

Japan's Population Implosion

Yoichi Funabashi
Editor

Japan's Population Implosion

The 50 Million Shock

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PREFACE

Neither the government nor the National Diet has fully confronted the crisis of Japan's population problem. While politicians and government officials dawdle, the population has moved into absolute decline. But it is not only politicians and government officials whom we should hold responsible. We, the Japanese people, have also failed to pay sufficient attention to this question. The authors of this volume and I were all very slow to notice the seriousness of this grave problem. It was, in fact, at the time of the 2011 Great East Japan Earthquake that the facts about aging population and regional exhaustion, along with the resultant weakening of Japan's basic resilience as a country, were brought most clearly to the forefront. When we went to Fukushima Prefecture for fieldwork during the Rebuild Japan Initiative Foundation (RJIF)'s first project, the Independent Investigation Commission on the Fukushima Nuclear Accident, I personally became acutely aware that we must all address the population issue.

This awareness that the issue had turned critical was taken up later in RJIF's project reports: *Japan in Peril: 9 crisis scenarios (2013)* and *Examining Japan's Lost Decades (2015)*. However, in the process of this volume we decided to focus all our resources on the population question and follow the model of the Fukushima Investigation, to once again lead a private sector inquiry into the question from multiple perspectives, to examine the policy failures, and to make policy recommendations. To move forward with administrative reform, the government set up in 1981 a Second Ad Hoc Commission on Administrative Reform chaired

by the former chairman of the Keidanren (Japan Business Federation), Doko Toshio. Doko pursued this initiative energetically, declaring at the Commission's outset, "We will squarely face and examine the issues. We will not be impeded to find whatever problems exist regardless of where they are." Wishing to uphold this spirit, we launched the Private Population Ad Hoc Commission in April 2014.

We were fortunate to be able to bring together the finest team, including Onishi Takashi (President, Toyohashi University of Technology/President, The Science Council of Japan), Katsu Eijiro (President, COO and Representative Director, Internet Initiative Japan Inc.), Kigawa Makoto (Representative Director and Chairman, Yamato Holdings Co., Ltd.), Kobayashi Hikaru (Professor, The Graduate School of Media and Governance, Keio University), Shirakawa Masaaki (Professor, The Graduate School of International Politics, Economics and Communications, Aoyama Gakuin University), Deguchi Haruaki (Representative Director, Chairman and CEO, Lifenet Insurance Company), and Momoi Mariko (Vice President, International University of Health and Welfare). Professor Onishi willingly undertook the position of chair, and he noted that our methods were exactly how Japan needed to tackle this issue.

In the previous government administration Professor Onishi had chaired the Ministry of Land, Infrastructure, Transport & Tourism's Committee on the Long-Term Outlook for National Land. Other committee members were also convinced of the importance of this issue and all agreed with the spirit of this project. We had to create a working group to support the Commission.

In making policy recommendations, RJIF's stance is to always bear in mind how to overcome political constraints through a rigorous examination of previous policy initiatives and failures. We fully investigate, conduct interviews directly with experts, mainly parties actually involved in the policy debates, and on this basis aim at identifying realistic policy alternatives. In the year's work carried out between April 2014 and March 2015, we conducted 10 meetings with experts, 17 working group meetings, and about 21 in-depth interviews. On March 5, 2015, we invited Ishiba Shigeru, Minister for Regional Regeneration, to discuss our draft policy recommendations and many of those suggestions are directly reflected in this report. A list of Commission and working group members as well as interviewees is included elsewhere in this volume, but I would like to express my sincere gratitude to all the Commission members beginning with Chairman Onishi, as well as to the policy makers and experts who

served as members of the working group, and all the interviewees including first and foremost Minister Ishiba.

The report was compiled under the aegis of the Commission. The Commission indicated the larger direction and policies, after which the working group composed a draft report. The Commission then commented on this and those comments were woven into a subsequent draft, which the Commission proofed and boiled down to the essentials. The finished first draft was edited by Tamura Eiji and turned into the final report. I would like to offer my sincere thanks to Tamura-san.

Building on the RJIF's *Japan in Peril: 9 crisis scenarios (2013)*, this report was also published by the Shinchosha Publishing Co., Ltd. I offer my deepest gratitude to its two directors, Ito Yukihiro (Public Relations and Publicity Division) and Hara Hirosuke (Non-fiction Department).

March 23, 2015
Tokyo, Japan

Funabashi Yoichi
Chairman, Rebuild Japan
Initiative Foundation

BOOK DESCRIPTION

A nation's population is the beating heart that shapes a country, the source of its energy and soul. A country's size governs its economy, people's living standards, the national well-being, and a nation's power. Should Japan's current birth rate remain unchanged, the population, which stood at nearly 50 million people a century ago, will shrink once again to this size by the end of the twenty-first century. More significantly, Japan will not be a country overflowing with youthful exuberance as during the Meiji Era (1868–1912). It will, instead, turn into an old country where the elderly account for 40% of the population. If such a scenario occurs, Japan's vitality will deflate, the nation will lose confidence, and the society will fall into a state of despair.

The book examines the population crisis from a variety of perspectives, including population and land policies, public finance, and crisis management, but also offers policy proposals. Population decline is Japan's greatest challenge and cannot be postponed.

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ABBREVIATIONS

ANRE	Agency for Natural Resources and Energy
APU	Ritsumeikan Asia Pacific University
CSIS	Center for Spatial Information Science, the University of Tokyo
DID	Demographically intense district
FY	Fiscal year
GDP	Gross domestic product
GNI	Gross national income
HIT	General Incorporated Association Hokkaido Intellect Tank
ILO	International Labour Organization
IPSS	National Institute of Population and Social Security Research
JDP	Japan Democratic Party
JFA	Japan Franchise Association
LDP	Liberal Democratic Party of Japan
METI	Ministry of Economy, Trade and Industry
MEXT	Ministry of Education, Culture, Sports, Science and Technology
MHLW	Ministry of Health, Labour and Welfare
MHW	Ministry of Health and Welfare
MIC	Ministry of Internal Affairs and Communications
MLIT	Ministry of Land, Infrastructure, Transport and Tourism
MOF	Ministry of Finance Japan
MOFA	Ministry of Foreign Affairs of Japan
MOJ	Ministry of Justice
NPO	Non-Profit Organization
OECD	Organisation for Economic Co-operation and Development

TEPCO	Tokyo Electric Power Company
TFP	Total factor productivity
TFR	Total fertility rate

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