

Japan's Population Decline: Implications for Higher Education

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Abstract

This article centers on the population decline in Japan among 18-year-olds and how this decline has impacted and will continue to impact higher education in the country in the future since the number of deaths in Japan is rapidly outpacing the number of births (Ministry of Health, Labor and Welfare, 2019). For example, at the height of the baby-boom generation in Japan in 1966, there were just under 2.5 million 18-year-olds and this number remained sustainable during the 1970s and 1980s; however, from the early 1990s onwards, this segment of the population has dropped dramatically (National Institute of Population and Social Security Research 2012). By 2019, the number of high school graduates in Japan hovered just slightly above the 1,000,000 mark and while current projections indicate that this mark will hold steady for the coming decade (Harada, 2015), the National Institute of Population and Social Security Research predicts that by 2031 the annual number will drop to 990,000 with a continual decline for the rest of the century. Thus, as private, public and national universities and vocational schools across Japan struggle to recruit and retain an ever-shrinking pool of high school graduates, both the short-term and long-term implications and impact on higher education in Japan will be significant.

Keywords

demographics, population, higher education, labor economics

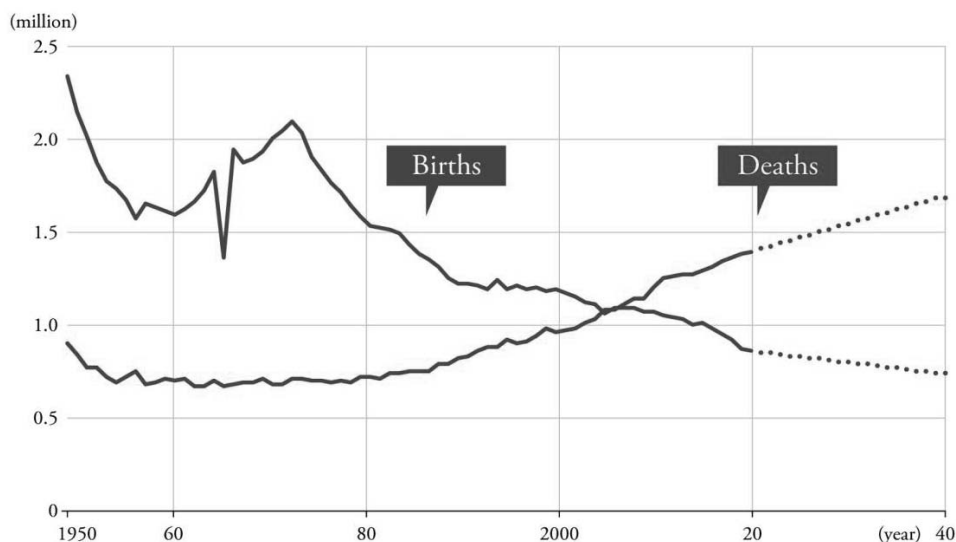
Introduction

By the end of the Second World War in 1945, the population of Japan stood at 72.2 million people (Yoshida, 2015). Just 5 years later, in 1950, it had jumped to 82.8 million, which, in terms of global rank, placed it in 5th place among the top 10 most populated countries in the world, preceded by Russia, United States, India and China, in that order (List of countries by past and projected future population, 2020). Over the course of the next 60 years, Japan's population continued to increase by leaps and bounds and consistently held a firm footing in the top 10 most populated countries. In fact, it wasn't until 2008, when its population peaked at 128.1 million that it was finally edged out by fast growing developing countries, such as Bangladesh, Pakistan, Indonesia, Nigeria and Brazil. Since 2008, Japan's population has been declining at a steady pace as the number of deaths have exceeded the number of births (Hamada, 2019). Various projections indicate that based on this current downward trend, Japan will likely have less than 100 million

by 2050 and perhaps as low as 84 million by the end of the 21st century, which is roughly equal to its population in 1950 (Aging of Japan, 2020). Speculation exists that by further extrapolating the data used by the Japanese Statistics Bureau, Japan could become essentially ‘extinct’ within the next four-hundred years (Weber, 2018).

Beginning in early 2000, as Figure 1 illustrates, the number of deaths in Japan began to outpace the number of births. The gap has significantly widened during the past 20 years. As Figure 1 further illustrates and is supported by the Ministry of Health, Labor and Welfare, the number of births in Japan fell below 1 million in 2016 and just three years later in 2019, the number of births had fallen to 864,000 (Hamada, 2019) and with the current birthrate hovering around 1.39 children born per woman, it is expected that 2020 will set another record low (Hamada, 2019). During the same period, however, over a half million more people died than were born. Japan’s Ministry of Health, Labor and Welfare reported 1,381,093 deaths in 2019.

Figure 1:



Source: Vital Statistics, Ministry of Health, Labor and Welfare, 2020

For now, though, Japan must look to its younger generations to not only increase the birthrate, fill the ranks of its workforce, but also to contribute to the economy, which in turn must support the rising costs of healthcare for a rapidly aging society. According to economist Timothy Taylor (2019):

Japan is facing a situation of a declining population and workforce, and the share of the population that is elderly is on the rise. The rising share of the elderly has been driving up government spending on pensions and healthcare, and together with the attempts

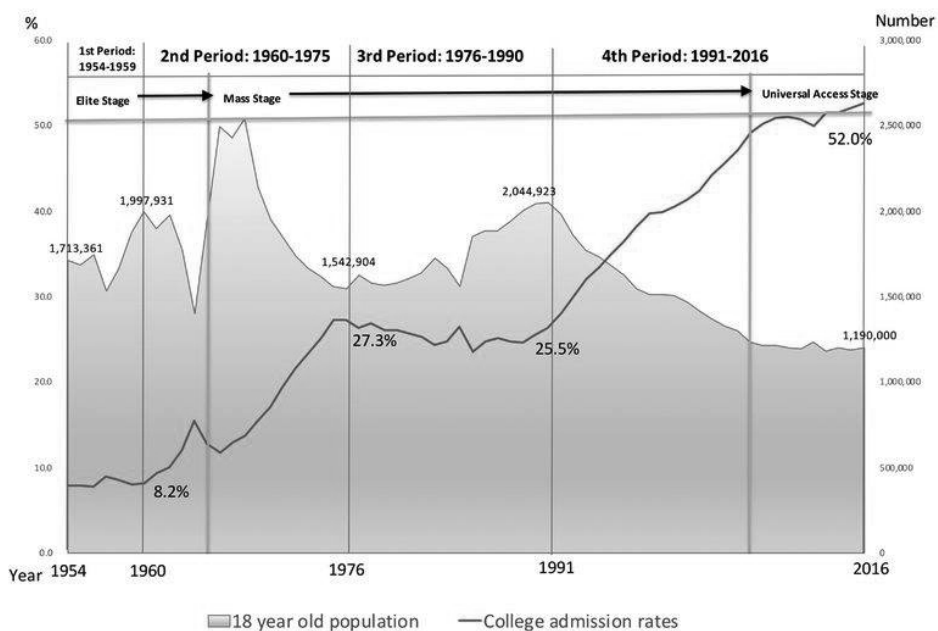
to stimulate its economy through government spending (much of it on infrastructure).

Going further, Taylor (2019) quotes the Organization for Economic Co-operation and Development (OECD), which has compiled extensive data on the population and economic conditions in Japan, as stating:

Half of the children born in Japan in 2007 are expected to live to the age of 107, which has major implications for the labor market. The number of elderly (people) is projected to rise from 50% of the working-age population in 2015 to 79% in 2050.

Such data and projections reveal an ominous and uncertain future for Japan, especially considering that the number of 18-year-olds finishing high school each year and entering universities or vocational schools is shrinking at an alarming rate. As reported earlier in this article, the population of Japan just after the end of the Second World War stood at around 72 million people and peaked at 128 million in 2008. During this period, as illustrated in Figure 2, the number of 18-year-olds also peaked twice: in 1966 with 2.49 million and again in 1992 with 2.05 million.

Figure 2:



Source: Chiaki Ishida, 2020

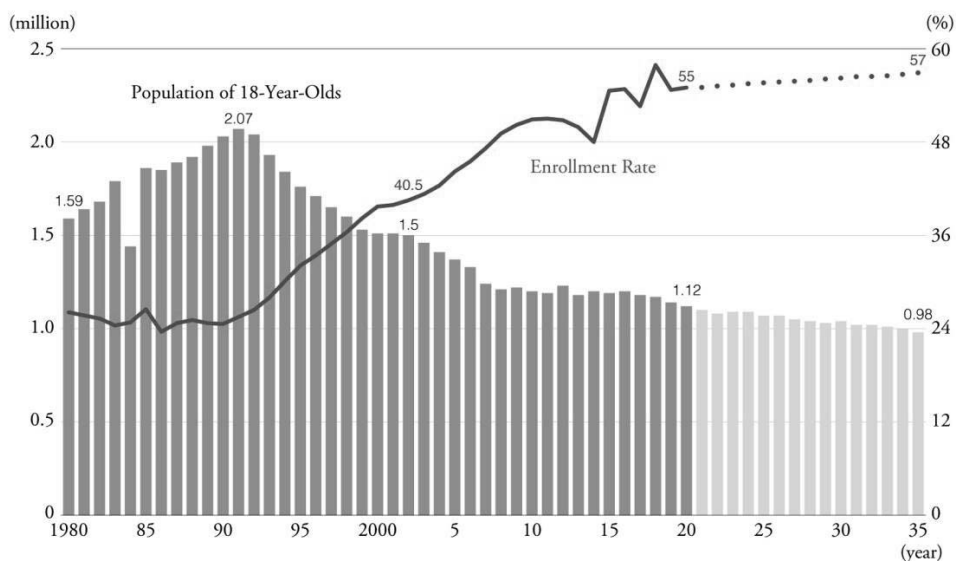
Universal access to higher education

As Japan's birth rate continues to fall, so too do the number of 18-year-olds from a high of 2.49 million in the 1960s to just 1 million in 2019. Competition among many universities has lowered entrance standards and thereby increased enrollments (Harada,

2015).

As Figure 3 below demonstrates, as the number of 18-year-olds in Japan continues to decline, the actual number of students enrolling in higher education has been increasing since the year 2000. The old adage that ‘Japanese universities are difficult to enter, but after getting in graduation is easy,’ seems to be disappearing. In effect, the situation has potentially created what could be described as *universal access to higher education* in Japan; in other words, almost anyone in Japan who desires to go to university (and possesses the financial means to do so) will find that the pathways to a degree as well as the variety of program choices will be much easier than their parents’ generation.

Figure 3:



Source: Reference Material from the Meeting to Strengthen Business Schools, MEXT, Feb. 2018

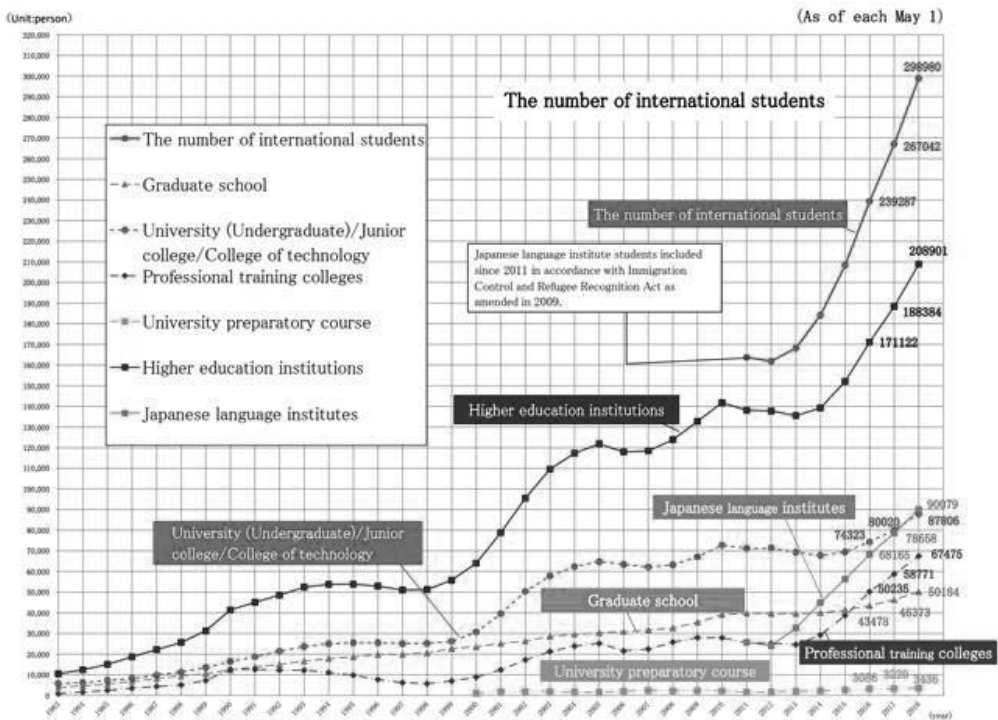
The impact on higher education, however, has yet to force mass closures of schools; however, for many schools in Japan, closing or merging at some point in the future will be likely (Harada, 2015). As of 2020, there are 781 universities: 82 national, 92 public and 600 private institutions. In addition, 7 other institutions fall outside of the purview of the Ministry of Education, Culture, Sports, Science and Technology (MEXT), such as the National Defense Academy of Japan under the Ministry of Defense or the National College of Nursing established by the Ministry of Health, Labor and Welfare.

Unlike Europe or North America, higher education has only existed in Japan from the late 19th century and was initially dominated by a handful of elite national universities. Higher education in Japan began to take shape during a period of tremendous industrial modernization and social change known as the Meiji Restoration (Higher education

in Japan, 2020). It was during this time that the Ministry of Education was established in 1871 and in 1872, a modern education system was promulgated. Following the end of World War II in 1945, a new constitution was enacted, which included the Fundamental Law of Education and the School Education Law guaranteeing equal access to education. The higher education system was combined with the elementary and secondary pathway to university, with a 6-3-3-4 school year system for each level in the pathway, respectively. Reforming the educational system in the post-WWII period increased access to education, which helped institutions flourish in the postwar years (Higher education in Japan, 2020).

With competition on the rise and institutions desperate to fill seats, it is no surprise that many higher education institutions in Japan have begun to focus more on international student recruitment. In 1983, then Prime Minister Nakasone, announced a bold plan to have 100,000 international students studying in Japan by the end of the 20th century, which was achieved in 2003 (Higher education in Japan, 2020). As Figure 4 illustrates, however, twenty years beyond that goal, Japan is fast approaching 300,000 international students, many of whom have been attracted by Japan's high-quality and low-cost institutions and the opportunity to earn higher incomes by working in Japan as students. On the flipside, the economic impact of COVID-19 in Japan has pushed Japan's unemploy-

Figure 4:



Source: Japan Student Services Organization (JASSO)

ment rate to 3% in October 2020 despite Japan having its worst labor shortage since the 1970s (Statistics Bureau of Japan, 2020). Prior to the COVID-19 pandemic, Japan had already been actively relaxing its immigration laws to attract more skilled workers and international students into the country to offset shortages caused by its rapidly aging society and low birth rate.

Conclusion

If the depopulation trends in Japan continue, then the economic burden upon Japan's younger generations will be tremendous. As the third largest economy in the world, which is also now facing its worse severe labor shortage since the 1970s, the data evidenced in this paper shows that the situation in Japan, at present, is extremely dire. Japan, quite arguably, is a nation that prides itself on a belief that it is homogenous. Unlike, for example the USA, the country of the author, the USA is a nation of immigrants and despite its own falling birthrate, it can bolster its workforce by simply increasing immigration to millions by offering citizenship. Although Japan has been easing its immigration and naturalization processes, the number of people awarded Japanese citizenship each year is very small compared to other developed countries.

Of course, in the short-term, 18-year-olds, who perhaps normally would have graduated from high school and skipped university due to a lack of interest or financial ability may now have some reason to celebrate; however, the celebration will likely be short-lived. Universities may also likely be able to survive in the short-term by enrolling more international students and/or offering more programs taught in English; however, the growth of China's economy and its importance as a regional and global power would likely diminish Japan's ability to be considered an education provider to the global populace. Ultimately, closures and mergers within higher education in Japan will be necessary.

While Japan's aging society has been reported and studied for the past several decades – with particular interest on the longevity of Japanese people – much of the research reports and news stories about population issues have only been reported within the past decade. As such, very little research has focused on the issues related to the number of 18-year-olds in Japan as this issue has only gained traction in the past few years due to the rapid decline of this age group in Japan. Based on the depopulation trends in Japan, the next five to ten years should be very revealing as to whether or not the situation in Japan can be reversed or if it has passed the point of no return.

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