

# Trends in Japan's Social Demographic Structure and Coping Strategies

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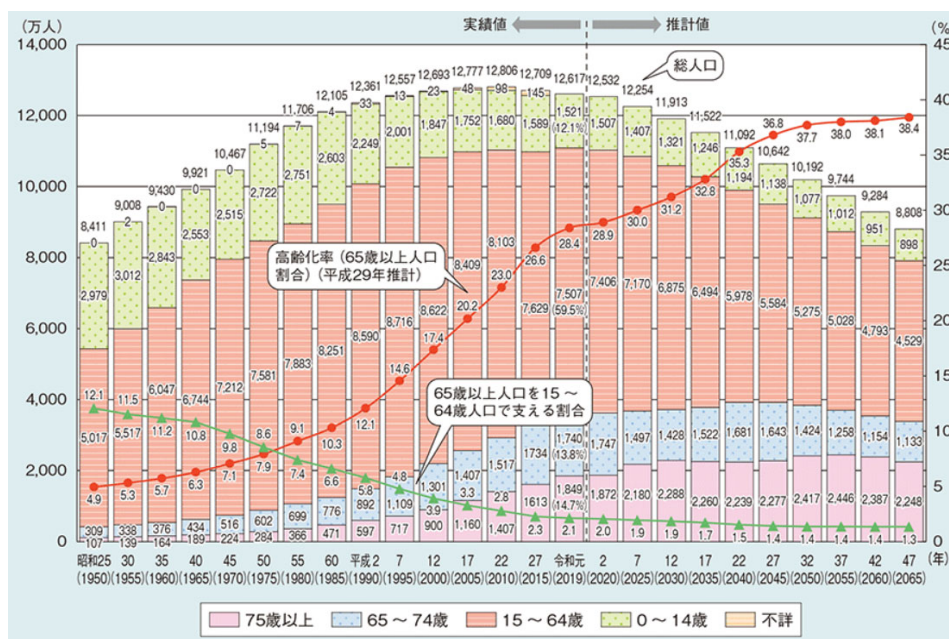
**Abstract:** In response to the increasingly serious phenomenon of low birthrate and aging population, the Japanese government has been trying to plan and formulate corresponding laws and regulations, and try to improve the current social security systems such as old-age care, medical care, and nursing care. A relatively comprehensive political system has been set up to support older people in employment, child care and other related policies.

**Keywords:** Japan, Low birthrate and aging, Countermeasures.

## 1. Japan's Population Structure Is Rapidly Aging

As of October 1, 2020, Japan had 126,146,000 inhabitants. Compared to 2015, the population decreased by 949,000 people (down 0.7% from 2015, an average annual decrease of 0.15%)[1]. We believe that there will be a society while the

total population is declining, the aging rate will continue to rise as the number of people aged 65 and over increases, reaching 33.3% in 2036, or one in three people. Since 2042, the population aged 65 and over has started to decline, but the aging rate will continue to rise, reaching 38.4% in 2065, or about 1 in 2.6 of the population. It is estimated that by 2065, 25.5% of the total population will be 75 years old or older, and 1 in 3.9 people will be 75 years old or older.[2].



**Figure 1.** The Progress and Forecast of Japan's Aging  
 Source: Japan's Cabinet "White Paper 2020 on Ageing Society"

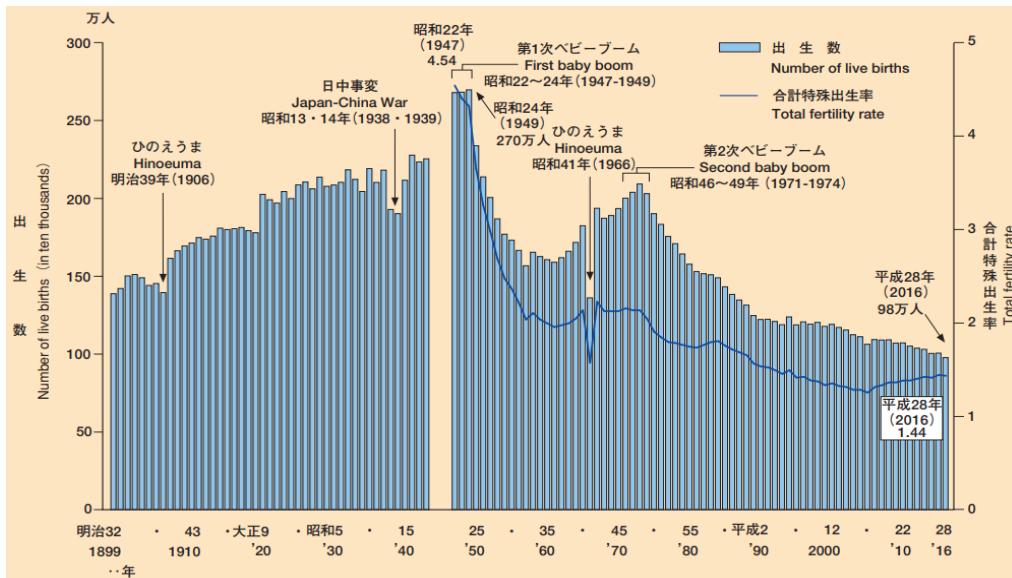
According to the definition of ageing, the rate of ageing reached 14% by 1994, entering a "Aged society". Furthermore, the aging rate reached 21% in 2007 (the reference line for a super-aging society) and has continued to rise since then. Dealing with an unprecedented aging society is a major policy issue for Japan today.

## 2. Reasons for Japan's aging

### 2.1. Drop in Birth Rate

If you look at the annual trends in the number of births, it's

about 1.2 million since 1989, but it has decreased since 2001 for five consecutive years. It repeatedly increased and decreased from 2018 and decreased again after 2011, but increased for the first time in five years in 2015. In 2016, the number was 976,978, down 28,699 from the previous year. (2016) The total fertility rate is 1.44, down from 1.45 in 2016.[3].



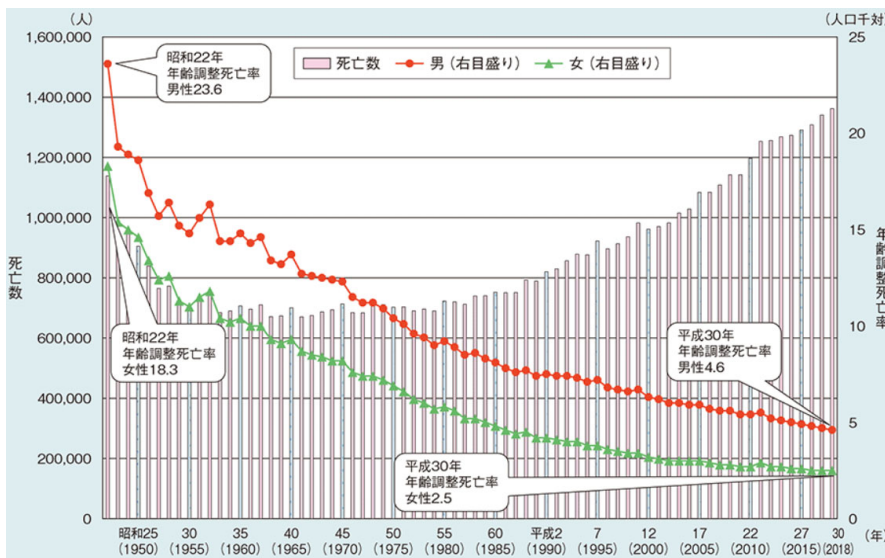
**Figure 2.** Trends in live births and total fertility rates, 1899-2016

Source: Ministry of Health, Labor and Welfare of Japan, “Demographics in Japan in 2018 (Trends up to 2016)”

## 2.2. Reduction in Mortality

After the Second World War, Japan's age-adjusted mortality rate declined significantly due to improved living

conditions, food and nutrition, and advances in medical technology. From 23.6 for men and 18.3 for women in 1947, it increased to 4.6 for men and 2.5 for women in 2018..



**Figure 3.** Evolution of the number of deaths and age-adjusted mortality rates

Source: Japan's Cabinet "White Paper 2020 on Ageing Society"

On the other hand, in 2005, the number of deaths (rate) in the total population of Japan exceeded the number of births (rate), and the natural growth rate became negative. The total population at the time of the 2010 census increased slightly from the 2005 census due to the net influx of international migration, but the Japanese national population is decreasing. Population ageing is expected to advance even as the population declines due to a reduction in the population of childbearing age due to declining fertility rates and an increase in life expectancy.

naturally decline. The labor force population (of the population aged 15 and over, including those who are employed and those who are unemployed) will average 68.6 million in 2021, a decrease of 80,000 from the previous year (decrease for the second consecutive year). In addition, the labour force aged 15 to 64 will average 59.31 million in 2021, a decrease of 150,000 compared to the previous year[4]. If there is a labour shortage, the burden on the workers who are responsible for the work sites will increase. And this will also be detrimental to economic development.

## 3. Impact

### 3.1. Labor Shortage Due to Population Decline

If the birth rate declines, the labour force in Japan will

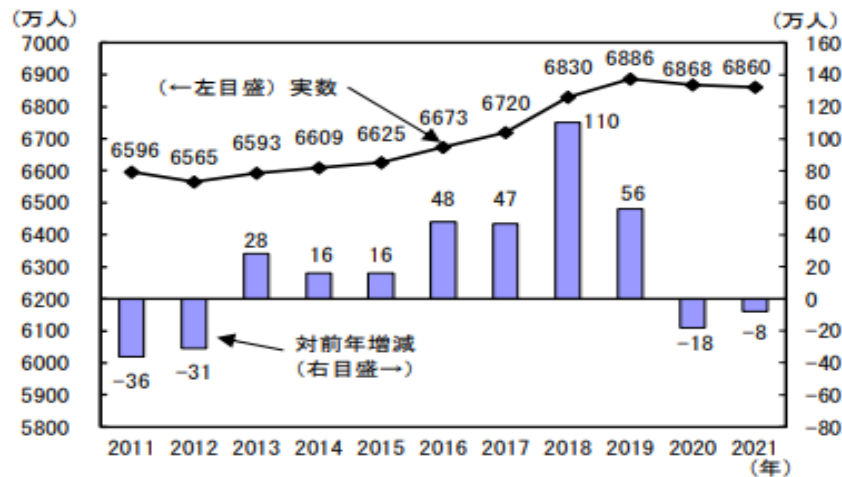


Figure 4. Trends in labor force population

Source: Statistics Bureau, Ministry of Internal Affairs and Communications, Japan Labor Force Survey (Basic Tabulation) 2021 Average Results

### 3.2. Increasing Burden on Working Generation Due to Declining Birthrate and Aging Population

If the number of young people decreases and the number of elderly people increases, a social structure will be created in which a large number of elderly people will be supported by a small number of people. The weight of taxes and social insurance premiums on the active generation is going to increase. In 1960, the number was 11.2, but due to the declining birthrate and aging population, it was 7.4 in 1980 and 2.4 in 2014. If the current situation continues, by 2060 and 2110 there will be approximately one person of working age per older person[4]. With falling birth rates and an aging population, the imbalance between benefits and social security burdens, especially medical and long-term care costs, will intensify.

### 3.3. Economic Contraction Due to Population Decline

Economic activity depends on and carries the workforce. If the rapid population decline causes a shrinkage of the domestic market, it will make the country less attractive as an investment destination, and furthermore, it will make it difficult for innovation to occur through the accumulation and interaction of people, which will reduce growth potential. In addition, there is a risk that long working hours will become even more serious in order to make up for labor shortages, work-life balance will not be improved, and a vicious cycle will occur in which the declining birthrate progresses further.

## 4. Countermeasures

### 4.1. Countermeasures for Population Reduction

In order to prevent population decline, the Japanese government is taking various measures to improve the birth rate, such as expanding the childcare leave system, reducing the burden of childbirth and childcare costs, and creating an environment that makes it easier to raise children. For example, the "Basic Law for Countermeasures against the Declining Birthrate" enacted in July 2003 stipulates the purpose of the declining birthrate in the future, the basic

philosophy, the basic direction of measures, and the responsibilities of the national and local governments, business owners, and citizens. The Act on Advancement of Measures to Support Raising Next-Generation Children, which was enacted at the same time as the Basic Act on Countermeasures for Society with Declining Birthrate, encourages local governments and companies (with 101 or more regular workers) to take steps to support the development of the next generation., is a law that mandates the formulation of an action plan. And in August 2012, three related laws, including the Child and Childrearing Support Act, were enacted as part of the integrated social security and tax reforms.

### 4.2. Countermeasures to Population Aging.

In order to cope with the increasing ageing of the population and to ensure an adequate labour force, the Japanese Government has formulated corresponding countermeasures based on the following aspects[2]:

1. Employment & Income
  - (1) To improve the environment for the achievement of a society where people can work age-free.
  - (2) Set up a public pension scheme in which everyone can feel safe.
  - (3) Support to asset formation, etc.
2. Health & well-being
  - (1) General health promotion.
  - (2) Functioning of a sustainable long-term insurance scheme.
  - (3) Enhancement of nursing services (achievement of zero turnover for nursing).
  - (4) Functioning of a sustainable health care system for older persons.
  - (5) Promoting actions to combat dementia.
  - (6) How health care should be at the end of life.
  - (7) Promote the development of a resident-centric system of mutual support, etc.
3. Learning and participation in society
  - (1) Promoting learning activities.
  - (2) Promoting social participation activities.
4. Living environment
  - (1) Securing affluent and stable housing
  - (2) Comprehensive promotion of community development

suitable for an ageing society.

(3) To ensure road safety and to protect against crime, disasters, etc.

(4) Promotion of the use of adult supervision.

5. Contribution to R&D, international society, etc

(1) Using advanced technologies and revitalizing the elderly market.

(2) Promoting research and development and infrastructure development.

(3) Exchange of knowledge and problems with other countries.

6. Foster the active participation of all generations

(1) Promote active participation by all generations.

## 5. Conclusions

In order to maintain the sustained and stable development of the national economy, Japan must start to consider expanding the employment of foreigners in the face of an increasingly insufficient domestic labor force, but the resulting series of social problems is also inevitable problems for the Japanese government. In addition to narrowing the wage and income disparities between Japan and other countries, as diplomatic friction between China and Japan,

Japan and South Korea has not been completely resolved, It is not easy to recruit top-notch foreign human resources for the creation of new technologies, industries and employment opportunities from around the world. From now on, how to create attractive cities and regions where various specialists, including foreigners, want to work, start a business, and live in, is a major policy issue that will affect Japan's future economic growth.

## References

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