



Concerning a Target Population of 100 Million

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In Japan, the population peaked in 2008 and then began to decrease, to 127 million in 2013. This change is determined by the total fertility rate (the average number of children a woman gives birth to in her life). If the rate is 2.07 or higher in Japan, the population will not fall. However, Japan's total fertility rate has long been dropping, to 1.43 in 2013, which from an international standpoint is extremely low.

If this rate changes little from here onward, Japan's population will continue to decline. The National Institute of Population and Social Security Research (2012) reports that Japan's population is expected to decline to 117 million in 2030 and further to 87 million in 2060 (the birth and death rates are assumed to be moderate).

In response, in the Basic Policies for the Economic and Fiscal Management and Reform 2014 approved on June 24, the Japanese government set a target for maintaining the population at about 100 million. The government has been focusing on countermeasures for the declining birthrate, but has never set a specific numerical target for it, or for population, and in that sense this target is a landmark move.

So is it possible to achieve the 100-million target? In considering this we need to understand the relationship between population size and total fertility rate. To maintain the population, the rate must be 2.07 or higher. Yet, even if it increases to this figure, population decline will not immediately stop. According to materials for study from the government, if the rate rises to 2.07 until 2030 and is maintained after that, the population will hold steady at about 100 million fifty years from now. In other words, the target for maintaining a population of about 100



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million is the same as setting a target for boosting total fertility rate to 2.07 by 2030.

Achieving this target depends on future measures. It is not impossible, but it is highly challenging.

First, there is a huge gap between the current birthrate of 1.43 and the 2.07 target. The government says that by providing an environment in which people can give birth and raise children as they wish, the population will hold at 100 million. This means that if people give birth as they desire, the total fertility rate will rise to 2.07, but this is debatable.

If we assume that those who want to marry get married, and after they get married they will have children and raise them as they wish, the total fertility rate (called potential birthrate) is considered to be around 1.75. That is, in order to achieve a target total fertility rate of 2.07, preparing an environment in which people can give birth to children and raise them is not sufficient, and the government is required to achieve an environment in which there is a rise in the actual number of children that people want to have.

Second, Japan is at a point where any increase in the number of births will be slight even if the birthrate increases.

The number is determined by the number of mothers who give birth and the birthrate. Yet in Japan, the number of mothers who give birth will decline going forward. Japan's population structure has two huge groups: baby boomers born around 1947–1949 and baby boomers' children born around 1971–1974. If this latter group steadily had children, the number of births would increase to form a huge third group. However, among baby boomers' children, the birthrate did not increase, and they have begun entering their forties. The huge third group was in fact not born, and vanished.

Therefore, the population of women of childbearing age (15–49), which was 27.2 million in 2010, is expected to decline to 20.54 million in 2030 and further to 15.67 million in 2050 (the National Institute of Population and Social Security Research). So even if the birthrate recovers to some degree in the future, the number of babies born will continue to decline. Japan has missed its best chance to boost the number of babies born and halt the declining population. It will never have another chance like it.

Third, there is a problem with finding the budget for implementation of the policy. In order to boost the birthrate, the budget first needs to be sufficiently increased.

According to a government report, family-related social spending in Japan accounts for 1.35% of GDP in FY2011, compared with 3.81% in the United Kingdom, 3.75% in Sweden, and 3.20% in France (each in FY2009). This shows that family-related social spending in Japan is less than half what it is in these countries. A question is often raised

as to why countermeasures for the declining birthrate have little effect in Japan. Yet since the Japanese government spends only half what these other governments do, the countermeasures naturally will have no impact.

The relationship with the budget is especially significant. It is important to allocate budget to childcare support, but if it depends on debt-financing bonds, a heavy burden is left for the very children born through the support. On the other hand, if consumption tax is raised and the support is boosted through that, the fiscal balance will never improve. So an unavoidable recourse is to reduce social security for the elderly, including pension, medical care and nursing care, and use it as budget for childcare support. But many in Japan are likely to oppose such a measure, which is why the political parties do not want to explore this option.

Given this perspective, the path to achieve policy targets of a population of 100 million and total fertility rate of 2.07 seems rife with difficulty.

Translated from an original article in Japanese written for Discuss Japan. [June 2014]

Reference: The 21st Century Public Policy Institute Research Project: Effective Measures to Halt Birthrate Decline—Responding to the declining birthrate and aging society is Japan's mission in world history —

URL: <http://www.japanpolicyforum.jp/en/archives/economy/pt20140518235719.html>

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Born in 1947. Graduated from the University of Tokyo and joined the Economic Planning Agency (currently the Cabinet Office), Japanese Government. Served as Director General of the Research Bureau at the Agency and Director General of the National and Regional Planning Bureau at the Ministry of Land, Infrastructure, Transport and Tourism. Has served as Professor at Hosei University since 2003.



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