

BIRTHRATE BLUES

IN JAPAN, THE AVERAGE number of children born to each woman of child-bearing age has been steadily falling over the past three decades, and reached a record low of 1.38 in 1998. Since a birthrate of 2.08 children is considered to be the minimum required simply to maintain a level population, demographers here have been vying to calculate the exact year, date, and time when the sun will set on the last surviving Japanese inhabitant of the land of the rising sun.

Even if that fateful day never comes, there is no doubt that the population decline will directly affect the size, competitiveness, and vitality of the economy, and, in turn, the amount of taxes that the government is able to collect. Thus, will the government be able to afford the rapidly rising healthcare and pension costs for the aged and the debt servicing required on the massive pump priming of the economy undertaken in recent years? The need to increase the birthrate and questions on the survival of the Japanese race, national pride, and budgetary economics are certainly matters of concern to the central government, but what thoughts or concerns, if any, does the average Japanese have about this situation?

The decreasing birthrate phenomenon has been termed *shoushika** in Japanese, and in early 1999, the Prime Minister's Office conducted a study among a random sample of Japanese males and females aged 18 years and over on this topic. A total of 3,530 completed interviews were obtained. For openers, respondents were asked their level of interest in *shoushika*: 27% had little or no interest in the topic, 47% some interest, and 26% were greatly interested.

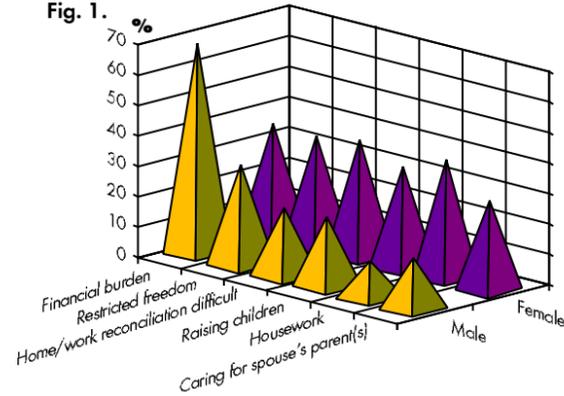
The interview then proceeded with the following rather delicious query: *For both males and females the ratio of unmarried peo-*

ple is increasing. And it is said that this rise in the unmarried rate is the main cause of shoushika in recent years. Do you yourself feel happiness and hope about marriage? If you are already married, did you feel happiness and hope at the time of your marriage? A subsequent question asked the opposite on "feelings about marriage as a burden" – who says that the Japanese never get to the point!!

Among both married males and females, some 90% stated that they were happy or had hope at the time they got married (no word on the hapless 10% who, presumably, were dragged to the altar kicking

POLL: DISINCENTIVES FOR THE MARRIAGE-MINDED

Fig. 1.



Source: Prime Minister's Office

and screaming). In contrast to the married respondents, 24% (one in four) of unmarried males and females claim not to have any feeling of happiness or hope about marriage whatsoever. Moreover, 36% of respondents had a feeling of "burden" about marriage. The specific burdens felt are shown in Figure 1. For males, the dominating factor was the sense of financial burden (69%), while females have a stronger sense of burden with regard to childraising, housework, and caring for aged parents.

When asked whether they agreed with the statement: "After one gets married, one

should have children," 84% of married females replied, "Yes." Among unmarried females, 22% (almost one in four) disagreed with the statement – essentially the same percentage as didn't have any feeling of happiness about marriage. A connection here, perhaps?

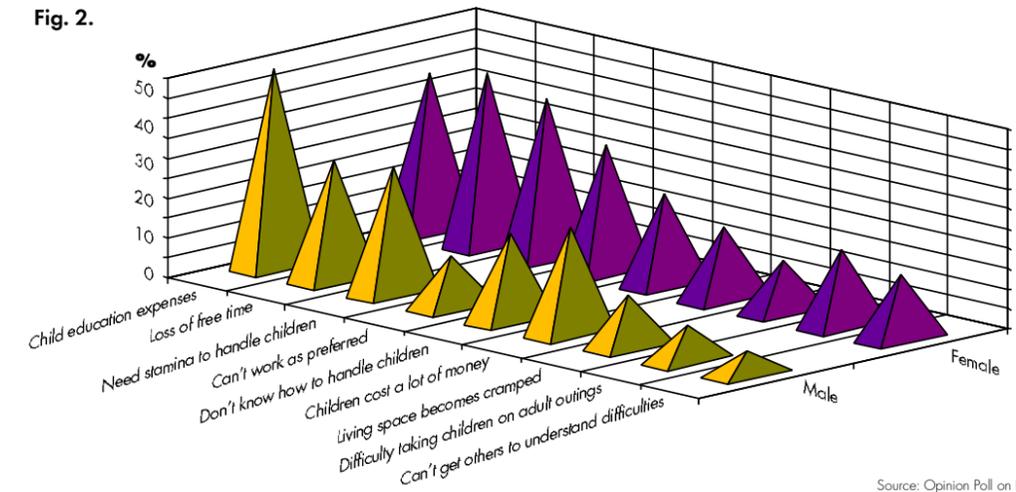
Respondents were then asked whether, when raising a child, they felt that, overall, the good times outweighed the bad times. Some 55% commented that enjoyable or happy times were greater overall, 4% considered painful/stressful times to be greater overall, while a surprisingly high 33% considered the times of happiness and pain/stress to be about equal. One would have assumed that, despite the stress associated with raising a child, the percentage of those claiming to be happy overall would have been higher. Those who found that raising a child was more or equally painful/stressful were asked what sort of negative experiences they had (or could foresee in the case of unmarries). The financial burden, the decreased living space, and a general feeling of unwillingness to commit to the sacrifices of personal time, freedom, and lifestyle necessary to raise children appear to be the underlying causes of the stressful experiences (Figure 2).

When asked what was the most important factor in choosing a nursery, day-care center, kindergarten, home helper, or baby sitter, respondents gave the following responses: high quality that ensures peace of mind (37%), service available when desired (36%), convenient location (12%), and low cost (9%). Is there a significant business opportunity here for someone who can offer a convenient, high quality, child pick-up-and-delivery service?

Interestingly, although the whole debate about *shoushika* is usually cast in the

OPINION POLL: BURDENS TO CONSIDER IN PRODUCING FUTURE TAXPAYERS

Fig. 2.



Source: Opinion Poll on Decrease in Number of Children, Minister's Secretariat, Prime Minister's Office, February 1999

negative, there are some positive aspects as well – namely, decreased competition to get into university for students (fewer fellow students to compete with), less garbage, less-crowded housing, and fewer traffic jams.

But for the government demographers and actuaries, the situation is not looking hopeful; it appears that there is nothing in

the mindset of younger Japanese that is likely to cause them to want to increase the number of children they will have in the future. Further, without a reduction in educational costs and significant improvements in childcare services, the tiny financial incentives to have babies that have been proposed from various quarters will have no impact whatsoever.

* The word *shoushika* (pronounced "show-she-ka") comprises the Japanese kanji characters for *shou*, meaning few or scarce, *shi*, meaning child, and *ka*, which is a verbal suffix meaning to change into or have a tendency towards. @

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OPENING THE BORDERS

Other advanced economies are facing a similar low birthrate problem, but with one major difference. Countries like America, Canada, and Australia allow immigration to help solve their "graying of society" problem, while Europe can achieve the same through enhanced labor mobility for those holding green EU passports.

Japan, however, remains reluctant to open its borders to large numbers of foreigners out of con-

cern for the perceived disturbing effect this would have on Japanese society – namely, their inability to harmoniously adapt to Japanese culture, their inability to speak and read Japanese, education problems for their children, fear of increased crime, plus a general concern about maintaining Japanese homogeneity.

As a small step towards opening the labor market, the Japanese government now allows easy

entry for foreigners who are descended from Japanese emigrants (notably, Brazilian-Japanese). But even these workers, who look Japanese, face discrimination, as attested to by a recent court decision. But perhaps the most telling statistic is that, according to the United Nations High Commissioner for Refugees website, as of last August, Japan had accepted just 16 refugees for 1999, up from only one per year for the previous four years.