

What Must Be Done to Maintain a Population of 100 Million in Japan?

By Naoyuki Haraoka

Japan has many challenges and issues to be resolved to maintain its sustainable economy and peace, particularly in view of today's geopolitical risks. Depopulation is one of these big challenges. A shrinking economy and decline in the international clout of a nation is considered to be a threat to its security. This issue highlights how depopulation can lead to negative consequences for a nation's prosperity and well-being, and how to counteract it. Raising the fertility rate and increasing the size of the foreign labor force would be possible solutions, and both are examined here in more detail.

It could probably be argued that even with depopulation, raising productivity through innovation and education to enhance the quality of labor could help to maintain a nation's influence and competitiveness. But with the rapid progress of an aging society with a lower fertility rate such as Japan faces at this moment, it would be difficult to overcome depopulation's negative consequences only through such efforts.

In addition, the articles in this issue highlight the fact that policies to stop depopulation will not merely lead to mitigating the speed of depopulation but also encourage viable efforts for economic and political reforms needed in Japan. For example, we

need policies to raise young couples' salaries to boost the fertility rate and to help with their children's education. To achieve this, productivity-based salaries should be paid rather than seniority-based salaries, as are currently dominant in full-life employment. This in turn could lead to labor market reform encouraging greater mobility with productivity-based salaries. It would also help to strengthen Japan's economic competitiveness as well as reduce depopulation. An increase in the number of foreign workers will also be necessary and this could further enhance the country's capacity for innovation through the greater diversity of its labor force.

Depopulation would also weaken Japan's defense capabilities due to the decline in military forces, and this poses a serious challenge to national security. We need to think about not only how to halt the decrease in the number of soldiers, but also about how to strengthen overall defense capabilities through innovation in military technology, such as drones or reconnaissance satellites, and through foreign policies to strengthen security alliances. And so we need to think about overall reform of defense policy.

Solutions for depopulation could also end up as solutions to a number of other challenges critical



for Japan's future well-being. At this moment, the Japanese population is around 120 million. Assuming the current Japanese fertility rate of 1.26 continues, the population will soon decline to less than 100 million. Efforts to stop the population falling below 100 million must also stop the further deterioration of the Japanese economy and address the national security issues. 100 million is a good number to bear in mind, as it is easy to remember.

I think this should be set as a national goal for the Japanese people. Against this background, JEF organized the Working Group for Japan's Population Challenges early in 2023 and with Dr. Naoyuki Yoshino as chair of this group we had a number of good online discussions among experts on economics, politics and security and eventually published our policy recommendation for stopping depopulation. In our cover story, following this policy recommendation, we have a Roundtable discussion among Dr. Yoshino and some other distinguished members of our group, with JEF Chairman Masakazu Toyoda as moderator.

We have specific contributions from our young members. Dr. Mai Seki provides an excellent article on the potentials and challenges of remote work and remote education as one means of raising the Japanese fertility rate, while Dr. Akira Igarashi

offers insightful remarks on how Japanese society can best integrate immigrant human resources. He highlights important aspects of introducing more foreign labor into Japan, and notes that social integration by such foreign workers would be a key to the success of this policy, otherwise it could result merely in social unrest and political instability.

Finally, Dr. Andrew L. Oros, another expert on security, introduces an aspect of depopulation which we Japanese have not fully considered so far – the increased risks to national security due to the possible decrease in the number of military personnel. He mentions not only the Japanese population, but also those of different regions and countries, providing an overview of the global population in the future.

This is the lineup of our cover story in this issue and I hope it will offer good guidance for other nations suffering from depopulation like Japan, as this is anyway becoming a global issue.

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