CHAPTER I
INTRODUCTION

A. Background

      Japan is interesting country as a research object for its unique community, diverse cultures and ancestral values that are still maintained over time up to present modern time. This is country located in East Asia, beside the Pacific Ocean and neighboring Korea, China and Russia. This country is an archipelago consisting of 6,852 islands (Japan Information & Culture Center, Embassy of Japan, 2018). Its main islands are Hokkaido, Honshu, Shikoku and Kyushu. Honshu Island is the largest island and in this island Tokyo, the capital city of Japan, is located. Japan government was constitutional monarchy where Emperor's power limited and degraded especially for ceremonial tasks. This constitution was applied in 1947 which replaced the Meiji Constitution in 1889. The constitution was stipulated by three branches as its legislative which was designated the National Diet, executive vested by the Cabinet, and judicial vested by Supreme Court.

      Since the 1870s, under Meiji Restoration Japan was began to become an Industry country. There are Hiroshima and Nagasaki as two essential cities in Japan as the base of the industry. Hiroshima is a famous city in terms of industry and military which are several military units are based near Hiroshima, including the General Army headquarters (Giangreco, 2009). Nagasaki city is one of the biggest ports in southern Japan and became a famous city during the war because it had many industrial activities including artillery production, ships, military equipment, and other war material. The four most significant companies in the city are Mitsubishi Shipyards, Mitsubishi Electric Shipyards, Mitsubishi Weapons, and Mitsubishi Steel and Weapons. These four companies employ around 90% of the workforce in Nagasaki and cover 90% of the industry in this city (Truman, 1946).

      Unfortunately, World War II the city of Hiroshima and Nagasaki in Japan was bombed by United State America. World War II had led to the crushed military, destroyed cities, a broken economy,

low agricultural production, and an extremely high birth rate. Japan experienced this high birth rate, called "Baby Boom" for three years from 1947 to 1949. Baby Boom was happened because in the many post-war ex-soldiers returned to civilian life, got married and had children with 2.6 million birth a year between 1947 and 1949, with the culmination in 1949 at 2,697,000, resulting in a total of 8 million children born (Kazuo Y. , 2005). Japanese government officials were concerned that the population growth would hurt the economy's ability to recover. Because in post-war, Japan begins to develop its economy after the phenomena of Nagasaki and Hiroshima. Thus, this Baby Boom was ended after Japan's government released abortion law and promoted the planning and birth in family control which had the purpose of preventing overpopulation. After the Baby Boom, the birth rate begins to decrease in the long run to and at the beginning of the 21st century remains around 1.3. It was then followed by the number of births that dropped from about 2.75 million in 1947 to a little over a million in 2007 (Robert L. Clark, 2009) (Ministry of Internal Affairs and Communication, 2007). The decrease in birth is also followed by a high percentage in mortality, the high life expectancy of women and men aged 65. Then this demographic trend, along with the immigration policies which shut Japan into net inflowing migration, also caused population growth to decline during the 1980 and 1990. As a result of this demographic, dramatic aging population emerged.

According to the United Nations Population Division in 2011 Japan is in the first position with the highest shares of the 60 age population from 2011 until 2050. This demography issue is known as the aging population (David E. Bloom, 2011). Population aging is a condition in which the average 60 age increases in a country's population due to decreased birth rate and increased life expectancy. According to the World Bank, there has been an increase in dependency ratio in Japan in 2010 which was 56,189 and in 2015 increased by 64,467. The age dependency ratio has two types, Dependency ratio of the sum of the young aged population which has aged 0-14 and the old population which has 65 above aged. Thus the productive age of people is between 15 – 64 ages. Then the old age ratio in 2010 amounted to 22,449 to 2015 to 26,015. There was an increase of about 10% in 5 years period. It means if the dependency ratio increases, a burden that will be borne by the state to provide facilities for the elderly such as health benefits, pensions and others will increase (The World Bank, 2017). Hence, the decrease o

population make an unbalance demographic condition continues, it will affect several sectors such as the economic growth and the labor sector.

There are several factors of aging population, i.e., longest life expectancy, low birth rates, high mortality rate, and the workaholic. First, Japan has the longest life expectancy in the world, with 83.7 years. Compare with other countries such as Singapore, Switzerland, Spain, and Australia with averages start from 82.8 to 83.4 years, then the U.S at 79.3 years and China at 76.1 (Otake, 2017). Japan becomes a country with the longest life expectancy because as a developed country, the government can provide a living standard and proper health facilities for the retirement age, so the population has a long life. Second, the low birth rates resulted from how the Japanese tend to regard marriage as something that is not too important or lack of desire to get married.

Moreover, Japan also applies the law of legal abortion, so people are free to have an abortion, so people are free to have an abortion. Third, the high mortality rate was caused by a large number of people committing suicide due to pressure in the work environment. The last is the workaholic. Workaholic is people who are very interested in work or can be called a working driver who is ready to work long hours.

"About 22% of Japanese work more than 49 hours a week, compared with 16% of US workers and 11% in France and Germany, according to data by the Japanese government" (McCury, 2015)

This workaholic habit tends to make the Japanese did not have time to think about marriage life and have a child.

Have known, although this aging population issue had happened since a long time ago Shinzo Abe's administration is to be the culmination of an aging with the data in 2012 23, 881 and increased in 2017 27,049, this data show how the significant growth of aging population in Shinzo Abe administration (The World Bank, 2017). This aging population culmination becomes one of the economic problems because aging population emerges leads to several impacts such as labor shortage, pension expenditure increase, pension expenditure which health all of those will make the revenue of the state to decline and result to the unstable economy. Thus, to respond to the aging population,

Shinzo Abe makes policy to overcome the aging population issue.

B. Research Questions

Based on the facts above related to the aging population issue faced by Japan in Shinzo Abe's administration, the most appropriate research question is:

How does Shinzo Abe's policy to overcome the aging population issue in 2012- 2017?

C. Theoretical Framework

To analyze the policy of Shinzo Abe in overcoming the aging population, in this theoretical

Framework, the author, uses the relevant concept and principle.

1. Concept Pyramid Population

According to John R. Weeks in his book entitled "Population: An Introduction to Concepts And Issues" – "the concept of a population pyramid can be used as a measuring tool to understand and describe how the condition and position of a population in a country are because they graphically portray any aspects of a population, such as sex ratios and ages structure. Concept Pyramid population is divided into three models (Weeks, 2008), and the first model is the constrictive model (Figure 1.1). This model illustrates that the population in this chart has a lower number of productive age compared to the elderly population and relatively low childbirth rates. This Chart shows how the population in a country is decreasing, and this model is usually experienced by countries that have a high level of socio-economic development. The second model, the expansive model (Figure 1.2), illustrates a country high birth rate in which the number productive age is more than the older. The last mode, the stationary model (Figure 1.3.). In this chart, the population in all categories is almost the same, and the shape of the chart is slightly tapered in the old age category. The expansive model chart is the ideal model compared to other models because it shows growth population. Charts like this are experienced by developing

country. Now, Japan demography population is in the condition of Constrictive model which has the highest old age population and lower number of productive age and has low childbirth rates. The data of the aging population in 2012 3,881% and increased in 2017 to be 27, 049%. Thus, this condition urges they make Shinzo Abe as the government takes action against this aging population that emerge many economic problems. By that Shinzo Abe make domestic policy as long-term solution.
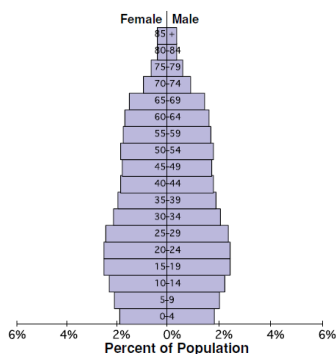
Figure 1.1 Constrictive Model
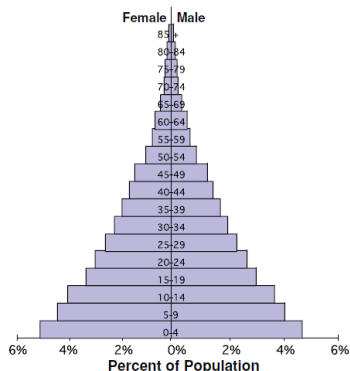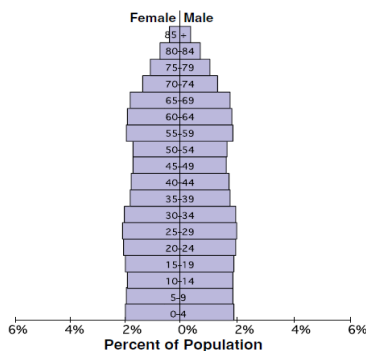

Figure 1.2 Expansive Model

Figure 1.3 Stationary Model

Source: (Richmond, 2018)

2. The concept of Immigration Policy

Immigration is a part of the process of globalization, which is part of the dimension of economic globalization that occurs. Globalization involves economic integration, transfer of cross-border policies, and transmission of knowledge, cultural stability, relations, and discourse of power. Globalization refers to progress, development and stability, integration and cooperation, and others refer to regression, colonialism, and destabilization (Al-Rodhan, 2006). According to George Modelski globalization is a four-dimensional process: economic globalization, world opinion formation, democratization and political globalization. Every change in one of these four dimensions determines changes in other dimensions (Cuterela, 2012).

According to Eytan Meyers in her book under title Theories of International Immigration Policy-A Comparative Analysis, stated that "Immigration has a major impact on a country's demography, culture, economy and politics" (Meyers, 2004). Recently, most immigration in many Western societies is for stability the population. Therefore here the author will focus on two aspects namely demography and economy. Eytan Meyer uses Marxism

approach to explain immigration policy. The Marxist approach believes that the process of forming an immigration policy is based on economic and class-based factors. This argument defines immigration policy in terms of capitalists' desire to use immigrants to reduce wages and therefore increases their profits. As explained above, Japan needs public expenditures for retirement and health; so the immigrant worker can give new revenue and avoid a tax increase. Therefore, Eytan Meyer presents several characteristics of Marxist in explaining the immigration policy (Meyers, 2004). First, capitalists use immigrant labor as an "industrial reserve army" to reduce worker wages. Second, immigration eliminates the tendency of profits to fall. Third, immigration prevents sudden fluctuations in economic activity. Fourth, immigration eliminates structural inflation. Fifth, Immigration divides into the working class. According to Eytan Meyer, Immigration policy consists of two parts, i.e. immigration control policy, and immigration policy. Here, author will implement Marxism characteristic into Japan immigrant policy.

a. Immigration Control Policy

The immigration control policy is a set of rules and procedures governing the selection in acceptance of immigrants. The Japanese government has established rules and procedures for accepting immigrants. Those are stated in Japan Immigration Control Act 2016 consisting of three main points (Masaki, 2017):

1) Promotion of the Acceptance of Highly-Skilled Foreign Nationals

Japan government is highly committed to accepting "the highly-skilled foreign nationals" into the three categories of advanced academic research activities engaging in the field, advanced specialized/technical activities engaging in the field of natural sciences, and advanced business management activities engaging in the operation of business operation Japan

In principle, foreign nationals must live in Japan for more than ten consecutive years to obtain permission to stay permanently. However, foreign nationals who have been involved in activities as highly skilled foreign professionals for about three years have the right to get permission for permanent residence. The high skilled spouse permitted to work, and the parents permitted to enter and stay in Japan in the condition that the parents will take care of a child younger than seven years.

2) Technical Intern Training program

This program is a system of certification for each technical intern trainee. This program utilizes the low skilled foreign worker to fulfill the labor force in 71 types of occupation and 123 work activities such as in agriculture, fishery, construction, textile, machinery, and metal, etc. (Japan International Training Cooperation Organization, 2010). This policy has been by the Marxism characteristic of immigration that is to prevent sudden fluctuations in economic activity and immigration supplies capitalist with labor for the increasing process of capital accumulation. The increasing Aging population also means increasing retirement. Having more retirement means there are many labor shortages which will make the revenue of state declines. However, with the presence of immigrants who fill 71 types of occupation, it will keep Japan's economy and revenue stable. Then more immigrants mean the labor force working new factories or industries is being procured: so that it becomes an investment for Japan.

3) Response to International society and international situation.

In strengthening Japan's partnership in economic activities based on Economic Partnership Agreement (EPA) with Philippines and Indonesia,

Japan has been accepting foreign worker from these countries (Masahiko, The Current Issue on Foreign Worker In Japan, 2010). This is by the fourth Marxism characteristic that immigration eliminates structural inflation. As we know, inflation happens when high demand for good and service in the long term and large quantities. Having an aging population means having more elder retirements that need nurse or care worker while at the same time, Japan has also undergone low birth rate. Therefore by filling the high demand service of nurse and care worker, the immigrant will eliminate the inflation happen in Japan.

b. Immigrant Policy

This immigrant policy is situations provided for resident immigrants such as housing condition, and educational opportunities (Meyers, 2004). This immigrant policy is by the fifth characteristic of Marxism that Immigration divides the working class in providing the facility and status for the resident.

1) The Highly-Skilled Foreign Nationals

The Highly-Skilled Foreign Nationals has facilities such as high-quality healthcare with low-cost, free education for elementary and secondary school and free career support such as language assistance.

2) Technical Intern Training program

The technical Intern Training has facilities such as accommodation, health insurance, and employment insurance. However, the cost of accommodation, health and employment insurance, and the tax will be deducted from trainee wages. The deductions of accommodation based on the agreement between labor and management (Japan International Training Cooperation Organization, 2010). This regulation is by the first Marxism

characteristic, and capitalist's uses immigrant labor as an "industrial reserve army" to decrease the wages of working classes. Despite providing several facilities for the trainee, Japan is cutting trainee wages for the cost and tax. By this, Japan has indirectly driven wages of trainees.

3) Nurse and Care worker through the Economic Partnership Agreement (EPA)

Nurse and Care worker will get education facilities such as information on scholarship systems and budget allocation for nursing educational institutions. Both of Nurse and care worker will receive a year Japanese language training including 40 hours training on caregiving (Japan Foundation, 2016). From these Japan immigration policy, it can be seen how the division of the working classes into that of high-skilled, Technical Intern Training program and Nurse and Care worker. This is by the last Marxist Characteristic, that immigration divides the working class. Based on the above Japanese policy it is evident that there is a gap in providing facilities depending on the type of immigrant type. The high skill workers get special treatment like their spouse are allowed to work, parents are allowed to stay in Japan with certain conditions, are eligible for high-quality service health, and they can be a permanent resident in just three years.

D. Argumentation

Based on the background and theoretical framework, the author came up with the following research arguments:

1. By using the concept of the Pyramid Population by John R. Weeks, this research argues that Shinzo Abe made the domestic policy as the long term solution to overcome the aging population

2. By using the concept of immigration policy by Eytan Meyer, this research argues Shinzo Abe decided to open the door for

immigrants as the short term solution to overcome the aging population

E. Purpose of Writing

The Purpose of this research are:

1. To complete the undergraduate degree in International Relations major of Faculty of Social and Political Sciences of University Muhammadiyah Yogyakarta
2. To find out how the Japan government under Shinzo Abe's second administration policy to overcome the issue of aging population in 2012-2017.

F. Research Methodology

This research was formulated in three methodologies, which are the type of research, data collection methods and methods of analysis.

1. Type of Research

In this research study, the author used a type of qualitative research by using the analytical method and the elaboration of each existing data. The author only describes existing data with qualitative methods.

2. Data Collection Methods

The data collection methods used were secondary data collection, mainly through a literature study. The materials of the study literature are found from textbooks, scientific journals, e-journals, government documents/decisions, reports of government and non-government institutions, as well as from websites/internet which discuss the Shinzo Abe policy is toward aging population issues in 2012-2017.

3. Methods of Analysis

The methods of analysis used were descriptive analysis, which is a research method that seeks to collect, compile, and interpret existing data with the aim of describing or explaining current events and events in a systematic, factual, and accurate manner regarding the facts and characteristics of a particular population. This research is limited to the effort to express a problem or event as it is so that it is fact-finding, which is then proceeded by

analyzing the data or phenomenon to find solutions and links with new strategies. With this descriptive method, the author wanted to find out about Shinzo Abe's policy to overcome the aging population issue in Japan.

G. Range of Research

The scope of research is necessary for the author to limit the analysis and to accommodate the data information. According to the World Bank, Japan became the highest aging population in 2011. However, the author only used the data from 2012 to 2017 which is by Shinzo Abe's administration. Thus, the author restricted the data for the Japan foreign policy towards the aging population in the scope of time from 2012 to 2017.

H. System of Writing

This undergraduate thesis is divided into five chapts with different discussion based on the issue which consists of;

Chapter I**:** This is an introductory chapter of the thesis. The requirements are the background, research question, theoretical framework, argumentation, purpose of writing, research methodology, the scope of research and the system of writing.

Chapter II: This part explains the historical background, the factor of aging population, and impact of aging population.

Chapter III: The third discusses how Shinzo Abe's formulated domestic and Foreign policy to overcome the aging population issue.

Chapter IV: The conclusion from the whole chapter.