

Japan Shrinks

Many nations have aging populations, but none can quite match Japan. Its experience holds lessons for other countries as well as insights into the distinctiveness of Japanese society.

BY NICHOLAS EBERSTADT

IN 2006, JAPAN REACHED A DEMOGRAPHIC AND social turning point. According to Tokyo's official statistics, deaths that year very slightly outnumbered births. Nothing like this had been recorded since 1945, the year of Japan's catastrophic defeat in World War II. But 2006 was not a curious perturbation. Rather, it was the harbinger of a new national norm.

Japan is now a "net mortality society." Death rates today are routinely higher than birthrates, and the imbalance is growing. The nation is set to commence a prolonged period of depopulation. Within just a few decades, the number of people living in Japan will likely decline 20 percent. The Germans, who saw their numbers drop by an estimated 700,000 in just the years from 2002 to 2009, have a term for this new phenomenon: *schrumpfende Gesellschaft*, or "shrinking society." Implicit in the phrase is the understanding that a progressive peacetime depopulation will entail much more than a lowered head count. It will inescapably mean a transformation of family life, social relationships, hopes and expectations—and much more.

But Japan is on the cusp of an even more radical demographic makeover than the one now under way in Germany and other countries that are in a similar

situation, including Italy, Hungary, and Croatia. (The United States is also aging, but its population is still growing.) Within barely a generation, demographic trends promise to turn Japan into a dramatically—in some ways almost unimaginably—different place from the country we know today. If we go by U.S. Census Bureau projections for Japan, for example, there will be so many people over 100 years of age in 2040, and so few babies, that there could almost be one centenarian on hand to welcome each Japanese newborn.

Population decline and extreme population aging will profoundly alter the realm of the possible for Japan—and will have major reverberations for the nation's social life, economic performance, and foreign relations. Gradually but relentlessly, Japan is evolving into a type of society whose contours and workings have only been contemplated in science fiction. It is not clear that Japan's path will be a harbinger of what lies ahead in other aging societies. Over the past century, modernization has markedly increased the economic, educational, technological, and social similarities between Japan and other affluent countries. However, Japan has remained distinctive in important respects—and in the years ahead it may become increasingly *unlike* other rich countries, as population change accentuates some of its all-but-unique attitudes and proclivities.

Japan's future population profile has already very

NICHOLAS EBERSTADT holds the Henry Wendt Chair in Political Economy at the American Enterprise Institute and is a senior adviser to the National Bureau of Asian Research.

largely been set. Well over 75 percent of the people who will inhabit the Japan of 2040 are already alive, living there today. The country's population trajectory will be driven by three fundamental and distinctively Japanese trends: (1) extremely favorable general health conditions—the Japanese now enjoy the world's greatest longevity, and the outlook is for further improvements; (2) an unusually strong aversion to immigration; and (3) the most pronounced and prolonged period of sub-replacement fertility of any nation in the modern world.

Japan's total fertility rate first dipped temporarily below replacement level in the 1950s, a time when the rest of the world was just beginning to grow alarmed by the possibility of a "population explosion." It has

remained below replacement level (around 2.1 births per woman) since the early 1970s. The total fertility rate—a measure of births per woman per lifetime—while up slightly from its low (to date) of 1.26 in 2005, was a mere 1.37 in 2009, only two-thirds of the level required for long-term population stability. (Japan's population continued to grow into the 21st century because the pool of women of childbearing age kept growing until about 1990, while tremendous improvements in health among seniors postponed the intersection of death and birth totals.)

Japan's postwar fertility plunge has been so steep that it can be described as a virtual collapse. In 2008, barely 40 percent as many Japanese babies were born as in 1948. [See chart, page 32.] In fact, the country's



"Stop the birthrate decline!" was the theme behind a line of lingerie launched in 2006 by a Japanese firm. The children embroidered on the bras are supporting elderly women and Japan itself, while the line's signature phrase was emblazoned on other items in the line.

annual birth totals are lower today than they were a century ago—and if current projections come to pass, Japan will not have many more newborns in 2050 than it did in the 1870s.

We can get a sense of the shape of things to come by comparing Japan's current population profile with an estimate for 2040. [See chart, page 33.] Not even 30 years from now, more than a third of Japanese will be 65 or older. Japan is already the world's grayest society, with a median age of almost 45 years. By 2040 its median age, to go by U.S. Census Bureau projections, will rise to an almost inconceivable 55. (By way of comparison, the median age in the retirement haven of Palm Springs, California, is currently under 52 years.)

This aging society, of course, will also be shrinking. By Tokyo's projections, Japan's population will decline from about 127 million today—the 10th largest in the world—to about 106 million in 2040. The working-age population (ages 15–64) will plunge 30 percent, from 81 million to 57 million. In 2040, by these projections, the total population will be declining by about one percent annually (roughly one million people per year), and the working-age population by almost two percent annually.

But there is more. Japan's historically robust (if perhaps at times stifling) family relations, a pillar of society in all earlier generations, stand to be severely and perhaps decisively eroded in the coming decades. Traditional "Asian family values"—the ideals of uni-

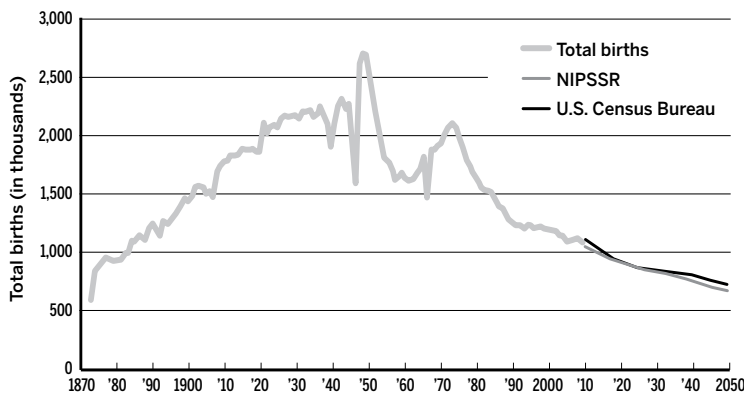
versal marriage and parenthood—are already largely a curiosity of the past in Japan. Their decay has set in motion a variety of powerful trends which virtually ensure that the Japan of 2040 will be a country with far greater numbers of aged isolates, divorced individuals, and adults whose family lines come to an end with them.

At its heart, marriage in traditional Japan was a matter of duty, not just love. Well within living memory, arranged marriages (*miai*) predominated, while "love matches" (*renai kekkon*) were anomalies. Love matches did not exceed arranged pairings until 1970—yet by 2005, only six percent of all new marriages fit the traditional mold. The collapse of arranged marriage seems to have taken something with it. Remarkably enough, there is a near perfect correlation between the demise of arranged marriage in Japan and the decline in postwar Japanese fertility.

Unshackled from the obligations of the old family order, Japan's young men and women have plunged into a previously unknown territory of interpersonal options. One consequence has been a headlong "flight from marriage," as Australian demographer Gavin Jones describes it. Increasingly, men and women in modern Japan have been postponing marriage—or avoiding it altogether. Between 1965 and 2005, for example, the proportion of never-married women in their late thirties shot up from six percent to 18 percent. Among men, the proportion rose even more steeply, from four percent to 30 percent. Many of these single adults still have not left home, creating a new breed of *parasaito shinguru*, or "parasite singles."

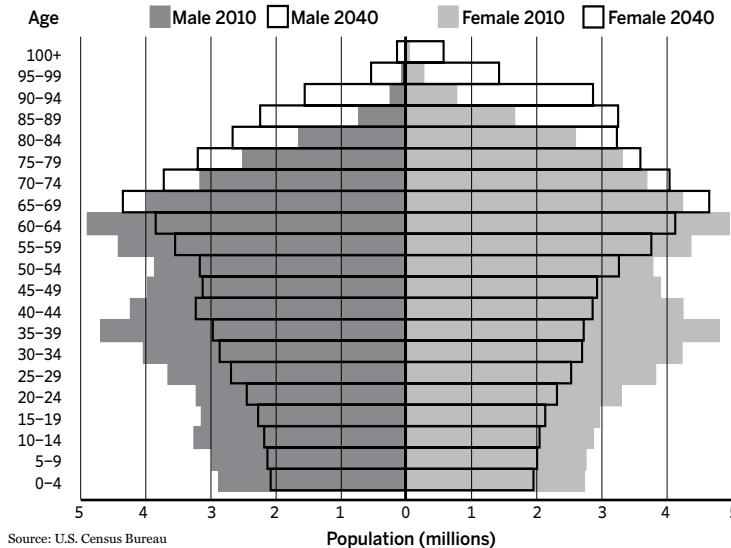
Even as young Japanese increasingly avoid marriage, divorce is further undermining the country's family structure. Just as being unmarried at prime child-rearing age is no longer a situation requiring explanation, divorce now bears no stigma. Between 1970 and 2009, the annual tally of divorces nearly tripled. The number of new marriages, meanwhile, slumped by nearly a third. According to one study, a married woman's probability

Births in Japan, 1872-2050



Sources: Japanese Statistical Yearbook. Estimates from National Institute of Population and Social Security Research (Japan) and U.S. Census Bureau.

Japan's Population, 2010 v 2040



of eventual divorce in Japan has leapt from under 10 percent in 1965 to about 30 percent today—higher than in such “postmodern” Scandinavian societies as Norway and Finland.

As the flight from marriage and the normalization of divorce has recast living arrangements in Japan, the cohort of married fertile adults has plummeted in size. Although the number of men and women between the ages of 20 and 50 was roughly the same in 2010 and 1970, about 10 million fewer were married in 2010. Nowadays, the odds of being married are barely even within this key demographic group. And marriage is the only real path to parenthood. Unwed motherhood remains, so to speak, inconceivable because of the enduring disgrace conferred by out-of-wedlock births.

In effect, the Japanese have embraced voluntary mass childlessness.

Rates of childlessness have been generally rising throughout the industrialized world since 1945, but Japan's levels were high to begin with. About 18 percent of Japanese women born in 1950 ended up having no children—a larger percentage than among their famously childless West German contemporaries. Among Japanese women born 15 years later, the odds of being childless are roughly one in four. But this may be only a foretaste of what lies in store.

Projections by Japan's official National Institute of Population and Social Security offer a stunning picture of the possible future for today's young Japanese. Consider, for example, a woman born in 1990, now 22 years old. Given current trends, the institute estimates her life expectancy to be around 90, maybe higher. But children—and family, at least in the current understanding of the term—may very



An age wave is descending on Japan, promising to make what is already the world's “grayest” society into one with a median age close to that of retirement havens such as Palm Springs, California.

well not be part of her life experience. The projections give her slightly less than even odds of getting married, and staying married to age 50. Her chances of never marrying at all are nearly one in four. Further, these projections suggest she has nearly a two-fifths (38 percent) chance of ending up childless. Even more astonishing: She has a better-than-even chance of completing life with no biological grandchildren.

Though it can be represented in cold statistics, the human flavor of Japan's new demographic order may be better captured in anecdote:

- Rental “relatives” are now readily available throughout the country for celebrations when a groom or bride lacks requisite kin.
- “Babyloids”—small, furry, robotic dolls that can mimic some of the sounds and gestures of real babies—are being marketed to help older Japanese cope with loneliness and depression.
- Robot pets and rental pets are also available for those who seek the affection of an animal but cannot cope with having one to look after.
- In a recent government survey, one-third of boys ages 16 to 19 described themselves as uninterested in or positively averse to sexual intimacy.
- Young Japanese men are, however, clearly very interested in video games and the Internet: In 2009, a 27-year-old Japanese man made history by “marrying” a female video game character’s avatar while thousands watched online.
- Japanese researchers are pioneering the development of attractive, lifelike androids. Earlier this year, a persuasively realistic humanoid called Geminoid F was displayed in a department store window, appearing to wait for a friend.

These random facts may not reflect the full spectrum of everyday life in modern Japan, but like anecdotes about any country, they reveal things that are genuine, distinctive, and arguably meaningful about

it today—and perhaps tomorrow as well.

What will all of these unfolding demographic and familial changes mean for the Japan of 2040? A few of the most likely implications can be briefly itemized:

A looming old-age burden: Despite salutary trends in “healthy aging,” Japan’s extraordinary demographics can only mean that a rapidly growing share of the country’s population will be frail in the years ahead—and that public pension allowances, health and medical services, and long-term care will be ever more pressing priorities for Japanese society. Not the least of the problems may concern Alzheimer’s disease. A study commissioned by Alzheimer’s Disease International suggests that, on current track, the prevalence of dementia in the Japanese population could rise to five percent by 2050—one person in 20. The caregiving implications of such an outcome are staggering—and given the coming erosion of the Japanese family, a steadily decreasing proportion of senior citizens will have children to turn to for

WHEN A GROOM OR BRIDE lacks the requisite kin for a celebration, rental “relatives” are now readily available throughout the country.

support. Under such circumstances, an increase in long-term institutionalization among the elderly seems inescapable.

A new kind of childhood: In the recent past, children in Japan were plentiful, while elders (who could expect a measure of veneration) were scarce. But by most projections there will be three senior citizens in 2040 for every child under 15—an almost exact inversion of the ratio that existed as recently as 1975.

It is easy to imagine a Japan in which children—the country’s link with its future—will become increasingly prized. It is also possible to envision a future in which Japanese boys and girls develop a pronounced sense of entitlement, much as China’s rising generation of “little emperor” only-children have today, and regard their obligations and duties



Young women celebrate “Coming of Age Day” in a Tokyo amusement park. The January holiday for those who turned 20 in the previous year has seen declining participation as perceptions of adulthood change.

to their elders as increasingly onerous and optional. The hopes and expectations falling on this dwindling cadre of youth would be truly enormous—and for some fraction of the rising generation could amount to an unbearable pressure.

Japan is already witness to a worrisome rise in the number of what social scientists call NEET youth (not in education, employment, or training)—women and, more commonly, men who are, in effect, opting out of existing Japanese social arrangements. The pathological extreme of this phenomenon is the *hikikomori*—young adults who shut themselves off almost entirely by retreating into a friendless life of video games, the Internet, and *manga* (comics) in their parents’ home. Hard data on the *hikikomori* are scarce, but Japanese experts guess that there are hundreds of thousands of them. Suffice it to say that childhood and young adulthood in the Japan of the future will be different—and in some ways, perhaps more difficult than ever before.

A struggle to maintain economic growth: In the aftermath of two “lost decades” of meager growth, a world economic crisis, and a devastating tsunami, the

Japanese economy faces a future in which simply sustaining growth will be an increasing challenge. The working-age population is set to shrink by 30 percent over the next three decades, and even if older Japanese take up some of the slack, the country’s work force will almost surely be much smaller than it is today. Extreme population aging, for its part, stands to place mounting downward pressure on the nation’s savings rate—and thus, other things being equal, on investment.

Ballooning debt obligations will compound the demographic pres-

ures on economic performance. Thanks in part to its approach to financing programs for the aged, Japan already has the highest ratio of gross public debt to gross domestic product (well over 200 percent) of the developed nations. Projections by researchers at the Bank for International Settlements imply that this ratio could rise to a mind-boggling 600 percent by 2040. (Greece’s public debt, by contrast, amounted to about 130 percent of its GDP at the start of its current default drama.) While Japan might well be able to service such a mountain of debt without risk of sovereign default (assuming the country’s low-interest-rate environment continues to hold), it is hard to see how a recipe for rapid or even moderate economic growth could be cooked up with these ingredients.

Even so, from a purely arithmetic standpoint, a country with a shrinking population—and even a shrinking GDP—could theoretically enjoy steady improvements in personal income and living standards. Japan does possess a number of options for enhancing economic growth. Significantly, it has built a generally strong educational system, and efforts to increase

attainment (including implementation of a genuine lifelong approach to education and training) could tangibly increase labor productivity. Japan is also a world leader in research, development, and “knowledge production.” Strengthening these capacities and applying technological advances and breakthroughs throughout the national economy could stimulate growth. And as the healthiest people on the planet, the Japanese have untapped possibilities for augmenting their future labor force by extending working life. Finally, far-reaching structural reform of the economy—long hobbled by a dysfunctional financial and banking sector and other ills—could significantly brighten the prospects for long-term growth. Seizing these opportunities, however, will require widespread determination to chart a sharp change of economic course on the part of Japan’s political leadership and an aging electorate that may be increasingly risk-averse.

A less crowded, “greener” Japan: Japan’s impending depopulation may have its upsides. With the emptying of the countryside, for example, the nation will have more living space and arable land per person than it does today. Given the country’s ongoing improvements in energy efficiency and environmental technologies, depopulation could coincide with an improvement in natural amenities and (by at least some criteria) quality of life. Further, thanks to environment-friendly technological advances and, however unintended, slow economic growth, Japan may emerge as a world leader in reducing emissions of greenhouse gases.

Diminishing international influence: Demographic trends have created powerful pressures for a smaller Japanese role in world affairs in coming decades. The country’s share of world economic output—and its international economic influence—should be expected to decline, perhaps considerably. Prospective trends in military-age manpower tell a similar story. Thirty years ago, Japan was the world’s seventh most populous country. Thirty years hence it likely

will be down to number 15, surpassed by Egypt and the Democratic Republic of the Congo, among others.

It is true that Japan’s biggest neighbors, China and Russia, have demographic clouds on their horizons as well. And Japan’s potential for self-defense is far greater than its current capacities (many of them shaped by self-imposed restrictions) suggest. Even if it becomes more assertive of its national interests, however, this maritime power, like others before it, may continue

IN 2009, JAPAN NATURALIZED barely a third as many new citizens as Switzerland, whose total population is a small fraction of Japan’s.

to rely heavily on international alliances to protect its national security. Japan may need international friends and allies in the years ahead even more than it does now. Japanese policymakers will be well advised to think about what their aging, depopulating nation can offer such prospective partners.

A potentially pivotal role for migration: Migration is something of a wild card in the country’s future. In light of Japan’s long-standing sensitivity to the “otherness” of *gaijin* (non-Japanese), immigration to Japan has been strikingly limited, assimilation of newcomers even more so. (To put the situation in perspective: In 2009 Japan naturalized barely a third as many new citizens as Switzerland, a country with a population only six percent the size of Japan’s and a reputation of its own for standoffishness.) All the same, Japan is an increasingly cosmopolitan country, and the Japanese are enthusiastic tourists and international travelers. It is not impossible that attitudes toward the importation of foreign labor could change in the face of demographic pressures.

No less intriguing, however, is the proposition that Japan might turn out to be a major supplier of *emigrants* to the rest of the world. Given the cost and care outlook for their aging population, the Japanese might, for example, establish health care “colonies” in places such as India or the Philippines, spots where

large populations of elderly Japanese could enjoy a good quality of life or receive necessary treatment and support at a fraction of what they would cost at home. Younger Japanese, for their part, might find it increasingly attractive to venture overseas in search of opportunity if the alternative were perceived to be a limited future in a shrinking, dying Japan. More than one million Japanese were already estimated to reside abroad as of 2009.

Population projections are just that, estimates based on assumptions made today. Is a significant turnaround in Japan's population outlook possible over the next several decades? That cannot be ruled out entirely, but we must recognize the narrow limits of the possible. Only a catastrophe of truly biblical proportions, such as a disastrous die-off among today's middle-aged and elderly Japanese, could prevent Japan's unprecedented aging. Migration, at least for now, looks unlikely to increase much, and an increase in emigration could accelerate the trends that darken Japan's future. Nor is there much hope that pro-natalist policies, such as "baby bonuses," would make a significant long-term difference. They have had at best limited success in other affluent societ-

ies. Singapore has aggressively promoted a variety of pro-natalist policies for more than two decades, yet its total fertility rate in 2011 was even lower than Japan's. Decades of worldwide evidence suggest that birth levels depend critically on desired family size rather than "birth bribes." To the degree that values and norms frame individuals' views about family size, it is possible that some great change in public attitudes—an ideological or religious movement, a "national awakening," or the like—could sweep Japan and increase the desire to bear children. But nothing like this has ever occurred in an affluent open society with fertility levels as low as Japan's.

For better or worse, depopulation and pervasive graying look to be Japan's lot for as far as our imaginations can stretch. In one sense, this may simply make the Japanese a "pioneer people": Many other nations and populations may likewise eventually find themselves to be shrinking societies, too. Japan's efforts to cope with the problems posed (and also to capitalize on the opportunities presented) by a prosperous and orderly depopulation may prove exemplary for the rest of the world. On the other hand, as Japanese themselves are so often the first to point out, their own *minzoku*—

An ever more precious commodity, Japanese children are under enormous pressure to succeed. As Japan comes to rely on a shrinking number of children, those pressures may grow—with unpredictable results.

an emotive and heavily freighted term meaning "tribe," "race," or "nationality"—is in important ways unique. "Depopulation with Japanese characteristics" may therefore turn out to look different from prospective depopulations elsewhere—and Japan may face special, self-imposed constraints in dealing with its impending appointment with this demographic future. In either case, making the most of the new demographic realities that lie in store in the decades ahead could be one of this great nation's very greatest trials. ■

B.S.P.L./CORBIS

