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Policy Review: Japan–Philippines Economic Partnership Agreement (JPEPA)—Analysis of a failed nurse migration policy

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ABSTRACT

In 2008, the bilateral Japan–Philippines Economic Partnership Agreement took effect. Contained within this regional free trade agreement are unique provisions allowing exchange of Filipino nurses and healthcare workers to work abroad in Japan. Japan's increasing need for healthcare workers due to its aging demographic and the Philippines need for economic development could have led to shared benefits under the Japan–Philippines Economic Partnership Agreement. However, 4 years following program implementation, results have been disappointing, e.g., only 7% of candidates passing the programs requirements since 2009. These disappointing results represent a policy failure within the current Japan–Philippines Economic Partnership Agreement framework, and point to the need for reform. Hence, amending the current Japan–Philippines Economic Partnership Agreement structure by potentially adopting a USA based approach to licensure examinations and implementing necessary institutional and governance reform measures may be necessary to ensure beneficial healthcare worker migration for both countries.

What is already known about the topic?

- The health worker migration provisions of the JPEPA have been largely criticized as ineffectual, evidenced in the low pass rate of the Filipino nursing candidates.
- The failure of this policy allows for nursing shortages in Japan to continue, while concomitantly Filipino nursing candidates are unable to fully utilize their nursing credentials leading to brain waste.

What this paper adds

- The authors suggest that JPEPA provisions be amended to adopt a nursing licensure system modeled after the USA CGFNS and NCLEX-RN processes.
- The authors suggest governance reform to promote objective assessment and cooperation from the Japanese government to assess the domestic nursing shortage and eliminate intermediary agencies within JPEPA to streamline the current process.

1. Introduction

With an estimated worldwide shortage of 4.3 million healthcare professionals, international migration and recruitment of healthcare workers from developing countries to developed countries has become a pre-eminent issue in global health (Taylor et al., 2011).

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Traditionally, incentives of higher wages, better opportunities for self and families, and better working and living conditions have led to healthcare workers migrating to high-income markets while poor wages, economic and political instabilities, inadequate infrastructure, and higher risks of work-related infections/adverse health outcomes lead them to emigrate out of their origin countries that often already lack adequate health capacity and resources (Aiken et al., 2004). These incentives have also resulted in a one-way outflow of healthcare worker migration when economic and trade incentives encourage some countries to produce and export healthcare workers rather than employ them domestically (Mackey and Liang, 2012).

The Philippines is a prime example of a healthcare worker exporter, specifically for nurses and nurse practitioners. This outward migration is supported by governmental policy viewing nurse export as key to sustained economic growth, largely due to remittance income received from abroad (Aiken et al., 2004). Indeed, it is estimated that Filipino nurses represent almost 1/4th of all nurses who work abroad (Matsuno, 2009). More than 150,000 (~85%) of all Filipino nurses leave to work internationally in countries like the United Kingdom, USA, Saudi Arabia, Ireland, and Singapore, despite there being more than 30,000 nursing positions unfilled in the Philippines domestically (Aiken et al., 2004). Yet, the Philippines is unique to this migration phenomenon in that healthcare workers may not simply be leaving due to poor domestic working or social conditions, but instead strategically depart as part of a nation-wide industry of nurse training and export.

In contrast to the Philippine's nurse export-based economy, Japan has remained a difficult market for foreign healthcare worker emigration. While many developed countries have lowered healthcare worker immigration barriers to address internal shortages, Japan has remained cautious, selective, and restrictive, despite rapidly growing health needs and increasing lack of healthcare worker capacity. This environment has made it difficult for healthcare workers to immigrate to Japan, especially if other destination countries offer commensurate or better pay and working conditions. As of 2008, there were only 199 foreign nationals recorded as healthcare workers in Japan, representing less than 0.003% of the total healthcare worker population (National Statistics Center, 2009, 2012).

With the world's 3rd highest longevity at 83.91 years of life expectancy at birth (Central Intelligence Agency, 2012a), combined with its extremely low fertility rate at 1.39/family (Central Intelligence Agency, 2012b) Japan is in desperate need of qualified healthcare workers due to its growing "upside down" age pyramid. Yet, despite this lack of national health workforce capacity, countries like the Philippines that actively promote nurse export, have not been able to gain successful entry into this market.

Japan's failure to address acute healthcare worker needs with necessary migration reform and the inability of the Philippines to leverage its healthcare worker export industry is not an isolated issue in the discussion regarding unbalanced healthcare worker migration. Indeed, countries in Southeast Asia (e.g. Cambodia, Indonesia, Laos, Myanmar and Vietnam) have more crucial healthcare worker shortages than Japan and have been listed as countries suffering from critical shortages by the World Health Organization (Kanchanachitra et al., 2011). Other southeast Asian countries, such as Indonesia, also actively engage in export and trade of health services through promotion of foreign medical tourism and training of healthcare workers for export, yet continue to fail to meet their domestic health needs (Kanchanachitra et al., 2011; Mackey and Liang, 2013).

In partial response to these challenges, a bilateral investment and free trade agreement, known as the Japan–Philippines Economic Partnership Agreement, was implemented with provisions to enable healthcare worker migration between the two countries. However, some 4 years following its entry, neither Japan, the Philippines, nor affected healthcare workers have sufficiently benefited from its passage.

2. The Japan–Philippines Economic Partnership Agreement

The Japan–Philippines Economic Partnership Agreement is a bilateral trade agreement between the Philippines and Japan outlining certain terms to facilitate trade relations and favorable trading terms. Although the Japan–Philippines Economic Partnership Agreement focuses mainly on tariff reductions, the agreement also contained a very unique bilateral health migration regime that may establish a regional trend for future international norms and practices for movement of healthcare professionals in economic and free trade agreements.

This program was developed to facilitate the exchange and migration of Filipino nurses/other healthcare workers to work in Japan. The Japan–Philippines Economic Partnership Agreement's "Movement of the Natural Persons" chapter includes specific provision for Japanese and Filipino nationals "who engage in supplying services as nurses or certified careworkers or related activities, on the basis of a contract with public or private organizations" to migrate under certain prescribed conditions (The Government of Japan and The Government of the Republic of Philippines, 2006). Although this provision applies to healthcare workers from both countries, the expectation based on current supply and demand is focused upon healthcare workers emigrating out of the Philippines and going to Japan.

The Japan–Philippines Economic Partnership Agreement was signed in 2006 by both the then current Japanese Prime Minister and Filipino President. Japan ratified the Japan–Philippines Economic Partnership Agreement in 2006; however, it took another two years for the Philippines to ratify it in 2008 (Hosono, 2011). This delay was due to strong domestic opposition by Filipino civil society to the conditions of the Japan–Philippines Economic Partnership Agreement, specifically including the terms of the nurse migration program. Concerned Filipino stakeholders formed a coalition named "Junk Japan–Philippines Economic Partnership Agreement" and claimed that qualified nurses would be exploited as cheap laborers and suffer discrimination once arriving in Japan

under the proposed program. Despite these concerns and protest, the Japan–Philippines Economic Partnership Agreement took effect in 2008.

2.1. Japan–Philippines Economic Partnership Agreement processes

According to the Memorandum of Understanding signed between both countries in 2009, the Philippines Overseas Employment Administration, within the Department of Labor and Employment, acts as the sole Filipino deploying agency for this regime (The Philippine Overseas Employment Administration and Japanese International Corporation of Welfare Services, 2009). The Philippines Overseas Employment Administration recruits and creates a List of Candidates for those who are deemed qualified as nurses under Philippine laws and regulations, including at least three years of clinical experience (The Philippine Overseas Employment Administration and Japanese International Corporation of Welfare Services, 2009). On the receiving end, the Japanese International Corporation of Welfare Services (Japanese International Corporation of Welfare Services) acts as the sole accepting agency, screening and matching candidates to accepting/participating Japanese hospitals (The Philippine Overseas Employment Administration and Japanese International Corporation of Welfare Services, 2009).

Once an appropriate match is made, candidates enter into formal employment contracts between candidates and accepting hospitals, and candidates are required to complete 3 months of Japanese Language Training in the Philippines, followed by 6 months of additional language training and introduction to Japanese nurse training courses (The Philippine Overseas Employment Administration and Japanese International Corporation of Welfare Services, 2009). Importantly, in order to fulfill requirements and residence in Japan as a qualified nurse, candidates must pass a mandatory credentialing written test in Japanese language given on detailed medical terminology, within three years of arriving.

3. Current Japan–Philippines Economic Partnership Agreement concerns

In conducting policy analysis to effectively assess the success or failure of the nursing migration provisions of the Japan–Philippines Economic Partnership Agreement, we examined a range of criteria that indicate performance of the programs. These included: (a) language testing and licensure passage rates for Filipino nursing candidates over the operation of the program; (b) utilization or underutilization of professional skills of candidates; (c) policy intent of the Japanese and Philippine government in pursuing the Japan–Philippines Economic Partnership Agreement and implementation of such policy; and (d) measuring the cost-effectiveness of the program for participants. Below we detail our assessment of this range of criteria to determine relative policy effectiveness.

3.1. Low passage rates

Low nursing applicant pass rates under the Japan–Philippines Economic Partnership Agreement demonstrate how poorly the migration provisions of the trade agreement have been structured and implemented. This is primarily due to the strict time-limited training and language testing requirements that are proscribed by the trade agreement, though lack of sufficient economic support to provide standardized training and learning tools for candidates have also been cited as key challenges to successful implementation (Naiki, n.d.) In 2010, which marked the first year of Japan–Philippines Economic Partnership Agreement program implementation and administration of the national examination, only one Filipino nurse out of 59 passed the test (Fig. 1) (Ministry of Health, Labour and Welfare, 2012a). In 2011, again, only one Filipino applicant of 113 passed (Figure 1), whereas the overall passing rate including Japanese natives was 91.8% (Ministry of Health, Labour and Welfare, 2011).

Following this dismal showing, the test was modified by easing certain language requirements, specifically by placing *Hiragana* rubric in Chinese characters as well as placing an English translation in medical terminology. This was designed to allow ease of reading and comprehension for non-native Japanese speakers. The pass rate slightly improved following this change with the third round of testing with the modifications implemented, yielding a pass rate of 13 Filipino nurses in 2012 (Fig. 1) (Ministry of Health, Labour and Welfare, 2012b). Although the pass rate showed some improvement following these modification, the thirteen passing nurses still only accounted for 8% of the total 158 Filipino examinees, leaving the majority of

Entry year	Total Number of Candidates	2010 Test		2011 Test		2012 Test		Overall	
		Applicants	Numbers Passed	Applicants	Numbers Passed	Applicants	Numbers Passed	Numbers Passed	Percentage of those who passed
2009	93	59	1	73	1	60	9	11	11.83%
2010	46	n/a	n/a	40	0	39	4	4	8.70%
2011	70	n/a	n/a	n/a	n/a	59	0	0	0.00%
TOTAL	209	59	1	113	1	158	13	15	7.18%
		1.69%		0.88%		8.23%			

Fig. 1. Filipino nursing applicant passage rates under Japan–Philippines Economic Partnership Agreement.

candidates in the "failure" category (Ministry of Health, Labour and Welfare, 2012b).

3.2. Brain waste

According to a 2010 survey conducted by Japanese International Corporation of Welfare Services, before Filipino nursing candidates pass the required licensure examination, most of them work as a nurse's aide, whose duties include much less technical tasks (e.g., patient transportation, changing bedding sheets, feeding assistance, and bathing assistance) (Japanese International Corporation of Welfare Services, 2010). As Filipino nursing candidates struggle to pass the annual credentialing exam, they are not permitted to perform professional nursing duties they could have otherwise performed in the Philippines.

This often-indefinite delay in licensure leads to "brain waste" where healthcare workers are overqualified to perform assigned tasks. However, it is important to note that even the nurse's aide wage in Japan may be better than domestic nurse remuneration in the Philippines. As an example of the stark contrast in nurse wages between the countries, in 2005 an average Filipino nurse was reported to be paid $647 whereas the average Japanese nurse makes $1820 monthly (International Average Salary Income Database, 2007).

This brain waste of nurses performing nurses' aides' tasks is troublesome, yet economic incentives continue to drive demand and poor utilization of professional skills. Filipino nurses that become Japanese nurses' aides are still able to earn much more than earned as a domestic nurse in the Philippines, which can lead to remittances being sent back to home country. In 2009, 94% of Japan–Philippines Economic Partnership Agreement Filipino nurse candidates were sending an average of 69,000JPY (USD$868) in monthly remittances (Japanese International Corporation of Welfare Services, 2010).

3.3. Intent gap

The history of the Japan–Philippines Economic Partnership Agreement and its negotiations reveals one crucial concern—the policy intent gap among different stakeholders. First, there is a significant difference in policy objectives between the countries as to the "movement of natural persons", particularly the nurse provision. According to the Senate Economic Planning Office of the Philippines, the projected advantages of a formalized arrangement for acceptance of Filipino healthcare workers was intended to increase job opportunities given Japan's acute need for healthcare workers, facilitate training and improve competitiveness of Filipino workers, reduce unemployment, and increase remittances from overseas contract workers (Senate Economic Planning Office, 2007). These opportunities were part of a larger package of incentives contained in the free trade agreement itself, meant to boost trade and foreign direct investment with the Philippine's second largest trading partner Japan (Senate Economic Planning Office, 2007). Concerns regarding the competitiveness of Japanese nursing salaries and language requirements were also raised by policymakers, however, the Philippines aggressively pursued this professional services export provision in negotiation on the basis of potentially opening a new market for Filipino nurses (Amante, 2007).

In addition, although the Japanese International Corporation of Welfare Services (2010) Nursing Personnel Supply and Demand Projection predicted a 15,900 shortage in nurses, the Japanese Ministry of Health, Labor, and Welfare has stated that the Japan–Philippines Economic Partnership Agreement nurse provision would not adequately address this domestic nursing shortage (Ministry of Health, Labour and Welfare, 2012c) This makes it clear that the Japan–Philippines Economic Partnership Agreement was not viewed by the government as a primary means of addressing domestic nursing shortages in Japan. Yet despite these limitations, a survey conducted by the ministry itself administered to Japan–Philippines Economic Partnership Agreement-accepting hospitals after program implementation reveals a different perspective. Almost half of the hospitals (49%) responding to the survey stated the reason for accepting Japan–Philippines Economic Partnership Agreement nurses was to alleviate human resource shortages within their facilities (Japanese International Corporation of Welfare Services, 2011). This gap in policy objectives and expectations among Japanese domestic stakeholders indicates that the Japan–Philippines Economic Partnership Agreement provisions clearly do not adequately meet current nursing shortages, but may be viewed by participating hospitals as a means of addressing their acute workforce needs.

Hence, even though the majority of Japan–Philippines Economic Partnership Agreement-accepting hospitals view these workers as a potential solution to address the nursing shortage, the Ministry and its influential stakeholder, the Japan Nursing Association, have consistently disagreed with this view through their policies and statements. Rather, the Japan Nursing Association considers migration of Filipino nurses as a "matter of solving the trade imbalance between the two nations by adding professionals as the subject of import and export" and lobbies specifically to prohibit the mutual recognition of nursing licenses (Japan Nursing Association, 2008).

This inconsistency between the perception of the Japanese government and the Japan Nursing Association and the immediate capacity needs of accepting hospitals participating in the Japan–Philippines Economic Partnership Agreement program is a critical component to examine in developing potential remedies for this policy failure. Though the Japan–Philippines Economic Partnership Agreement may be inadequate to meet all needs of the current Japanese nursing shortage, steps can be taken to maximize its beneficial impact on domestic healthcare workers availability and need.

In addition, members of Japan's Diet (Japan's bicameral legislature) during ratification procedures expressed concerns about the impact on the quality of Japan's healthcare from the entry of Filipinos healthcare workers under the Japan–Philippines Economic Partnership Agreement and potential lowering of working standards (Amante, 2007). This early reluctance on the part of the Japanese

government to accept Filipino healthcare workers points to lack of commitment and provides a possible explanation regarding why difficult nursing licensure barriers have not been modified.

3.4. Costs to accepting hospitals

Given the overall low pass rate of Japan–Philippines Economic Partnership Agreement Filipino nurses seeking Japanese entry, the resultant program cost and administrative requirements have become excessively burdensome to both the Japanese government and accepting hospitals. One report estimated the cost to the Japanese taxpayer was approximately US$1 million for each successful EPA nurse candidate (Idei, 2012). In addition, accepting hospitals must provide educational support to Japan–Philippines Economic Partnership Agreement nurse candidates *and* payment of matching fees, a portion of language training fees, and annual dues to Japanese International Corporation of Welfare Services.

As might be expected, the "return on investment" is wholly inadequate, with only 7% of the Filipino nurses up to this date successfully passing required licensure examinations with those who ultimately fail to pass being sent back to the Philippines (Fig. 1). Under these circumstances, accepting hospitals have significant sunk costs (i.e. unrecoverable costs of investment) that create disincentives for participation and severely limit the effectiveness and attractiveness to participate in the program.

4. Reform

4.1. The USA model

The first issue to address in the Japan–Philippines Economic Partnership Agreement nurse provisions is the poor pass rate of the Japan–Philippines Economic Partnership Agreement nurse licensure exams. To improve the pass rate, a focus on advanced Japanese language training is clear: many Filipino nursing candidates simply do not have the Japanese language fluency to pass the current exam. In the 2010 Japanese International Corporation of Welfare Services survey, 90% of Filipino nurses answered "I usually understand but sometimes do not understand what patients say" and 89% of them answered "I usually understand but sometimes do not understand what nursing staff say" (Japanese International Corporation of Welfare Services, 2010). In terms of patient safety, these percentages of Japanese language deficiency indicate a potential risk due to miscommunication and lack of clinical understanding, a critical concern for most medical errors (Cohen et al., 2005). Instead, prior to making any patient contact, Filipino nurse candidates should have adequate language proficiency prior to arrival and beyond what the 9 months of Japanese language training required under the current Japan–Philippines Economic Partnership Agreement.

The USA, along with other developed countries such as the United Kingdom, has actively engaged in legislation and policies to address domestic nursing shortages through promoting immigration (Van, 2010). In addition, the Philippines ranks as the number one source of foreign-born nurses destined to the USA and accounted for 52% of foreign graduate nursing licensure examinations in 2001 (Van, 2010). With the world's largest nursing workforce and as the largest importer of nurses since 2005, the USA represents a medical market that continues to rely upon the immigration and recruitment of foreign nurses to meet domestic shortages (Aiken, 2007). Because of the USA's relative success in integrating Filipino nurses into its work force and its use of a visa-based immigration system, while still requiring qualifying examinations to verify nursing licensure credentials and language skills, we use it as a comparative model in examination of the requirements of the Japan–Philippines Economic Partnership Agreement.

In the USA, some jurisdictions require foreign immigrating nurses to pass certain language requirements before they can take the National Council Licensure Examination. For example in Oregon, nurses who are not educated in the United States must demonstrate their English proficiency before they can become eligible for the National Council Licensure Examination by fulfilling one of the three following criteria: (a) passing the exam administered by the Commission on Graduates of Foreign Nursing Schools, a non-profit organization that validates international healthcare professionals; (b) receiving a nursing practice credential by the Commission on Graduates of Foreign Nursing Schools; or (c) obtaining a minimum score in a recognized standardized English proficiency tests (Oregon State Board of Nursing, 2013). There are more than 19 Commission on Graduates of Foreign Nursing Schools and 12 National Council Licensure Examination Test Centers in Asia, eliminating the necessity for the Filipino nurses to travel to USA for testing (Matsuno, 2009). To date, 3.8 million foreign-educated nurses have been accepted and passed the requirements of this program and have been authorized to practice nursing in the USA (National Council of State Boards of Nursing, 2012).

Based on this existing system, Japan–Philippines Economic Partnership Agreement officials could model the Japan–Philippines Economic Partnership Agreement nurse licensure system, emulating the Commission on Graduates of Foreign Nursing Schools and the National Council Licensure Examination-Registered Nurse testing process. By requiring Filipino nurse candidates to pass a language proficiency exam *before* they are eligible to take a national licensing examination, risks to patients will be minimized, lower costs of training can occur, and Japan–Philippines Economic Partnership Agreement-participating nurses can avoid failing to meet program requirements thus requiring their inevitable departure from Japan.

Further, by employing this model in addition to relocating Japan–Philippines Economic Partnership Agreement nurse training facility and resources to the Philippines, Japan can realize domestic savings from shifting on-site language training, reduce costs associated with boarding applicants, and help build the necessary licensure capacity in the Philippines to ensure successful nursing candidates before arrival.

This system change should include components of health system strengthening and equitable cost sharing to

develop the infrastructure to support such training centers in the Philippines. This can be accomplished by re-allocating existing funds under Japan–Philippines Economic Partnership Agreement to Filipino training centers, implementing a cost-share or fee-based mechanism with accepting hospitals to maintain training programs, and sharing available bilingual nurses and other resources to help in training activities. This strategy would also meet the stated goals of the Philippine government in facilitating training and improving the competitiveness of Filipino healthcare workers while allowing them to stay in country.

However, such a system modeled on USA healthcare worker immigration policies is not without its own challenges. Primarily, nurses in the Philippines are often already trained and have levels of proficiency in the English language, often including through primary school education. This is not the case with Filipino nurses who wish to emigrate to Japan. Further, although migration has slowed due to the recent global economic recession, the USA imports a much larger number of nurses from abroad than Japan. This allows for greater investment in infrastructure to facilitate migration between the countries that currently does not exist between Japan and the Philippines.

One option to improve language-based competencies could include incorporating Japanese language curriculum in Filipino nursing schools as a specialization. Developing Japanese language skills and standards of care early in the educational development of Filipino nurses is vital to ensuring successful passing rates for Japan's nurse licensure exam and successful integration of Filipino nurses into the Japanese national health system.

4.2. Governance reform

In order to create an effective nurse migration policy, Japan must come to terms with the acute healthcare workforce needs of Japanese hospitals and their willingness to accept Filipino Japan–Philippines Economic Partnership Agreement nurse candidates. It must also recognize that efforts under the current Japan–Philippines Economic Partnership "Movement of Natural Persons" chapter have largely been ineffective, hence necessitating governance reform.

Recognizing these limitations, the Japanese government and Ministry of Health, Labor, and Welfare should objectively assess the nursing shortage and current Japan–Philippines Economic Partnership Agreement nursing provisions in the context of patient safety, public health, and domestic health system limitations given an increasingly aging population and resulting health work force need. Currently, the Japan Nursing Association supports "equal or better" working conditions and salaries for Filipino nurses, though this may reduce their attractiveness as a labor commodity (Japan Nursing Association, 2008). A potential solution could involve more flexible wage tiers for Filipino nurses that would improve their attractiveness to prospective employers, and also allow Filipinos to better set their own terms of employment. Flexible wage tiers would need to be subject to certain controls and minimum wage protection tiers in relation to the wages they are willing to accept for their requisite skill and position. As this could be viewed as controversial, Japanese accepting hospitals and Filipino nursing trade associations and civil society should actively engage in discussions regarding appropriately setting wages that are fair to both parties.

In addition, the Japan–Philippines Economic Partnership Agreement nurse provision currently has a cap that allows only 200 nurses a year to enter under the program. This limit could be adjusted to be more dynamic and respond to factors such as: (a) current healthcare worker shortages in Japan; (b) available qualified candidates based on pass/failure rates; (c) and predicated on implementation of reform measures suggested in this paper to reduce costs of the program and associated training and measures to increase passage/retention rates of candidates. These adjustments to the current program can be done in concert with accepting hospitals, the Philippines Overseas Employment Administration, the Japanese International Corporation of Welfare Services and civil society agreeing upon necessary limits/restrictions through consensus assessments based on empirical data on domestic shortages and health workforce needs.

Additionally, from an institutional governance standpoint, there is little necessity for having two intermediaries recruit and match Filipino nurse candidates with Japanese accepting hospitals. Especially troublesome has been the lack of transparency in the Japanese International Corporation of Welfare Services' candidate matching process that brings into question the internal and external validity of the program. Candidates possessing the necessary language proficiency and passing the national licensing exam can be recruited directly by accepting hospitals with minimal facilitation by these duplicative organizations. Hence, the Philippines Overseas Employment Administration and Japanese International Corporation of Welfare Services should instead focus and coordinate on governance mechanism to eliminate duplicative processes, develop suggested in-country programmatic training infrastructure, establish equitable requirements and policies to facilitate higher passing rates, and engage in continuous improvement in participation for all stakeholders.

5. Conclusion

The Japan–Philippines Economic Partnership Agreement included specific provisions to facilitate the migration of healthcare workers between the Philippines and Japan for the purposes of increasing trade and economic activity in professional health services. Yet, despite the urgent need of an aging Japan to accept skilled nurses/healthcare workers and skilled Filipino healthcare workers willing to emigrate for economic opportunity, resistance by domestic stakeholders and failed program implementation has been the consequence.

The problems of the Japan–Philippines Economic Partnership Agreement are symptomatic of some of the complex issues associated with unbalanced migration of healthcare workers who traditionally migrate from developing and low-middle income countries to developed countries in search of better working conditions and pay.

Though countries such as the Philippines and others actively engage in the training and export of healthcare workers as an export commodity, failure in trade, professional licensure and public policy may prevent such workers from meeting developed country work force shortage needs. This results in a "lose-lose" outcome for both origin and destination countries, with healthcare workers failing to leverage their skills and training, despite a worldwide shortage in capacity.

Indeed, the Japan–Philippines Economic Partnership Agreement is not alone in its ineffectiveness, with a similar free trade agreement between Japan and Indonesia also failing to successfully integrate Indonesian nurses due to similarly dismal testing failure rates and some successful candidates even failing to find employment (Morimoto and Kobayashi, 2012). Hence, the failure of the Japan–Philippines Economic Partnership Agreement has broader consequences for future international norms and practices in bilateral and regional free trade agreements that may include chapters on healthcare worker migration and exchange (Naiki, n.d.).

As it stands today, the nurse exchange chapter of the Japan–Philippines Economic Partnership Agreement is not sufficient to ensure efficient migration and successful integration of Filipino nurses into Japan's national health system. Suggested reform could make the Japan–Philippines Economic Partnership Agreement more effective, inuring economic and employment benefits to the Philippines and social and crucial healthcare capacity needs for Japan. However, without critical changes such as those proposed, the Japan–Philippines Economic Partnership Agreement will continue to represent a piece of failed bilateral health policy, much to the detriment of both countries and to the balance of the global healthcare workforce.

Summary statement

After four years of Japan–Philippines Economic Partnership Agreement implementation, the policy failure is evident. In this paper we identify four major challenges with the health worker migration provisions of the Japan–Philippines Economic Partnership Agreement and suggest specific policy reform solutions to ensure greater health equity for both countries.

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