



Asia Pacific Bulletin

Number 169 | June 27, 2012

Accepting Immigrants: Japan's Last Opportunity for Economic Revival

BY TOSHIHIRO MENJU

Japan is very slowly beginning to recover from the enormous economic and infrastructural setbacks caused by the March 11, 2011, earthquake. One reason for the slow pace of recovery is due to Japan's shrinking and aging population, a phenomenon that is gradually and detrimentally affecting Japanese society as a whole. As of November 2011, Japan's population totaled 128 million, ranking it tenth in the world after Russia. Historically, Japan's large population has contributed to its dynamic economic output, providing a well-educated workforce along with a large domestic consumer market. However, since 2005 the total population has been in decline for the first time since WW II. Indeed, over the next decade it is expected to decrease by 5.3 million people, a significant decline of four percent, more than the entire population of Shikoku, Japan's fourth largest island.

Toshihiro Menju, Managing Director of the Japan Center for International Exchange, explains why "A proactive decision on accepting immigrants could very well be a constructive solution for two of Japan's most salient problems: a shrinking economy spurred by a declining population."

Unfortunately, Japan, unlike other developed economies, has only experienced two brief baby booms. The first baby boom, which occurred immediately after WWII, lasted just three years, until abortion became legal in 1949. Ironically, concerns over a sudden swell in population resulted in an increase in the number of pregnancy terminations. Furthermore, that post-WWII generation started a national trend where each subsequent generation has had fewer and fewer children, as evidenced by the brief baby boom in the early 1970s. As a result, today, the demographic decrease in Japan of children under the age of 15 is a serious national concern. Since 2003, over 400 public elementary, junior high, and senior high schools have closed every year directly as a result of demographics. It is estimated that between 2005 and 2025 the Japanese labor force—ages 15 to 64—will decrease by approximately 14 million, and at the same time citizens aged 75 and over will increase by 10 million. The economic, civil, and societal implications for such a dramatic and sudden demographic change are unprecedented.

Lack of Political Debate on Immigration

Currently, Japan has strict controls regarding foreign immigration, and there is no coherent national government policy or debate on how to utilize immigration to constructively address the issue of a declining population. Foreigners residing in Japan during 2010 totaled 2.13 million, almost two percent of the population. Currently 690,000 foreign residents are Chinese. Koreans rank second at around 570,000, of which 400,000 are direct descendents of Koreans who immigrated to Japan before WWII. The third largest group, at 230,000, is of Japanese-Brazilian descent, with a sudden increase in the early 1990s due to a relaxation in the immigration law for Japanese descendants living in South America. However, the number of Japanese-Brazilians living in Japan decreased rapidly after the 2008 global economic crisis. In addition, since the 2011 earthquake the number of foreign residents in Japan has also been on a downward trend.

There are three obstacles that hinder acceptance of immigrants or that even prevent starting a discussion at the national level on the subject of immigration. These three impediments are: the fear of social disruption attributed to immigrants as often witnessed

“However, in spite of the stagnant policy discussion at the national level, some local governments and grassroots organizations have been very active in accepting foreigners.”

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington. The views expressed in this publication are those of the authors and do not necessarily reflect the policy or position of the East-West Center or any organization with which the author is affiliated.

in Europe and the United States; an increase in the rate of unemployment for Japanese citizens, especially among the youth; and an increase in the number of crimes committed by immigrants.

The first anxiety is a byproduct of the Japanese media’s coverage of immigrant issues in Europe, as well as in the United States. Japanese media coverage only presents the negative aspects of immigration in these countries; there is very rarely any coverage on the positive attributes of immigrants in these societies. The second apprehension is also unfounded, as Japan can tightly control the number and educational levels of incoming immigrants. The labor deficit within the agricultural, fishery, manufacturing, and service industries is a significant problem, combined with the fact that many Japanese youth refuse to work in these labor intensive and low-paying jobs.

The increase in crimes perpetrated by immigrants is also a misconception. Japan’s National Police Agency has, since 1990, featured a special section on crimes committed by foreigners in the annual *Crimes in Japan* report, and this has fueled the debate on the possibility of a spike in criminal activity due to an influx of immigrants. However, what is not widely discussed is that the number of crimes committed by foreigners has actually been steadily declining since 2005.

Healthy discussion on immigration is also inhibited by a number of other factors including ultra-nationalistic groups who are very vocal and unduly critical of neighboring countries. Furthermore, the perception in Japan of *Imin*—immigrants—is generally negative, with the public belief that if the door is opened, a flood of poor people from around the world will suddenly rush in. In reality, Japan is surrounded by a high language barrier that hinders non-serious immigrants.

Local Initiatives

However, in spite of the stagnant policy discussion at the national level, some local governments and grassroots organizations have been very active in accepting foreigners. This trend developed in the 1980s to help increase the number of foreign students in local communities, and the movement was boosted in the 1990s when Japanese-Brazilians suddenly increased from just a few thousand to 300,000 within approximately ten years. *Tabunka-Kyosei*—living together in a multi-culture—became the buzz word for these local movements. Local governments, including Toyota city (home town of Toyota motors), formed the Coalition of Cities with Foreign Residents in 2001. This coalition has campaigned for broader acceptance of foreigners living in Japan. Initiatives include submitting petitions to the central government for the establishment of a national immigration agency and provisions for the education of immigrant children. More recently, some rural mayors have begun openly discussing the merits of accepting immigrants into their communities, explaining that without these additions their communities will soon become ghost towns due to aging and depopulation.

Unfortunately, Prime Minister Yoshihiko Noda and his ruling Democratic Party of Japan have already used their limited political capital working on controversial legislation to raise domestic tax rates and tackling the thorny issue of restarting Japan’s nuclear power plants. They will not take on another controversial topic such as immigration at this moment in time. However, pro-immigration grassroots movements will continue to grow and eventually their arguments will reach the national level.

But the question is when. If it takes too long, a healthy recovery fueled by new immigrants will be more difficult to achieve, and another opportunity for Japan’s economic revival will have been missed. A proactive decision on accepting immigrants could very well be a constructive solution for two of Japan’s most salient problems: a shrinking economy spurred by a declining population.