Japan's population falls 'by record 244,000' in 2013

Japan's government is trying to boost a stagnant economy in the face of a shrinking population

Japan's population declined by a record 244,000 people in 2013, according to health ministry estimates.

The ministry said an estimated 1,031,000 babies were born last year - down some 6,000 from the previous year.

Meanwhile, the number of people that died last year was 1,275,000 - a rise of around 19,000 from 2012.

Japan's population has been shrinking for several years now. If current trends persist it will lose a third of its population in the next 50 years.

A quarter of the population is currently aged over 65 and that figure is expected to reach nearly 40% by 2060.

The government says the population totalled 126,393,679 as of 31 March - down 0.2% from a year earlier.

Japan has taken aggressive measures in recent months to spur growth in the world's third-biggest economy, after years of stagnation.

The government of Prime Minister Shinzo Abe is trying to boost the economy through a combination of quantitative easing and cash injections, higher taxes, higher government spending and longer-term structural reforms.

Japan's ageing population could actually be
good news

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Is a nation's destiny set by its fertility rates? The announcement that Japan's population fell by almost a quarter of a million in 2013 – the fifth consecutive annual fall – brought warnings that the country may be in terminal decline.

"The stagnation of the lost decades is a symptom of problems brought on by demographic change," wrote Reiko Aoki, an economist at Hitotsubashi University in Tokyo, last year (Population and Development Review, doi.org/qrc).

Japan has the world's oldest population, with a median age of 46 years, an average lifespan of 84, and a quarter of the population over 65. But this doesn't have to mean a gloomy future. What happens in the coming years might even point the way for other countries.

Japanese longevity can't compensate for its ultra-low fertility rate – just 1.4 children per woman. Hard-working Japanese society has "embraced voluntary mass childlessness", says Nicholas Eberstadt, a demographer at the American Enterprise Institute in Washington DC. One in four don't have children. Some European countries also have low fertility rates, but top up with migrants. Insular Japan does not.

Lower care bills

The conventional view is that this is bad news: shrinking numbers hobble economic growth and the ageing population is a major financial burden. But Eberstadt says there is another side. The proportion of Japan's population that is dependent on those of working age isn't unusual, he says, it's just that it has almost twice as many over-65s as children. Consequently Japan spends less on education. And because the Japanese are the world's healthiest, care bills are also lower than in other nations.

Japan's economy has been growing slowly for two decades now. But that too is deceptive, says William Cline of the Peterson Institute for International Economics in Washington DC. Thanks to the falling population, individual income has been rising strongly – outperforming most US citizens'.

With 127 million people, Japan is hardly empty. But fewer people in future will mean it has more living space, more arable land per head, and a higher quality of life, says Eberstadt. Its demands on the planet for food and other resources will also lessen.

Japan isn't alone in demographic contraction: Russia, Romania and Hungary all follow the trend. For many more, it is being delayed by immigration. But the global population bomb is slowly being defused. As Swedish statistician Hans Rosling first noted, the world recently reached "peak child" – the point where the number of children aged 0 to 14 around the globe levels off. Global fertility rates have halved in 40 years – they are now below 2.5 children per woman – and global population may peak soon.

So, far from being a demographic outlier, Japan is "the world leader in demographic change", says Aoki. For some this sounds like a disaster. China last year relaxed its one-child policy fearing that predicted population decline in the 2030s would choke its economic development.
But others believe that peak population is a necessary first step to reducing our assault on the planet's life-support systems. In that case, following Japan's example may be just the ticket.

This article will appear in print under the headline "Japan's ageing population points to our global future"

Correction: When this article was first published on 7 January 2014, it mistook Hans Rosling's nationality and specialisation.