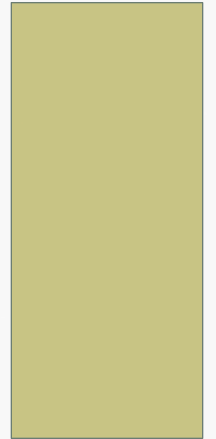


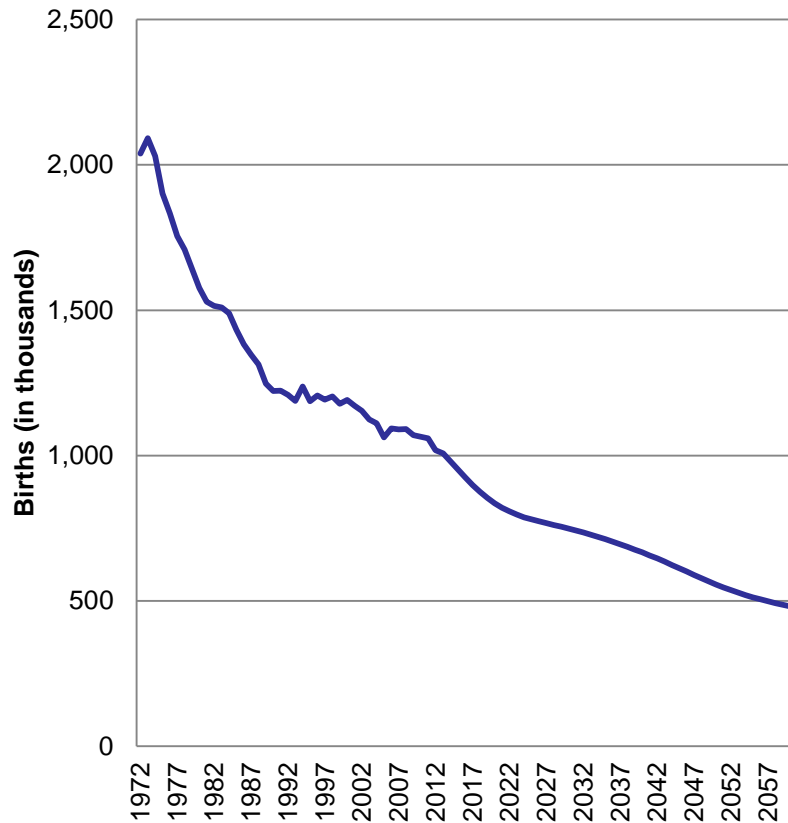
# THE POLITICS OF JAPAN'S SHIFTING Demographics

Brookings "SILVER democracy" Panel  
LEONard Schoppa, December 3, 2014

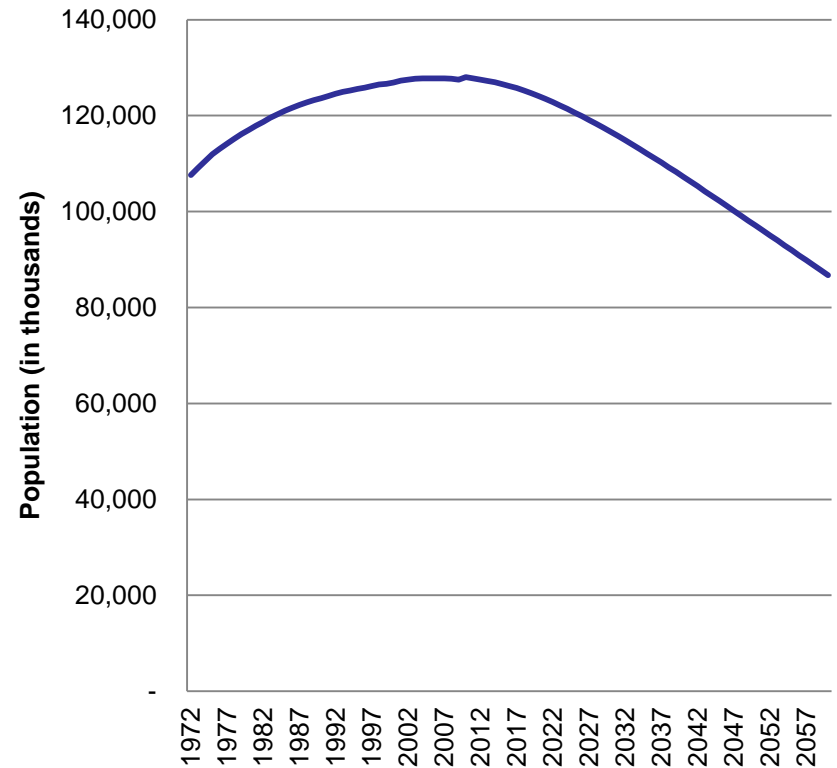


# DECLINING FERTILITY AND FALLING POPULATION

## Fewer and Fewer Babies

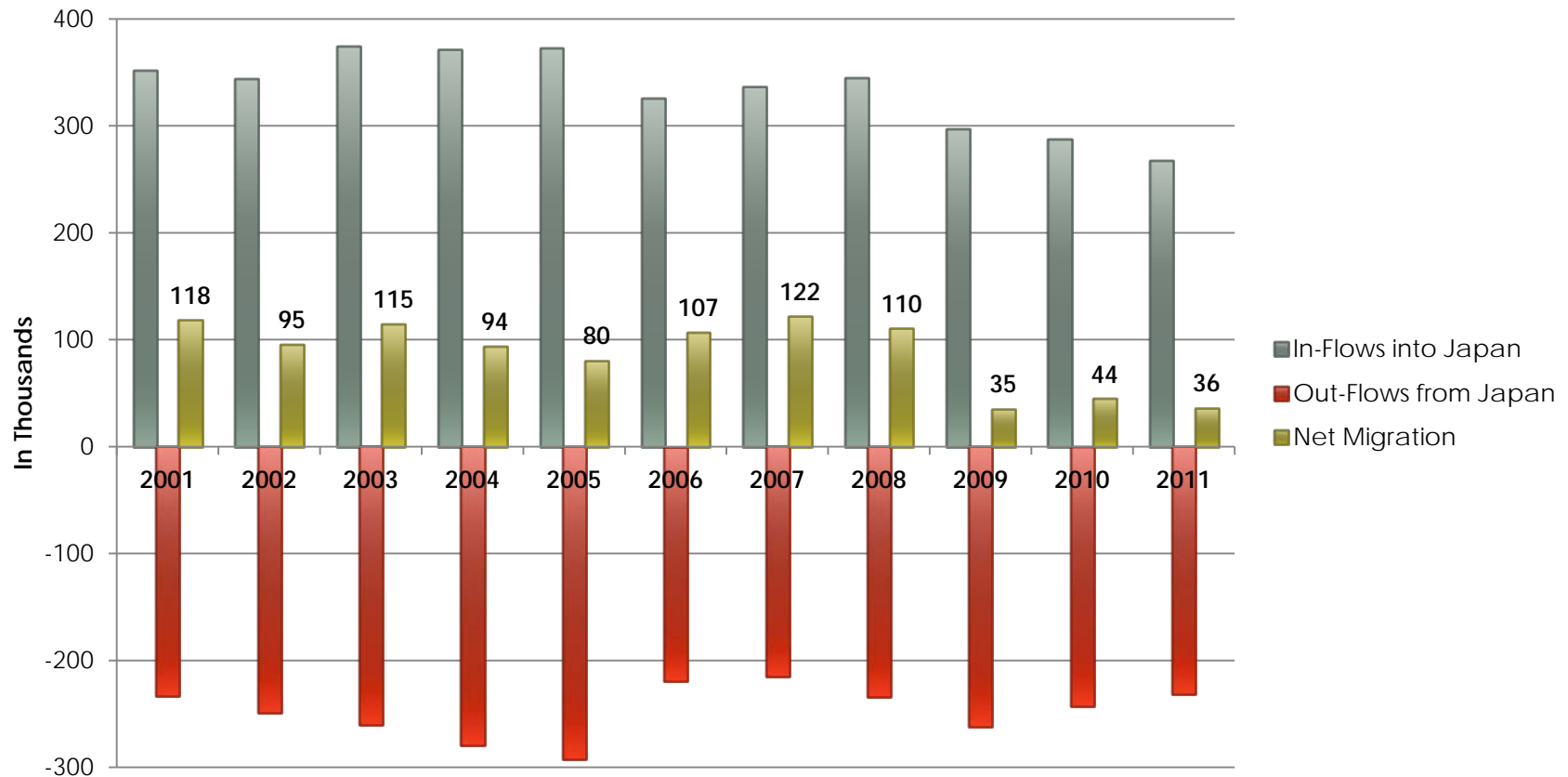


## Population Projected to Lose 41 Million by 2060



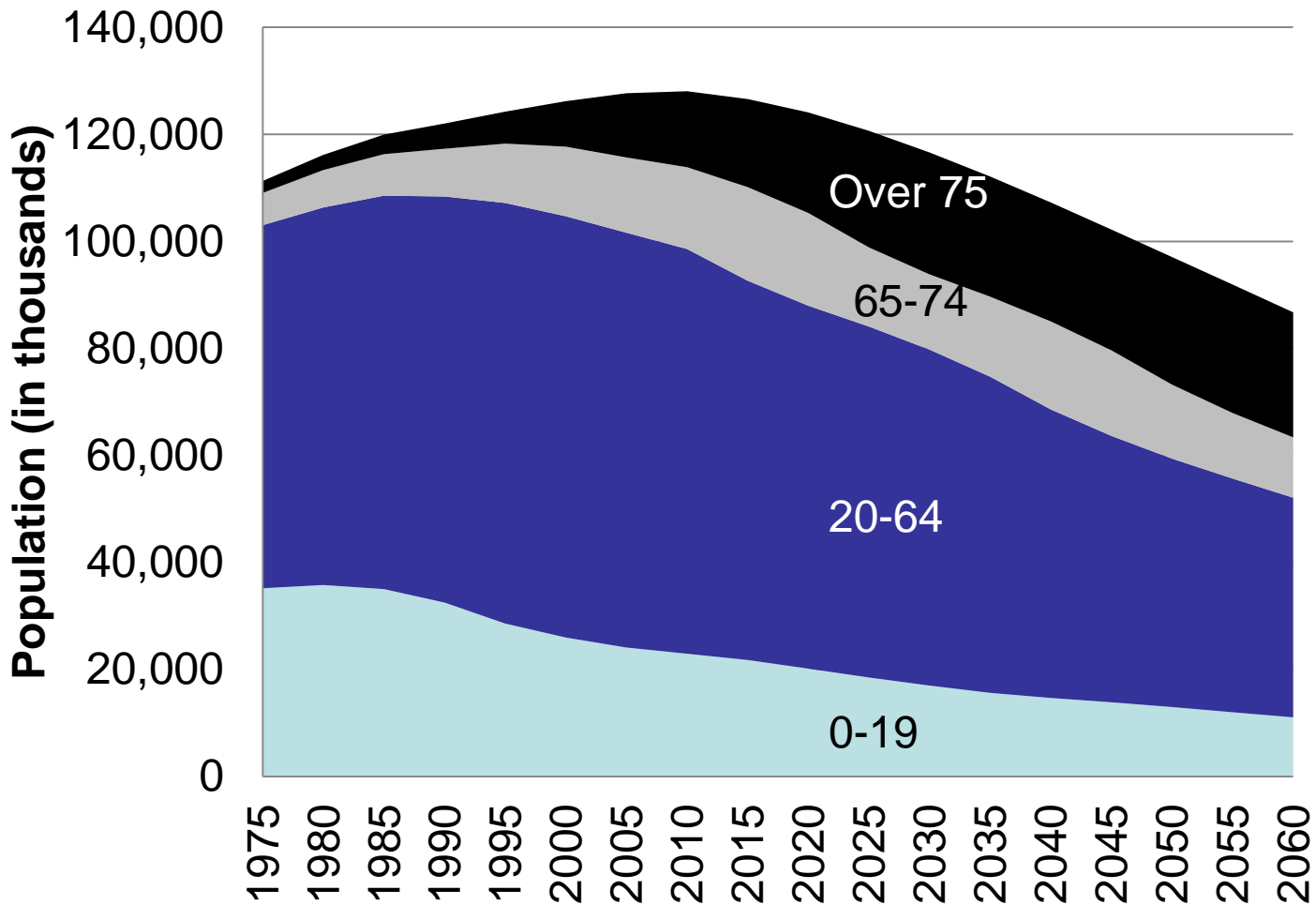
Source: data before 2010 from Japan Statistical Yearbook; Figures for 2011-2060 from NIPSSR 2012 Projection

# THE SLOW PACE OF IMMIGRATION INTO JAPAN: NET-INFLOW OF JUST 36,000 IN 2011

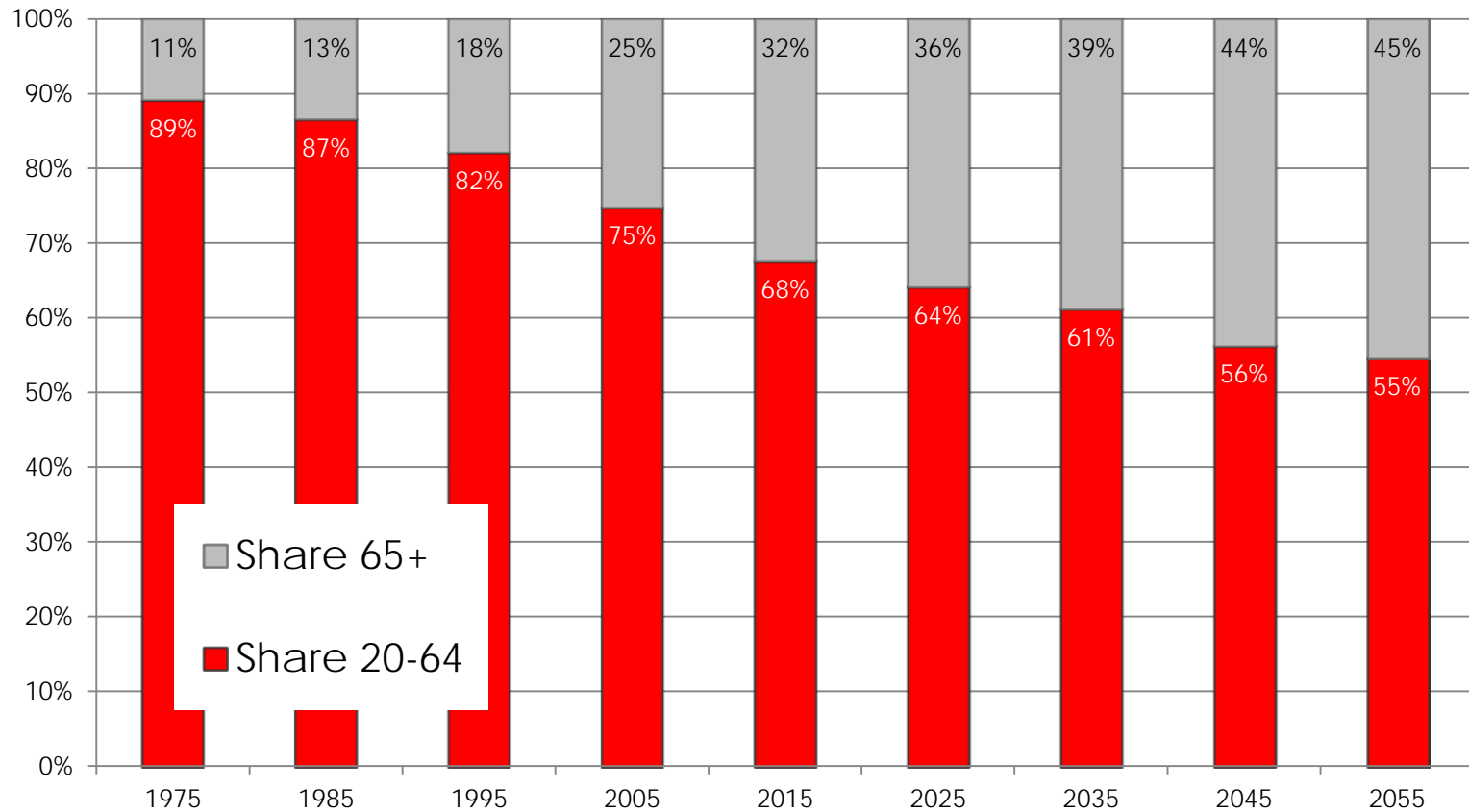


Source: OECD Migration Data

# SHIFTS IN AGE COMPOSITION OF POPULATION

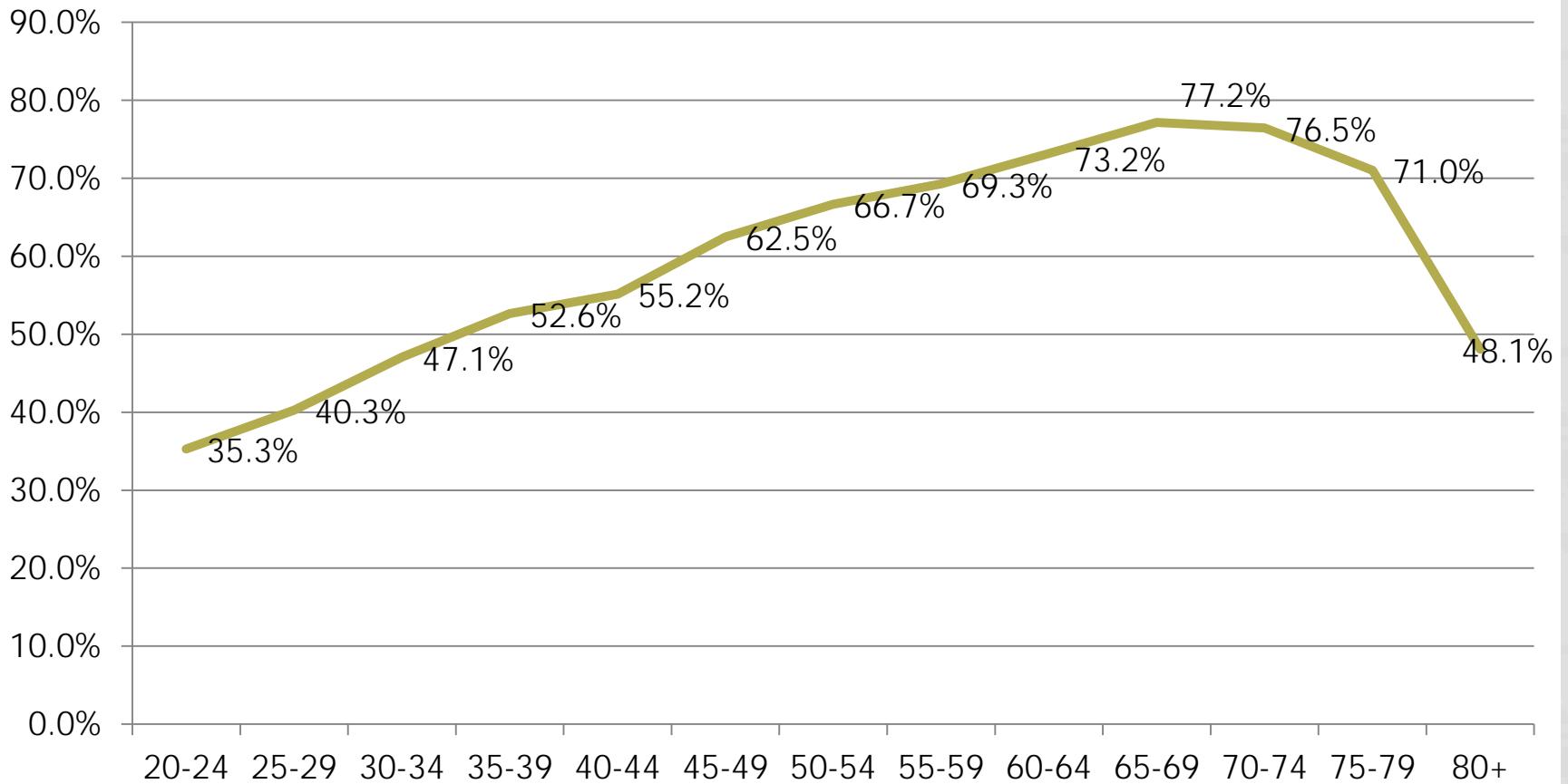


# SHIFTS IN AGE COMPOSITION OF ELIGIBLE VOTERS



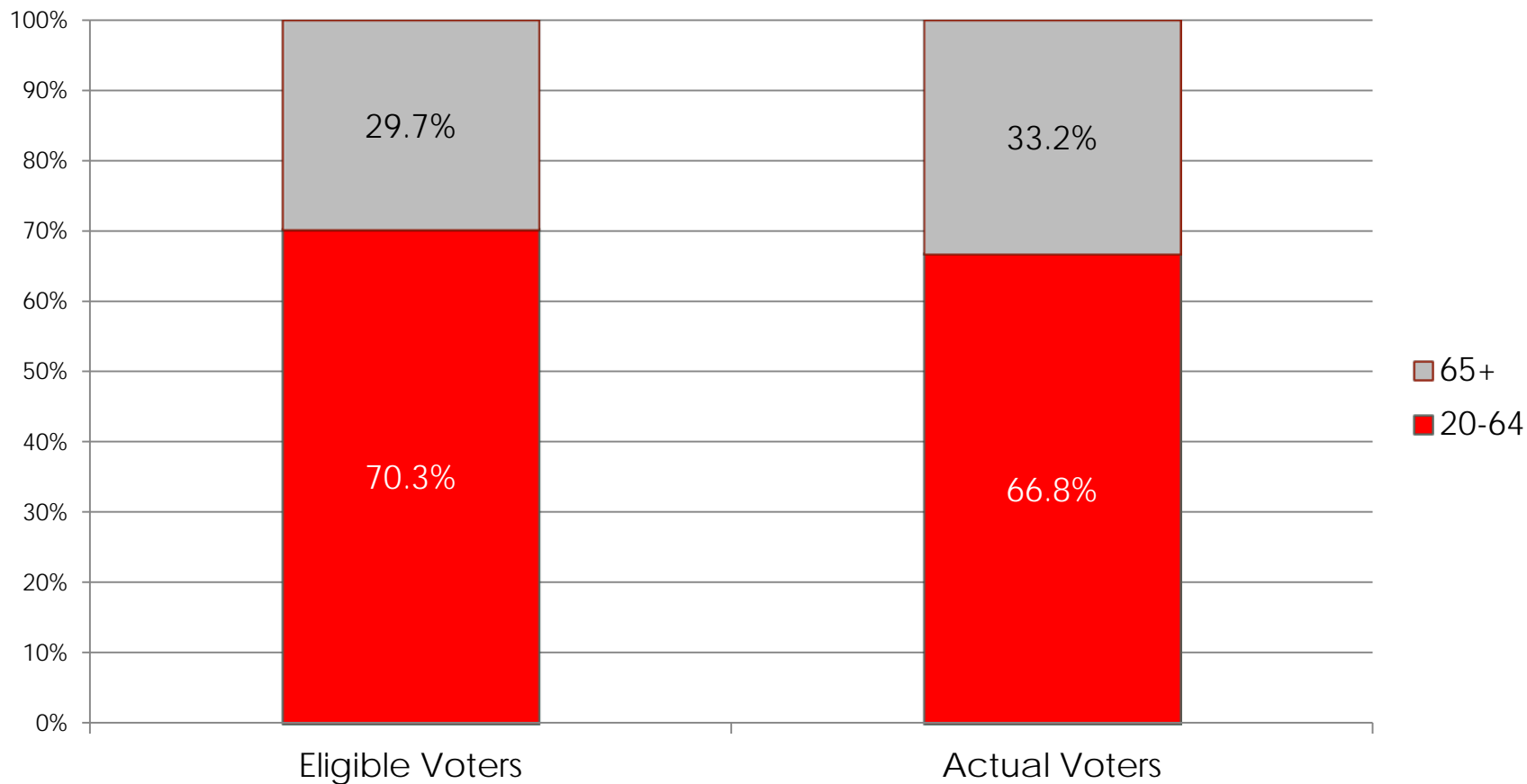
Source: data before 2010 from Japan Statistical Yearbook; Figures for 2011-2060 from NIPSSR 2012 Projection

# TURNOUT RATES BY AGE IN 2012 LOWER HOUSE ELECTION



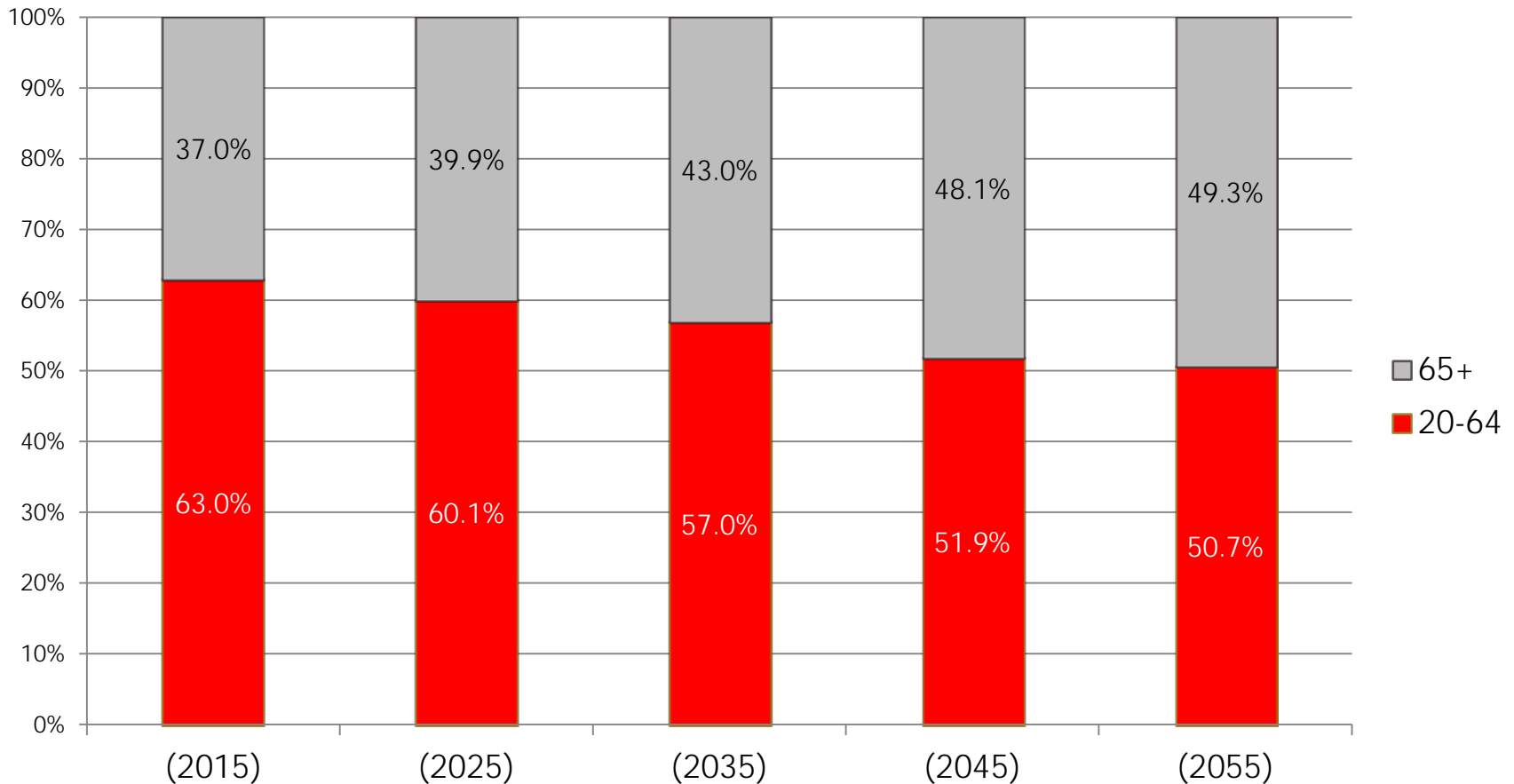
Source: Soumushou Senkyobu, Dai-46-kai Shuugijin Giin Sousenkyo ni okeru Nenrei-betsu Chousa Gaiyou, February 2013.

# ELIGIBLE AND ACTUAL VOTERS IN 2012 LOWER HOUSE ELECTION



Source: Soumushou Senkyobu, Dai-46-kai Shuugiin Giin Sousenkyo ni okeru Nenrei-betsu Chousa Gaiyou, February 2013.

# PROJECTED SHARE OF ACTUAL VOTERS



Applies 2012 age-specific turnout rates to population projected in 2012 NIPPSR population projections.



# POSSIBLE POLICY IMPLICATIONS

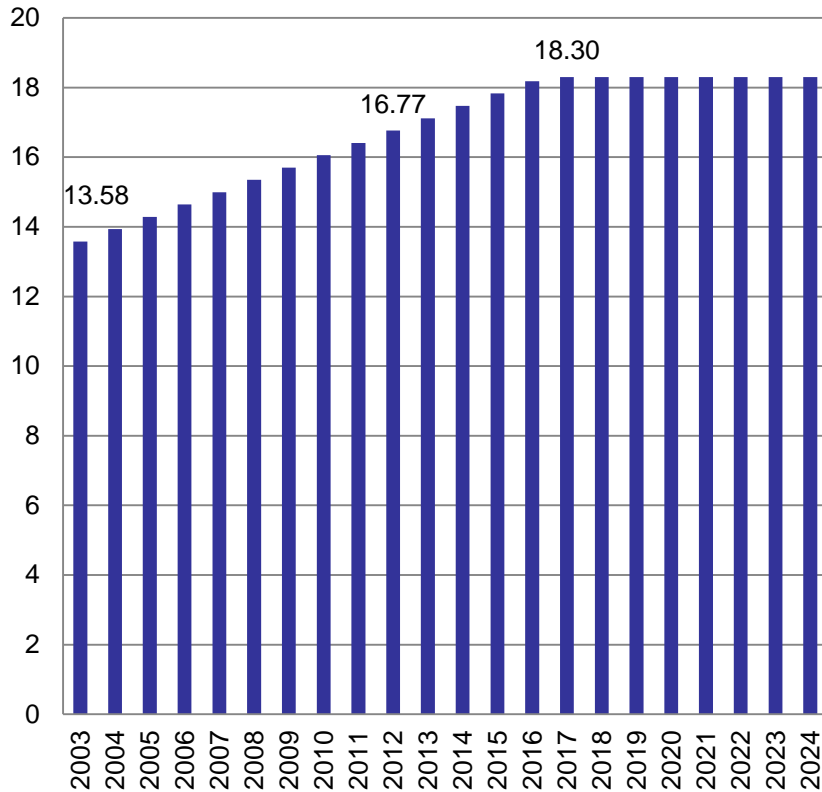
- Older voters may block efforts (via consumption tax increases) to shift tax burden onto the elderly and off of working-age adults and corporations.
- They may block efforts to cut pension & medical benefits for the elderly.
- On the other hand, they have an incentive in keeping the government solvent enough to pay their retirement benefits.

# CONSUMPTION TAX

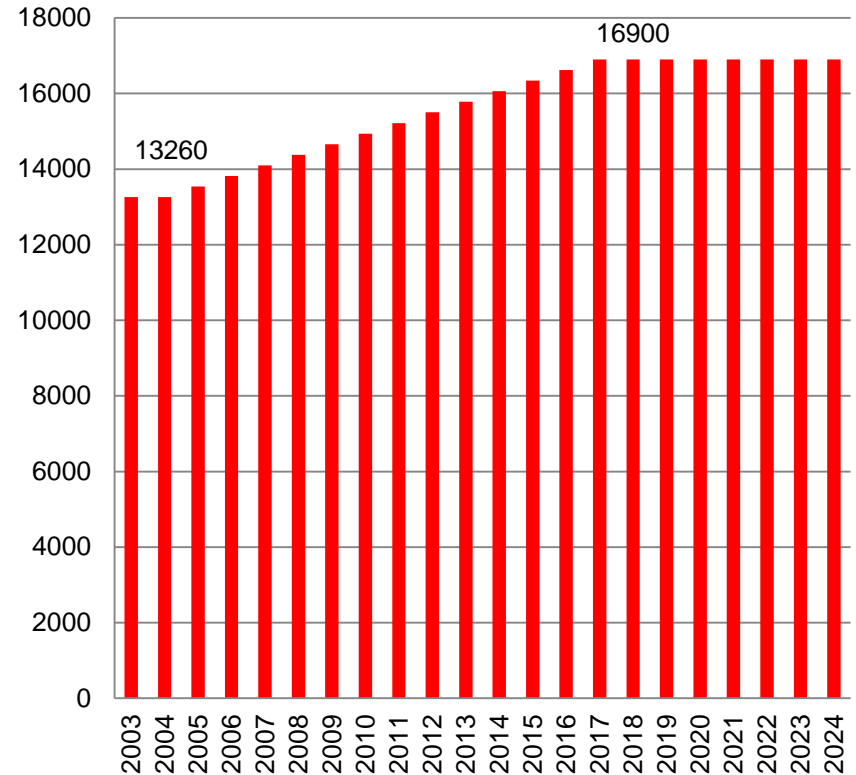
- Noda and DPJ paid a huge price in 2012 for raising the tax.
- Abe has done the politically popular thing and postponed the second-stage of the tax increase until 2017 ahead of this election.
- Will the party in power be able to withstand the pressure to postpone again?

# WORKING AGE JAPANESE ALREADY BEARING A HEAVY LOAD UNDER PENSION REFORM OF 2004

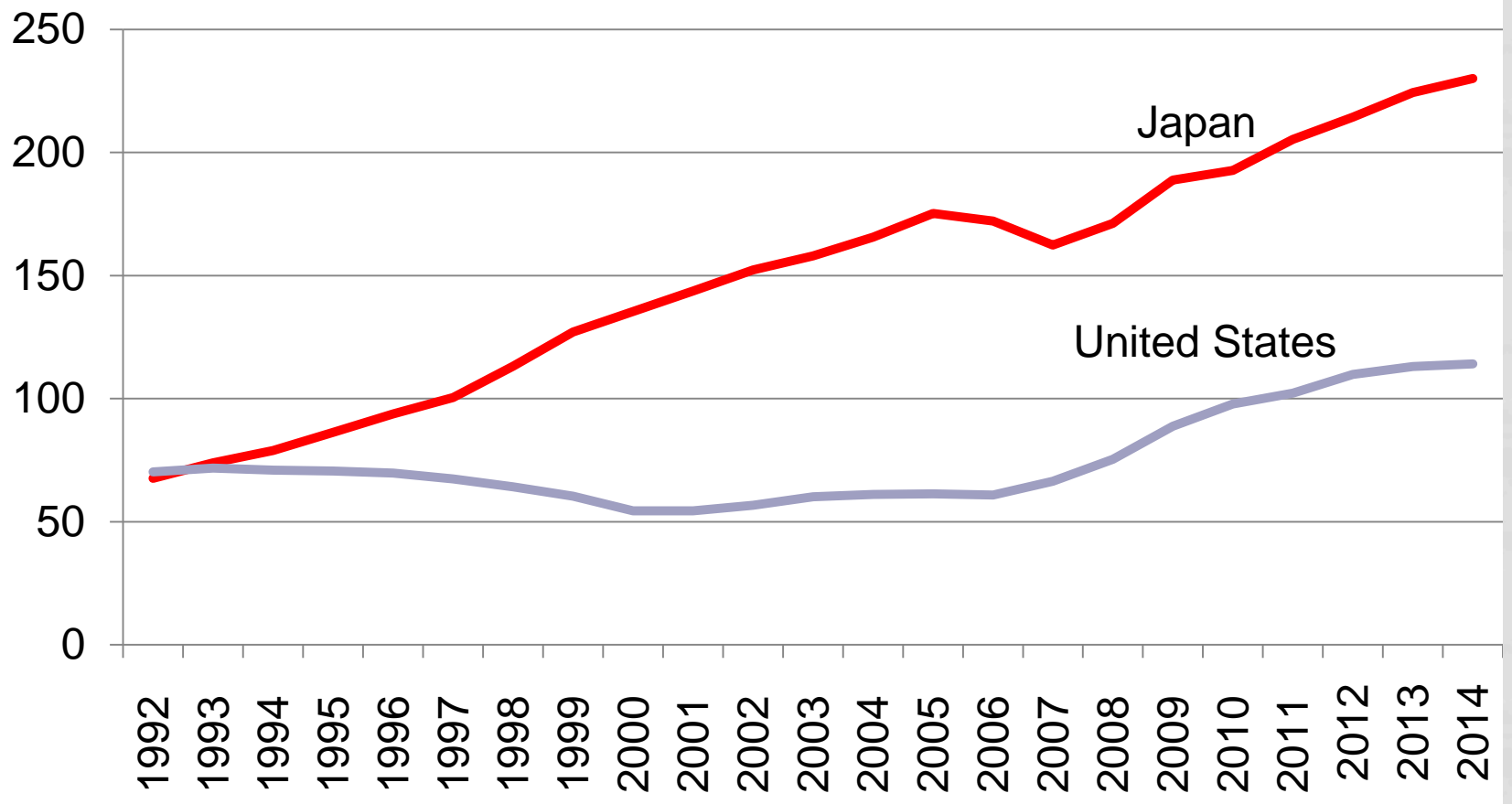
## Japanese Employee Pension Contribution Rates (% of salary)



## Japanese National Pension Contribution Rates (yen/month)



If Japan Can't Raise Taxes or cut Retiree benefits, its debt problem will get even worse...



# AGING VOTERS AND L.D.P. DOMINANCE

- Very difficult to speculate about this given how the party system remains in flux.
- Today, the LDP benefits from disproportionate support from elderly voters while younger voters have tended to be more supportive of opposition parties.
- Possible the LDP will lose support as its most supportive cohorts pass away. But if young cohorts become more conservative as they age, they may sustain the party's support well into the future....

# ELECTION ON DECEMBER 14

## 295 Single Member District Races

