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## A Framework for Thinking about the Future of Japanese Society in the Face of Declining Fertility and Population

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Therefore, we must envisage a desirable future society, taking the current social situation as the starting point. Robert and Edward Skidelsky see the current capitalist society as a “rich enough, poor enough society,” while Hiroi sees the future society as a “post-capitalist/post-industrial society” and considers it as in a transition to a “steady-state society” for the third time in human history. Introducing both cognitive frameworks, this study examines what framework should be used when conceiving a future society.

## Keywords

living, way of life, post-capitalist society, steady-state society, sustainable society, regional revitalization, regional renewal

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Hirotaka Nagaishi\*

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## Introduction

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## Introduction

Since I first became involved in research on regional revitalization and revitalization issues, the extremely limited literature has made me feel that it is important at this stage to envision the future of society. This would require the use of a framework of thinking based on the recognition of the current situation. The framework of thinking we set will affect how we approach the issues of regional revitalization and creation.

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One of the major problems that Japanese society is currently facing is the reduction in national power due to population decline. Therefore, overcoming this problem and maintaining the current quality of life is an important issue. In particular, local governments face a situation in which the survival of local communities is threatened by population decline. Given this crisis, they are implementing various regional revitalization and creation policies across the country. The policies include sustainable urban development and regional regeneration or creation. However, when each municipality plans a comprehensive policy to achieve its goals, it is necessary to first envision the society they want to create based on their own reality and characteristics. Without an image of the target society, policy formulation must be ad hoc, and it would be difficult to promote systematic and comprehensive town planning, let alone expect it to be effective. Therefore, in creating the future vision of a community, the choice of values and visions to be realized must be based on the image of the desired society before a comprehensive plan is drawn up. Therefore, it is necessary to formulate, select, and integrate policies based on selected values and concepts. Otherwise, it would be almost impossible to overcome the major problem of a declining population and achieve the goal of sustainable urban development, that is, the creation or regeneration of a community.

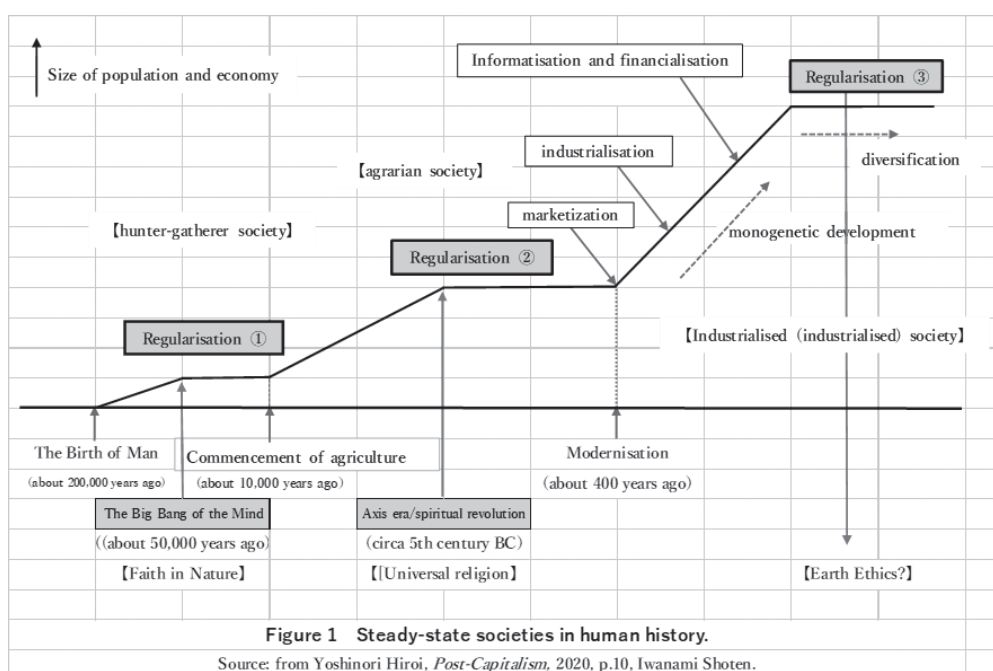
At the same time, there is a widely shared recognition that capitalist value production and creation, as human activities that have a profound impact on the world, have serious consequences for the survival and sustainability of human society. Thus, it is necessary to revise these activities to ensure that they contribute to our survival and livelihood.

The advanced countries that lead capitalist society have overcome scarcity and created “a wealthy society,” based on indicators such as population expansion and the extension of the average life span. However, we need to pause and ask ourselves whether we are engaging in wasteful consumption and excessive production while pursuing endless economic expansion and growth under capitalism. We need to review the behavioral principles of capitalism, which are dominated by desire, and revise capitalism so that it serves its original purpose, which is survival, rather than being detached from human life. We must change our direction to ensure the stability and sustainability of our lives.

Human survival activities started with hunting and gathering and have expanded to agriculture, industry, and the information revolution. Humans cover the entire Earth and are now spreading into virtual space. However, if we look back at our long history, we can observe three major cycles of expansion and stabilization (see Figure 1).<sup>1</sup> In each revolutionary period, humans faced a critical point in our survival in terms of population, the environment (ecosystem), etc. To cope with this, we invented and discovered new technologies and ways of life. We created a new space for survival and pursued the maintenance of our lives and the prosperity of our species.

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<sup>1</sup> Yoshinori Hiroi, “*Creative Welfare Society*” 2013. pp.42-48. Chikuma Shobo. Same as “*Sustainable Welfare Society*” 2012. pp.136-159. Chikuma Shobo.



Can a capitalist economy support human life in the future after the information revolution? Considering that distortions created by capitalism have been perceived everywhere in society and the environment, we may need to rethink our way of life and economic activities. We must consider this not only from the perspective of the “expansion and growth” of the economy and its fruit of “material wealth,” but also from the perspective of the richness of heart that we have often heard about recently. The criterion of richness of heart (or happiness) is too subjective to be measured as an objective standard; therefore, it is hard to provide a scientific basis. However, there is a shared understanding of the importance of this value, and the dialogue about its realization is ongoing, although there are some differences in degree. Moreover, happiness is even stipulated as a right in Japan’s constitution, and this happiness criterion may be re-evaluated as a measure of life.

What kind of future can or should Japan choose in the face of a declining birthrate, aging population, unavoidable population decline, and economic stagnation after the collapse of the bubble economy? First, I would like to recognize the reality in which we find ourselves, and then explore capitalism as an economic way of life from a value-theoretical and ethical perspective based on our historical transition from a hunter-gatherer society to agricultural, industrial, and information societies.

This study note aims to organize an underlying framework of thinking for the regeneration/creation of Japanese society, especially rural cities and communities, and the search for a concept that will make sustainability a reality. This will be done by examining the works of Yoshinori Hiroi and Robert and Edward Skidelsky. I also hope to present my current personal opinions and suggestions on the kind of framework that should be used to address this issue.

## I Yoshinori Hiroi's Perception of the Current Situation

### (1) The Current State of Capitalist Society—The Modality of Capitalism

The economies of developed countries enjoyed a “golden age” of capitalism until around 60 years after the Second World War, thanks to the high demand for post-war reconstruction and the effects of the Keynesian policy (“the policy that creates demand and, in turn, economic growth by intervening in various ways in the market economy”<sup>2</sup>). However, since the emergence of “resource nationalism,” the capitalist economy, which had continued to expand and grow, was slowed down by the “external limit” of the finiteness of natural resources.<sup>3</sup> The two oil crises in the 1970s dampened the expansion and growth of the capitalist economy, plus there were also fundamental factors underlying the recession that accumulated and led to economic stagnation afterwards.

This is because, through the diffusion of Keynesian policies and various technological innovations, societies where “goods are abundant” became widespread. To put it differently, as societies where “goods are abundant” emerge, people’s demand gradually reaches the maturity or saturation point, and the assumption that consumption will continue to increase endlessly becomes unsustainable. This problem is called the “internal limit”<sup>4</sup>; that is, the loss of demand, which still hampers the “expansion and development” of capitalism today.

Today’s capitalist society is a “society in which production has risen excessively,”<sup>5</sup> and it is bound by the dogma that “we must continue to grow.” This dogma has strongly oriented everything around us, including economic systems, social systems, and our values, toward the goal of growth.<sup>6</sup> Even after the 1970s, when signs of economic decline began to appear, this dogma could not be broken. Neoliberalism was adopted from the 1980s onward to stimulate demand from the supply side, expanding capitalism to the next stage and beyond. Under “capitalism ver. 3” in the second half of the 20th century (late-stage industrial society), the global production and distribution of goods led to the “expansion of material wealth,” and under “capitalism ver. 4” from the 1980s onward, the information-driven expansion of wealth (see Figure 2) took place. However, both of these economic growth plans are becoming difficult to achieve due to the basic social situation where “material needs are almost met.”<sup>7</sup> Hiroi argues that in today’s capitalism, where greed has been the engine of expansion and growth, “a structural overproduction” has arisen, and that unemployment—especially among young people—has become chronic, which leads to various disparities and poverty, resulting in what can be called “poverty by excess.”<sup>8</sup> He suggests that it is appropriate to view today’s capitalist society as a “post-capitalist” society. He believes that we are now in a period of transition from a “post-capitalist” society to a “stationary society,” and that if we actively affirm that direction, we will be at a turning point.

### (2) From a “Post-capitalist” Society to a “Steady-state Society”

What will society look like in the future? Will it be a super-capitalist or post-capitalist/post-industrial society? According to Hiroi’s view of capitalism, the answer is as follows.

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2 Hiroi, *Post-Capitalism* 2020. p.52. Iwanami Shoten.

3 Ibit.p.56.

4 Ibit.p.56.

5 op. cit. *Creative Welfare Society* p.16.

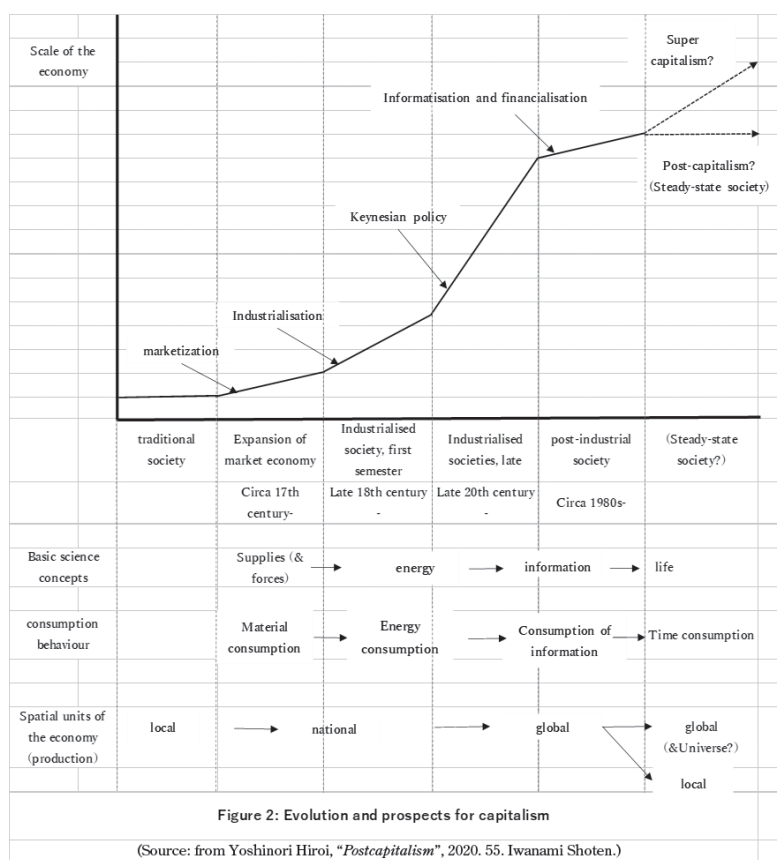
6 op. cit. *Steady-state Society* 2001. iv Iwanami Shoten.

7 op. cit. *Creative Welfare Society* p.99.

8 Ibit.p.16.

In line with the changes in the evolution of capitalism from the traditional society (Figure 2), if we say that the expansion of the market economy is capitalism ver. 1, the early industrial society is capitalism ver. 2, and the late industrial society is capitalism ver. 3, then the current post-industrial society is capitalism ver. 4. If expansion and growth continue, it is possible that society will become super-capitalist (capitalism ver. 5). However, Hiroi reconsidered the situation from a comprehensive and global perspective, accounting for the population decline and economic stagnation that Japan and European capitalist countries face, as well as the environmental impact of the economy. He argues that industrial society since the Industrial Revolution has shifted from a mode of expansion and development to one of stationarization, and that future society will be stationary. He says that we are now in a transition period, and that we should plan for the coming society and transform our economy from one that depends on growth to one that is sustainable.

According to Hiroi, a “stationary society” is a society where “sufficient wealth’ can be realized without making economic growth an absolute goal,” and it can also be called a “sustainable welfare state/welfare society” from another perspective, in which “individuals’ livelihoods are secured (equal opportunity = guarantee of potential freedom).” Such a society can cope with resource and environmental constraints and persist for a long time.<sup>9</sup>



<sup>9</sup> op. cit. "Steady-state Society" pp.142.

Of course, we need to produce wealth to support ourselves. If we become an aging and overstaffed society, we will need more social security funds. However, we cannot secure them simply by improving the economy. As Hiroi puts it, we should create new industries that are different from the 20th-century model of “expansion and growth,” and absorb human resources into them (such as “creating small bases”). It is also expected that we will need various measures, such as bolstering the insufficient social security funds by reforming the tax system, shifting social security benefits from ex-post relief to proactive prevention, as well as “social security in the first half of life” that enables us to carve out our own future through self-help. However, national measures alone will not solve Japan’s regional development problem. Local communities need to support local lifestyles and ensure their sustainability and self-sufficiency. We also need to build communities where residents connect as citizens and create an open society featuring inclusiveness.

## II Robert and Edward Skidelsky’s Analysis and Evaluation of Current Capitalism

In their book “How Much Is Enough? Money and the Good Life” (Japanese title: “A Rich Enough, Poor Enough Society”<sup>10</sup>), Robert and Edward Skidelsky examine the problem of “capitalism without principles” from an ethical perspective.

In the Introduction, they state their reason for writing the book as follows: When one makes a judgment on the question “How much do you consider enough?,” the object (“for what?”) is at issue. The standard is “to live a good life,” and they continue as follows. When judging the “good life” subjectively, it must be recognized that “the ‘good life’ exists apart from subjective desires,” and the scale of judgment must be formed in one’s consciousness in advance. The “good life” exists, it is “definable,” and man “should aspire to it.”<sup>11</sup> Philosophy and ethics also seek a good life and a worthy way of life, and the question of “justice theory” (“What is justice?”) in political science is also related to our lives in terms of distribution.<sup>12</sup> The question at stake is, in general, “how to live,” and whether society is suited to that purpose. What is the “good way of life” or “good living”? From this perspective, the reality of capitalism is a point of contention.

In the first part of the “Introduction,” they take up the problem of “greed for money” (i.e., desire) and capitalism. They cite Marx’s argument that “greed would vanish with the overthrow of capitalism” and Christianity’s claim that “greed is the original sin of mankind” and argue that “greed stems from human nature and everyone tends to envy the wealth of others in comparison to their own... This tendency is intensified by capitalism and the psychological tendency of greed has taken root in civilization. Greed, once an abnormal vice of the rich, has become a common, everyday phenomenon.”<sup>13</sup> First, everyone living in the capitalist world has a tendency to be unsatisfied with their own lives compared with others’ lives, which gives rise to boundless desires and drives capitalism out of control.

They then say that “capitalism is a double-edged sword. On the one hand, it enables significant improvements in material conditions. However, it fosters detestable human vices such as greed, jealousy,

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<sup>10</sup> Robert/Edward Skidelsky, *A Rich Enough, Poor Enough Society* 2022. Chikuma Shobo.

<sup>11</sup> *Ibit.*p.4. The conceptualization of a “good life” and “a way of life based on that concept” are two of the implications of the term aim at.

<sup>12</sup> *Ibit.*p.15.

<sup>13</sup> *Ibit.*pp.13-14.



and envy. We think that this monster should be chained again,” and that “for this purpose, we will suggest policies to achieve a good life.”<sup>14</sup> They reveal their doubts and criticisms of the current capitalist society, which is obsessed with GDP, and its policies, which are single-mindedly focused on economic growth.

They say that even if we accept “economic growth per se,” one can ask “growth for what?” Aspirations such as everyone’s desire for “more time at one’s disposal and less pollution” and other aspirations related to human well-being are “not included in GDP either. What is included in GDP is only what is produced domestically and traded in the market... Therefore, the question remains of how much GDP expansion can increase happiness.”

Then, regarding the nature of economic policies that focus solely on GDP growth, they say, “GDP growth will certainly increase the happiness of the people,” but “in the case of rich countries, there is a great possibility that GDP is already too much. In the case of wealthy countries, GDP should be treated as a byproduct of policies that aim for a good life,” and “growth being positive, negative, or flat is a result.”<sup>15</sup> They explain the need for a conscious departure from the myth of GDP growth—namely, the dogma that it must keep growing.

They also take up “Keynes’ Miscalculation” (pp. 33–77) in Chapter 1 to discuss the essential flaws of capitalism. In his 1930 essay “The Economic Possibilities of the Grandchildren’s Generation,” Keynes predicted the future society of 2030 (the future of capitalism) as follows: By 2030, capitalist society will be a “mature society” (“steady-state society” in Hiroi’s terminology) through a process of “technological progress” → “increased output per unit labor hour” → “reduced working hours to meet needs/extinction of working hours.”<sup>16</sup> In such a mature society, people will work 15 hours per week, the fruits of labor (wealth) will be “more evenly distributed throughout society,” and “people’s incomes will be the same or higher than they are now.”<sup>17</sup> For the first time in human history, people living in such a society will be freed from the labor of living, and in the abundance they will have, “man will be faced with a true and eternal problem.” People will be preoccupied with questions such as “How to use the freedom not to be bothered by pressing financial needs, how to use the leisure time that science and compound interest have won for us to live wisely and comfortably.”<sup>18</sup>

However, reality does not match Keynes’ prediction of a capitalist society. People were never freed from labor, even though the economy matured to the point of no material demand, and society became more affluent than Keynes anticipated.

The authors succinctly explain the cause of the Keynesian fallacy at the end of the chapter. They say that “Keynes’s mistake was to think that profit-seeking, which became free under capitalism, would naturally end when people became rich, and that people would enjoy the fruits of civilized life. He thought that this was because he assumed that natural desires had a fixed amount” (here, “the fruits of civilized life” refers to leisure). Therefore, Keynes “could not foresee that capitalism would become a new driving force for creating desires, and that traditional restraints by habit and common sense would stop working.”<sup>19</sup> They also say that “Now we have achieved wealth, but we cannot enjoy it because of the

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<sup>14</sup> *Ibit.*p.14.

<sup>15</sup> *Ibit.*pp.14-15.

<sup>16</sup> *Ibit.*pp.15-16.

<sup>17</sup> *Ibit.*p.15.

<sup>18</sup> *Ibit.*p.16.

<sup>19</sup> *Ibit.*pp.76-77.

habits that capitalism has taught us... We can escape this fate when we can regain the meaning of a good life, a life of sufficiency, which has been ignored and distorted for centuries.”<sup>20</sup>

Economic activities that originally aimed at achieving a “good life” have somehow turned into a goal in themselves (expansion and growth). Consequently, the uncontrolled pursuit of wealth expansion and the maintenance of a virtuous cycle of economic growth have been accepted as the fate of capitalists. Capitalist greed is uncontrollable. Therefore, capitalism has been forcing the virtuous cycle of the economy to continue by creating and renewing greed (desire); in fact, if the purpose of economic activities is to realize a “good life,” then these activities must contribute to people’s lives, as in the original meaning of the Japanese word for economy (*keisei saimin*, which means “to govern the world and relieve people’s suffering”).

The ethical view of human life in the era before Keynes, which was based on traditional “habits and common sense” that restrained desire, was rendered powerless by capitalism’s “function of creating desire.” The authors find the cause of the vices of today’s capitalist society in Keynes’s miscalculation, such as the inability to reign in runaway desire. At the beginning of Chapter 1, Solon’s words “Never before has the limit of wealth been set”<sup>21</sup> are included as a warning.

As the stock market crash of 1929 and the Lehman Brothers collapse of 2008 showed, “if we do not restrain the limitless pursuit of wealth, or if we cannot control our infinite desires, the fate of modern civilization will be sealed, with virtually no chance of survival.”<sup>22</sup> As the authors claim, it is no longer possible to let capitalism continue as it is without putting some limits on desire. Currently, economic expansion and growth are the supreme goal, and we pursue competition and efficiency relentlessly, but we must correct this trend and transform our society into one where the “good life” can be realized. In terms of consciousness, we should shift from a desire to acquire wealth to a desire for a “good life” that gives meaning to our existence.

The authors state that the “good life” is a life with seven basic values: (1) “Health,” (2) “stability,” (3) “respect,” (4) “character or self-establishment,” (5) “harmony with nature,” (6) “friendship,” and (7) “leisure.” They argue that governments should do their utmost to ensure that these basic values are shared by the people.<sup>23</sup> They believe that free time and leisure as meaningful activities are valuable aspects of daily life and that a good life full of happiness can be realized by using one’s free time for leisure. They argue that this should be achieved and that current capitalism should be revised so that such a life becomes possible. The human image envisioned in the “good life” seems to correspond to the ethical human image envisioned in Aristotle’s *Nicomachean Ethics*. It also resembles the way of life and attitude of trying to fill one’s life with joy that Spinoza advocates.

### III Future Vision of a Society to Be Revived

#### (1) Japanese “Living Space” and “Community”

What appears on the surface of a city is something that constitutes the “foundation of our daily

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<sup>20</sup> *Ibit.*p.20.

<sup>21</sup> *Ibit.*p.33.

<sup>22</sup> *Ibit.*p.21.

<sup>23</sup> *Ibit.*p.21. See pp. 261-303 for a discussion of the seven fundamental values and their realization. See pp. 304-365 for a discussion of how to break free from an endlessly competitive society.

lifestyle and way of thinking.”<sup>24</sup> It is the traditional way of life and life consciousness (including faith and worldviews) that have been passed down through generations as intangible social capital. Thus, it seems necessary to examine its origin; that is, the historical way of life. In the West, citizens and civic consciousness were formed, and self-governing communities (urban spaces) developed as communal living spaces for these citizens, where ways of living were systematically structured, thereby forming the European modern era. In contrast, why did the Eastern world not form communities as self-governing bodies of citizens? This is a very interesting question, as Shiro Masuda pointed out.

In the urban and regional revitalization discussed in this research note, we need to revitalize the community or, if it is absent, create a new one that suits the climate of Japan. In this sense, I will first briefly outline the living space of Japanese society, especially in cities, and then compare the distinctive ways of living and life consciousness in Western urban spaces that formed republican communities.

Simply put, it is the difference between citizens (with a civic spirit) and townspeople (with a local mood/temperament), the difference in how they subjectively think about daily life, and public-minded citizen consciousness. Alternatively, the difference is whether the awareness of citizens (who live in a city and have civic rights) has emerged in the community.

a. The Life Space of Japanese Society (the City) Lacks a Sense of Citizenship

In his work “Toshi,” Masuda describes how Japanese society has been led by the state since the Meiji Restoration while preserving the traditional spiritual world, such as “the worldview of Buddhism and the practical philosophy of Confucianism,” and “the belief in the tutelary Gods of Shinto.” On top of that, the Japanese grafted Western culture, which was more civilized, onto their urban life. Through this, they achieved a “rapid industrial revolution” and “established various systems as a modern nation, and succeeded in modernizing their appearance.” However, because “the self-establishment in modern spiritual history was weak,” the “period of state prosperity” coincided with individuals’ increased independence (social mobility) due to the collapse of the feudal class system and the nation’s development. As a result, the old-fashioned social thought that was “state-oriented or bureaucrat-oriented,” symbolized by the word “higher-up” (*okami*, meaning political or administrative authority), remained intact, and a republican civil society never emerged.<sup>25</sup>

Masuda pondered matters such as “What is a city?” and “What is a citizen?”<sup>26</sup> It seems that the difference in the relationship between the state and the city or community as a self-governing body is thought to be due to differences in how citizens, who are based on the concept of autonomy, form their society (i.e., differences in how they coexist/what they aspire to be). In Western Europe, cities and communities are traditionally self-governing spaces created by a class of citizens, who are also called the “bourgeoisie.” In contrast, Japanese communities, whether in towns or villages, did not emerge spontaneously but were “self-governing units that were artificially created from above as administrative units, or that were recognized by the government for administrative purposes.”<sup>27</sup> Residents’ proactive participation in the formation of communities differed greatly.

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<sup>24</sup> Shiro Masuda, “City” p.7. Chikuma Shobo.

<sup>25</sup> Ibid.p.8.

<sup>26</sup> Ibid.pp.12-28.

<sup>27</sup> Ibid.p.13. In line with R. McKeever’s definition of “community,” Yasuo Hibata introduces community as a unit of “communal life on a certain area,” which is spontaneously generated under the “almost total interest of its inhabitants” (Yasuo Hibata, “A World History of City Planning” 2008. p.231. Kodansha).

In the case of Western Europe, civic consciousness was used to build urban communities as self-governing organizational bodies to oppose authority, but in Japan, by the end of the Middle Ages, a temporary budding of the “free city” was seen in very few port cities that prospered through foreign trade, such as Sakai and Hakata. However, after the Azuchi-Momoyama period, this trend was swallowed up by the power of the samurai.<sup>28</sup> After that, Western civic consciousness, partly influenced by the pluralistic religious mindset of the Japanese—namely, by the “tradition of clan-like ancestor worship” and the lifestyle of living in cities as townspeople while keeping ties to their hometowns—did not lead to “republican civic consciousness,” which involves “creating a community by offering their whole selves” to “the place where they actually live.”<sup>29</sup> It was different from the civic society of Western Europe, and the sense of republican citizenship did not return.

This confusion in mental processes can also be seen in normative consciousness. Masuda argues that, in the process of modernization during the Meiji period, important concepts that shaped European modernity, such as “citizenship,” “society,” “freedom,” “rights,” and “contracts,” were grafted onto the aforementioned traditional Japanese mental world in a chaotic manner, without delving into their original sources. Consequently, the Japanese failed to “deeply understand these value concepts as they apply to our daily lives” and accept them as given things.<sup>30</sup> He also claims that what regulates daily life for Japanese people is not the imported “civic discipline or norms” but “old standards of social morality that are very universal and at the same time terribly transient, based on a mixture of family-oriented traditions, discipline, and the Buddhism and Confucianism that form the basis of such traditions.” This is a seemingly very universal attitude toward life, but in fact it is a unindividualistic or situational personal morality, not a universal social norm that can support a civil society (i.e., a community composed of independent and equal citizens).<sup>31</sup>

#### b. The Urban Tradition as a “Republican Space” in Western Europe

What forms did ancient Greek and Roman cities take? Let us explore the traditional notions of the city (community) and citizens on the eve of modernity.

#### The Ancient Greek Polis Society

The polis, a unique ancient Greek city state, was born around the 7th century B.C. when landowners who had lived in rural areas began to settle in cities, leaving their agricultural lands to slaves and serfs.<sup>32</sup> They were also responsible for national defense as “warriors qualified to take up arms.” The status of citizens was equal, even if there were differences in land ownership, and the aristocratic democratic government was implemented through the civil assembly, with its equal citizenship-privileged class as its members.<sup>33</sup> The daily life of the citizens in the polis was oriented toward “enjoying nature as much as possible and creating their own community in nature”; their daily life was a consumption activity.<sup>34</sup>

In terms of spirituality, each citizen practiced ancestor worship, but a patron God was established

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<sup>28</sup> *Ibit.* pp.44-53.

<sup>29</sup> *Ibit.* p.54.

<sup>30</sup> *Ibit.* pp.8-9.

<sup>31</sup> *Ibit.* pp.21-22.

<sup>32</sup> *Ibit.* pp.58-60.

<sup>33</sup> *Ibit.* p.60.

<sup>34</sup> *Ibit.* p.60.

for each polis. This God was the main protector, and the principle was formed that “under that patron God, the citizens, as free people, stood on equal footing.”<sup>35</sup> The citizens of polis were “free and equal landowners and warriors. They were subject to a religion made up of their fellow citizens who had equal rights of citizenship.”<sup>36</sup> Here was born the original form of what would later become “the idea of the citizen, or Bürger.” The polis, a way of life involving “throwing one’s whole self into the essence of the state,” was positioned as the “ideal of humanity.”<sup>37</sup>

Thus “freed from the old clan traditions,” the citizens “strengthened their rational civic bonds” and developed their community into a city-state, and then into a Greek polis world, adding to the citizenry new landowners with experience as warriors.<sup>38</sup>

### The Living Space of Urban Rome

The city of Rome is said to have originated in the 7th century B.C., when the Latins deliberately built the city as a center of commerce under the Etruscan kingship. It is believed that they established a republic independent of the kingship around the end of the 6th century B.C. to the 5th century B.C.<sup>39</sup>

The city of Rome was an urban space born from the same principle of cohabitation as the Greek polis, but because it was under the rule of a foreign king, the Romans created a system in which power was divided between three institutions and citizens exercised the power of royal authority. These institutions were the (1) “Magistratus,” (2) “Senatus,” and (3) “Comitia,” and each institution participated in and managed national affairs with its own defined authority. The politics of civic governance were carried out in this way.<sup>40</sup> Therefore, for the Romans, how to secure the “mutual balance of authority” of these three institutions remained the most important issue in city or state management.<sup>41</sup>

The Roman way of thinking about the harmonious management of urban life was also emphasized in the field of law, giving rise to the system of Roman law. The Romans thought about things in a functional way and clearly separated public and private. They regarded law as something that adjusts the rights of the state and individuals in a well-balanced manner, and they conceptualized the system of law as something that was defined in a pluralistic way. Masuda speculates that for the Romans, the state was “the concept of the relationship between those who have every right, or rather, the accumulation of relationships between those who have every right, and this is the text of the law.”<sup>42</sup> This political system of the republic divided the lives of individuals into two and sublimated the concept of rights and duties into only the public aspects of personal lives. The Romans legally positioned the public aspects as civic rights and established the state as a community with that principle as the foundation of its existence.<sup>43</sup>

According to Masuda, imperial Rome was formed by small city-states that were conquered by the city of Rome, which made individual treaties with them; thus, the relationship between the city of Rome and the conquered city-states was a contractual one based on individual treaties, and the rule of the city of

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<sup>35</sup> *Ibit.*p.61.

<sup>36</sup> *Ibit.*p.62.

<sup>37</sup> *Ibit.*p.69.

<sup>38</sup> *Ibit.*p.63, pp.67-68.

<sup>39</sup> *Ibit.*p.74.

<sup>40</sup> *Ibit.*p.75.

<sup>41</sup> *Ibit.*p.75.

<sup>42</sup> *Ibit.*p.76.

<sup>43</sup> *Ibit.*pp.76-77.

Rome was initially a legal rule based on individual treaties.<sup>44</sup>

At the end of the Roman Empire, the citizens of the city, who were ancient landowners, moved their homes from the cities to the countryside and created a self-sufficient economic zone (they were “a kind of feudal landowners”), and the provincial cities that had made treaties with the city of Rome fell into decline. Imperial Rome lost the economic power to maintain its territory and collapsed.<sup>45</sup>

#### Life Spaces of Medieval Cities in Northern Europe and the Birth of Modern European Principles

With the fall of the ancient city-states and the accompanying “feudal view of land dominance,” the classical ideas of the Greeks and Romans (i.e., “the civic way of thinking”) disappeared for a time. However, the subsequent rise of medieval cities, the revival of the ancient view of the state in the Renaissance period, and the associated changes in urban residents’ “way of living” prepared the way for modern Europe.<sup>46</sup>

The view of the state in the feudal age was a “land-based national view” that integrated (1) “the thought of the Roman Empire,” (2) “the clan-based or tribal-based concept that valued bloodlines, and the loyalty concept that emphasized personal ties” centered on the Germanic peoples’ agricultural lifestyle, and (3) Christian thought. However, the merchants and tradesmen living in the cities, in opposition to the feudal lords who ruled the countryside, created medieval cities as self-governing organizations that were “directly subordinate to the king or emperor.” There, a “civic mindset” was added, and “the legal system that was applied in the city or urban area emerged as the basis for the national law and national view,” leading to the birth of modern Europe (based on “the principle of the modern state”).<sup>47</sup>

Medieval burghers were “a group of individuals who were engaged in commerce and handicrafts by themselves” and they “generally did not own land in the countryside.” From a religious perspective, they were “a people standing on the common ground of Christian monotheism.”<sup>48</sup> This way of living and dwelling in the city as a commercial and industrial producer influenced by Protestantism led to the first appearance of “homo economicus,” a type of human being that lived within medieval cities.<sup>49</sup>

In particular, in the medieval cities in the northern region, which were built after the Germanic migration largely disrupted the ancient urban life of the old Roman Empire, there emerged merchant quarters next to “old urban burghs” under the protection of feudal lords. The merchant class (belonging to merchant guilds, later joined by craftsmen) in the quarters formed new communities, without being constrained by old traditions<sup>50</sup>.

The self-governing merchant districts built next to the “old feudal burghs” overthrew the feudal lords’ dominion and, with their growing economic power, absorbed all the residents of the old burghs, creating an urban area that was a prototype of a modern city. A commune is an urban community organized by the covenant of traders and craftsmen, some citizens with peasant origins, and all those living in these cities, excluding feudal lords and their subordinates. Prior to the establishment of the nation-state by civil revolution, modern principles promised that the inhabitants “living within common city walls” would live together on an equal footing and under common law. The groundwork was laid by the establishment

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<sup>44</sup> Ibid.pp.77-78.

<sup>45</sup> Ibid.pp.85-87.

<sup>46</sup> Ibid.pp.90-133.

<sup>47</sup> Ibid.pp.90-91, p.101.

<sup>48</sup> Ibid.p.87.

<sup>49</sup> Ibid.p.91.

<sup>50</sup> Ibid.pp.98-102.

of an autonomous commune (medieval city) as a “genuine pledged body of citizens” to live in the city and, based on the principle of democracy, to carry out “laws and municipal administration by their own collective action.”<sup>51</sup>

The ethos of protecting this public world through one’s own power (via participation) or maintaining a disciplined life in the public space that one built was established in medieval cities under the feudal system<sup>52</sup>. Citizens’ way of life was different from that seen in the ancient city-states, but the republican ideas of antiquity were still alive. They created their own living space and were responsible for society. This way of life was present in European cities.

## (2) Designing a Society with a Declining Population (Yoshinori Hiroi’s Proposal)

Based on his 2017 study on the sustainability of Japanese society and policy recommendations generated using artificial intelligence (AI), Yoshinori Hiroi stated that a shift away from the growth-oriented paradigm is required to ensure a sustainable future for Japan.

Hiroi began by asking “Is Japan sustainable until 2050?” He then conducted AI-based simulations on the three perspectives of (1) “sustainability in terms of finances or intergenerational succession,” (2) “sustainability in terms of widening inequality and population,” and (3) “sustainability in terms of communities or ‘connections’” and concluded that “Japan is more likely to end up in a ‘catastrophic scenario’ than in a ‘sustainable scenario’ if policies and responses continue as they are now.”<sup>53</sup>

Hiroi’s analysis of each point is as follows: (1) Regarding government debt that exceeds 1,000 trillion yen, he argues that the current economic policy of trying to solve this through economic growth, which is based on the expansion-growth mindset, is short-sighted thinking that only passes on the huge debt to the next generation. We need to leave that framework of thinking behind, as it postpones long-term sustainability.<sup>54</sup> (2) Regarding the proportion of welfare recipients (the “protection rate”), which has consistently decreased since the 1960s, he says that it began to increase in 1995 and has steadily increased since then. He also says that “even if they do not achieve welfare, there are steadily increasing numbers of people who are impoverished or unstable in their employment, including nonregular workers.” He points out that “the employment and life of the younger generation have become unstable, as seen in the problems of temporary staffing villages and so on,” and that “this leads to a decline in the birthrate, which further accelerates population decline, creating a vicious cycle.” He observes that “the problem of ‘population sustainability’ and the erosion of the structure that was once called the ‘one hundred million middle class’ are progressing in parallel.”<sup>55</sup> (3) Regarding “social isolation,” he shows that Japan is the most socially isolated society among advanced countries based on an international comparative survey (World Values Survey 2001). He says that the current Japanese society is in a situation where “the old communities (such as rural societies) have collapsed and new communities have not been formed,” and that this is reflected in social isolation. He explains that when rural communities existed as a matter of course, and when the system of lifetime employment at companies functioned sufficiently, there was “invisible social security” separate from social security based on financial resources such as taxes and social insurance premiums, but that “the communities of ‘village society’/‘family’ and

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<sup>51</sup> Ibid, pp.104-106.

<sup>52</sup> Ibid, p.105, p.109.

<sup>53</sup> Hiroi, “*Designing a Society with a Declining Population*” 2019. p.21. Toyo Keizai Inc.

<sup>54</sup> Ibid, pp.16-18.

<sup>55</sup> Ibid, pp.18-19.



‘company’ have collapsed and lost their place,” which has led to a loss of interest in or aversion to others outside of the family (or group), and a loss of connection, which in turn has led to an increase in social security costs due to (1) and the deterioration of public finances.<sup>56</sup>

Hiroi’s “catastrophic scenario” is a complex series of events, such as fiscal collapse, accelerated population decline due to low birthrates and youth poverty, widening inequality and poverty, rising unemployment caused by AI job replacement, the hollowing out and shuttering of local cities, the expansion of shopping refugees, and the hollowing out of agriculture.<sup>57</sup>

On the other hand, if the content of Prime Minister Kishida’s “new capitalism” is “growth and distribution” as he has stated, then, under the mature and saturated economy, and as Japanese society as a whole, including the population, is increasingly moving toward “stabilization,” the current policy of “expansion and growth” as its basic policy base, as Hiroi has stated, would not, to my mind As Hiroi says, there is a high probability that a chain of “catastrophic scenarios” will occur.

Therefore, policies aimed at maintaining the population and employment for the purpose of securing fiscal resources, such as population and industrial policies, are not sufficient. There will also be a transformation of the industrial structure due to AI automation, and from the perspective of the Earth’s capacity (i.e., the environment and resources), the trend of moving away from industrial production is increasing, but it seems difficult to create a sustainable future society with just that. If that is the case, the essence of policy must be creating a space where people live and reside; that is, we must align the “production community” and the “living community” that have been separated in the process of urbanization and industrialization,<sup>58</sup> and it is necessary to create local communities as living spaces.

Society is where people live and work. People are connected to each other, interact across generations, and create a rich temporal and living space that suits the ecological environment of the area. By developing regional industries without relying solely on companies, they can form a circular economic society. Such “town development” and “community development” seem to be required.

#### Future Scenarios and Policy Options for 2050

Hiroi’s future scenario for 2050 generated using AI (an analysis that included the subjective element of “happiness”) states that “the biggest turning point is whether it will be ‘urban concentration’ or ‘local decentralization.’”<sup>59</sup>

According to the “urban concentration scenario,” “technological innovation led mainly by urban companies leads to a concentration of population in cities, and rural areas decline. The low birthrate and inequality progress further, and individual life spans and happiness decline.” On the other hand, “the concentration of government spending in cities improves the government’s fiscal situation.”<sup>60</sup> The future in this scenario is one where large cities become black holes, with low birthrates and life spans, featuring

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<sup>56</sup> Ibid.pp.19-21.

<sup>57</sup> Ibid.p.21.

<sup>58</sup> Hiroi, “*Re-interrogating Community*” 2019. p.12, Chikuma Shobou.

<sup>59</sup> op.cit. “*Designing a Society with a Declining Population*” pp.22-23. Hiroi examined the current state of Japanese society and identified 149 social factors that will be Important in the future. He then created a casual model of these factors, and based on this model, made about 20,000 different future projections for the period from 2018 to 2052. He then classified them into 23 scenario groups, and then analyzed them by taking into account four factors; “(1) population, (2) finance and social security, (3) urban and regional, (4) environment”. The analysis then look into account four aspects of sastainability: (a) employment, (b) inequality, (c) health, and (d) happiness, and “finally classified them into six representative scenario groups.” (Ibid., pp.22-23)

<sup>60</sup> Ibid.p.23.



crowded, diverse city spaces where disparate individuals live together more densely than ever. Although such spaces are stimulating and diverse, this is essentially an unstable and transient society in which social inclusion cannot be expected.

On the other hand, the “decentralized scenario” suggests that dispersing the population to rural areas would “improve the birthrate and reduce the gap, as well as increase the life span and happiness of individuals.” However, Hiroi also warns that this scenario entails the risk of “worsening the fiscal situation of the government or environmental impacts (such as CO2 emissions)”;<sup>61</sup> therefore, this scenario needs to be pursued with great care.

From the perspective of Robert and Edward Skidelsky’s analysis of the current state of capitalist society and Hiroi’s vision for a “sustainable welfare society” or “creative welfare society,” one can imagine that creating a lifestyle that allows people to truly feel the richness of life would inevitably require a community as a “place to belong.” If this is the case, we should explore the potential of this scenario while paying attention to the two challenges that Hiroi warns of (fiscal deterioration and environmental degradation).

Hiroi argues that the window of opportunity to choose between the two scenarios will close 8 to 10 years from now, when the “branching point of the urban concentration scenario and the rural dispersion scenario” will arrive, and that “after that, the two scenarios will never converge again.”<sup>62</sup> This means that this choice is irreversible; therefore, I believe it is necessary to create a branching point that will enable this choice sooner.

Hiroi argues that the “rural dispersion scenario” is “more desirable from the perspective of sustainability,” and that “in order to realize [or make possible] the branching point of the urban concentration scenario and the rural dispersion scenario, policies such as environmental taxation that promotes the transition from labor productivity to resource productivity, the activation of renewable energy that promotes the regional economic circulation, the enhancement of regional public transportation for urban planning, the transmission of culture and ethics that support the regional community, and social security that promotes the asset formation of residents and regional society are effective.” In addition, he also states that in order to prevent fiscal deterioration and environmental degradation, and to realize this “sustainable rural dispersion scenario,” it is necessary to “continuously implement policies that increase the economic circulation of local tax revenue, the regional energy self-sufficiency rate, local employment, etc., for about 17 to 20 years from now,”<sup>63</sup> and emphasizes the importance of choosing the sustainable dispersion scenario with great care.

Based on the simulation results, Hiroi concludes that “it was shown that the transition to a ‘decentralized social system’ where people, goods, and money circulate as much as possible in the regions has a decisive meaning not only for the realization of the sustainability of regional cities, but also for considering the sustainability of Japan as a whole.” He then introduces a regional city in Germany called Erlangen (population about 100,000), which is an example of a Nordic-type city community where the traditional republican principle is alive in the citizens. He presents the image of a sustainable urban space for which we should aim, while contrasting the appearance of Japan and regional cities.<sup>64</sup>

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<sup>61</sup> *Ibit*.pp.23-24.

<sup>62</sup> *Ibit*.p.24.

<sup>63</sup> *Ibit*.pp.24-25.

<sup>64</sup> *Ibit*.pp.26-35.

## Conclusion

Assuming that developed societies, including Japan, are “rich enough and poor enough,” as Robert and Edward Skidelsky put it, and that, as Hiroi says, they are in a mature and saturated situation (i.e., post-capitalist/post-industrial society) where economic “expansion and growth” can no longer be expected and they are moving toward a “steady-state society,” the framework of perception for choosing a future society would be that of a sufficiently affluent and sustainable society. Based on this understanding, the policy challenge for envisioning and realizing a sustainable future society involves creating a society that “knows what is enough,” as Zen Buddhism teaches.

Compared to capitalist society, which has been driven by the desire to grow and expand at full throttle, the future society might be poorer and more modest, with no hope for significant economic growth or expansion. However, since we are already living in a sufficiently affluent society, if we assume a hierarchical lifestyle that consists of “good living”; “nature,” which is the fundamental foundation of human existence; “community,” which is based on nature; and individual living, which is supported by these elements, we should take measures such as those proposed by Hiroi to transform the current socioeconomic system so as to achieve a sustainable and affluent lifestyle that is relaxed in terms of space and time, while maintaining connections within the community.

When revising the social and economic systems, we should consider the current situation of Japanese society, such as the declining birthrate, aging and shrinking population, shrinking labor market and pursuit of labor productivity, and increasing surplus labor force due to AI automation. Instead of following the order of “self-help,” “mutual assistance,” and “public assistance” as indicated by former Prime Minister Kan, we should guarantee opportunities for life choices through “public assistance” such as “social security for the first half of life,” even though there is the problem of financial resources. We should also create a “community space” that is both a place for living and working and a space for socializing via the “mutual assistance” of residents who have a civic spirit that is firmly rooted in the local community, rather than as closed individuals buried in a traditional *mura* society. In this sense, we should make efforts to ensure self-help in the community through “self-reliance,” “self-government,” and “self-drive.”

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