Survey): although 40% of the respondents answered "Yes, in your home country", the other answers are a fertile material for discussion, especially if one compares these data with a survey conducted by the Tokyo branch of Banco do Brasil in 1994 among their clients.

I was a member of the so-called "Realize o seu sonho" (Your dream come true) project research group. We sent a questionnaire by mail to 10,000 clients and obtained a feedback from 3,293 of them.

On BB survey, there was the question:

"Which project would you like to make real or is making real?"

"Launch a business in Brazil": 34.86%

"Launch a business in Japan": 2.01%

On the recent IDB survey, a significant change:

"Launch a business in Japan" : 14%.

The assistance for the potential entrepreneurs in Brazil should be complemented by some kind of assistance for migrants who intend to launch a business in Japan.

A recent book: "Como abrir seu negócio no Japão" ("How to launch your business in Japan").

On IDB survey, 1% of respondents expressed their desire to launch a business "in some other country".

Although some people may find this number insignificant, it deserves attention.

I know at least one case of a Brazilian family who made savings in Japan and invested their money in a small hotel in a resort in Bali (Indonesia).

Many Brazilians in Japan have traveled to Asian countries during their stay in Japan: some of them may become interested in owning a business in a third country, outside the Japan-Brazil route.

The 24% of respondents who answered "No" to the question about "starting a business" may include two different groups: people who are conformed with the perspective of a longer stay in Japan as employees, and those who want to restart their lives in Brazil as employees, avoiding risks.

The "Tadaima Project " and the ABD (Brazilian Association of Dekasseguis): supporting Brazilians who returned from Japan and are unemployed.

A more systematic support for people who do NOT want to be entrepreneurs is also an urgent need. Reemployment programs with a specific advice for returnees from abroad may be as effective as the entrepreneurial programs.

Far more complex is to analyze what is hidden in the hearts and minds of the 21% of the respondents who "don't know/No answer" whether they will open a business. This group may include people who are undecided about when and how return to Brazil.

Some of them may want to launch a business, but may be fearing the possibility of "losing everything" (losing all their savings in the case of failure of an enterprise), as many of the respondents of the Banco do Brasil survey in 1994 emphasized.

A common fear of the potential entrepreneurs:
the "economic instability of Brazil".

Another dilemma for many migrants is that they want to maintain the same level of income they earned in Japanese yen upon their return to Brazil. Due to the gap in the cost of life, it is almost impossible to find a job or a business that provides the same profit or salary earned in Japan.

The desire of becoming "transnational entrepreneurs" with a "two countries, double address" life style .

Final remarks

Instituto Nikkei de Intercâmbio Brasil Japão (IBJ), in São Paulo, is trying to attract returnees from Japan to the cities with a high presence of Japanese-Brazilians all over Brazil.

On the opposite direction, the "Expo Business" in Nagoya (Aichi): an incentive for people who own a business in Japan. The 2005 edition of this Expo had an even more distinguished guest: Brazilian President Lula.

The new project of "Dekassegui Empreendedor"(Dekassegui Entrepreneur) launched by IDB through its MIF (Multilateral Investment Fund): migrants are feeling recognized and supported by the public authorities.

This sense of "being supported" may be as decisive as the concrete financial and informational support for those who want to invest their money in the home country.



THANK YOU!

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