

**ADDRESSING THE CHALLENGES OF DECREASING POPULATION IN ULTRA-AGED JAPAN: CHANGING POLITICS AND ROLES OF GOVERNMENT AND PEOPLE**

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**ABSTRACT**

Japan is the most ultra-aged country in Asia with quite low total fertility rate. Because of this, the total population of Japan began to decrease continuously after the year 2008. It is predicted that the total population of Japan will decrease from 128.1 million in the year 2010 to 97.1 million in 2050 and 49.6 million in 2100. Strange enough, even though most people knew that the decreasing of population is inevitable, they did not necessarily consider it seriously, thinking it as a matter in the distant future. However, when the Japan Policy Council, a private research organization, made a report in June 2014, specifically listing up 896 municipalities out of 1700 or so municipalities (cities, towns and villages) as “municipalities at the risk of disappearing” because of decreasing population, national as well as local governments and people were taken aback. The Japan Policy Council proposed putting the brakes on the concentration of population in Tokyo and revitalizing local areas. Soon it became a big political issue.

The Prime Minister Abe appointed the Minister for Regional Rebirth (Revitalization) and enacted “The Communities, Sages and Jobs Rebirth Act”. Various measures have been introduced to implement regional “rebirth” policy. However, there are pros and cons on this policy. One of the criticisms is that this is simply a revision of old “unsuccessful” policies for revitalization of local areas. Another criticism is that this is a policy introduced and led by the national government to address the increasingly stringent fiscal condition of the government to cut off inefficient small municipalities. They emphasize the importance of the spontaneity of those in the local areas to really revitalize the local communities. In fact, various spontaneous efforts have been made by many local governments and communities since long time ago.

In this paper, causes, effects, problems and challenges of decreasing of population will be discussed first. Second, the meaning of the word “municipalities at the risk of disappearing”

will be analyzed. Then, various measures to address the decreasing of population and revitalizing local areas will be discussed. In relation to these matters and measures, decentralization is also discussed including the merging of municipalities. Finally, as key factors for sustainability of successful policies and measures, roles of different levels of governments and people will be discussed.

## **Introduction**

Japan is considered as the most ultra-aged country in Asia with quite low total fertility rate. Because of this, the total population of Japan began to decrease continuously from the peak of 128.06 million in the year 2008. It is projected that the total population of Japan will drastically decrease within a few decades and drop to 49.6 million in 2100 if the current trend continues.

Strange enough, even though many people came to know the decreasing of population is inevitable, they did not necessarily consider it seriously, thinking it as a matter in the distant future. However, when the Japan Policy Council (to be more specific, its Sub-committee on Declining Population), a recently organized private council headed by the influential former Minister and prefectural Governor, made a report and policy proposals (titled “Strategy to Stop Falling Population and to Vitalize Local Areas”) in May 2014, specifically listing up 896 of about 1700 municipalities as “municipalities in the possibility of disappearing” due to decreasing population, national and local governments, politicians and administrators, and people were taken aback.

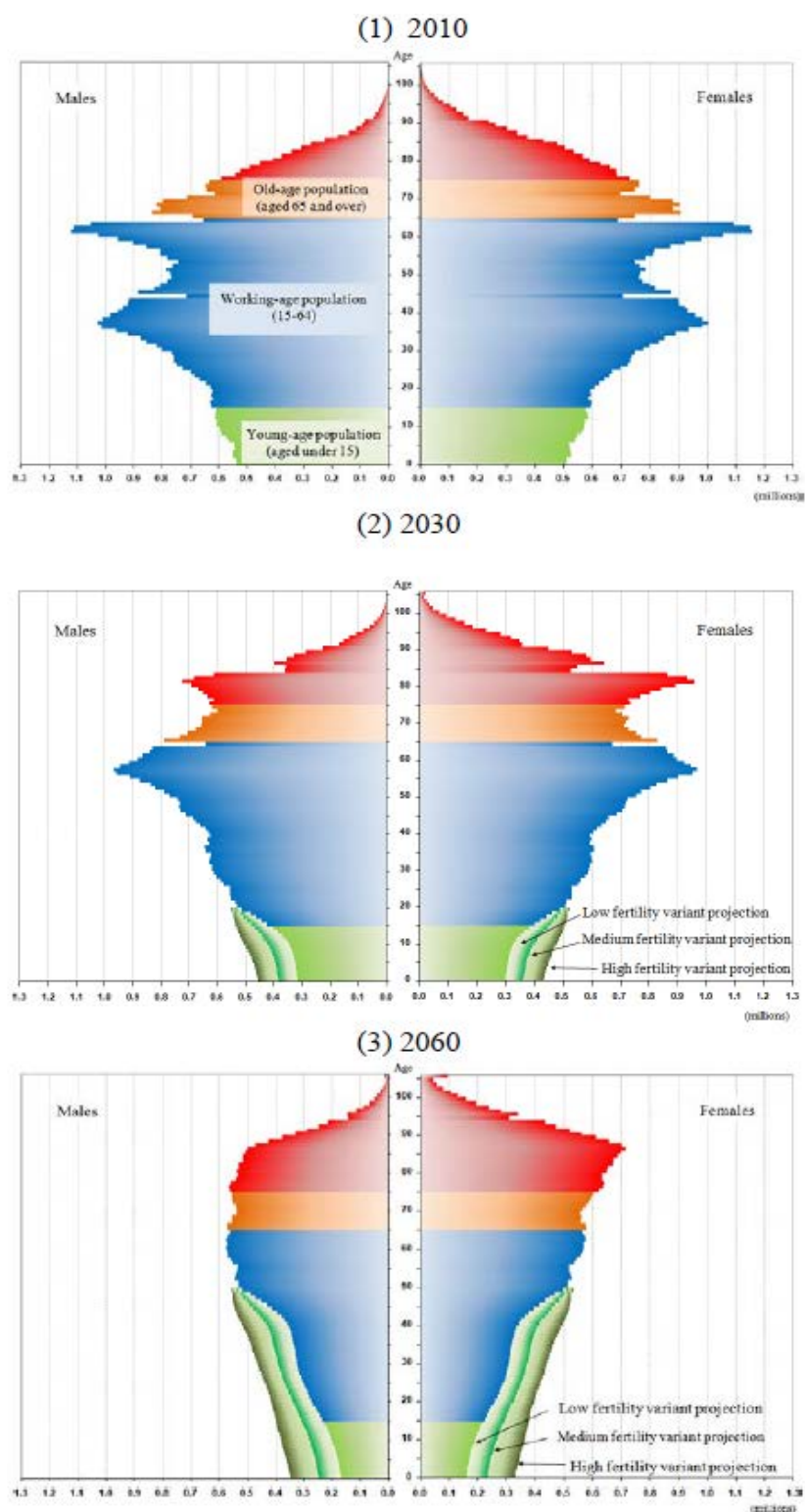
The Japan Policy Council proposed measures to address population problems (including setting the “desirable target level of total fertility rate”), putting the brakes on the concentration of population in Tokyo, and revitalizing and empowering regions in Japan. Repeatedly and hotly dealt with by mass media and with increasing concerns of the general public, especially people in local areas, declining population became a very big political issue. Prime Minister Abe put it on his policy agenda, and appointed the Minister for Regional Empowerment. “Communities, Sages and Jobs Rebirth Act” (referred to as “The Regional Empowerment Act” for short) was soon enacted and put into effect in November 2014. Whether or not this act and measures based on this act are effectively implemented is of critical importance for Japan.

## **Demographic Picture of Japan**

The ratio of 65 years old and older in the total Japanese population continues to increase from 4.9% in 1950 to 7.1% in 1970, 14.6% in 1995, 20.2% in 2005 and 26.0 % in 2014.

Total fertility rate is quite low, among the lowest in the world, but has been gradually going up from the bottom ratio of 1.26 in the year 2005 to 1.39 in 2010, 1.41 in 2012, 1.43 in 2013 and 1.42 in 2014. The total fertility rate is the lowest in Tokyo (1.13 in the year 2013) and the highest in Okinawa (1.94 in the year 2013). Tokyo is where the individual income per capita is the highest and Okinawa is where the individual income

**Population pyramid: Three fertility variant projects (medium-mortality)**



(Source) National Institute of population and Social Security Research in Japan

Per capita is the lowest. The number of new-born babies was 2697 thousand in 1949 (peak in the post-war baby boom period) and 2092 thousand in 1973 (peak in the second baby boom period) and only 1004 thousand in 2014.

The number of total Japanese population reached the peak of 128084 thousand in the year 2008, and decreased to 127083 thousand in 2014. The medium level projection of the total Japanese population (projected with medium fertility rate 1.35) released in January 2012 by the National Institute of Population and Social Security Research is 116618 thousand in 2030, 107276 thousand in 2040, 100158 thousand in 2047, 99131 thousand in 2048, 97076 thousand in 2050, 86737 thousand in 2060, 75904 thousand in 2070, 65875 thousand in 2080, 57219 thousand in 2090, and 49591 thousand in 2100. National leaders are especially concerned about the drastic decrease from around the year 2050 when the total number will be less than 100 million, which is significant and symbolically big change.

### **“Municipalities in the Possibility of Disappearing”**

The word “Municipalities in the Possibility of Disappearing” used by the Japan Policy Council (referred to as the Council in this section) is quite shocking and irritating. Being specifically listed and made open to the public and dealt with sensationally by mass media, people living in 896 municipalities (referred to as “municipalities in the possibility of disappearing”) were forced into fear and despair with some feeling of resentment. There are scholars who are very critical about the report of the Council. The word “Municipalities in the Possibility of Disappearing” is somewhat elusive and misleading. It is used based on some conditions which may change in future. To lessen the confusion and unnecessary conflicts, it is necessary to avoid the misunderstanding of the meaning of this word or expression.

The Council regards the municipality’s reproductive ability of population as a crucial factor in considering the future of a specific municipality and the future of Japan as a whole. For each municipality, the Council examined the ratio of female residents within the range from 20 years old to 39 years old and also examined the ratio of residents moving out of the municipality. It says that the ratio of this age group is crucial because 95 % of nation-wide total fertility rate (1.41) of the year 2012 is produced by this age group. The Council projected the future of each municipality by analyzing the above mentioned two factors.

Municipalities, with which the Council judged that the population will continue to decrease whatever efforts are made to raise the fertility rate there, are classified as “Municipalities in the Possibility of Disappearing”. It is clear that the population of these municipalities will continue to decrease, drastically from certain point of time. However, population of many of 896 municipalities listed as “Municipalities in the Possibility of Disappearing” has decreased since long time ago. In a sense these municipalities have been on the road to “disappear” in the word of the Council. But people will continue to live there as long as they want to live there.

The Council says that more than 50% of the female population between 20 to 39 years old will decrease in 373 municipalities in 30 years between 2010 and 2040. The Council adds that 243 among 373 municipalities will be with 10 thousand or less population in the year 2040. The Council also says that the population in the year 2040 will be less than 10 thousand in 523 municipalities out of 896 “Municipalities in the Possibility of Disappearing”.

There are criticisms and arguable problems or issues concerning the word “Municipalities in the Possibility of Disappearing”. First, the Council judged the future of specific municipalities based on only numbers; the projection of female residents of child-bearing ages and residents moving out of municipalities. Other specific natural and social conditions of specific municipality and real life of residents are not taken into consideration in foreseeing its future. Municipalities are so different in various aspects and surrounding conditions, yet those differences are not taken into consideration.

Second, the Council seems to have emphasized the size of population of a municipality, especially implying that a municipality with population of less than 10 thousand is destined to “disappear”. Scale merit and efficiency from the view point of administration seems emphasized in the report of the Council. There are many communities in European countries whose population is several thousand or even hundred and yet people live lively and pleasant lives.

Third, even though the Council tells about “disappearance” or “disappearing”, it does not clearly define “disappearance”, the state of “disappearance”, and when specific municipality “disappears”. It only tells about the “possibility.” If so, it may be said that “possibility” of disappearing exists in almost all municipalities in Japan if the current trends continues.

Fourth, although the Council seems to have discussed the future of “municipalities (cities, towns, villages and special wards in Tokyo)”, there is a misunderstanding or confusion among people. Municipalities are formal governmental and administrative systems and organization units and are different from communities voluntarily composed of people who are living there. The municipalities as formal administrative organizations may disappear or may be abolished as the population decreases, but communities may not disappear until the final resident leave the place. It is very important here to distinguish formal governmental organization and voluntary self-made community. Local residents feel some resentment when their future lives are discussed only from the viewpoint of efficiency of administration and convenience.

In spite of these criticisms and problems, the report of the Council has produced sensation and got the attention of political leaders. Its report and policy proposals triggered the quick actions in politics. Three streams (of problems, policy ideas and politics) converged. “Policy window” has been opened by the shocking report.

### **Proposals of the Japan Policy Council to Raise the Fertility Rate**

The Japan Policy Council (referred to as the Council in this section) proposed in May 2014 to set the “desirable fertility rate” and to make efforts to get rid of factors which may prevent the achievement of desirable level of fertility rate and also make efforts to promote its achievement.

First, the Council proposed to set 1.8 as a desirable level of fertility rate for the time being and to raise this level further. The Council says that if 1.8 fertility rate is achieved in 2025 and 2.1 fertility rate is achieved in 2035, the total Japanese population will be about 95 million and will be stable. To explain the feasibility of the “desirable level of fertility rate”, the Council said that desirable number of children of married couples as well as unmarried females is 2.42 and 2.12 respectively. The Council added that in Okinawa where the fertility is the highest in Japan it is 1.8~1.9.

Second, the Council proposed to change the flow of young people from the local areas to urban areas and also to set the brakes on the concentration in Tokyo. To stop the flow of young people to urban areas and also to return young people to local areas, the Council said

that it is crucially important to make local areas attractive for young people. The Council emphasized that reallocation of limited local resources and intra- local or inter-local role-sharing and collaboration becomes important. To realize it, the Council says that it is necessary to apply the principle of “selection and concentration”, and make investment and concentrate measures to the most effective targets.

Third, the Council proposed to make the long term vision (for example, for about 20 years or so) and comprehensive strategic plans to carry out measures to address the population issues. The Council proposed to make the first comprehensive strategies for the period from 2015 to 2024 and the second comprehensive strategies for the period from 2025 to 2034.

Fourth, the Council proposed to establish the Comprehensive Strategy Headquarters in the Cabinet in the national government and the Regional Strategy Councils in regions to involve local governments concerned and to make regional long term visions and regional comprehensive strategies to address population issues.

Fifth, the Council proposed to make strategies to stop the decrease of children, to revitalize or empower local areas, and to activate the women’s activities and usage of other human resources. Among various specific measures, the Council proposed the 5 million Japanese yen annual income model for young people which includes 3 million yen or more for unmarried young people while they are in their twenties and 5 million yen or more for a married couple in their thirties. However, young people under the so-called non-regular employment system have been increasing in number in Japan, about 20 million or almost 40 % of all employees already. The ratio of unmarried male employees under the non-regular employment system is more than twice as much as that of unmarried male workers under the regular employment system. It is of crucial importance to improve the income and working conditions of young workers under the non-regular employment system. But on this issue of crucial importance, there are few specific and effective measures in the proposal of the Council.

## **Actions and Policies of the Government**

In response to the report and proposals of the Japan Policy Council, Prime Minister Abe



took a quick action. In the reshuffling of the Cabinet line-up, the Minister for Regional Empowerment was appointed early in September 2014. “Communities, Sages and Jobs Rebirth Act” (referred to as “the Regional Empowerment Act” for short) was soon enacted and took effect on 28 November of 2014. . This Act included basically almost all the important concepts and policy ideas of the Japan Policy Council.

### **(The Regional Empowerment Act)**

The Regional Empowerment Act (referred to the Act here) has set forth the fundamental principles for promoting relevant policies and stipulates that each level of government (national, prefectural and municipal) shall make “Comprehensive (or synthetic) Strategy on Communities, Sages and Jobs Rebirth” (hereinafter referred to as Comprehensive CSJR Strategy)”. The title of the Act is unique compared with ordinary laws, as the title is expressed in Japanese Hirakana (not in Chinese character) and is expressed not by a sentence or clause but by just three nouns; “communities” for local communities of people, “sages” for people, and “jobs”.

The Act stipulates first the responsibilities of the State (or national government). The State (or national government) shall be responsible for making and implementing comprehensive and systematical policies for “rebirth” of communities, sages and jobs in pursuance of fundamental principles set forth in the Act. The Act stipulates that the State (national government) shall formulate Comprehensive CSJR Strategy including “goal of communities, sages and jobs rebirth”, “basic line of policies for communities, sages and job rebirth” and other matters necessary to implement policies. The Act stipulates that the CSJR Headquarters, headed by the Prime Minister and composed of all Ministers, shall be established to promote Comprehensive CSJR Strategy. The CSJR Headquarters shall make Comprehensive CSJR Strategy which is to be decided by the Cabinet Meeting. Comprehensive CSJR Strategy shall be made open to the public.

The Act stipulates that prefecture must make efforts to make a master plan for “communities, sages and jobs rebirth” in accordance with the actual situation of its locality and in the light of the Comprehensive CSJR Strategy of the national government. It is referred to as “Prefectural CSJR Comprehensive Strategy” which includes “goal of communities, sages, and jobs rebirth within the limits of the prefecture concerned”, “basic

line of policies for communities, sages and jobs rebirth within the limits of the prefecture concerned”, and other matters necessary to implement policies. Prefectural Comprehensive CSJR Strategy shall be made open to the public.

Similarly, the Act stipulates that municipality must make efforts to make its master plan in accordance with the actual situation of its locality and in the light of the Comprehensive CSJR Strategy (of the national government) and Prefectural Comprehensive CSJR Strategy if it is made. It is referred to as “Municipal Comprehensive CSJR Strategy” which includes “goal of communities, sages and jobs rebirth within the limits of the municipality concerned“, “basic line of policies of communities, sages and jobs rebirth within the limits of the municipality concerned”, and other matters necessary to implement policies. Municipal Comprehensive CSJR Strategy shall be made open to the public.

#### **(National Government Long-term Vision)**

In accordance with the requirement of the Act, the national government decided “the Long-Term Vision on Communities, Sages and Jobs Rebirth” (hereinafter referred to as the Long-term CSJR Vision)” and “the Comprehensive CSJR Strategy” on 27 of December, 2014.

The Long-term CSJR Vision first dealt with population issues, emphasizing the arrival of population decrease period in Japan, social and economic effects of population decrease, and problems of excessive concentration of population in Tokyo. What is written in this part of the Long-term CSJR Vision is basically the essence of the report of the Japan Policy Council. The Long-term CSJR Vision referred to 896 municipalities where the female residents within the range of from 20 years old to 39 years old will become less than half from the year 2010 to the year 2040. In the second part, the Long-term CSJR Vision explained the importance of addressing the population problems as urgent issues and said that the Japan’s future will be open if government and people address the issue together with appropriate policies. Then, the Long-term CSJR Vision set forth three viewpoints to address population issues; correcting the concentration in Tokyo, realizing the wish of young generation to work, marry and rear children, and addressing challenges in local areas (mountainous areas, local city areas, or urban areas) in the way suitable to specific local areas.

**(“People’s Wishful Fertility Rate” and Projection of Future Population)**

In the third part, the Long-term CSJR Vision presented the future direction Japan should pursue. The Long-term CSJR Vision showed the way to maintain vital Japanese society in future and depicted the picture of Japan to be recreated by the regional empowerment. To maintain vital Japanese society, the Long-term CSJR Vision showed fertility rate 1.8 as the “people’s wishful fertility rate”, and pointed out, by carefully using words, that if wishes of young generation such as marriage and child-rearing are realized, fertility rate will go up to 1.8 or so. The Long-term CSJR Vision showed the population projection with increasing fertility rate (1.6 in the year 2020, 1.8 in the year 2030 and 2.07 in the year 2040) and pointed out that the level of 100 million total population will be maintained in the year 2060. Compared with the projection used in the report of the Japan Policy Council (1.8 in the year 2025 and 2.1 in the year 2035), the pace of increase of fertility rate is a little bit slower in the Long-term CSJR Vision. In other words the Long-term CSJR Vision appears more realistic or feasible than the report of the Japan Policy Council. The Long-term CSJR Vision added that if the fertility rate goes up, the ratio of the aged will reach the peak earlier (35.3% in the year 2050) and begin to go down to about 27% in around 2090. On the other hand, if the fertility rate does not go up, the ratio of the aged will go up to about 41% and will remain at the same high level.

As to the picture of Japan to be recreated by the regional empowerment, the Long-term CSJR Vision looks for creating diversified regional communities by making use of their own regional resources and potentialities and also inviting human resources and new views from outside by connecting with outside world. If the regional empowerment succeeds and the population decrease is stopped, the Long-term CSJR Vision said, rejuvenation in local areas precedes that in urban areas including Tokyo.

**(National Government Comprehensive CSJR Strategy)**

The Long-term CSJR Vision and the Comprehensive CSJR Strategy were decided by the Cabinet on the same day, 27 of December 2014. Detailed explanation or analysis of specific contents of them is not the primary objective of this paper, although I need to refer to them where it is necessary. Here, I would like to discuss more on the process and actors and relationship with and effects or effectiveness on population issues. Although the Regional

Empowerment Act, which is the statutory basis for the Long-term CSJR Vision and Comprehensive CSJR Strategy, does not explicitly set forth the period to cover, the Long-term CSJR Vision has shown the long-term perspective to ensure the total Japanese population at 100 million level in the year 2060 and pointed out the importance of comprehensive strategy for that. On the other hand, the Comprehensive CSJR Strategy (of the national government) decided on the same day is aimed at setting goals, basic line of policies and specific measures for five years beginning from 2015 (FY2015~FY2019). It does not say anything about what to do with it after this period is over, It is to be remembered that the Japan Policy Council proposed to make the first comprehensive strategies for the period from 2015 to 2024 and the second comprehensive strategies for the period from 2025 to 2034.

As to the schedule of making strategies, the Regional Empowerment Act did not set the specific time schedule for making comprehensive strategies of the national, prefectural and municipal governments. However, the national government planned earlier so that these comprehensive strategies could be made as early as possible. In fact, the national government expected prefectural and municipal governments to make their comprehensive strategies early in FY2015 and by the end of the FY2015 at the latest. Prefectural and municipal governments probably could not have sufficient time. Probably because of this and maybe for other reasons as well, the national government “strategy” seems general, simple and short in the Comprehensive CSJR Strategy and most of the Comprehensive CSJR Strategy is composed of detailed guidelines with examples of four “basic goals (or objectives)” and “policy packages” for local governments to make their comprehensive strategies. Four “basic goals (or objectives)” include ①to create stable employment in local areas, ②to create the new flow of people to local areas, ③to meet the wishes of young generation to marry, give birth and rear children, and ④to create local areas suitable to the times, protect the safe life and promote collaboration among regions. It is said that where it is possible specific target goal is shown in the Comprehensive CSJR Strategy. For example, by ① mentioned above, it is expected to create 300 thousand employment (in aggregate) for young generation in local areas within five years by 2020 . It is also expected to lower the ratio of young generation under the non-regular employment system to the level of the ratio of non-regular employees of all generation. By ②, it is expected to increase the number of residents moving out of Tokyo to local areas by 40 thousand as of 2020, to decrease the number of people moving into Tokyo by 60 thousand as of 2020. However, even though goals or targets maybe shown, specific ways and means to achieve such goals are not necessarily shown. In other words,

feasibility is not clear. In some cases the effect seems quite limited because the change to the target level seems very little and easily achievable.

As to policy packages, the Comprehensive CSJR Strategy said that the national government provides assistance, in the form of policy package, which is necessary for local governments to make and implement their comprehensive strategies. It said that policy package is composed of policies and menu prepared jointly by ministries and agencies and milestone is also shown. In the Comprehensive CSJR Strategy (of the national government), various policy packages to create jobs in local areas, policy packages to create the flow of people to local areas, and policy packages to meet the wishes of young generation to marry, give birth and rear children are shown. However, most of the policies or programs are existing ones with few drastic changes. As to apparently new policies and existing policies with apparently drastic change or increase, ways and means to realize them is not necessarily clear at least in the description of policy packages. One of the interesting policy packages is the policy to promote moving urban residents to local areas. It is reported that the number of people interested in moving out from urban areas to local areas is increasing. Although the actual number of successful case maybe still limited, availability of employment and housing in local areas will facilitate this movement. The idea of so-called Japan Type CCRC (Continuing Care Retirement Community) is also getting interest. It may be one idea to facilitate the moving of people from urban areas to local areas. If this idea is combined together with policies to increase employment for young generation in local areas, it may contribute to raise the fertility rate. But because of the shortage of work force even in urban areas, it will be necessary to raise the salary or to improve working conditions. Local areas can probably provide better working conditions and better living conditions. As mentioned earlier in this paper, the Japan Policy Council pointed out that it is necessary to ensure certain level of annual income to those who wish to marry and bear children, this is, for example, 3 million yen annually for a single person and 5 million yen for a couple. Although the Comprehensive CSJR Strategy cited what the Japan Policy Council pointed out, the policy package does not include the drastic change or meaningful improvement in this aspect. In this aspect of improving employment and working condition of young generation, what is shown in the policy package does not seem to include meaningful systemic or drastic changes.

Interesting enough, to make the Comprehensive CSJR Strategy full of detailed guidelines with many examples of “basic policy goals (or objectives)” and “policy packages”,

it was necessary for the national government office responsible for preparing “CSJR Comprehensive Strategy” to get the participation (such as hearing and exchange of views and opinions) or help from those who are familiar with local areas and administration such as consultants and other knowledgeable persons outside of government, chief executives of local governments, and central government officials. To make detailed guidelines, the office also used many proposals and suggestions submitted from various sectors.

### **(Local Government Comprehensive CSJR Strategy)**

Making local government Comprehensive CSJR Strategy is not mandatory. But, as is explained earlier in this paper, the Regional Empowerment Act stipulates that prefectural government must make efforts to make its Comprehensive CSJR Strategy in accordance with the actual situation of the locality and in the light of the national government Comprehensive CSJR Strategy. Similarly, municipal government must make efforts to make its CSJR Comprehensive Strategy in accordance with the actual situation of the locality and in the light of the national government Comprehensive CSJR Strategy and the prefectural government Comprehensive CSJR Strategy as well if it is made. Therefore, it is assumed that local government Comprehensive CSJR Strategy must also include the current state and future projection of its population. Since the projection of future population of a municipality must be based on and consistent with policies to be included in its Comprehensive CSJR Strategy and must also be made in the light of CSJR of higher level governments, making CSJR at the municipal government level seems even more complicated in nature. Under the time pressure of the schedule to submit the Comprehensive CSJR Strategy to higher level government(s), local government especially municipal government where planning staff is relatively small is likely to rely on the help of others such as policy packages of the national government Comprehensive CSJR Strategy, consultants and other experienced planners elsewhere. It is a matter of wonder as well as concerns how 896 “municipalities in the possibility of disappearance”, where regional empowerment policies may be most required or recommended to raise the fertility rate, make their Comprehensive CSJR Strategy.

## **Expectations and Concerns about Regional Empowerment Policy**

Expectations and concerns have been expressed by many people about new regional empowerment policies triggered by the report and proposals of the Japan Policy Council and started by the new Regional Empowerment Act. It is understandable why there are expectations, as the problems to be addressed are urgent and the national government leaders seem serious about tackling them. It is also understandable why there are concerns, as many government policies for regional revitalization and empowerment were not successful in the past.

Examples of expectations and concerns are as follows.

First issue is about the role of national and local governments and people. In the past, the national government played the leading and dominant role, making national and regional development policy and also leading local development by providing financial and other assistance and incentives. As a result, similar projects and programs were adopted in many places or all over the country irrespective of differences of conditions and specific necessities in different local areas. Many public infrastructure investment projects were criticized as “wasteful”. Local government dependence on the national government increased and diversity, characteristics or uniqueness was lost. Reflecting these criticisms, the national government seems carefully prepared the Long-term CSJR Vision and the Comprehensive CSJR Strategy for regional empowerment. It is emphasized that the major player is local governments and the role of the national government is mainly assistance for local governments. The national government provided “assistance” such as ideas and information in the form of “policy packages” and financial incentive to make and implement local government Comprehensive CSJR Strategy. However, under the tight schedule with limited in-house professional staff and with financial incentive, it seems natural that local governments use “policy packages” as a guideline or model or text book to make local strategy in line with the policy idea or policy framework of the national government. It is not clear how opinions of local residents are reflected in local government CSJR Strategy. Similar strategies with similar projects and programs may be made which are not necessarily suitable to specific local areas.

Second issue is how small municipalities are dealt with in regional empowerment policy of the national government. The concept of “selection and concentration” proposed by the

Japan Policy Council suggests to select regional and local core areas (cities) and concentrate public investment or expenditure in these core areas (cities). Under the stringent fiscal conditions of the national and local governments, efficient use of public fund is required. Many people living in small municipalities are concerned that another round of merging of small towns and villages may be promoted and their local governments may become further away from them.

Third issue is how long regional empowerment policy will be seriously promoted by the government. The national government made the Long-term CSJR Vision projecting the total Japanese population in the year 2060 but the Comprehensive CSJR Strategy covers only the period from FY2015 to FY2019. Effects of the policy may not be, or will not be, so clear at the end of this short period. It must be continued for many, many years after this period if increasing fertility rate is an important objective of regional empowerment policy. Unless the strong will and determination of the government leaders is clearly shown to make the second, third, and following Strategies, the momentum may be lost.

Fourth issue is whether regional empowerment policy is really effective to raise fertility rate, and if so, how much. Many specific measures included in “policy packages” are existing ones without drastic changes. New measures are not shown with specifics. Some are like slogans. Ways and means to carry out these new policies are not clear. The relationship between these policies and fertility rate is not clear, therefore it is not clear to what extent these policies contribute to raise fertility rate. There may be policies included in the “policy packages” and may be also in the local government Comprehensive CSJR Strategy which have nothing to do with raising fertility rate.

### **Causes of Low Fertility Rate and Policy Measures to be considered**

The low fertility rate in Japan is explained by several facts. First, the ratio of those who do not marry has increased and large. Second, the age of getting married becomes higher and higher (or older and older). Third, because of various difficulties such as the lack of nurseries and kindergartens and other facilities to take care of babies and kids and expenses for education and other activities of children, and difficulties after giving birth of continuing job or work they wish, married female (and couple) do not actually have children as many as they may wish. Government has made various efforts to solve these problems and difficulties,



including increasing nurseries, introducing new systems of payable child-care leave and providing various assistances. However, these measures are not yet sufficient. As mentioned above, the Comprehensive CSJR Strategy includes measures to address these problems. However, it seems that there is not sufficient measure to drastically raise the fertility rate in Japan.

Considering the seriousness of the problem of increasing ratio of unmarried young people and the timing of late marriage, this paper focusses on this issue. It is important not only to raise fertility rate but also to make Japan a country where all people can share the prosperity and happiness.

### **(Ratio of Unmarried Male)**

The ratio of those who do not marry for whole of their lives is 20.1% of male. This ratio has changed as follows.

1990	1995	2000	2005	2010
5.6%	9.0%	12.6%	16.0%	20.1%

The ratio of unmarried male classified by the age group is as follows in 2010.

20~24(years)	25~29	30~34	35~39	whole life
94.0%	71.8%	47.3%	35.6%	20.1%

### **(Ratio of Unmarried Female)**

The ratio of those who do not marry for whole of their lives is 10.6% of female in the year 2010. This ratio has changed as follows.

1990	1995	2000	2005	2010
4.3%	5.1%	5.8%	7.3%	10.6%

The ratio of unmarried female classified by the age group is as follows in 2010.

20~24(years)	25~29	30~34	35~39	whole life
89.6%	60.3%	34.5%	23.1%	10.6%

As the number of children of unmarried couples is extremely small in Japan, increasing ratio of unmarried male and female is clearly one of big factors which explain the low fertility rate. .

### (Fertility Rate)

Low fertility rate in Japan is partly referred to earlier in this paper. Change of fertility rate over a longer period is shown below, compared with the case of other countries.

(year)	1975	1980	1985	1990	1995	2000	2001	2002	2003	2004
	1.91	1.75	1.76	1.54	1.42	1.36	1.33	1.32	1.29	1.29
(year)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	1.26	1.32	1.34	1.37	1.37	1.39	1.39	1.41	1.43	1.42

	Japan	USA	France	Germany	Italy	Sweden	UK
1950	3.65	3.02	2.92	2.05(1951)	2.52	2.32	2.19
1960	2.00	3.64	2.72	2.34	2.31	2.17	2.67
1970	2.13	2.46	2.47	2.01	2.43	1.94	2.38
1980	1.75	1.84	1.99	1.46	1.62	1.68	1.90
1990	1.54	2.08	1.78	1.45	1.36	2.14	1.84
2000	1.36	2.06	1.88	1.38	1.26	1.57	1.64
Recent	1.42	1.88	2.00	1.36	1.39	1.91	1.92
	(2014)	(2012)	(2012)	(2011)	(2012)	(2012)	(2012)

(source) Health, Labor and Welfare White Paper 2015, Government of Japan)

As is shown above, fertility rate fluctuated. Even though the ratio of unmarried male and female has continued to increase, fertility rate fluctuated in Japan. 2015 Health, Labor and Welfare White Paper of the Japanese Government said that fertility rate of 30 years old and older age group (including 40 years old and older) was 0.63 or so during the period 2000~2005 but began to increase from 2006, namely 0.670 in the year 2006, and 0.751 in 2010 and 0.83 in 2014. On the other hand, fertility rate of 29 years old and younger age group continued to decline during the period 2000~2005, but declining was almost stopped from the year 2006. This fact suggests that fertility rate can be changed by various factors which can influence the behaviors of people. However, it does not mean that the problem of increasing ratio of unmarried male and female becomes less important..

### **(Concerns of Unmarried Young People)**

The biggest cause of low fertility rate in Japan is the big ratio of unmarried young people in the age group of 20~39 years old. According to the analysis made in 2012 by the Ministry of Health, Labor and Welfare of Japan, there is a clear difference by the type of employment. As is shown below, the ratio of married male is very high among those under regular employment system and that of those under non-regular employment system is very low, less than half of former group.

Ratio of Married Male Workers (employees)		
	Under regular employment system	under non-regular employment systems
20~24(years)	9.6%	3.7%
25~29	33.4%	14.5%
30~34	60.1%	27.1%
35~39	71.7%	33.5%

It is also shown by the same office in 2014 that the annual income of 56.5% of non-regular male employees is less than 2 million yen and that of 22.0% of non-regular male employees is between 2 million and 2.99 million yen. On the other hand, the ratio of those in regular employees with annual income of less than 2 million yen is only 6.7% and that of annual income between 2million and 2.99million yen is 15.9%. .

Survey by the Cabinet Office in 2011 also shows the clear difference between regular male employees and non-regular employees. 63.1% of non-regular male employees of 30~34 age group is concerned about whether they can have economically sound life and 36.4% is worried about the lack of employment security. For regular employees, ratio is 49.2% and 8.3% respectively. Survey by the same office in 2011 on the reasons of “not getting married” shows that 49.0% of non-regular employees of 30~34 age group chose concerns about insufficient income for the life after marriage and 26.1% chose concerns about the lack of money even to get married. For regular employees, ratio are 18.6% and 12.8% respectively.

According to another survey by the Cabinet Office in 2010, 56.8% of unmarried male is concerned about whether they can live economically sound lives. 54.4% of unmarried female is also concerned about whether they can live economically sound lives, although unmarried female is more concerned about whether they can get along well with family members of their possible husbands. 42.3% of unmarried female is also concerned about giving birth and child- rearing. Interesting enough, both unmarried male and female are concerned about that they may not be able to communicate and understand their spouses well. It is probably because non-regular employees have less opportunities and experiences.

### **(What Young People Expect Government)**

According to the survey by the Cabinet Office in 2010, young people who wished to get married chose the following alternatives as those they wished government to do.

1. Provision of stable employment opportunity (male 51.3%, female 60.5%)
2. Improvement of working environment for the couple to continue to work (male 42.2%, female 57.5%)

3. Tax system and social security which suggests that getting married is more advantageous (male 39.7%, female 40.8%)
4. Loans and financial assistance for marriage and housing (male 38.5%, female 46.8%)
5. Correction of long working hours to ensure more free time (male 34.6%, female 41.2%)
6. Provision of opportunities of “encounter” (with possible partners) (male 33.7%, female 28.8%)
7. Counselling on marriage (male 15.6%, female 20.2%)

Obviously alternatives and simple wordings or expressions of survey were prepared by the government office. If respondents could answer in detail by their own words, what they wish could have been more clearly and vividly conveyed. Many non-regular employees must have been covered by the survey.

The number of non-regular employees has increased since the time of survey. Working conditions and their income do not seem to have been improved. Working conditions and income level of young people and the difference between regular employees and non-regular employees in Japan must be seriously considered. Unless young people can have a dream of better and bright future, they cannot think of happy marriage. Unless they can think of happy marriage, they cannot think of having children. Government must be able to respond people and provide bright future dreams, neither easy nor impossible but feasible dreams if everyone makes utmost efforts. Policy measures to be included in the strategy to raise fertility rate must be of such kind.

## **Conclusion**

The Japanese government started the new regional empowerment policy under the Regional Empowerment Act which aims at not only regional empowerment but also raising fertility rate of the country as a whole. To achieve these goals of the country as a whole, each level of government, each region and all Japanese people are expected to make utmost efforts of their own. All participants must be aware and proud of what they are expected to do. To be proud of specific goals and policy measures, they must be able to feel that they are of their

own. They must be able to actively participate in the process. Raising fertility rate is impossible without understanding and active participation of all people concerned. Active participation by young people, especially non-regular employees, is indispensable. Government must understand this and set the priority on this matter.

Expectations and concerns are discussed in this paper. Governments should not be inflexible. Sticking to the first Comprehensive CSJR Strategy made in a hurry is not an appropriate way, since every surrounding condition can change. It is a long way to go. Sustainable effort involving all those concerned is necessary.

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