Chapter 2
Talking Politics: Demographic Variables and Policy Measures in Japan

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Abstract The three core variables of demographic change: a population's fertility behaviour, structures of migration and people's life expectancy, translate into policy fields as family, replacement and old-age policies. The study at hand shows how Japan (one of the most rapidly ageing and shrinking nations) is addressing this demographic change through various policy measures. It will be argued that Japan is putting much effort into old-age policy, thereby addressing the present needs of a growing elderly population. Japan, however, only hesitantly takes upon issues of family and replacement policy. Historical and ideological taboos prove to be too persistent to allow for radical policy changes. These, however, are necessary in order to comprehensively deal with the future challenges of demographic change.

Introduction

The core variables of demographic change are changes in a population's fertility behaviour, the dynamism of migration, and changes in people's life expectancy. All three variables have a comprehensive political dimension inherent to them. Issues of a population's fertility behaviour translate into politics as "family policy", issues of emigration and immigration as "replacement policy", and issues of people's life expectancy as "old-age policy".

The paper at hand addresses these three political dimensions of demographic change: family, replacement, and old-age policies. The study is concerned with exemplified policies and the political process alike. It is based on a notion of governance, as opposed to government, thereby arguing that any comprehensive approach to policies and politics needs to deal with the multiple layers of the political system. That is, not only should traditional political actors such as political parties and governmental agencies be studied, the power of new political actors such as civil society organizations and lobbying groups within the business world should also be

taken into account. The political process (agenda setting, policy formation, policy implementation) is both a top-down and bottom-up process.

Japan, a country that is facing an enormously rapid demographic change, and which might become a role model with regard to the puzzle of how to address demographic change in politics, will be in the focus of my study. Wherever appropriate I will put the case study of Japan in comparative perspective to policies evolving around demographic change in other nations.

Family Policy

In January 2007, in a talk to supporters of the Liberal Democratic Party (LDP) in Matsue (Shimane Prefecture, Hakuo Yanagisawa), Japan's Minister of Health, Labour and Welfare labelled women "birth-giving machines". He is quoted as follows: "The number of women aged 15–50 is fixed. As we have a fixed number of birth-giving machines and devices, all we can ask of them is that each do their best." [1]. Only a month later, the Bishop of the diocese of Augsburg/Germany, Walter Mixa, harshly criticized the German Minister for Families, Seniors, Women and Youth, Ursula von der Leyen, herself the mother of seven children, for introducing a new policy guideline that aims to introduce additional child-care for 500,000 children under the age of three within the next 6 years. Creating more child-care facilities for young children, the Bishop argued, means expecting women to go back to work soon after having had a baby, denying them the opportunity to be full-time mothers, and thus treating them as birth-giving machines [25].

Rarely do politicians, religious leaders or other public figures express their personal opinions so openly when it comes to the issue of people's fertility behaviour. Fertility behaviour is probably the most private decision of individuals, and to most citizens it is unacceptable to see the state interfering in this matter. When it comes to fertility behaviour, in other words, to designing a nation's future demographic structure, the power of political guidelines is limited.

Japan currently faces the hardship of learning this lesson. It is confronted with the puzzle of how limited the state's range of action is when it comes to boosting its population's total fertility rate (TFR). Ever since the "1.57 shock" of 1990, when the nation's TFR fell to a record post-war low of 1.57, the Ministry of Health, Labour and Welfare (MHLW) has implemented a broad variety of measures aiming at curbing the falling birth rate. The underlying reason for these measures is straightforward and pragmatic; political scientist Schoppa [23] put it this way: "Today's babies are [...] seen as tomorrow's tax payers, and there aren't enough of them to pay for the health and pension benefits retiring baby boomers are counting on."

A falling birth rate immediately translates into a threat to the fundamental characteristics of modern welfare states, in particular to the inter-generational dependence, numerically measured as dependency ratio. For a nation of lowest-low fertility[1]

[1] Italian demographer Francesco Billari coined the term lowest-low fertility, indicating a TFR below 1.30.

such as Japan, with 1.29 TFR in 2004 [9], the total dependency ratio is predicted to change at a hitherto unknown high speed. The total dependency ratio is the sum of the child-dependency ratio (ratio of population aged 0–14 to population aged 15–64) and the old-age dependency ratio (ratio of population aged 65 and over to population aged 15–64). While the child-dependency ratio is decreasing (from 59.3% in 1950 to 20.8% in 2004), the old-age dependency ratio is increasing rapidly (from 8.3% in 1950 to 29.2% in 2004). In sum, this development over the course of the past half-century translates into a decreasing total dependency ratio (from 67.5% in 1950 to 50.1% in 2004). Noteworthy, however, is the fundamental change in the dependency structure, measured as the elderly–children ratio. While the elderly–children ratio in 1950 was at 14.0%, it rose to 140.3% by 2004. This indicates that nowadays there are ten times more elderly per child than there were 50 years ago [9]. The impact this development will have on Japan's social security system will be unprecedented.

Measures that have been taken in the context of balancing Japan's dependency ratio through family policy target in particular three groups of society: (working) mothers, "new fathers", and "parents of the next generation". The core measures of Japan's family policy, which – ironically enough – is not called "family policy" (*kazoku seisaku*) in Japanese, but is framed as "measures to counter the declining birth rate" (*shōshika taisaku*), are three successive action plans: the Angel Plan (1995–1999), the New Angel Plan (2000–2004), and the Children and Childrearing Support Plan (2005–2009).[2]

The main concern of the initial Angel Plan (1995–1999) lay with Japan's working mothers. It set numerical targets to increase the number of child-care facilities, including those with extended hours (from 2230 to 7000), emergency child-care facilities (from 450 to 3000) and after school clubs (from 4520 to 9000). The Angel Plan in its core aimed at enabling more women to participate in the workforce while relying on a dense support network for raising their children. The Angel Plan's second target group were stay-at-home mothers, with a specific focus on lightening their burden of isolation (an increasing phenomenon in Japan's urban areas) and thus making parenting a less stressful experience. The number of community childrearing support centres and drop-in child-care services was increased.

The New Angel Plan (2000–2004) increased efforts of supporting stay-at-home mothers and, for the first time, emphasized the need for alterations within Japan's economic world. It called for family-friendly workplaces, in particular for a reduction of working hours, encouragement for employees to take allotted vacation days, and facilitated child-care leave. In 2001, then Prime Minister Junichirō Koizumi furthermore initiated the "Zero Waiting for Day Care Program". Within 4 years under this program, 150,000 additional child-care spaces were established. The downside of the increase in the number of child-care spaces was the decrease in quality in many of the new places. Hitherto strict regulations with regard to personnel and facility standards had to be relaxed in order to license greater numbers of child-care spaces.

[2] If not indicated differently, the numbers introduced in the following paragraphs on family policy are drawn from Coleman [6].

The Children and Childrearing Support Plan (2005–2009) needs to be understood as the first step towards a paradigm change in Japan's family policy. There are two "innovative" target groups at the centre of this plan: Japan's "new fathers" and the "parents of the next generation". Among the plan's objectives is to shorten overtime hours at work and to encourage men to spend more time on childrearing and house working (from 48 min per day to 2 h). These goals reflect a substantial reorganization of the habits and traditions of Japan's working environment. Based on the 1999 Basic Law for a Gender-Equal Society (*Danjo Koyō Kikai Kintō-hō*) they aim to create a more equal partnership between men and women by ensuring the compatibility of professional and family life.[3]

While the policies that aim at creating "new fathers" reflect Japan's intention to catch up with Western countries when it comes to family policy, its scheme to create "parents of the next generation" is a cutting-edge policy approach. It has two objectives: first, it aims at demonstrating to young adults the enriching aspects of parenting through some hands-on experience. Young parents and their newborn babies, for example, are invited to visit school classes and to share their personal experiences of a life with children. Secondly, "parents of the next generation" are understood to be self-sufficient and responsible members of society.

The Tokyo Metropolitan Government (TMG) took over a leading role in implementing this new policy of building "parents of the next generation" by introducing a Volunteering Day into its public high schools' curriculum in the 2004/2005 school year. In 2006, Japan's Ministry of Education, Science, Sports, Culture and Technology (MEXT) introduced a mandatory course entitled *hōshi* (service) in 893 pilot schools at all levels. The program aims to teach young adults through volunteer services at, for example, elderly care facilities, what it means to take responsibility for one's own life and the lives of dependants.[4]

Japan's family policy (its main actor being the MHLW) involves a broad range of policy issues such as work/life-balance,[5] employment structures, and educational reforms. Policy measures in this field target a variety of groups in Japan's society, such as (working) mothers, (modern) fathers, and young adults. The target groups are numerous and measures are comprehensive. Yet Japan's TFR is not increasing significantly. The reason behind this policy failure is threefold:

First, family policies to the representatives of the private sector are nothing more than non-binding guidelines. When it comes, for example, to parenting leave for fathers, the political and legal framework has been set. Yet, many companies put pressure framed as an issue of work ethic on their employees not to take the leave.

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[3] Schad-Seifert [22] offers a thorough study on policy measures, initiated by the Gender Equality Bureau, to counter the falling birth rate following the 1999 Basic Law.

[4] See Ogawa [15] for more details on this program of "induced volunteerism" in Japanese schools.

[5] Work/life-balance was one of the central issues of debate during a two-day EU-Japan conference on the various challenges of demographic change. Kuniko Inoguchi, LDP politician and former Minister for Gender Equality and Social Affairs, pointed out that the hardship of balancing professional and family life is the main reason behind Japan's low fertility rate [10]. Scholarly work on the topic of work/life-balance has been conducted, for example, by Gambles et al. [8] and – with a special focus on Japan – by Roberts [20].

Second, current family policies fail to target one growing group of Japan's society, the young women who "race for the exits" [24], those who opt for a life outside the traditional boundaries of Japan's social and economic system.

Thirdly, Japan's family policy cannot openly show any pro-natal characteristics. Following Japan's (pre-) war history of *umeyo-fuyaseyo* (give birth and multiply) policy, pro-natal policies in Japan (as well as, for example, in Germany) nowadays are considered a political and societal taboo.

Replacement Policy

The concept of replacement policy is straight-forward: When a national workforce is not large enough to fill job openings and/or to ensure economic growth, it can be compensated for by foreign workers. The practical side of replacement policy, however, is not all that simple. Often, politics need to balance the economic demand for foreign workers against societal fears of what German sociologist Georg Simmel has called "the stranger", that is, persons of social distance in general, and foreigners in particular.

Currently, just over 2 million foreigners reside in Japan. This comprises 1.63% of the population of Japan [14]. In international comparison, especially in comparison with other OECD nations, this number is extremely low. In Germany, for example, in 2005, 8.2% of the population held a foreign passport [3]. Demographic change, if counter-measured solely through replacement policy, would make migration flows to Japan need to rise tremendously. In 2000, the United Nations Population Division (UNPD) published a report entitled "Replacement Migration: Is It a Solution to Declining and Ageing Populations?" In it they introduce projections for eight industrial nations and two world regions.

For Japan, the report projects astronomic numbers: Were Japan, for example, to keep its old-age dependency ratio at its 1995-level solely through immigration of foreign workers, it would need a replacement migration of roughly 10 million persons per year. By 2050 Japan would have seen a migration flow of 553 million persons and the population of Japan would have risen to a total of 818 million persons, with 87% of them being post-1995-immigrants and their descendants [27].

An increase in migration flows to Japan can be observed from 1990 on. The 1990 revision of the Immigration Control and Refugee Recognition Act triggered the rise in the number of foreign residents in Japan to double (from 1 to 2 million persons) within one and a half decades. It has been the Chinese and the Brazilian populations of Japan that saw a particularly sharp increase in numbers.[6] This is due to the fact that two of the main revisions of the Immigration Control and Refugee Recognition Act opened new avenues for migration. That is, they created and redefined certain visa categories, which are mainly made use of by Chinese and Brazilians. Yet, the

[6] With more than half a million persons, the largest group among foreign residents in Japan still is Korean nationals. The overwhelming majority of these Koreans and their ancestors came to Japan, often as forced laborers, before the end of World War II. They nowadays reside in Japan as special permanent residents without any restrictions on their work permit.

official political guideline in Japan still reads: Japan is not a country of immigration, and Japan does not accept labour migration except for temporary migration (usually a maximum stay of 5 years) of the highly skilled.

Some 300,000 Brazilians are currently residing in Japan. They make up the majority of labour migrants to Japan coming from Central and South America. Some 89.6% of those labour migrants come to Japan as so-called *Nikkeijin*, that is, persons of Japanese descent. Descendents of Japanese emigrants can obtain a long-term resident status up until the third generation. This visa category is exceptional in that it does not imply any restrictions on work permission. More than three quarters of *Nikkeijin* residing in Japan work in jobs that do not require special qualifications, usually in the service and manufacturing industries. They usually reside in the prefectures of Aichi, Shizuoka and Gunma and work in Japan's automobile and electronic industries.

Nikkeijin employees are attractive to Japanese companies for a number of reasons. First, *Nikkeijin* usually are hired via intermediary companies located in Brazil. It is up to these intermediaries to cover the social security costs of the *Nikkeijin* employees. Secondly, *Nikkeijin* are remunerated on an hourly (not monthly) basis, which means that companies do not pay them extra allowances such as the biannual bonuses, a standard in Japan. Thirdly, *Nikkeijin* are almost exclusively hired on a basis of temporary work contracts. This means that for companies they are flexible human resources, a leeway for comparatively quick hiring and firing according to market developments. LDP-politician and then Vice Minister of Justice, Tarō Kōno [12] stated in a 2006 interview with the author that the terms of residence for *Nikkeijin* were created with the purpose of opening a side-door for labour migration of the not-highly skilled.

Another side door is the internship program, which caused the numbers of Chinese migrants to Japan to rise significantly. The program runs under the framework of overseas development aid. It created a special visa category of intern, with the officially stated purpose of enabling young workers from developing countries to come to Japan, gain some work experience in Japanese companies, and after a maximum of 3 years (1 year training on the job, followed by 2 years internship) to return to their various home countries. Ideally, this way a spill-over of knowledge and skills would take place.

The reality, however, particularly regarding working conditions, in many cases does not follow this altruistic line of argument. Ippei Torii, chairman of the *Zentōitsu Workers' Union*, Japan's largest labour union for foreign workers, reports hourly wages of just 300 Japanese Yen (roughly US$3) being paid. Breaks during work time, even a short toilet break, are deducted from working hours. Since there is no work contract between an intern and a company s/he works for, the intern does not have any access to legal remedies. Japan's internship program has come under severe international criticism as violating human rights. By now, influential political actors such as MHLW and *Nippon Keidanren*, the Japan Business Federation, are calling for a reassessment of the program.[7]

[7] Currently (spring 2008) the government of Japan is debating a bill that would allow interns to be covered by labour standard laws and minimum wage laws [11].

The internship program, as well as the *Nikkeijin* migration, feeds Japan's low-wage sector with an urgently needed workforce. Both open avenues for the migration of unskilled workers to Japan; Japan's politicians not only tolerate these systems, they initiated them. They did so because of a conundrum: on the one hand Japan needs labour migrants, in particular in the service sector and the manufacturing industries. On the other hand, there is a lack of political guidelines offering opportunities to these migrants; such guidelines would not be backed by a majority in society. In fact, the rising number of foreign workers in Japan is perceived to be a problem by more and more Japanese (53.1% in 2004) [18].

Yet, against the background of its demographic crisis, Japan is currently touching on the taboo issue of labour migration. For the first time ever, in the 2006 bilateral Economic Partnership Agreement (EPA) between Japan and the Philippines, Japan agreed to accept the labour migration of unskilled workers. The Japan–Philippines EPA will enable up to 1000 care givers to come to Japan and, after passing a Japanese language test as well as the national care givers examination, work in their professions. In 2007, yet another agreement on a bilateral EPA was reached. This most recent EPA, between Japan and Indonesia, will also allow for care giver migration to Japan. EPAs are a remarkable step for Japan's replacement policy, as they reflect a paradigm change: EPAs pose a pragmatic political answer to an economic need, defying concerns in society. The care giving sector is one of the sectors that is already suffering from labour shortages. The ratio of job openings to job applicants currently is around two and is expected to rise even higher with a growing older population.[8]

Economists and politicians alike argue that the number of foreign workers in Japan will need to rise in order to keep the nation's dependency ratio in balance. One of the most outspoken advocates of increasing the number of foreign workers in Japan is Hidenori Sakanaka, a former Ministry of Justice bureaucrat (1970–2005) and former chairman of Japan's Immigration Bureau. Sakanaka currently heads an independent think-tank, the Japan Immigration Policy Institute. His latest policy proposal is to accept 10 million labour migrants within the next 50 years [21].

Japan's need for labour migration is uncontested; yet translating any responses to this need into actual policies appears to be difficult, since: (a) there are numerous political actors involved in replacement policy, each of them advocating their own policy proposals; and (b) those policies not only target potential migrants, but also call for a change of mind-set within the receiving society. Moreover, replacement policy has been (and to some degree still is) a political taboo issue. Two aspects need to be highlighted in this context:

First, contemporary Japan is very much caught up in a discourse on the growing gap between rich and poor, between the urban centres and the nation's periphery. Inequality in, among others, education and income are at the centre of this discourse. Japan's society is facing the disappearance of the structure of its middle-strata society. Against this background, the influx of foreign elements is perceived

[8] The Japan–Philippines EPA as well as the Japan–Indonesia EPA are awaiting ratification. On the process of political bargaining around the Japan–Philippines EPA refer to Vogt [28].

as a threat to public order, national security and even economic security.[9] Reforms on migration policy in Japan first of all need to overcome this societal fear of de-homogenization.

Secondly, if migration flows to Japan were to be expanded, policies of integration would need to be implemented. This thought is taking root in Japan slowly and on a small scale. It was only in October 2006 that the term integration was first mentioned in an official political document. It appeared in the Ministry of the Interior's report on the concept of *tabunka kyōsei*, which is often translated into English as "multicultural coexistence". Political scientist and head of the ministry's in-house committee that created the report, Keizo Yamawaki, however, argues that the more fitting translation for this term was "multicultural community building". This term implies that not only foreigners but also the Japanese society is required to make an effort in order to ensure that a new and positive structure of society can emerge. It is only when the Japanese society willingly accepts its transformation (multiculturalization) ahead, that migration to Japan can become a win–win situation for both the migrants and the receiving society.[10]

Old-Age Policy

Is Japan's political system a democracy? Some agree; others might call it a "silver democracy" or "gerontocracy" [7]. These alternative terms hint at the fact that Japan's political system is dominated by elderly voters and elderly politicians. Moreover, old-age policy is a prominent and well-funded policy field.

The 2005 elections to the Lower House of the National Diet showed that 25.3% of eligible voters were 65 years or older. They comprise a large interest group among all eligible voters. Furthermore, they are also the most politically active group: The average turn-out at the 2005 election was 67.5%. While only 43.3% of the 20–24 age cohort (number of eligible voters 7,725,000) cast their ballot, the turnout among the 65–69 cohort (number of eligible voters 7,344,000) was 83.7%. The 65–69 cohort showed the highest turn-out among all voters. These numbers clarify the political power of the elderly voters, which is matched in the political power of elderly politicians: While the average age for Japan's overall population in 2005 was 43.1 years of age, for representatives in the Lower House it was 56.8 years and 59.2 years for prefectural governors [7]. A question that needs to be asked is whether the numerical dominance of elderly voters and elderly politicians is reflected in the contents of old-age policy and its underlying decision making process.

With regard to how old-age policy making developed in post-war Japan, political scientist Campbell [5] has conducted in-depth studies on all three steps of the

[9] See Yamamoto [30] on the discourse of foreigner crime in Japan and Lie [13] on the discourse of Japaneseness.

[10] In a survey among migrant support organizations in Japan, conducted by Vogt and Lersch [29], "Change the way foreigners are treated in Japan" was named as one of the most prominent purposes of those organizations. This hints at the (perceived) need of a changing attitude towards foreigners in Japan's society.

political process (agenda setting, decision making and policy implementation).[11] Campbell concludes his research with several main findings. On the academic controversy about policy making in Japan he argues that both bureaucrats and politicians participated in policy making with significant impacts. The role of individual bureaucrats and politicians in shaping the structure of Japan's welfare state was significant. The major actors, the MHLW and the LDP, generally agreed "that Japan should have a welfare state up to Western standards and that social programs must be [...] effective and not too expensive." [5]. Central issues of "a welfare state up to Western standards" are public pension, medical care, and long-term care, all three of which have seen alternating periods of expansion and contraction over the past decades. While bureaucrats tended to initiate small expansions and radical contractions, politicians, on the other hand, often opted for major expansions and tentative contractions of the welfare state. More than once expansion plans were linked to elections [5].

Conflicts between political parties over issues of the welfare state, however, were rare. To some degree, this also holds true today, although with the Democratic Party of Japan's (DPJ) electoral victory in the 2007 Upper House elections, the balance of power shifted. Political scientists argue that this election victory is the first step for Japan to develop a dual party system, after decades of LDP dominance, broken only for a short period in 1993–1995. Indeed, the DPJ is bringing new issues onto Japan's political agenda of old-age policy, such as a draft law for prevention of violence against the elderly in nursing homes. The LDP's coalition partner, the Buddhist New Kōmei Party, in the field of old-age policies calls for a mitigation of the growing social inequality, while the LDP itself places emphases on reducing the social burden of social security contributions and taxes to citizens. As political scientist Talcott [26] argues: "This priority fits with the longstanding interest of the LDP in promoting economic growth first, then distributing the benefits of growth later."

The budget very often drives the general political process and the specific policy outcomes. Budgetary distributions also allow insights into the importance the political elites ascribe to certain policy fields. Old-age policy is by far the most prominent and well-funded policy field taking up demographic developments in Japan. While government expenditures for family policies account for 3.8% of the social security budget, old-age policies draw some 70% of this budget [6]. Replacement policies only recently started to receive some modest funding: for example, 1.9 billion Yen for the education of care givers to come to Japan under the bilateral EPAs with the Philippines and Indonesia [1].

Despite having generous funds at their disposal, state-driven measures in the field of old-age policies are no longer able to match the growing societal needs for these policies. The importance of new political actors, above all, civil society organizations (CSOs) is growing. The importance of CSOs as political actors in Japan's old-age policy is based on two main aspects: First of all, and this is tightly connected to the state's budgetary constraints, volunteers take over functions that the

[11] For more details on the political process of old-age policy making refer to Campbell [4].

state is no longer willing or able to fulfil. They lower the costs of services while often improving the performance. Secondly, volunteers in the field of old-age policy are often senior citizens themselves. Their engagement in CSO activities equals what Pekkanen and Tsujinaka [17] call “a bulwark that mitigates enfeeblement and loneliness”.

This phenomenon can be most clearly observed when studying the so-called *chōnai-kai* or neighbourhood associations (NHAs). With nearly 300,000 groups across the nation, NHAs are Japan’s most numerous CSO, and about half of the adult population of Japan are active in NHAs. An NHA’s budget is small for that of a political actor; it usually ranges between half a million and 6 million Japanese Yen, depending on the size of their membership (membership fees usually range from 100 to 500 Japanese Yen)[12] and the amount of subsidies the group receives from local governments [17].

NHAs contribute to the stock of regional social capital in two ways. First, they provide a forum for frequent interaction of people living in a certain area. To many elderly people this has important health benefits, since social connectedness in general correlates with better health for the elderly. Furthermore, close relations with their peers provide an opportunity for early detection of health concerns. Secondly, as research by the *Nihon Sōgō Kenkyūjo*, a think tank, founded in 1970 under the supervision of the Prime Minister’s Office and the Ministry of Economy, Trade and Industry (METI), shows, participation in NHAs raises the levels of generalized trust at the individual level [17].

NHAs, however, fail to be powerful political actors when it comes to formulating or articulating new policy proposals. This failure is grounded in two aspects. Firstly, in the close relationship to local governments, which creates a dependency structure through the government’s significant financial contributions to an NHA’s budget [16]. Secondly, NHAs show a low level of professionalism when it comes to political advocacy. This becomes clear, for example, in comparison with the American Association of Retired Persons (AARP), which uses almost 10% of its US$689 million budget (fiscal year 2003) for lobbying activities in legislation and research [17]. NHAs are caught in what Pekkanen [16] coined “Japan’s dual civil society”. That is, they are strong actors in hands-on activism on a local level, but have little impact in designing alternative policies.

This duality holds true for other CSOs in Japan, such as the growing number of non-profit organizations (NPOs), as political scientist Potter [19] showed in a data-rich study. In addition, Potter argued that NPOs with their small size, limited resources and reliance on volunteer staffs, which translates into their character of low professionalism, face competition from other civil society and quasi-public entities. Another factor that hinders NPOs and other CSOs from playing a major political role in Japan’s old-age policies is their uneven regional distribution. Rural areas with a high proportion of elderly residents tend to have low rates of NPO formation. The relationship between new and traditional political actors in Japan is a contentious one. This may best be illustrated in the field of old-age policy:

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[12] At the time of writing this chapter (Spring 2008), 100 Japanese Yen equals approximately US$1.

Traditional political actors rely on new political actors to fill the rising number of gaps in old-age services resulting from (a) an increasing demand for those services and (b) a budget that, despite its focus on old-age policy among the demographically relevant policies, cannot match the demands. This relationship bears in it a danger to the independent role of CSOs. Being incorporated as partners, usually by local governments, CSOs cannot act as political watchdogs. Japan's political system is thus missing out on initiatives from a vital "third sector".

Old-age policy, despite its budgetary importance, is an astonishingly uncontested policy field. There is no political party of senior citizens for senior citizens that would be of vital importance[13], in contrast, for example, to the party Die Grauen (the grey), founded in Germany in 1989. The clientele is missing since the ruling LDP comprehensively covers the issues of the welfare state that senior citizens, a growing electorate, are interested in. The relevance of old-age policy in contemporary Japan may cause concern with regard to the representation of the "common good" in Japan's politics.

Summary and Conclusion

The three demographic variables translate into policy measures in three fields, namely family, replacement, and old-age policies. While family and replacement policies through a variety of measures aim at actively shaping the development of population figures, old-age policy is concerned with how to manage the existing demographic structure of a nation. This paper shows that politics in Japan (one of the most rapidly ageing and shrinking nations) is mainly concerned with issues of the welfare state and thereby with the question of how to practically manage the current demographic change. This becomes clear particularly with regard to the budgetary distribution among the three policy fields. By strongly focusing on how to cope with aspects of old-age policy, while largely neglecting the fields of family and replacement policy, Japan's political leaders are missing out on an opportunity to actively shape the nation's *future* demographic structure. Active interference in family policy and replacement policy, however, are extremely difficult since those policy fields are loaded with historical and ideological taboos.

"Demographic policy" in Japan is about to start to take on certain taboo issues, exemplified in a pro-natal campaign of building "parents of the next generation" or the paradigm change of accepting sector-specific labour migration to Japan of the not highly skilled. In order to respond more directly and in a more focused way to the needs of a society under the impact of demographic change, however, Japan's political elites need to grant even more direct access to the political process to new political actors. The new political actors – civil society organizations and business federations alike – are being presented with an adventurous prospect: creating policies rather than limiting themselves to hands-on activism in localities

[13] Japan's *Rojintō* (elderly-party), a web-based political party founded in 2003, so far has not grown into a significant political actor. Its website can be accessed from http://www.6410.jp.

and companies is the invitation given to the new actors by an increasingly irresolute state. This invitation comes along with a responsibility to strive for the "common good" and numerous opportunities to shape the specific settings of the "new state".

There are two main lessons other nations can learn from how Japan deals with issues of demographic change: First, a huge challenge calls for comprehensive policy measures. Demographic policy needs to overcome boundaries between policy fields. This also applies to budgetary distributions. Secondly, a huge challenge also calls for a broad variety of actors to address it. Traditional political elites need to accept that new political actors from within society and the business world can contribute significantly to the handling of the challenge of demographic change. Politicians, citizens and the business sector alike will need to be willing to walk down roads of even more radical and comprehensive policy changes when addressing one of the most fundamental changes of modern states. This holds true for Japan as well as for other nations.

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The Silver Market Phenomenon
Business Opportunities in an Era of Demographic Change
(Eds.)F. Kohlbacher; C. Herstatt
2008, XXXVI, 506 p. 59 illus., 29 in color., Hardcover
ISBN: 978-3-540-75330-8