

# Immigration and Human Capital Adjustments: Evidence from the 1990 Reform of Japan's Immigration Act

Akira Sasahara<sup>(r)</sup>\*  
*Keio University*

Jongkwan Lee<sup>(r)</sup>†  
*Yonsei University*

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## Abstract

This study examines the effects of the increased influx of immigrants triggered by the 1990 Reform to Japan's Immigration Act on high school students' career choices—specifically, whether they pursue higher education or enter the workforce after graduation. We employ the instrumental variable approach using a shift-share instrument based on historical settlement patterns. The results suggest that the influx of immigrants led more high school students to seek employment outside their home prefectures and to pursue higher education. These findings indicate that immigration can drive adjustments in human capital formation.

*Keywords:* Immigration, the 1990 Reform to Japan's Immigration Act, Human capital

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\* (Corresponding author) Faculty of Economics, Keio University, E-mail: [sasahara@keio.jp](mailto:sasahara@keio.jp)

† School of Economics, Yonsei University, E-mail: [kwonlee@yonsei.ac.kr](mailto:kwonlee@yonsei.ac.kr)