# Japan's Demographic Future and Policy Directions

### Chihiro Ishii

Japan is currently experiencing a drastic shift in population distribution, having had a high fertility rate following the baby boom era after World War II, but falling to one of the lowest rates in the world only 50 years later. Today, Japan confronts critical issues concerning declining fertility and an aging society.

The global population continues to increase annually, yet many developed countries and Asian NIEs are confronting national concerns of depopulation. The United Nations projects in its medium variant that by 2050, the total population will reach 9.2 billion (UN, 2007) with most of this increase happening in urban regions of economically less-developed regions (Cohen, 2003). This means that population concerns are divided between the developed countries and developing countries. In many developing countries, fertility rates remain high and the continuing population increase is considered one of the hindrances to national economic development. On the contrary, in all the developed countries except the United States, fertility rates are below replacement level, with fewer children being born to replace their parents' generation, and an increasing proportion of seniors. Securing sufficient working population to sustain the current economy and society is a growing concern.

Europe and the East Asian countries have received the most attention for their low fertility rates. Figure 1 shows the total fertility rates (TFR) for selected Asian countries for years 2002 and 2006. Singapore, Hong Kong, Japan, South Korea, and Taiwan are the lowest among the Asian countries, but TFR of other

countries such as Thailand and Vietnam are also decreasing at a significant pace. Vietnam's TFR was above replacement level in 2002, but was no longer so in 2006. Countries such as South Korea and Taiwan promoted family planning programs in the past in an effort to control their fast growing populations, but within these same countries couples are now encouraged to bear more children. A declining fertility rate will be difficult to reverse as economies mature and more people have access to a greater range of life opportunities and choices.

In Asia, policy efforts concerning the demographic transition have focused on addressing declining fertility and aging society. Taking Japan as an example, this article will present some policy considerations for these two problem areas, as well as the related yet commonly ignored factor of international migration. International migrants are responding to the demands arising from the countries with declining populations and the impact is significant for countries such as Japan and South Korea which still maintain state ideologies of homogeneity.

### **Fertility Decline**

Tokyo's demographic transition is in line with the country's post WWII economic development. As Japan underwent a period of rapid post-war growth (1955-

Figure 1.
Total Fertility Rates for Selected Asian Countries in Years 2002 and 2006

Year		Singa- pore				Thai- land		Viet- nam
2002	1.3	1.23	1.72	1.42	1.74	1.84	1.82	2.44
2006	0.95	1.06	1.27	1.4	1.57	1.64	1.73	1.91

Source: CIA (2002 & 2006)

1973), the TFR declined, and

became stable at around 2.1. This was followed by slow growth (1975-1985) with TFR at approximately 1.75. Japan's success in heavy industry during this era triggered the kaso phenomenon where population began to concentrate in industry-centered urban regions, and regional villages and towns began to experience depopulation. From the end of the 1980s until 1990, Japan experienced a bubble economy where the price of assets increased more than the real economic growth. TFR declined further with the high employment rate and more women participating in the paid workforce. After the bubble burst, it was followed by the 'lost decade', a lingering recession resulting in bankruptcies and 'risutora' (restructuring, corporate downsizing). TFR of Tokyo leveled at 1.0 after 2000.

As Figure 2 shows, the total population of Tokyo grew rapidly until the early 1970s, and has only experienced a slight annual increase since then. Tokyo's population stabilized within 30 years after WWII. Tokyo is expected to grow until 2020 from domestic migrants and then begin depopulating. Every prefecture except Okinawa is expecting to experience depopulation before Tokyo with many prefectures already depopulating. The national population began to decline in 2005.

The responses from the government pertaining to this problem have centered on efforts to increase the fertility

rate and promote child-rearing support. The government took active measures in response to declining fertility as they realized the potential economic shrinkage and collapse of the pension system. The first of the major actions taken by the government was the implementation of the 'Angel Plan' in 1994 followed by the 'New Angel Plan' in 1999 (MHLW, 1994) (MHLW, 1999).

The main aims of the plan were to:

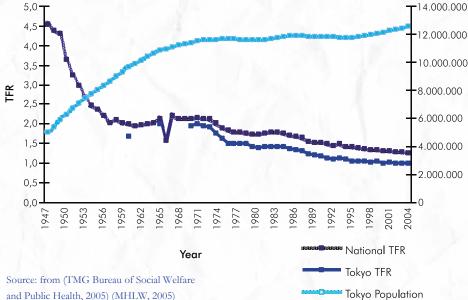
- (1) Improve employment environment to reconcile work and family responsibilities
- (2) Enhance child-care services
- (3) Strengthen maternal and child health facilities
- (4) Improve housing and public facilities for families with children
- (5) Promote child development, improve educational environment for children
- (6) Ease the economic cost associated with child-rearing

Successful programs included providing sufficient child-care facilities and services, and after-school activities for children. Some policies included child allowances and childcare leave. In recent years, allowances and partial salary during childcare leave have increased, with the support of the private sector. The 2001 amendment to the Employment Insurance Law now guarantees 40 percent of salary while on childcare or family care leave (Retherford & Ogawa, 2005). Softbank, a large-scale communication company, pays their employees 50,000 yen upon the birth of their first child, 100,000 yen for second, 1 million yen for third, 3 million yen for fourth, and 5 million yen for their fifth child (Yomiuri, 2007). Many other corporations have adopted similar systems.

Reducing workweek hours has been attempted, but has not been successful. Many employees are implicitly required to work during the weekends and overtime without additional pay. The proportion of the Japanese workforce who worked more than 50 hours a week was 28 percent in 2000, significantly larger than in the US and Europe (Retherford & Ogawa, 2005).

Another unsuccessful policy has been

Figure 2. The Total Fertility Rates (National Level and Tokyo)



and Public Health, 2005) (MHLW, 2005)

childcare leave for men. In Japan, only 0.56 percent of married men took childcare leave in 2004, significantly lower in comparison to 5 percent for EU countries, or 64 percent in Sweden (Saraceno, 2004) (MHLW, 2004). This can be attributable to the framing of childcare leave policies and the level of financial and career security involved in taking childcare leave, but another important factor is the social division of gender roles where many men still believe it is primarily the woman's job to raise children, preventing them from taking the childcare leave granted to them (Saraceno, 2004).

### **Aging Society**

The effect of a continuously declining fertility rate is the growing senior population over time. As baby boomers (born between 1947 and 1952) reach retirement age beginning in 2007, Tokyo will witness a growing senior population, with a smaller proportion of children (under age 15) and working population. Figure 3 shows that the proportion of the population age 65 and older will continue to grow larger. The proportion of the population age 75 and above is expected to grow from 7.7 percent in 2005 to 12.52 percent in 2020.

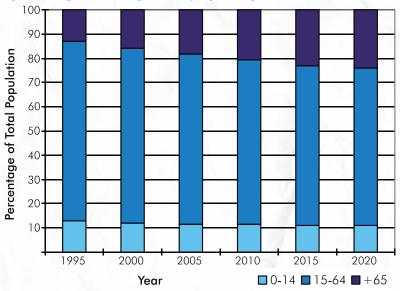
The future working population will face an increased economic and social burden without meaningful policies and programs to effectively address the problem. They will be pressured to bear more children, sustain the economy with

a decreasing population base, and will also be obligated to support the growing senior population. Matsumura (2005) predicts that office population in 23 wards of Tokyo will decline by approximately 3 percent every five years from 2005 until 2020. Many regional communities are already facing difficulties in securing workers such as nurses, senior caretakers and hot spring resort employees. Tokyo is expected to experience similar shortages for other occupations as well, when the absolute numbers of the labor population begin to decline.

The government allocated approximately 13 trillion yen in 2006 to address issues relating to the aging society (Government of Japan Cabinet Office, 2007). Some of the significant policies and programs included (ibid):

- (1) Raising the retirement age from 60 to 65
- (2) Promoting the re-employment of middle-aged to senior workers
- (3) Encouraging a more relaxed work culture
- (4) Creating and allowing different working styles, including allowing work at home or outside the workplace
- (5) Establishing a pension system that is stable and sustainable
- (6) Promoting healthy living and lifestyles
- (7) Developing establishments for promoting health

Figure 3. Proportion of Population by Age Group



Source: TMG Statistics Division Bureau of General Affairs, 2003

The first and the second initiatives were particularly difficult given the economic situation in Japan. Many companies are actually encouraging early retirement of their employees, and promoting re-employment of middle-aged to senior workers contradicts the ongoing corporate restructuring process. The policies stemming from the third initiative include improving the working environment through reduced work hours and a balanced work lifestyle such as involving people in community volunteer activities outside work. The fifth initiative aims to address one of the most controversial topics today. In addition to the proportion of the working population declining, the younger generation has been neglecting pension payments due to their suspicions that the pension system will collapse before their retirement age. The government has failed to assure these people of the security of the pension system in the future. The sixth and seventh initiatives have been heavily promoted in many cities in order to alleviate the burden on the healthcare system.

## Accommodating International Migrants

The parallel phenomenon to the declining working population is the gradual increase in Tokyo's international residents.

There was an annual increase of 1.8 percent in registered international residents in Tokyo in 2006 (TMG Statistics Division Bureau of General Affairs, 2007). At the national level, the increase

was higher at 2.9 percent (Immigration Bureau, 2007). Japan currently does not conduct any official projections on the future international resident population, but past figures show an upward trend that seems likely to continue into the future. As more international migrants settle down in Tokyo, the region will become a destination within the global social network of international migrants and may expect to draw additional workers

Increasing the number of international migrants as a solution to the problems of a declining population seems unrealistic according to the United Nation Model where 30~87 percent of the total population would have to be made up of international migrants and their descendents by 2050, depending on the numbers of the working population or support ratio the country decides to maintain (UN, 2000). Nevertheless Tokyo is expecting to witness an increasing number of migrants to fill in the depopulation gap, though not to the extreme levels represented by the UN model.

Jung (2004) points out an important reason why the Japanese government should take this issue seriously; Japan will soon have to compete with other countries facing similar problems and in order to win over the international migrants, Japan has to create more livable cities attractive and preferable to these migrants. Such an approach would facilitate a smoother societal transition into a multi-ethnic, multi-cultural Tokyo

minimizing the development of issues that might arise from racial or ethnic inequalities and biases.

Urgent problems that the international migrants face are the lack of support in basic service provisions such as education, housing, and healthcare. For the future, there needs to be a serious re-consideration of the residential status system in Japan. International migrants must be integrated into a system that allows them to advance with their job skills in their occupation (which is prevented in the current system).

Migrants also need to be able to form communities and groups in which they may participate for reasons of cultural identity and social solidarity, as well as to form different types of household arrangements with the means to sustain them. How this can be achieved provided the historical background and the current urban ecology of Tokyo remains an open discussion.

#### Conclusion

Ultimately, all these policies and programs will have an impact on child-bearing and rearing at the household level. Household patterns today are diversifying quickly in Japan. Many households are now composed of two full time workers, while in many others, the nuclear family is split into two with the husband working and living in another city. There are also an increasing number of single mother households, with approximately 60,000 in Tokyo in 2000 (Census Japan, 2000). Households with international marriages and households of international couples of the same ethnicity are also on the rise, comprising a little under 3 percent of all couples in Tokyo in 2005 (Census Japan, 2005). As household patterns change, the household responsibilities that members hold will have to alter to accommodate the changes. For example, with more women working full time and earning as much income as their spouses, household responsibilities traditionally assigned to women's care become an additional burden. As suggested by Saraceno (2004), policies aimed at reversing the trend of declining fertility can be ineffective if cultural tradition does not allow policies such as childcare leave for men to take effect. A similar situation also applies to workplace culture.

Many employees do not use up their entitled paid vacation time, either because they feel they are too busy to take the vacation, or they feel guilty using up the vacation time. The government is now required to not only effectively address the declining fertility-related issues through policy implementation, but to formulate ways for people to overcome cultural barriers for the measures to take effect.

All of this being said, the greater issues for Tokyo and Japan is to reconstruct a social and economic environment in the city that is desirable to live in for all residents, as individuals and as households. To do this, the government will have to look at ways in which to improve the livelihoods of the workforce and families from various perspectives: from the angles of an individual, households, local communities, and workplace. This will also include accounting for the unique concerns of international migrants as many other countries are also beginning to experience depopulation and will increasingly reply upon international workers to support and sustain their societies and economies. For example, in the foreseeable near future, Japan may be in

competition for quality senior caretaker and nurses with South Korea and Taiwan. Providing services and support for these workers will be a competitive advantage in securing high quality human resources. Livability for international residents in cities will become an important decision factor for the international workers, requiring a drastic social and cultural shift in perspective for Japan that is difficult for the government to grasp. In any case, as witnessed in Japan's recent Diet debates where pension reform and childcare support have become two top agenda items, Japan has slowly initiated a step back from their economy-centered approach to development and begun a more holistic approach towards creating urban regions that are inclusive of all residents and meeting a broader range of social needs.

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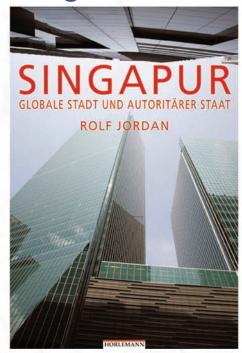
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**Anzeige** 



### Wem gehört die Stadt?

Singapur – das ist für die meisten Menschen hier zu Lande vor allem eine moderne Metropole in Südostasien, ein Wirtschaftswunderland und ein beliebter Zwischenstopp auf dem Weg zu den Fernreisezielen in Thailand, auf Bali und anderswo in der Region. Gleichzeitig haben drakonische Strafen für bereits kleinste Vergehen und eine anhaltend hohe Zahl von Hinrichtungen dem Stadtstaat über die Jahrzehnte auch im Ausland den Ruf eines autoritären Landes eingebracht. Und während selbst ehemalige Diktaturen wie Indonesien mittlerweile auf dem Weg der Demokratisierung sind, bleiben Meinungsfreiheit und politische Opposition in Singapur weiterhin eingeschränkt.

Autoritarismus und Repression sind zentrale Elemente einer Entwicklungspolitik, die Singapur zu einem der reichsten Staaten Südostasiens gemacht hat und die den Menschen im Land einen Wohlstand bescherte, der in der Region ohne Vergleich ist. Doch die sozialen Kosten dieses "autoritären Developmentalism" sind hoch und das Buch zeigt auf, wer die Gewinner und wer die Verlierer dieser Politik sind. In sieben Essays spürt der Autor den vielschichtigen Formen dieser autoritärer Politik in Singapur und ihren Auswirkungen auf das Alltagsleben der Menschen im Stadtstaat nach.

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