



The Japan Parliamentarians Federation for Population

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Aging-related materials and bibliographical introductions

With the support of the United Nations Population Fund (UNFPA) Asia and the Pacific Regional Office (APRO), the Asian Population and Development Association (APDA), which serves as the secretariat for Japan Parliamentarians Federation for Population (JPFP), has been running a project to disseminate key research materials on aging. The project, launched in 2014, aims to share the experience of Japan, where aging has advanced faster than anywhere in the world, to help other Asian countries prepare for the imminent aging in their countries through policy planning.

For this purpose, the project advisory group has reviewed and analyzed related materials on aging from different perspectives. The group is presided over by the Chairperson Dr. Kei Takeuchi (Member of the Japan Academy; Professor Emeritus at the University of Tokyo; and Professor Emeritus at Meiji Gakuin University) and the Chief Research Advisor Dr. Makoto Ato (Director Emeritus of the National Institute of Population and Social Security Research (IPSS)). Its members are distinguished experts in the fields of population and development.



The group's exploration so far has shown that there is considerable diversity in the levels of demographic transition and economic development in Asia. As a result, the situation surrounding aging differs widely from country to country. The group reached a consensus that instead of transferring an ideal system across the board in Asia, there was a need to sufficiently understand this diversity in cultures, religions, progress made in demographic transition, and economic development in each country, and examine the feasibility of adopting systems in each country, while learning from earlier models and experiences.

As part of this research, the advisory group members selected key materials and publications, mainly those that focus on aging in Japan and that may be useful to other Asian parliamentarians as they prepare for population aging. Moreover, 52 bibliographical introductions on those materials have been made available for the benefit of users, both in Japanese and English, on the APDA website.

As a way of introducing this research project to readers, we have picked out six bibliographical introductions from the APDA website for this issue. The first two commentaries reviewed research materials on structural issues related to Japan's social security system and intergenerational transfer of wealth in Japan. The research offered important insights into development of systems and understanding transfer of resources for responding to aging.

- **Tetsuo Fukawa (2005). "Some structural issues in the Japanese social security system". In *The Japanese Journal of Social Security Policy*, Vol.4, No.2 (December 2005).**

Link: <http://www.ipss.go.jp/webj-ad/WebJournal.files/SocialSecurity/2005/Dec/Fukawa.pdf>

Since the introduction of the National Pension Scheme (universal pension) in 1961, the Japanese social security system has undergone various system reforms including the establishment of a two-tiered system comprised of the national pension (basic fixed pension) and employee pension (a component proportionate to the individual's earnings), reform in the pension system including raising insurance premiums, medical insurance system reform with the introduction of co-payment of medical expenses (employer to bear 30%) as the main point of reform, and the introduction of a nursing care insurance scheme. Against a backdrop of ongoing aging of the population, the objectives of these reforms were to establish medium- to long-term stability, construct a sustainable system in harmony with the social economy and ensure the reliability of this system, and maintain standards that were acceptable and could make a contribution without being too heavy a burden on future working generation.

Examining the Japanese social security system, this paper includes comparisons with Western countries in three major areas: the scale of sustainable social security, functions of social security systems, and the public and private sector sharing of roles in social security. Social security systems differ from one country to the next due largely to the historical and socioeconomic structures of countries. Without exception, however, the ratio of social security costs (costs for pension, medical care, the aged, people with disabilities and families) to GDP is rising every year, particularly the proportionate amounts for the pension and medical care. The ratio of social security costs to GDP in Japan in 2001 was low, as was that of the United States, while in European countries such as Sweden the ratios were higher than that of Japan. Public expenses for medical care were about five-fold more than private expenses, and the public expense ratio was higher than that of other countries.

This paper indicates that while medical system reforms are undergoing revisions on an annual basis, in the future consensus building will continue to be important in terms of what to maintain or change based on people's options and behavior regarding matters relating to the nursing care insurance scheme and the pension system.

(Dr. Yasuko Hayase, Former Senior Researcher at the Development Studies Center, Institute of Developing Economies (IDE-JETRO; Former Senior Lecturer at the Meikai University,)

- **Naohiro Ogawa, Sang- Hyop Lee, Rikiya Matsukura, An- Chi Tung, and Mun Sim Lai (2012). "Population aging, economic growth, and intergenerational transfers in Japan: how dire are the prospects?". In *Aging, Economic Growth, and Old-Age Security in Asia*, The Asian Development Bank.**

Link: <https://www.adb.org/sites/default/files/publication/30041/aging-economic-growth-asia.pdf>

This paper analyzes the impact of population aging upon the pattern of both public and private intergenerational transfers over the period 1984-2009 in Japan. Based upon their intertemporal analytical results, the authors emphasize that Japan's future economic growth is likely to vary considerably in the next few decades, depending upon how and where the Japanese elderly persons invest their accumulated assets and wealth. For this reason, this paper emphasizes the importance of encouraging the elderly to acquire sufficient knowledge about financial markets.

(Dr. Naohiro Ogawa, Professor Emeritus of Nihon University)

The next two bibliographical introductions looked at two research papers on demographic changes and related labor issues. The papers provided comparative analysis of the systems, cultures, and histories of Asian countries while seeking to address the challenges of attaining sustainable economic development amid population decline, and supporting women to fulfill their potential through social participation.

- **International Labour Organization (2008). "Labour Shortage Responses in Japan, Korea, Singapore, Hong Kong, and Malaysia: A Review and Evaluation".**

Link: http://www.ilo.org/asia/whatwedo/publications/WCMS_099166/lang--en/index.htm

This document was compiled by Cornell University's School of Industrial and Labor Relations. It analyzes the responses to labor shortages in Japan, South Korea, Singapore, Hong Kong and Malaysia – East Asian countries with aging populations. It looks at the wide range of differing policies adopted by each government, from countries like Japan that have almost no reliance on foreign labor, to countries like Singapore and Malaysia that are heavily reliant on foreign labor.

After claiming that in none of these countries have any monetary incentives to raise birth rates really worked, this paper turns its attention to a discussion of migrant workers. While for any country skilled workers are a valuable driver of national development, when migrant workers are brought in for purely economic reasons without any other conditions being put in place, it increases the likelihood of social challenges arising like the status of the Turkish population in Germany.

Malaysia for example takes in foreign workers under the philosophy of mutual help based on the Islamic concept of ummah, and attention should be more fully given to the fact that its cultural background is entirely different from that of Japan or South Korea. Furthermore although this paper claims to find no example of any monetary incentive having worked to raise the birth rate of any of these nations, research on this point is not fully entirely adequate. Whereas family planning did work by satisfying unmet needs, in order to improve declining birth rates it requires long-term merit for individuals as well as structural support in the form of government assistance. So long as there has been no research on this particular question, however, we do not think there has been any research conducted which can reasonably argue whether monetary incentives are effective or not.

In that regard, while this article can be described as somewhat limited in its analysis, it nevertheless clearly identifies one particular aspect among the diversity of aging in Asia, and thus can serve as a foundation for future discussion.

(Dr. Tomomi Otsuka, Professor at the College of Humanities and Sciences, Nihon University)

- **APDA (1995). "Population and Development Series No.19: Woman's Labor Participation and Economic Development in Asia— Strategy toward the 21st Century—".**

Link: https://ssl.whp-gol.com/apda.jp/dl/popdev_series_19.pdf

It has been noted that the Programme of Action adopted at the International Conference on Population and Development (ICPD) in Cairo in 1994 brought about a paradigm shift in population policy within the international community. At the Bucharest conference in 1974, women were inclined to be seen as the object of family planning programs, which were viewed as a tool for economic development and for curtailing population growth. At the ICPD, in contrast, women were regarded as a main policy actor. Reproductive health and rights, including family planning, were considered an integral part of the basic human rights of women, and the ICPD declared that respect for women's rights and empowerment of women would go towards resolving the population issue. Following on the Programme of Action adopted at ICPD, this book discusses the current status of women and their empowerment in Asian countries, focusing particularly on education and labor force participation and their relation to fertility.

The status of women in Asia varies widely by country. Incidents of dowry deaths and induced abortion of female fetuses are symbolic of the low status of women in southern Asia, particularly India. There is a tendency towards predominance of men over women in China and other countries in the Confucian cultural sphere. This tendency, however, is not so strong in Hong Kong, which was influenced by Western culture. The status of women is relatively high in Southeast Asian countries like Thailand and Malaysia that have adopted the bilineal descent. As religions, cultures, and customs are intricately involved in determining the status of women, trying to raise the status of women

in an effort to solve the population issue is not so straightforward (Chapter 1). On the other hand, the education level of women is rising and employment of women is expanding in Asian countries. Since 1970, for example, the illiteracy rate has declined with the rise in income levels; there has been a remarkable spread of primary education; and the labor force participation of women is increasing. In southern Asian countries like Pakistan and India, however, the status of women is low and the degree of change is small for all indicators, both in comparison with Asian newly industrialized economies (NIEs) and Southeast Asian countries (Chapters 4 and 5). In Japan, even though more women are in employment, it has been pointed out that this is due to a rapid increase in women working as part-time employees and that women's labor force participation is insufficient due to its discriminatory structure (Chapter 3).

As for the relation between the status of women and fertility in Asian countries, results of the World Fertility Survey (WFS) and the Demographic Health Survey (DHS) show that fertility tends to decrease as the level of education rises and among women employed in modern occupations as compared with women employed in traditional occupations (Chapter 2). Data from Southeast Asian countries also indicate that educational and employment opportunities are a factor in the rise of late marriages. As for the effect of maternal employment on child welfare, reaching a definitive conclusion was not easy (Chapter 4). Past studies have focused on general social-economic development factors and factors involving population policies as influencing fertility decline. Following the Cairo conference, the rise in women's status and expansion of women's roles should be included in the social-economic factors, and factors related to reproductive health and rights in the factors involving population policies (Chapter 2).

Today, 20 years after gender equality was propounded at the Cairo conference and Beijing conference in the mid-1990s, gender equality is increasingly becoming a central policy issue internationally. This book, which discusses the relation between empowerment of women and development and between gender equality and fertility, should serve as a useful guide for other developing regions and developed regions alike.

(Dr. Makoto Atoh, Director Emeritus of the National Institute of Population and Social Security Research (IPSS))

The last two bibliographical introductions considered two documents that could serve as guidelines on how parliamentarians can work towards delivering political responses to the changing environment.

○ **The Cabinet Secretariat, the Government of Japan (2016). "Japan's Plan for Dynamic Engagement of All Citizens".**

Link: <http://www.kantei.go.jp/jp/singi/ichiokusoukatsuyaku/pdf/plan1.pdf>

"Distribution" cannot be sustained without the fruits of "economic growth." Japan should put an end to the long-standing debate on whether to prioritize economic growth or distribution, and create "a virtuous cycle of growth and distribution" as a new "Japanese model" ahead of other advanced economies. To build such a mechanism, the following "new three arrows" should be introduced: the first arrow of "a robust economy that gives rise to hope"; the second arrow of "dream-weaving childcare supports (childcare support for a brighter future)"; and the third arrow of "social security that provides reassurance". The key to growth is acceleration of innovation in a wide array of fields. The above is the gist of "Japan's Plan for Dynamic Engagement of All Citizens".

In advanced economies where the economy has matured, capital has been accumulated, and the population is aging, potential growth rates inevitably declines. In Japan, in particular, the demand for farm produce and marine products for consumption as food has already reached a saturation point and is on a decline. On the other hand, rapid aging is expanding latent demand for service sector services including healthcare and nursing care. In the face of such major socio-economic changes, the question one should be asking is what innovation is most pertinent in which fields and what kinds of human resources are needed to promote such innovation.

The above document, as a government decision document that needed the approval of all cabinet ministers, is written in a way that pleases all parties concerned. Based on the above plan, there is a future need to plot out concrete approaches to addressing these issues, namely, how to utilize the full potential of women and older population. **(Dr. Yonosuke Hara, Academic Fellow, Adjunct Professor at the National Graduate Institute for Policy Studies (GRIPS); Professor Emeritus at the University of Tokyo)**

○ **APDA (2013). “The International Parliamentarians’ Conference on Population and Aging (IPCA) Leaflet”.**

Link: https://ssl.whp-gol.com/apda.jp/dl/2013_IPCA_Leaflet_ja.pdf

This is the leaflet on the International Parliamentarians’ Conference on Population and Aging (IPCA) held in Tokyo in November 2013. In addition to the Meeting Minutes, this leaflet is intended to raise public awareness on the global aging issue and disseminate the main results of the IPCA. It depicts the fact that while the world population is continuously growing and it is important to prevent unwanted pregnancies, the global aging can be a serious challenge for developing countries as they become aged before enjoying full economic development, yet the aging is a positive outcome of longer lives and progress of socio-economic development. The Japanese experience is described such as the achievement of Universal Health Coverage (UHC) during the phase of demographic dividend and continuous mortality decline which brought the quick attainment of world top level life expectancy. It recommends the readers to get the latest information on the global aging, become engaged and discuss with the family and friends.

(Dr. Reiko Hayashi, Director of Department of International Research and Cooperation, National Institute of Population and Social Security Research (IPSS))

It is essential to widely accumulate knowledge across disciplines and promote in-depth research to overcome aging, which affects all of Asia. Japan has a role in transferring its experience through such research and analysis.

Other bibliographical introductions can also be viewed from the following website:

<http://www.apda.jp/publication/index.html>