

Chapter 3

CHALLENGES AND PROSPECTS FOR THE KANSAI ECONOMY

Section 1

CHALLENGES POSED BY THE POPULATION DECLINE IN THE KANSAI REGION

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Introduction

The long-term trend of Japan's population peaked at 128.06 million in 2010 and has been on trending downward since then, with a projected decline to 88.08 million by 2060 (Figure 3-1-1). According to the “2020 National (Population and housing) Census (hereinafter referred to as Population Census)” published by the Ministry of Internal Affairs and Communications (MIC) in 2021, Japan's total population (including foreigners) was 126,146,000 in 2020, down 948,646 from the previous census (“2015 Population Census”), and the population decline has

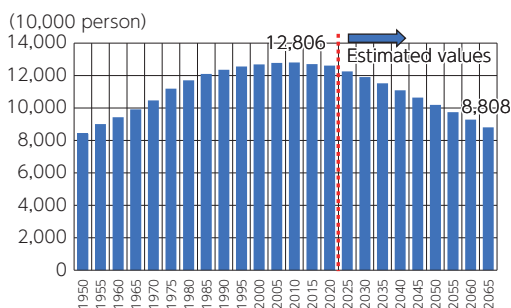


Figure 3-1-1

Total Population Trends in Japan: 1950 to 2060

Note: The future population projection is based on the median births (median deaths).

Source: Prepared based on Population Census, Ministry of Internal Affairs and Communications, until 2020; and National Institute of Population and Social Security Research (IPSS), “Population Projections for Japan” (released in 2017), after 2025.

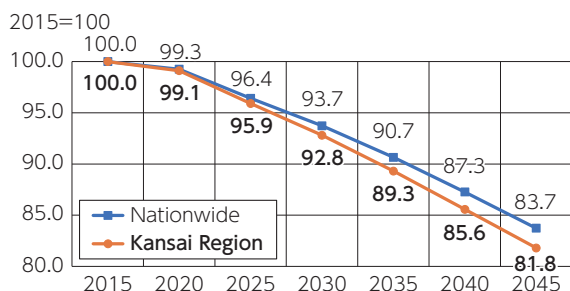


Figure 3-1-2 Future Population Trends: Kansai vs. Nationwide

Note: The future population projection is based on the median births (median deaths).

Source: Prepared based on Population Census, Ministry of Internal Affairs and Communications, until 2020; and National Institute of Population and Social Security Research (IPSS), "Population Projections for Japan" (released in 2017), after 2025

not been halted. The population decline is also a pressing issue in Kansai, and it is important to note that Kansai's future population is expected to decline at a faster rate than that of the rest of Japan (Figure 3-1-2).

In this section, we will analyze the demographics and population movements in the Kansai region in 2015 and 2020 using the "2020 Population Census," which is the latest statistics. This section is organized as follows. The first section of this report will examine the demographic trends in each of the prefectures in the Kansai region in terms of total population and population by age group. In particular, the analysis by age group will focus on the dynamics of the working-age population, which is the core of the labor force. The numbers of workers by industry and by gender are also used to clarify the characteristics of the employment structure. In Subsection 2, we will analyze the population movements in the Kansai region by confirming the status of in-migrants and out-migrants by age group and region for the years 2015 and 2020. In Subsection 3, we will describe the measures taken by each municipality in the Kansai region to cope with the declining population based on the results of the above analyses and conclude with a discussion of future issues related to population decline in Kansai.

1. Demographic Characteristics: 2020/2015

In this section, the demographic characteristics of the prefectures in the Kansai region are clarified based on the latest Population Census. First, we will review the population trends in each prefecture and then look at them by age group. In particular, we will focus on the dynamics of the working-age population by age

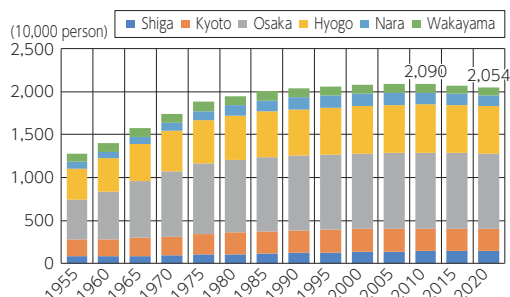


Figure 3-1-3

Total Population Trends in Kansai Prefectures: 1955 to 2020

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
 Source: Compiled from Population Census, Ministry of Internal Affairs and Communications (1955 to 2020)

group. Finally, we will compare the number of workers in each prefecture by gender and by industry.

(1) Total Population of Each Prefecture

First, we will review the population trends in each of the prefectures in the Kansai region.

As shown in Figure 3-1-3, the total population of the Kansai region peaked at 20.9 million in 2010 and then began to decline, reaching 20.54 million in 2020, down 183,992 from the previous census (“2015 Population Census”).

Table 3-1-1 shows that the total population in Shiga Prefecture increased slightly by 694 from 2015 to 2020, to 1,413,610, while the total population in the other prefectures decreased in all cases. Of these, Hyogo Prefecture had the largest decrease at 5,465,002, a decrease of 69,798 from 2015. Wakayama Prefecture followed at 922,584, a decrease of 40,995 from 2015. In Wakayama Prefecture in particular, the total population was 963,579 in 2015, falling below the one million mark, and since then the population has declined even further.

Looking at Tokyo, the total population is 14,047,594, an increase of 532,323 since 2015, accounting for 11.1% of the total population.

(2) Working-age population in each prefecture

Having examined the total population above, we will now examine the dynamics of the working-age population. The working-age population (15 to 64 years old) is the main age group in the labor force and is therefore important when considering the economic impact.

The change in the working-age population from 2015 to 2020 in each of the prefectures in the Kansai region shows that the working-age population is

Table 3-1-1 Comparison of Total Population of Kansai Prefectures, Nationwide, and Tokyo: 2020/2015

	Population : 2020	Population : 2015	Change rate: 2020/2015	Variation change: 2020/2015
Unit	Person	Person	%	Person
Shiga	1,413,610	1,412,916	0.05	694
Kyoto	2,578,087	2,610,353	-1.24	-32,266
Osaka	8,837,685	8,839,469	-0.02	-1,784
Hyogo	5,465,002	5,534,800	-1.26	-69,798
Nara	1,324,473	1,364,316	-2.92	-39,843
Wakayama	922,584	963,579	-4.25	-40,995
Kansai	20,541,441	20,725,433	-0.89	-183,992
Tokyo	14,047,594	13,515,271	3.94	532,323
Nationwide	126,146,099	127,094,745	-0.75	-948,646

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

Table 3-1-2 Comparison of Working-age Population in Kansai Prefectures, Nationwide and Tokyo: 2020/2015

Working age population	2020	2015	Change rate: 2020/2015	Variation change: 2020/2015
Unit	Person	Person	%	Person
Shiga	849,686	868,481	-2.16	-18,795
Kyoto	1,527,284	1,578,536	-3.25	-51,252
Osaka	5,363,326	5,426,256	-1.16	-62,930
Hyogo	3,197,092	3,322,644	-3.78	-125,552
Nara	749,514	803,576	-6.73	-54,062
Wakayama	509,212	549,190	-7.28	-39,978
Kansai	12,196,114	12,548,683	-2.81	-352,569
Tokyo	9,284,428	8,927,428	4.00	357,000
Nationwide	75,087,865	77,354,097	-2.93	-2,266,232

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

decreasing in all prefectures. Of these, Hyogo Prefecture saw a large drop of 125,552 compared to 2015. This was followed by a decrease of 62,930 in Osaka Prefecture, 54,062 in Nara Prefecture, and 51,252 in Kyoto Prefecture. Looking at Tokyo, the population is 8,927,428, an increase of 357,000 from the year 2015, accounting for 12.4% of the nation's working-age population (Table 3-1-2).

Next, we will examine the demographic characteristics in more detail by looking at the population by municipalities instead of by prefectures. Table 3-1-3 lists the 10 municipalities with the largest percentage increases and

Table 3-1-3 Ranking of Percentage Change in the Working-age Population by Municipalities: Kansai: 2020/2015, Unit: %

Municipality name	Change rate	Municipality name	Change rate
Muko City	6.0	Soni Village	-27.6
Kizugawa City	4.5	Kasagi Town	-27.6
Oyamazaki Town	3.6	Mitsue Village	-27.5
Moriyama City	3.5	Yoshino Town	-25.9
Ritto City	3.5	Nosegawa Village	-23.7
Kusatsu City	3.0	Higashi-Yoshino Village	-23.4
Kyotanabe City	2.6	Yamazoe Village	-22.8
Osaka city	2.4	Wazuka Town	-21.7
Ibaraki city	2.0	Kurotaki Village	-21.6
Settsu City	1.9	Tenkawa Village	-21.1

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

decreases in the working-age population by municipality from 2015. As shown in the table, the municipalities with the largest increases are Muko City (6.0%), Kizugawa City (4.5%), and Oyamazaki Town (3.6%), indicating an increase of 4 to 6% in the southern region of Kyoto Prefecture. On the other hand, municipalities with a large decrease rate are Soni Village, Kasagi Town (-27.6%), Mitsue Village (-27.5%) and Yoshino Town (-25.9%), with a decrease rate exceeding 20%, mainly in the eastern and southern regions of Nara Prefecture.

As shown in Table 3-1-2, the working-age population of Kyoto Prefecture as a whole has declined, whereas the population of municipalities with good access to Kyoto City and Osaka City has increased, which is a trend that differs from that on the unit of prefectures¹⁾. In addition, as Figure 3-1-8 below shows, the number of residents in the northern part of Osaka Prefecture (Ibaraki City, Settsu City, Suita City, etc.), from where transportation to Osaka City and Kyoto City is easy, is also increasing²⁾.

(3) Characteristics of the number of workers by industry

The following section examines the share of major industries in the Kansai region and the nation as a whole by dividing the number of male and female workers employed in those industries.

- 1) In particular, the opening of the AEON MALL Kyoto Katsuragawa in Muko City (Kyoto Prefecture) in October 2014 and the re-zoning of the surrounding area led to the construction of houses and large condominiums, which is thought to have attracted an influx of family households.
- 2) In an article published by Nihon Keizai Shimbun on July 16, 2021, the high accessibility of transportation and the livability of the northern Osaka area are also mentioned.

Figure 3-1-4 shows the share of male employment in each industry. The share in 2020 shows that the share of the manufacturing sector is high in each prefecture. Among them, Shiga Prefecture (34.6%) has a higher percentage than the other prefectures, while Hyogo (23.9%), Kyoto (20.5%), and Nara (20.3%) prefectures also have a higher percentage than the national average (20.0%).

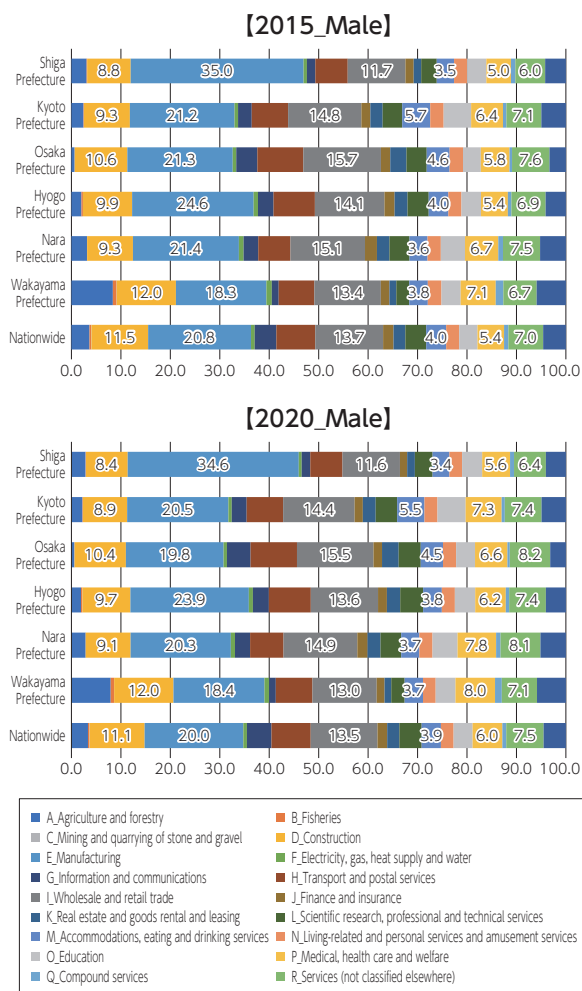


Figure 3-1-4

Workers' Share by Industry: Male: 2020/2015

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

The high share of Shiga Prefecture is thought to be attributed to the prefecture having become one of the leading industrial clusters in Japan as a result of its efforts to establish itself as a suitable location for industrial facilities. Next, the share of wholesale and retail trade was higher in Osaka (15.5%), Nara (14.9%), Kyoto (14.4%) and Hyogo (13.6%) prefectures than in the nation as a whole (13.5%).

Compared to the share in 2015, the share of manufacturing declined in all prefectures except Wakayama Prefecture, with Osaka and Nara prefectures showing large declines of -1.5%pt. and -1.2%pt., respectively. Wholesale and retail trade declined in all prefectures, with a -0.5%pt. drop in Hyogo Prefecture, and a -0.4%pt. drop in Kyoto and Wakayama prefectures, respectively. Among the industries whose shares increased, the share of medical, health care and welfare increased in all prefectures, with a 1.1%pt. increase in Nara Prefecture and a 0.9%pt. increase in Wakayama and Kyoto prefectures, respectively.

Figure 3-1-5 shows the share of female workers by industry. The share in 2020 shows that the share of medical, health care and welfare is high in each prefecture. Wakayama Prefecture had the highest share at 25.8%, and except for Shiga Prefecture (22.3%), all prefectures exceeded the national share (22.6%). The share of wholesale and retail trade was next highest in Osaka (19.8%) and Nara (19.7%) prefectures and the shares exceeded the national share except for Shiga and Wakayama prefectures.

Compared to the 2015 share, medical, health care and welfare increased in all prefectures, with Nara Prefecture increasing by 1.3%pt., Hyogo Prefecture by 1.1%pt., and Shiga and Wakayama prefectures by 1.0%pt. On the other hand, wholesale and retail trade declined in all prefectures, including Kyoto, Hyogo, Nara, and Wakayama prefectures, down -0.8%pt. each. Accommodations, eating and drinking services also declined in all prefectures, especially in Kyoto Prefecture, where it declined by -0.6%pt., and in Shiga, Osaka, and Hyogo prefectures, where it declined by -0.5%pt.

As shown above, looking at the share of workers by industry and by gender, the share of both male and female workers in medical, health care and welfare has increased over the past five years alongside the aging of the population. On the other hand, in the wholesale and retail trade category, the share of both male and female workers decreased in 2020, partly because of reduced business hours and measures to close stores due to the COVID-19 pandemic. In particular, the decline in market share is generally larger for female workers.

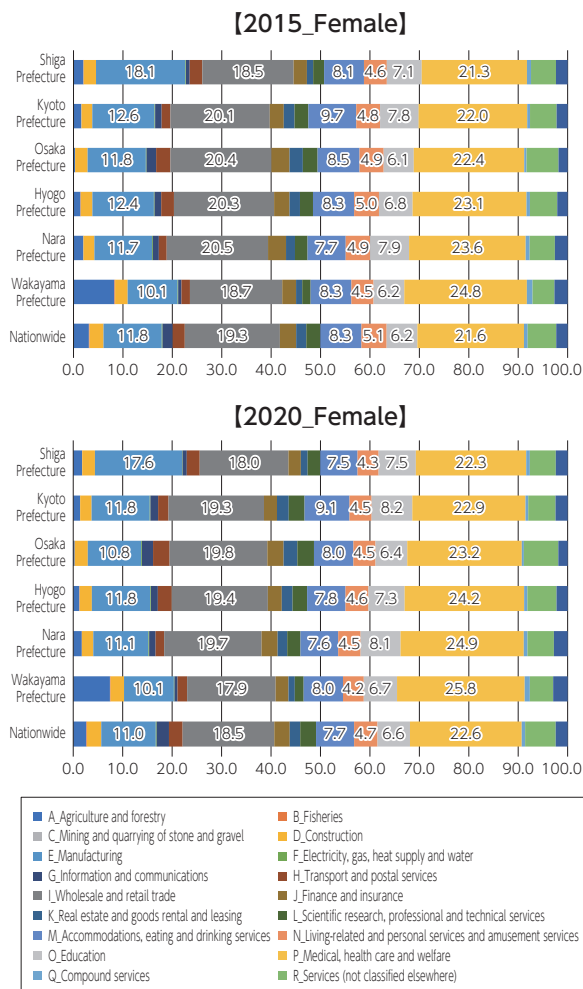


Figure 3-1-5

Workers' Share by Industry: Female: 2020/2015

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
 Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

2. Characteristics of Population Migration Dynamics: 2020/2015

(1) Status of In-migrants and Out-migrants by Age Group

In the previous subsection, we discussed the demographic characteristics of the Kansai region. In this section, we will analyze the characteristics of population

migration by age group in each of the prefectures in the Kansai region.

Figure 3-1-6 shows the status of in-migrants and out-migrants by age group in the prefectures of the Kansai region in 2015 and 2020. As the figure shows, if we look at the number of excess in-migrants in the 20 to 24 age group, the number of excess in-migrants was +57,127 in 2015 for the entire Kansai region but expanded modestly to +58,323 in 2020. Within this total, the number of increases in Osaka Prefecture grew from +44,054 in 2015 to +58,270 in 2020, indicating that most of the expansion in the Kansai region has occurred in Osaka Prefecture.

Next, looking at the 25 to 29 age group, we see that the number of excess out-migrants shrank from -20,835 in 2015 to -11,818 in 2020. By prefecture, Osaka is the only prefecture with an excess of in-migrants, with the number of

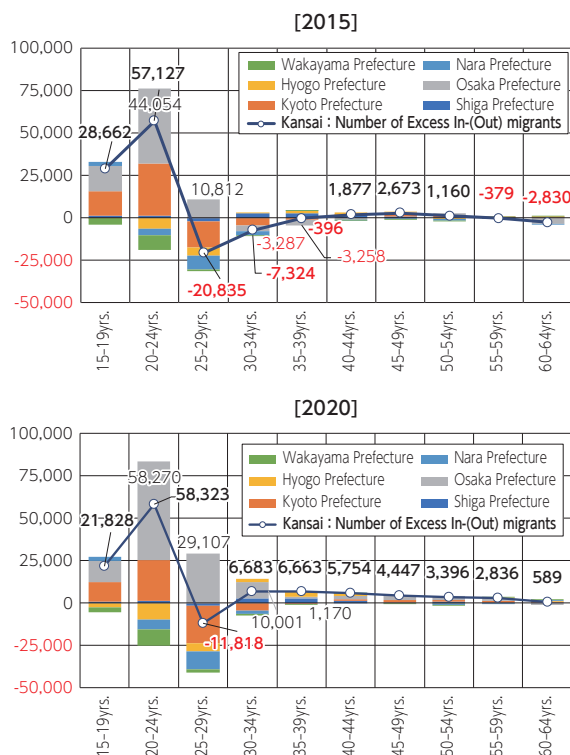


Figure 3-1-6

Number of Excess In-migrants and Out-migrants by Age Groups: 2020/2015

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

excess in-migrants increasing from +10,812 in 2015 to +29,107 in 2020.

In the case of the 30 to 34 age group, the number of excess of out-migrants was -7,324 in 2015 for the Kansai region as a whole, whereas this figure changed direction and became an excess of in-migrants of +6,683 in 2020. Within this number, Osaka Prefecture is characterized by the fact that it has moved from an excess of out-migrants of -3,287 in 2015 to an excess of in-migrants of +10,000 in 2020.

In the 35 to 39 age group, the Kansai region as a whole shifted from an excess of out-migrants of -396 in 2015 to an excess of in-migrants of +6,663 in 2020, while by prefecture, Osaka Prefecture shifted from an excess of out-migrants of -3,258 in 2015 to an excess of in-migrants of +1,170 in 2020.

As shown above, the expansion of excess in-migrants in the Kansai region as a whole is thought to be largely due to the expansion of excess in-migrants in Osaka Prefecture for each age group.

(2) Status of In-migrants and Out-migrants by Age Group and Region

In this subsection, we will look at the above-mentioned status of in-migrants and out-migrants by age group broken down by region³⁾. What are the appeals of Kansai from the viewpoints of other prefectures outside of Kansai? In the following sections, we will analyze migration dynamics by examining the status of in-migrants and out-migrants moving to the Kansai region only from other regions outside of Kansai, excluding migration dynamics within the Kansai region (see Table 3-1-5 below for details).

Figure 3-1-7 shows that in the 30 to 34 age group that turned into excess in-migrants from excess out-migrants in number, compared to in 2015, South Kanto (-14,122), Kyushu (-1,008) and Okinawa (-702) remained with excess out-migrants, while Hokuriku (+391), Tokai (+408), Chugoku (+6), and Shikoku (+99) regions turned into excess in-migrants from excess out-migrants. The Tokai region in particular is characterized by a shift from excess out-migrants of -2,195 in 2015 to excess in-migrants. In addition, the number of new residents from abroad increased (+9,296), contributing to the overall increase in the

3) The regional divisions are as follows. Hokkaido Region: Hokkaido Prefecture; Tohoku Region: Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima prefectures; South Kanto Region: Saitama, Chiba, Tokyo, Kanagawa prefectures; North Kanto/Koshin Region: Ibaraki, Tochigi, Gunma, Yamanashi, Nagano prefectures; Hokuriku Region: Niigata, Toyama, Ishikawa, Fukui prefectures; Tokai Region: Gifu, Shizuoka, Aichi, Mie prefectures; Chugoku Region: Tottori, Shimane, Okayama, Hiroshima, Yamaguchi prefectures; Shikoku Region: Tokushima, Kagawa, Ehime, Kochi prefectures; Kyushu Region: Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima prefectures; Okinawa Region: Okinawa Prefecture

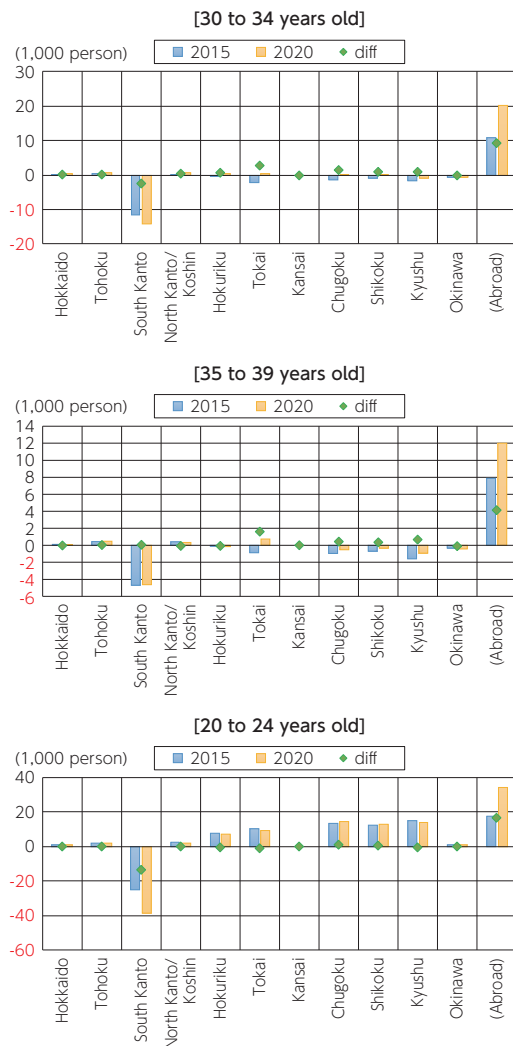


Figure 3-1-7

Comparison of the Number of Excess In-migrants and Excess Out-migrants by age Group and Region: 2020/2015

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

number of excess in-migrants.

Similarly, among the 35 to 39 age group by prefecture, the number of excess out-migrants (-875) turned to excess of in-migrants (+739) in the Tokai region, while the excess of out-migrants shrank in the Tohoku, South Kanto,

Chugoku, Shikoku, and Kyushu regions. In addition, the number of in-migrants from outside of Japan increased (+4,124), which has turned an excess status of out-migrants into an excess status of in-migrants.

On the other hand, the number of excess out-migrants among the 20 to 24 age group expanded in the South Kanto region (-13,407), while the number of excess in-migrants shrank in all regions except Chugoku and Shikoku. However, the increase in the number of in-migrants from outside of Japan (+16,671) resulted in an overall increase in the excess of in-migrants.

The above findings clearly show that the increase in the number of in-migrants from abroad has a significant impact on the excess of in-migrants. This may be due to an increase in the number of foreigners living in Japan in recent years, as well as the return of Japanese people who had been living abroad due to the COVID-19 pandemic. In Japan, the declaration of a state of emergency⁴⁾ in 2020 that restricted inter-prefectural traffic might also have had an impact on the decrease in the number of out-migrants who would have otherwise moved out of the Kansai region to go to college or for work transfers.

3. Coping with the Population Decline in Kansai Municipalities

As we have seen, the demographic trends in the Kansai region show an increase in the working-age population in the municipalities around urban areas and a decrease in the rest of the municipalities. In addition, population movements in the Kansai region by age group show that young people in the 20 to 24 and 25 to 29 age groups are continuing to move out of the region, mainly to the South Kanto region. This section therefore introduces measures to cope with the population decline in the Kansai region (see Table 3-1-4). The target municipalities are Wakayama, Nara, and Hyogo prefectures, which have been experiencing significant population decline, as indicated in Subsection 1.

In Wakayama Prefecture, as described in (1) in Section 1, the total population dropped below one million in 2015, and since then the resident population has continued to decline. Therefore, we will examine the measures being taken in the prefecture to cope with the declining population. In 2015, Wakayama Prefecture formulated the “Wakayama Prefecture Comprehensive Strategy for Revitalizing Towns, People, and Jobs (Revised March 2020),” and it has been developing measures to cope with the declining permanent population based on one of the basic goals of the strategy that has “Create Local Communities”

4) In 2020, a state of emergency was declared for the period from April 7 to May 25.

Table 3-1-4

Measures to Cope with the Declining Population in Wakayama, Hyogo, and Nara Prefectures

Initiatives in Wakayama Prefecture	
[Expansion of the related population]	
Increase the number of people who know about and are interested in Wakayama by actively disseminating information on the attractions of Wakayama, such as its abundant nature, traditional history, and culture, favorable climate, and distinctive industries	
Enhance opportunities for people to experience the attractiveness of Wakayama's products, services, agriculture, forestry and fisheries by promoting the expansion of overseas development of local companies in the prefecture and helping to widen their domestic and international sales channels for local produce	
Create opportunities for the Kansai region to work together on the Expo 2025 Osaka, Kansai, to interact with people from all over the world and to communicate the attractions of Wakayama	
Increase the number of "Wakayama fans" who are interested in and feel close to Wakayama and who have an attachment to Wakayama	
[Expansion of the interacting population]	
Create a Wakayama that attracts many visitors by actively promoting tourism through utilizing the prefecture's diverse resources, encouraging exchanges through sporting and cultural activities, and revitalizing industry and creating a lively atmosphere	
Increase the number of visitors from home and abroad by improving highways and trunk roads and by working to improve the convenience of Kansai International Airport, Nanki-Shirahama Airport and other airports	
Promote a living style of residing in two regions and increase the numbers of in-migrants and permanent residents by having many people visit Wakayama and directly experience the warm humanity and lifestyles of the local people	
Initiatives in Hyogo Prefecture	
[Creation and expansion of the permanent and related populations]	
Promotion of a living style of residing in two regions and urban-rural exchanges	
• Promotion of exchanges between urban and rural areas planned and implemented by NPOs and universities • Support for the development of farms using idle farmland and the renovation of vacant housing into residences, agricultural experience guesthouses, etc.	
Development of regional revitalization operations	
• Promotion of local activities by regional revitalization cooperatives and prefectural versions of regional revitalization cooperatives • Support for the development of commercial and social centers to maintain community functions in settlements, etc.	
Effective use of vacant housing and other properties in accordance with local characteristics	
• Promotion of effective use of vacant housing and land in urban areas • Development of a model for uncovering and distributing vacant housing in new towns	
[Expanding the interacting population by making use of local resources]	
Promoting the attraction of visitors from within Japan and overseas	
• Development of content utilizing Hyogo's regional resources, such as Japanese heritage, historical and cultural heritage, nature such as Mt. Rokko and San'in Kaigan Geopark, sports, food, and hot springs • Review of existing tourist attractions in the region, such as natural and cultural resources and sports bases to refine them into tourism resources	
Promoting international tourism	
• Promotion of the formation of wide-area tourism tour routes through collaborations between Hyogo Tourism Headquarters and wide-area collaborative DMOs such as Setouchi DMO and Kansai Tourism Headquarters, and neighboring DMOs such as Toyooka and Awaji, etc.	
Development of tourist reception infrastructure	
• Promotion of multilingual tourist information centers, information boards, etc., installing western style public toilets, and support for Halal, vegetarian, etc. • Development of accommodation facilities using traditional houses, etc.	
Initiatives in Nara Prefecture	
• Creating places to work • Creating comfortable and livable communities • Developing disaster resilient infrastructure • Promoting in-migrants and permanent settlers • Creating a related population • Discovering and creating local resources for tourism • Disseminating information to make the southern and eastern regions known to a large number of people • Creating mechanisms and attractions to encourage people to actually visit the southern and eastern regions	

Note: The portion relating to population decline is partly excerpted.

Source: Compiled from Nara Prefecture's "The Second Stage of Nara Prefecture's Comprehensive Strategy for Regional Revitalization," Hyogo Prefecture's "Hyogo Prefecture Regional Revitalization Strategy (2020 to 2024)," and Wakayama Prefecture's "Wakayama Prefecture Comprehensive Strategy for Revitalizing Towns, People, and Jobs (Revised March 2020)."

as its pillar. Specifically, in addition to disseminating information on Wakayama Prefecture's natural, historical, cultural, and other attractions both domestically and internationally, the prefecture is working on measures to increase the related population⁵⁾ and interacting population by developing highways and trunk roads to make it easier for people to visit the prefecture.

Next, Hyogo Prefecture experienced the largest decline in population in 2020, as shown in (1) in Section 1. According to the "Hyogo Prefecture Regional Revitalization Strategy 2020 to 2024" formulated by Hyogo Prefecture in 2020, the prefecture is working on measures based on one of its priority goals, which is "to create a vibrant Hyogo through interactions between the inside and outside worlds." Specifically, the prefecture is working to create and expand the permanent population by effectively utilizing vacant housing and vacant land in urban areas. In addition to the permanent population, the prefecture is also working to increase the interacting population by attracting both domestic and international visitors through utilizing its tourism resources, such as Japanese heritage and historical and cultural heritage sites in the prefecture.

Finally, as pointed out in (2) in Section 1, Nara Prefecture has experienced a large decline in the working-age population in the eastern and southern parts of the prefecture. The following is an overview of the measures that the prefecture has been taking to cope with the declining population. According to the "The Second Stage of Nara Prefecture's Comprehensive Strategy for Regional Revitalization" formulated by Nara Prefecture in 2020, the prefecture is working on measures based on one of its basic goals, which is "to create our proud 'Miyako' prefecture." Specifically, the prefectural government will disseminate positive information about the southern and eastern regions of Nara Prefecture to introduce these regions, where the population is declining and promote the creation of small-scale, multifunctional centers where entrepreneurs can "gather," "connect," and "grow," thereby creating new employment opportunities.

As shown above, the different strategies to cope with population decline notwithstanding, the three prefectures are basically promoting an increase in the permanent population by creating and expanding the number of related population and people to interact with, while disseminating information to outside the prefecture and utilizing the local resources in the prefecture.

5) According to the Ministry of Internal Affairs and Communications (MIC), the term "related population" is defined as "people who engage in a variety of ways with the local community" and that is neither the 'permanent population' that has moved to the area nor the 'interacting population' that has come for tourism.

Conclusion

Regarding the medium- to long-term issue of population decline in the Kansai region, we have analyzed the demographic and migration dynamics of the Kansai region using the Population Census and confirmed the measures that each municipality is taking to cope with the decline in population. As the birth-rate further declines and the population ages in Kansai and Japan, the challenge will be how to solve labor shortages in the future. The Kansai region in particular is expected to experience population decline at a faster pace than the rest of Japan, making the implementation of countermeasures an urgent necessity. As discussed in the case studies of each prefecture, it is important to expand and create not only the permanent population but also the interacting population by making effective use of the local resources available in each municipality. In addition, the COVID-19 pandemic has changed people's lifestyles and mind-sets, so an increasing number of people are considering moving from urban areas to rural areas. It has become even more important for local governments to provide a hospitable environment for in-migrants and to create comfortable communities that are highly livable. In sum, it is necessary to further improve the brand power of the region.

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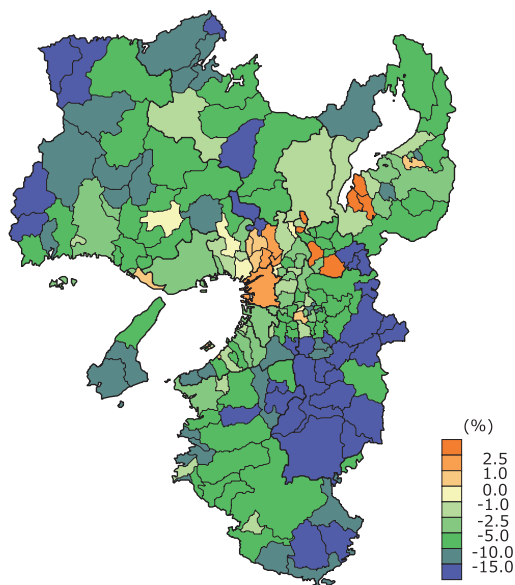


Figure 3-1-8 Percentage Change in the Working-age Population

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.
Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."

Table 3-1-5 Comparison of the Number of Excess In-migrants and Out-migrants by Age Group and Region: 2020/2015

■ 2015	Total	15-19yrs.	20-24yrs.	25-29yrs.	30-34yrs.	35-39yrs.	40-44yrs.	45-49yrs.	50-54yrs.	55-59yrs.	60-64yrs.
Hokkaido	2,748	422	856	761	146	110	169	215	150	61	-120
Tohoku	5,298	959	2,006	588	472	431	304	123	-66	-283	-367
South Kanto	-82,967	-4,410	-25,249	-31,649	-11,630	-4,690	-2,288	-1,949	-1,087	625	1,984
North Kanto/ Koshin	4,223	1,032	2,452	-684	51	403	199	257	231	132	15
Hokuriku	10,245	3,622	7,654	-109	-318	-86	-232	84	9	-160	-141
Tokai	7,214	5,871	10,277	-7,375	-2,195	-875	-469	417	381	103	166
Kansai	0	0	0	0	0	0	0	0	0	0	0
Chugoku	11,507	5,546	13,611	-117	-1,504	-958	-668	-300	-303	-716	-1,498
Shikoku	12,524	5,041	12,199	28	-796	-691	-348	42	-80	-413	-1,068
Kyushu	5,768	4,717	14,749	311	-1,796	-1,595	-988	-635	-558	-1,138	-2,680
Okinawa	-1,457	478	1,018	-575	-543	-324	-243	-160	-165	-157	-202
(Abroad)	86,738	5,384	17,554	17,986	10,789	7,879	6,441	4,579	2,648	1,567	1,081
Total	61,841	28,662	57,127	-20,835	-7,324	-396	1,877	2,673	1,160	-379	-2,830

■2020	Total	15-19yrs.	20-24yrs.	25-29yrs.	30-34yrs.	35-39yrs.	40-44yrs.	45-49yrs.	50-54yrs.	55-59yrs.	60-64yrs.
Hokkaido	2,864	274	683	1,134	293	95	126	185	164	91	-35
Tohoku	6,231	456	1,833	1,231	702	479	284	353	217	188	34
South Kanto	-113,877	-3,481	-38,656	-47,113	-14,112	-4,629	-2,240	-2,619	-1,797	844	2,011
North Kanto/ Koshin	4,491	749	2,158	-589	521	335	309	235	403	261	4
Hokuriku	9,974	2,391	7,205	386	391	-149	-111	4	-48	-41	-87
Tokai	13,103	5,000	9,167	-7,335	408	739	686	557	903	548	401
Kansai	0	0	0	0	0	0	0	0	0	0	0
Chugoku	17,589	3,214	14,292	2,738	6	-524	-205	59	-46	-355	-849
Shikoku	15,886	3,898	12,695	1,912	99	-332	-275	-113	-70	-309	-640
Kyushu	10,335	3,204	14,013	1,548	-1,008	-923	-764	-250	-131	-681	-1,595
Okinawa	-2,361	446	708	-846	-702	-431	-309	-195	-223	-184	-160
(Abroad)	144,746	5,677	34,225	35,116	20,085	12,003	8,253	6,231	4,024	2,474	1,505
Difference 2020 to 2015	Total	15-19yrs.	20-24yrs.	25-29yrs.	30-34yrs.	35-39yrs.	40-44yrs.	45-49yrs.	50-54yrs.	55-59yrs.	60-64yrs.
Hokkaido	116	-148	-173	373	147	-15	-43	-30	14	30	85
Tohoku	933	-503	-173	643	230	48	-20	230	283	471	401
South Kanto	-30,910	929	-13,407	-15,464	-2,482	61	48	-670	-710	219	27
North Kanto/ Koshin	268	-283	-294	95	470	-68	110	-22	172	129	-11
Hokuriku	-271	-1,231	-449	495	709	-63	121	-80	-57	119	54
Tokai	5,889	-871	-1,110	40	2,603	1,614	1,155	140	522	445	235
Kansai	0	0	0	0	0	0	0	0	0	0	0
Chugoku	6,082	-2,332	681	2,855	1,510	434	463	359	257	361	649
Shikoku	3,362	-1,143	496	1,884	895	359	73	-155	10	104	428
Kyushu	4,567	-1,513	-736	1,237	788	672	224	385	427	457	1,085
Okinawa	-904	-32	-310	-271	-159	-107	-66	-35	-58	-27	42
(Abroad)	58,008	293	16,671	17,130	9,296	4,124	1,812	1,652	1,376	907	424

Note: Figures for 2015 and 2020 are compiled by supplementing the figures for persons of unknown age.

Source: Compiled from Ministry of Internal Affairs and Communications, "2020 Population Census."