

# CHAPTER I

## INTRODUCTION

### 1.1. Background Of The Problem

Demographic composition is an essential aspect of the sustainability of a country. Maintaining the composition of the population is the same as keeping the level of national productivity running for the progress of a nation. However, today, many developed countries need help with the population problem, where they tend to have a low birth rate while the death rate is low, or it can be said that they have an aging population (Damayana, 2023). The decline in the birth rate today is a global phenomenon that is of concern to many countries. Japan and South Korea are also two examples of developed countries that have problems with their low birth rates. This certainly poses a significant threat in the long run, especially to their social and economic stability (Schoppa, 2020). In Japan, the Japanese government announced that the decline in the birth rate reached 799,728 in 2022; with this figure, the downward trend in the birth rate continues and even fell 5.1% from the previous year. This figure indicates the most severe decline and is the lowest record since 1899 (Kanoko Matsuyama, 2023).

In Japan, this trend of decreasing birth rates began several decades earlier, starting in the 1970s. At that time, the Japanese government needed to be more focused on long-term plans such as family policies, which took a long time to be felt and coupled with the problem of population migration from rural to urban areas. In the early 2000s, it was believed that many young people chose to move to metropolitan areas such as Tokyo in search of a better education. Many of them also moved for better job opportunities (Tomoya Nakazawa, 2021). However, on the other hand, the metropolitan area is a poor environment for raising children. Thus, the birth rate in urban areas is the lowest in Japan. The displacement of the population in Japan, especially young people, is believed to be one of the factors

that caused the low birth rate in Japan, and this is expected to continue in the future (Kyoko Nomura & Aiko Koizumi, 2016).

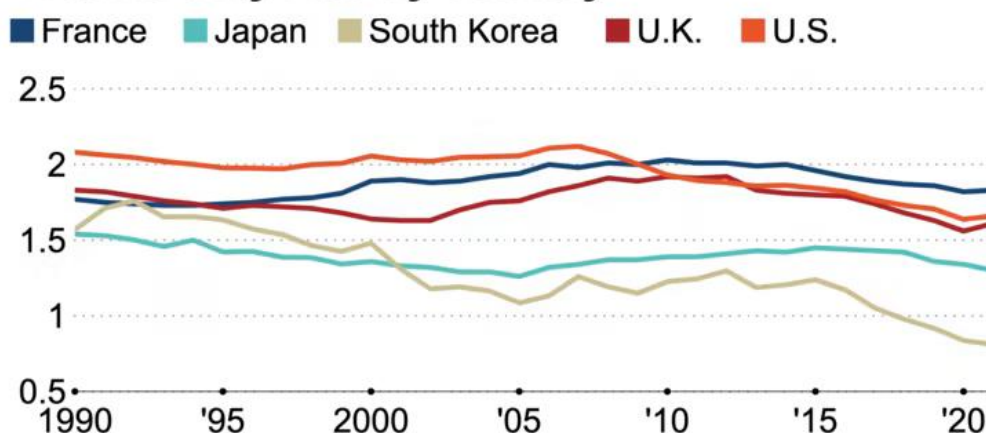
South Korea is one of Asia's countries experiencing rapid and massive economic development. However, South Korea also needs help in its demographic conditions. Since the 1970s, South Korea has experienced a decline in its birth rate. This phenomenon is a concern not only for the local government but also globally concern because South Korea has the lowest birth rate in the whole world. Recorded in 2022, their birth rate was at 0.78, while in 2023, it fell again to 0.72, and South Korea recorded its lowest record that year (Park, 2020).

Low birthrates are having a big negative influence on two major Asian countries: South Korea and Japan. These two nations are in worse shape when compared to other industrialised nations worldwide. South Korea and Japan have birth rates that are significantly lower than the population replacement rate of 2.1 children per woman, with less than 1.5 children per woman. As of 2023, South Korea has an even lower birth rate—about 0.8 children per woman—than Japan, which has a birth rate of roughly 1.3 children per woman.

Although the United States and the United Kingdom are facing comparable issues, the circumstances in Japan and South Korea are significantly more concerning. Extremely low birth rates have posed significant obstacles to social sustainability and economic progress in both nations. The labour force is becoming smaller as a result of rapidly ageing populations, and healthcare and pension costs are also increasing. As can be seen from the graphic below, this further demonstrates that South Korea and Japan are approaching a tipping point and that this case requires additional attention.

Figure 1 Fertility Rate of Developed Counties

## Total fertility rate by country



Source: World Bank, government statistics

Source: Nippon, <https://www.nippon.com/en/in-depth/d00639/>

The decline in birth rate is believed to be a significant demographic problem that threatens many countries worldwide. Declining birth rates are projected to lead to population problems and various economic and social problems. The declining birth rate has had a significant impact on the demographic context of many countries around the world (Ahn, 2022). Some of the issues associated with this phenomenon include population decline with implications for the overall population, the imbalance between the younger generation entering the labor market and the elderly population in need of care, economic problems that include a decline in economic growth and productivity due to the decrease in the number of young workers, social financing imbalances that threaten the sustainability of social security, pension, and health care systems, changes in the social structure of society involving an increase in the proportion of older people in the population and a decline in the number of children and young people, and problems in pension systems affected by the decrease in the contribution of the younger generation and the increase in the number of pension recipients (Ahn, 2022). Therefore, governments in many countries have recognized the importance of addressing the declining birth rate and have taken measures such as incentivizing family policies, expanding parental leave, support for childcare, awareness-raising programs, and

other measures to stimulate births and address the emerging demographic consequences (Damayana, 2023).

Although there are significant differences in some sectors between the two countries, South Korea and Japan have one thing in common: demographic similarities. Both countries are experiencing a drastic decline in birth rates coupled with a decrease in long-term fertility rates, among the world's lowest (Park, 2020). These low fertility rates are also closely related to other demographic problems, such as late marriages and so on. Such demographic issues are common in East Asia (Kanoko Matsuyama, 2023).

The low fertility rate in these powerful countries is undoubtedly different from the progress experienced by these countries. This is especially true in developing countries, where children are needed either as a labor force in the future or to care for parents in old age. In these developing countries, birth rates and fertility rates tend to be higher due to the generally low level of female education. Many other factors are also influential. Social structure, economic level, urbanization, and country norms are also likely to influence birth rates and abortion rates (Ahn, 2022). Developed countries such as Japan and South Korea tend to have low fertility rates due to lifestyle and economic levels. Having children is often associated with financial burdens, and raising children requires a lot of money. In addition, higher education and professional careers for women make them have children at a relatively late age (Tomoya Nakazawa, 2021)

All these factors end up in one point and problem: the decline in the birth rate. The decrease in birth rate is common around the world, especially in developed countries. One of the main factors in developed countries such as Japan and South Korea choosing to delay or even decide not to have children is undoubtedly due to economic factors. In developed countries such as Japan and South Korea, the cost of living tends to be expensive so many of them focus more on their careers and delay starting a family and having children.

Demographic problems like this will undoubtedly have a "domino effect" on the country's sustainability in the future. Hence, the country's government must take a stand and take part in solving this demographic problem. Therefore, in this article, this paper will be discussing and explaining what efforts have been made by both the Japanese government and the South Korean government to deal with the issue of low birth rates in the country.

## **1.2. Research Question**

According to the information and explanation given from the background, thus the researcher formulated a question: **“How are the efforts made by the Japanese government and the South Korean government in response to the low birth rate in the country, and what are the results of these efforts?”**

## **1.3. Hypothesis**

The efforts of the South Korea and Japanese governments to increase the birth rate have differences between them. Due to differences in policy approaches and cultural context. Where Japan emphasizes the economic incentive approach, while South Korea is more proactive. This hypothesis recognizes that the two countries may adopt different strategies and face different cultural factors that hinder their efforts. This implies that a comparison between the two cases may show different results.

## **1.4. Theoretical Framework**

### **1. Demographic Transitional Theory**

The demographic transition theory is a theory that refers to the phenomenon of a historical shift from high birth and death rates to low birth and low death rates. This can happen because of changes and developments from an unindustrialized economy to an industrialized economy. Warren Thompson, a geographer

from America, first coined this. He also argues that most developed countries have experienced this change while developing countries are still experiencing it. He added that this might be an exception in poor and conflict countries because they obstruct economic development (Kirk, 1996).

The demographic transition theory was finally developed again in 1945 by Frank Notesein. He explained how fertility and mortality rates can have an impact on population growth rates and age distribution (Kirk, 1996). This theory received a lot of support from experts because it has a strong historical correlation between the decline in birth rates and economic progress. He added that the demographic transition theory is divided into three stages (Rini Sulistiawati, 2021), namely:

1. The first stage of pre-industrialism is when the birth rate and death rate are relatively the same, so it can be said that population growth is experiencing relatively balanced conditions characterized by slow or stable population growth rates.
2. The second stage is the period of modernization. Modernization changes people's science and standard of living. The advancement of science and health services, nutritious food, increased welfare, increased income, and many other things mark this. Because of the increased standard of living there, the mortality rate tends to be lower than in the pre-industrialist period, but on the other hand, the birth rate is still high. This causes changes in the population growth rate. This led to a change in the population growth rate that was faster than before. This stage marks the beginning of the demographic transition process, which is a transition period from a relatively slow population growth rate to a rapidly increasing growth rate
3. This third stage occurred between the modernization and industrialization periods, where the increasing standard of living made the birth rate drop quite drastically and even as low as the death rate.

This theory is relevant in examining policies related to the efforts of the governments of South Korea and Japan to overcome the low birth rate. This theory provides a theoretical framework for understanding population dynamics and its relation to socioeconomic and demographic factors. This theory helps explain the root causes of the low birth rate. With this theory, it can be concluded that developed countries such as South Korea and Japan are in the final stages of transition. This can be indicated because of low birth rates and high death rates. Factors such as changing age structure, urbanization, and rising cost of living contribute to the declining birth rates in both countries. Understanding these factors through the lens of this theory allows governments to formulate targeted and effective policies.

## **2. Rational Choice Theory**

In general, rational choice theory is a framework that emphasizes how individuals make decisions based on logical considerations. Rationality can be interpreted as individuals making decisions according to their personal preferences to achieve their goals. This theory is very commonly used to model individual decision-making (Firdaus, 2013). According to Joe A. Oppenheimer (2008), the essence of rational choice theory is to link individual choices with preferences, which emphasizes that individual behavior is based on their goals or values. This theory states that individuals intentionally behave in accordance with their values and that such behavior can be explained through preferences that form a straightforward narrative with assumptions and implications that are explanatory and normative. While not all rational choice theories encapsulate these three elements, they essentially highlight that individual choices are purposeful behaviors.

In this paper, rational choice theory is relevant to essential actors in demographic issues. It can help us understand how governments formulate their policies. This can be understood through a sensible framework of thinking about achieving goals and the available policy options (Oppenheimer, 2008). In this case, both South Korea's and Japan's governments act as the main actors in setting

policies. These actors have analyzed the various policy preferences they can apply to achieve their goals. Of course, the policies they take are very likely to be different depending on the preferences of the two countries.

The theory is helpful for understanding and can be used as a reference to evaluate the effectiveness of government policies in increasing the birth rate. Through the lens of this theory, the objectives of each government's strategies and policies can be identified, considering the various strategies available. To choose and sort out which policies will be more appropriate from the multiple strategies by considering the advantages and disadvantages before finally selecting the most suitable policy to achieve the goal.

### **1.5. Research Method**

The research method used in this study is a comparative method that uses a qualitative approach. Comparative research studies similarities and differences between two or more cases. In conducting comparative research, researchers compare specific issues in different contexts through a qualitative approach. (Roudsari, 2022). The purpose of comparative research is to describe and explain the differences and similarities of the case study. Conducting comparative research will expand one's knowledge and understanding of their own and other cultures, countries, or systems. Testing theories in different places, learning from the policy initiatives of others, increasing international understanding of specific issues, identifying forms of cultural incorporation, and evaluating the scope and value of certain phenomena are some of the objectives of comparative research. It is up to the researcher to identify the goals they are targeting (Abdussamad, 2021).

In this paper, the author uses a comparative method with a qualitative approach to explain the demographic problems of Japan and South Korea. The author will describe the central issue in the following way:



1. Explain and describe the strategies and policies that have been implemented by the governments of Japan and South Korea to overcome the low birth rate in their countries.
2. Analyze and compare the strategies and policies of the two countries to find which policies have the best positive impact
3. Explain and describe future socio-economic threats if this problem remains unresolved.

### **1.6. Data Source**

The authors obtain their data sources from various sources, including:

1. Looking for and gathering papers that are pertinent to the topic of the study. Journals, books, and other materials that are directly relevant to the research topic may be included in this document.
2. Examining the journal article to find pertinent details, such as how this issue can happen.
3. Spotting trends or conclusions arising from examining documents and utilize these conclusions as a springboard for additional research and analysis.

### **1.7. Thesis Structure**

1. Chapter 1 will explain the problem's background, conceptualization, theories, and potential advantages.
2. Chapter 2 will discuss the origin of the declining trend in birth rates in Japan and South Korea and the factors that led to this declining trend.
3. Chapter 3 will describe the policies that Japan and South Korea have, compare policies between the two, and describe the future socio-economic threats if this problem remains unresolved.
4. Chapter 4, will be the last page of this thesis, will be used for the researcher's discussion of the conclusion of this paper.