**Introduction**

For twenty years and more, there have been warnings about the decline in the population of Japan. The latest census figures show that Japan had a population of just over 128 million as of October 2010 and some articles forecast that it could drop to as low as 87 million by the year 2060. Even more worrisome is the rapid aging of the Japanese population. Japanese people already enjoy one of the highest life expectancies in the world and it is expected to increase even further. It is predicted that, fifty years from now, Japanese women will have an average life expectancy of about 91, Japanese men almost 85 and that the percentage of the population over age 65 may be as high as 40%.

Such predictions are misleading because they present a worst case scenario that will occur only if present trends continue and if no corrective measures are taken. There is some evidence to show that, in fact, the downward slide has slowed appreciably. The March 2012 population of Japan was estimated at 127,659,000, hardly changed from the figure 18 months ago. This was despite the tsunami that not only claimed over 19,000 lives but disrupted the lives of millions of others and affected the birthrate nationally. This, however, is no reason for complacency. With the birthrate dropping to a new low of 1.39, well below the replacement rate of 2.00, urgent action is needed to mitigate the graying of Japan and the problems that it will create: a shrinking labor force, a decline in GDP and revenues, and the difficulty of caring for large numbers of the elderly.

**Causes of the Population Decline**

Since the phenomenon of population decline is not new, there has been plenty of discussion about its causes and the ways to combat it. The causes can be divided into three groups:

1. The decline in the birthrate
2. Societal problems
3. Resistance to immigration.

Each of these has many underlying factors. It would be well to enumerate them before proceeding to a discussion of what can be done to address them.

The decline in the birthrate can be traced to both quality-of-life and economic issues. For most middleclass women, marriage spells the end of their independence and whatever career dreams
they may have had. Few of them are able to continue work after marriage and motherhood because the burden of bringing up children falls almost entirely upon them. *Salariman* husbands spend long hours at the office, returning home late at night, too exhausted to do anything except sleep. As a result, married life for women is often an endless round of cooking, cleaning and taking care of the children without much emotional support or help from their husbands. In a recent survey, less than 28% of the women polled said that they considered child raising a pleasurable experience. No wonder that *shoshika*, the trend towards having fewer children, has accelerated in recent years. Many women put off getting married as long as they can and some even prefer to remain parasite singles (*parasaito shinguru*), living a carefree life well into their late twenties and beyond with their long-suffering parents.

Those who do marry tend to have fewer children and who can blame them? Medical insurance does not cover many of the costs of childbirth, and the cost of raising a child has risen exponentially in Tokyo and other large cities. Childcare is difficult to come by, particularly for children over age three and, even when it is available, is prohibitively expensive. For most middleclass couples, financial considerations make it very difficult to have more than one child.

Among the societal problems contributing to the low birthrate are *Freeters* (Freelancers who subsist on casual or part-time work so that they can have the time to pursue their own interests), *Neeters* (an acronym for Not in Education, Employment or Training), *hikikomori* (young adults who have withdrawn from society and are holed up in their rooms, relying on parents for their basic necessities and usually spending their lives surfing the internet), the high rate of suicide particularly among the young, and a general lack of interest in the opposite sex. This last phenomenon has resulted in oddities such as *soshuku danshi* (herbivore men), asexual young men who prefer to lead quieter, less competitive lives. These categories are not unique to Japan; they exist in China, Korea and the developed countries of the West. What is staggering, however, are the sheer numbers of such people in Japan. For instance, the number of *hikikomori* in Japan is estimated at well over a million. As for the herbivore men, a life insurance company commissioned a survey and, of the 1000 young men who responded, fully 75% classified themselves as *soshuku danshi*.

A third reason why Japan's population is declining is the opposition of the Japanese public to immigration. While the Japanese have been open to cultural influences from other countries, particularly America (baseball, fast food), their past history has left them with strong notions of racial purity. As polite and courteous as they are to foreigners, they have an ingrained sense of cultural superiority. Consequently, only about 2% of the population is of foreign stock, mostly
Korean, Chinese and Filipino. If Japan is to reverse its population decline, no matter what other measures are taken, the barriers to immigration will have to be relaxed.

**Fixing the Problem**

As is clear from the above, Japan's population decline is a complex phenomenon with a variety of causes. Any solution will have to be similarly multi-faceted. What is needed is a comprehensive, nationwide approach incorporating the following initiatives:

1. Making it easier for women to bear and raise children.
2. Making it easier for women to pursue careers after motherhood.
3. Improving work-life balance.
4. Giving young people hope for the future by increasing employment opportunities.
5. More responsive, dynamic management.
7. Using TV and other media to get the public to buy into these changes.

For all the talk about encouraging Japanese women to bear more children, little has been done to reduce medical costs during pregnancy. Many of these expenses are not covered by insurance and, as a result, most families cannot afford more than one child even if they are so inclined. More daycare centers have been built (though far short of the estimated 50,000 that were needed), many of them near train stations, so that mothers can drop off the children on the way to work. The availability of childcare is much improved though it is still difficult to obtain for children above the age of three. Nevertheless, there are some success stories such as the Edogawa district of Tokyo where parents get a monthly childcare subsidy of 26,000 yen/child and all medical costs for infants are covered. As a result, there has actually been an increase in the number of children under age 5 in the district. Unfortunately, such initiatives are fragmented because they only take place at the local level; if they were national, then it might result in more significant gains.

Until recently, there was an inherent bias against women in the workplace; little accommodation was made for women who wanted to work after marriage and motherhood. Women were expected to work only until they found a husband, and the idea of women forging careers was frowned upon.

These attitudes are changing, though slower than one might wish. Steps have been taken, by government and by industry, to reduce the burdens on married women, and to get husbands to participate more actively in the raising of children. Many companies now offer shorter working hours, and childcare and nursing care leave in excess of government mandated minimums. Already the results are apparent. At one firm, NSK Global, 98.5% of employees taking such
leave returned to work. Men are also given time off to help their wives with family care issues.

Many companies are trying to promote family togetherness. Some companies have restricted the amount of overtime that employees may work. Others designate one day a week as "No Overtime Day". Workers can use flex time, and tele-work (where feasible) so that they can spend more time at home with their families. There are also regular Working Mothers meetings where women share experiences and ideas on childcare issues. Fathers do the same at Fathers Forums and, however slowly, there is a change in the old idea that taking care of children is solely the mother's job.

A bigger problem is the Japanese attitude towards work which, in the past, allowed Japan to rise to a position of global pre-eminence but has since degenerated into an obsession. Too often, the emphasis seems to be on working long hours rather than working smart. During the economic downturn, Japanese firms required workers to put in a lot of overtime and, even today, there is a reluctance to change. This has led to some strange anomalies. At one company where a "No Overtime Day" was announced, workers actually put in more overtime hours in the course of a year. At another company, overtime was banned after 10 PM. 10 PM? I shudder to think what it must have been like to work at this company earlier! Such practices play havoc with work-life balance and initiatives to allow workers to spend more time with their families.

It is surprising that Japan, which gave the world such concepts as Just In Time manufacturing and inventory control, has not streamlined its administrative and management processes. In the large corporations that dominate the Japanese economy, top-down management, consensus building, collegial decision-making and advancement by seniority are still the norm. This slows down the process and builds up slow moving, conservative, risk-averse bureaucracies, a big handicap in the post-IR world. One hopes that the influx of tech-savvy newcomers will usher in much needed change.

There is also little sensitivity to women's needs since most decisions are taken by men. This is unfortunate because some improvements are simple and easy to implement. For example, at a highly profitable mail-order firm in Fukuoka, women employees do not need to ask for prior permission to leave early to pick up a sick child from school; they just tell their supervisor and leave. A small change, but it means so much to a working mother. By the way, the bright cheery offices of this company are staffed primarily by women and most of the managers are women. Is it any wonder that the firm is very successful at attracting and retaining younger employees? As women assert themselves, we should see more such forward looking policies that will open up the workplace to working mothers.
It is paradoxical that at a time when there are large numbers of Freeters, Neeters and other dropouts from the economy who would love to have a full-time job, Japan worries about a situation in which there will, not be enough people to do the work. This suggests that the problem is not a shortage of labor but the unwillingness of companies to incur additional costs. It is more profitable for firms to get the work done by means of unpaid overtime or by cheaper, part-time, employees who have few benefits.

Indubitably, the large numbers of freeters, neeters and other dropouts from society, have a significant impact on the birthrate. Those who are unemployed or underemployed and have no health benefits cannot dream of attracting a mate or begetting children. Sociologists and others have a variety of explanations for why such people are the way they are. Most everyone agrees that the downsizing of the Japanese economy, the difficulty of finding a job, and the unbearable pressures that Japanese are under are contributing factors. The pressure to succeed often results in their withdrawing from society. While it is beyond any one person's expertise to suggest solutions to all these problems, it would be beneficial for Japan to take a fresh look at employment and hiring practices.

Young adults in Japan have one chance — and only one — to get gainful fulltime employment; that is when they graduate from college. If they do not land a job then, it is unlikely that they will ever do so. The whole system of education is geared towards churning out salarimen. Employment is based strictly on academic achievement. This is a huge problem because those who fail to land a job at graduation have few options. There is little place in the Japanese system for individuality, entrepreneurship or other such attributes.

In this respect, the experience of neighboring South Korea is of interest. There, as in Japan, much stress is placed on excelling academically and landing a job with a prestigious company. The trouble is that there are not enough such jobs. Last year, the top 30 companies in South Korea hired 260,000 graduates but that still left another 60,000 on the outside, looking in. The South Korean government has taken steps to address this situation. In September 2011, it offered tax incentives of about $18,000 to companies for each high school graduate that they hired. It also set up career counseling services and staged job fairs for high school graduates who wanted to enter the job market rather than go to college. As a result many South Korean companies are hiring youngsters fresh out of high school and giving them the necessary training. The message to young adults in Korea is "Skip college and go to work".

Such initiatives are sorely needed in Japan. The creation of more trade schools to train youngsters
for alternative careers, career counseling, giving companies tax incentives to hire high school graduates and making it easier to open new businesses would reduce the numbers of drop-outs from society. The government could also make it easier for venture capital to fund start-ups, and reduce the costs of registering businesses. Not only will this result in more jobs but it will give hope to freeters, neeters and others who see no place for themselves in the present system. Making such people productive members of society can only have a positive impact on the birthrate in the future.

Improving work-life balance, making it easier for women to continue to work after they have had children, nudging men to break free of the old stereotype in which their only role was to earn while the women stayed home and took care of the kids, measuring work in terms of achievement rather than the number of hours put in, and subsidizing the cost of childcare will help increase the birthrate but the improvement is going to be slow. For more immediate results, Japan is going to have to look elsewhere.

Greater employment of women and seniors is a short term strategy for overcoming labor shortages but it will only postpone the inevitable crunch. Immigration, however, will not only address present labor shortages in specific areas but, properly handled, will also result in healthy population increases. Immigration is a very touchy issue with most Japanese but it is something that they will have to come to grips with. Without more immigration, all the other steps taken are only likely to slow the population decline, not reverse the trend.

Deep down even the politicians know that immigration is necessary but their awareness of public antipathy to the issue makes them skirt the subject. As a result, there is no meaningful discussion of the issue. Immigration does not have to be in the large numbers suggested by some experts (one suggested an annual quota of 340,000). The numbers can be relatively small and they can be targeted to address Japan’s needs. Perhaps the first step would be to issue five-year work permits for young people with desirable skills. Those completing the five year probation satisfactorily and demonstrating a working knowledge of Japanese would become eligible for citizenship as would all children born of their marriages. The plan would be highly attractive to overseas Japanese (such as Japanese-Brazilians) who wished to return, and to citizens of countries such as China and Singapore that restrict the number of children a couple can have. It would be an opportunity to obtain young workers in fields such as healthcare and information technology for which there is a crying need in Japan. Properly implemented, immigration policies could also help funnel immigrants to rural areas which have been depleted by the exodus to large urban centers.
All these initiatives represent a dramatic change from the past. Changes are required to labor policy, immigration, employment, social security and pension programs and the Japanese public will have to buy into them. Making these structural changes will not be easy but a bigger problem will be selling them to the general public. Old style propaganda and exhortations to behave in a particular way are bound to be ineffective but the power of TV can be used to change long held attitudes.

In other countries, the media has been used very effectively to mold public perceptions. TV dramas stressing family values and family togetherness have been hugely successful, far beyond national boundaries. They have projected positive images of a country's culture and sparked tourism while simultaneously creating thousands of jobs and bringing in billions in revenues. Why can't Japanese TV follow a similar path in influencing Japanese perceptions of family life and work-life balance? I think Japanese viewers would lap up some light-hearted, romantic fare that would subtly tout marriage and family.

It is obvious that there is no single cause for Japan's declining population. Merely making it easier for women to bear and raise children is not going to solve the problem. The causes are many and they are inter-linked. Reversing the trend will require a comprehensive approach and total commitment on the part of decision-makers in government and industry. What is required is the right mix of policies in many different areas and the public's support for it.

It is a daunting prospect but one that the Japanese people are fully capable of facing. They have overcome worse problems in the past. Who can forget how Japan rose phoenix-like in the aftermath of WW II to take her place among the leading countries of the world? The tragedy at Fukushima again demonstrated to an admiring world the fortitude and resiliency of the Japanese people in the face of catastrophe.

Of all the human interest stories in the wake of the tsunami, there is one that I particularly remember. In the days immediately afterward, some survivors were waiting in line to receive packaged lunches. One of the volunteers got to talking with a slight, nine year old boy who was standing in line. Matter-of-factly, the lad told him that he had seen his father's dead body and that his mother and sister were missing and presumed dead. The volunteer was moved by the story of this boy, now all alone in the world. Quietly, he took the boy aside, explained that the food would probably run out before it came to his turn and gave him his own lunch. The boy took the packet and thanked him profusely, but instead of eating it he went and turned it in so that it could be distributed to someone else ahead of him in the queue. He explained to the stunned volunteer that there were others who needed the food more than he did.
How can a nation that produces such citizens not prosper? Can there be any doubt that Japan will overcome the problems it faces today, just as it has in the past and that it will see better days?
No, not in my mind.

**My vision of the Japan of the future**

What will Japan be like in the year 2050? I see a country whose population has stabilized at around 140 million. A diverse, dynamic nation proud of its history and culture but more engaged with the rest of the world than it is today. A society of confident, happy, productive citizens free of the insanely high pressures they labor under now.
The one thing that I hope does not change is the Japanese national character, a shining example for the rest of the world.