SOCIAL IMPLICATIONS OF DEMOGRAPHIC TRANSITION IN JAPAN: 1970-2005

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DECLARATION

I declare that this dissertation entitled "**Social Implications of Demographic Transition in Japan: 1970-2005**" submitted by me in partial fulfillment of the requirements for the award of the degree of **MASTER OF PHILOSOPHY** of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university.

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CERTIFICATE

We recommend that this dissertation be placed before the examiners for evaluation.

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PREFACE

During the past few decades, the ageing of population has become one of the most frequently discussed issues in many other developed countries. It was not so much the proportion of elderly in the population as the dramatic increase in longevity that stunned the people of these nations. As the countries industrialized, however, the proportion of elderly relative to the total population has rapidly increased and become a cause of concern. In Japan, the proportion of the elderly aged 65 and above which remained at about 7 per cent in 1970 has reached to 20 per cent in 2005. Further it is estimated that the peak of the aged population will occur around 2025 in Japan, when the elderly population is expected to exceed 25 per cent of the total population.

However, Japan wished to maintain the elderly in the community as active and contributing in the society. But with industrialization and modernization, the status of the elderly has diminished, along with the loss of roles to perform (Burgess, 1960; Philips, 1991). Some observers found them withdrawing from meaningful activities and the community at large (Cumming & Henry, 1969), and still others considered the elderly a sub-cultural group (Rose, 1965) or a minority group (Breen, 1960) in the society. Japan has not been immune to these phenomena, despite their confusionist traditions.

Additionally, there is concern about maintaining the health and vitality of elderly as lifespan increases, so they do not become an unduly heavy financial and burden for the society. A viable family structure that is able to provide love, care and support for its elderly members is crucial if the societies wish to keep the formal support systems for the elderly to the minimum.

Japan is technically inexperienced in dealing with the magnitude of problems associated with the ageing of their populations. Although Japan is an economic super power, as well as a 'gerontocratic society', the development of its public welfare policies for the aged has not been as smooth as might be assumed. Not only party platforms, but strong departmentalism among the government ministries has affected policy - making

and implementation of policies on many issues by often creating redundant plans and services. Moreover, as governmental policies and programs are usually implemented at prefectural and municipal levels, both having some autonomy, variations in the pool of resources and services across localities are fairly pronounced.

For the past decades, policies and programs were announced successively, and only recently, several long -term specific plans were introduced in view of the urgent necessity particularly with regard to impaired elderly people. Now the issue here is to be better focused and concerted actions being generated.

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INTRODUCTION

Ageing has been transformed into the new population problems of our times. Numerous demographers and socio-politico commentators have pointed to the growth in the numbers of the elderly and have warned of the danger facing the world in general and the West in particular. According to one account we are facing a 'Global Ageing Crisis', which will daunt the public policy agendas of the developed countries and force the regeneration of their 'social contracts' (PG Peterson, 1999, p.43). The combination of the world wide decline in birth rates and an increase in the life expectancy of people has created a gerontological drift. Thus claiming that it is only a matter of time before Japan and other developed countries will find it impossible to carry the burden of an ever - growing population of the elderly people.

The concern with the graying of society is often linked to a preoccupation with apprehensions about declining fertility rates. "Where are the children?" asked one British commentator, concerned with the decline of birth rates in Japan as the fertility rates have gone down. The discussion about the so-called problem of ageing is not merely confined to the international sphere. Indeed, much have been debated regarding the apparent social negative socio-economic impact that the growth in the numbers of elderly poses and the best example is of Japan as the ageing population is more a serious issue than any other developed countries. First the speed of ageing has been more rapid, reflecting the rapid, with the decline in fertility. Secondly, the social system in Japan is heavily dependent on seniority rules, based on the pyramid-like age structures of the past and lastly, human resources allocation in Japan is constrained by the fixed social roles for men and women, both at work and at home.

It has been the increase in the proportion of the elderly as the source of some difficulties faced by the welfare state. Many contributors also argue that with the proportion of the young people shrinking, it will not be possible to support the growing army of society's elderly. Economist has claimed that the growing population aged over 65 will make it impossible to sustain the present system of old age pensions.

As argued elsewhere, population problems are rarely about numbers. In the past, the concern with an ageing population reflected a deep- seated anxieties about the direction of society and loss of national power. The issue of ageing is most widely discussed in relation to domestic questions. The problematization of the elderly often has a tactical role in welfare discussions. As Raymond Jack (1991) argues this tactic has been widely deployed in the post-war years since the 'development of social services are inextricably bound up with the growth of the aged population'.

It is worth noting that the problematization of the elderly reflects some very important trends in society. In particular it coincides with the tendency to marginalize the elderly from the labour market and from society at large. The real issue is not so much of the fact that there are not enough people capable of working to support an elderly population, but the increasing older people finding difficulty to find employment. Demography has little to do with the growing trend of forced retirement. It is the shortening of the average period of working life rather than demographic patterns, which is likely to create difficulties for the economic position of the elderly.

The marginalization of the elderly from the labour market coincides with the construction of a much wider crisis concerning this section of the population. It is widely acknowledged that contemporary society is not hospitable to the elderly. Terms like 'vulnerable' and 'at risk' are often used to describe the position of the elderly people. One symptom of the recognition that not everything is right in this respect is the wide usage of the term 'elder abuse'. The term 'elder abuse' is used to describe the regime of mistreatment experienced by older people from their family members and careers. This brutalized lifestyle faced by some of the elderly is sharply at variance with the traditional image of people having a dignified life in their old age.

Contemporary society is faced with a major dilemma. On the one hand people are living longer and longer but at the same time society is less and less certain about what role it ought to assign to the elderly. The traditional communities and family networks further adds difficulty of establishing a harmonious relationship between the elderly and

the rest of the society. In circumstances such as this, it is understandable that the experience of ageing has become problematiszed. Very real moral and socio-economic issues have converged to place the agenda the question of the elderly. Sadly society cannot resist the temptation of evading these issues and is drawn towards recasting them as demographic crisis facing society.

In spite of the many problems and the negative effects of ageing, populations are neither an economic nor a social problem but a positive sign of human progress is one of the arguments of the research. Tom Kirkwood, Professor of Medicine and Head of Gerontology at the University of New Castle, gave a series of stimulating talks and challenged the natural gloom mongering on the topic. He explained that science tells us that there is no set age at which a particular morbid symptom begins to arise. As a consequence given the rise in living standards experienced over the past half- century it is likely, he argued, that the positive trend towards living longer, healthier and fitter lives will continue.

Many social commentators, marketing people and politicians assuming 'grey power' is in the ascendant. Demographic ageing means that the elderly are becoming bigger part of the potential electorate. Especially at elections there is much more to this than simply the numerical increase in the numbers of voters. The obsession with 'grey vote' also reflects a sense of resignation to the scale of political disengagement, and the consequent desire to court the people still most likely to vote.

As with the stereotypes associated with the elderly, the ideas of grey power and the grey voting bloc are misleading. It is wrong, as well as patronizing, to view the elderly as a common fraternity who live, think, act and vote the same. In fact the old are probably more heterogeneous than any other age group.

As Debra Street, a researcher at the American Pepper Institute on Ageing and Public Policy, explained in the Wall Street Journal, 11, September 2000: 'The older we get, the more diverse we become as individuals, simply because life expectancies have

led us down different pathways'. Age is probably the least significant 'group' indicator of how people vote. Gender, colour, income and wealth are all much more important.

A better life for the elderly requires as a starting point challenging, not reinforcing, the negative ways in which the ramifications of ageing are viewed. Too few yet take on those common arguments that the demographic trends are against us. Longevity is increasing and fertility has fallen.... Greater longevity and falling early age mortality is a cause for celebration, and not a concern. Populations have been ageing and the support ratios falling at pretty much the same rate for over a hundred years, without generating the sort of financial and social crisis being predicted today. People over the designated retirement age do not become worthless dependents in need of support overnight and should no longer be treated as such. Ageing is not an illness.

Foreign Affairs – the prestigious International Relations Journal – run an article, May 1997 which discussed the prospects of Japan, its economy and role in the world. Dealing with Japan's productive economy and its long running financial crisis, but the article main concern, however, was the implications of ageing population for Japan and the rest of the world. The article titled, "Japan's Aging Economics", began with Japan's demographic crisis, and the population of Japan ageing faster then that of any other country in the world. The articles continued that this demographic change will force Japan to shrink its famously high saving rate, reverse its trade surplus, and send more industry overseas, liberalize its tightly controlled markets and take on more active high profile foreign policy. Ultimately these changes will shift the balance of power in East Asia (Milton, Ezrati, 1997).

The future of Japan – not withstanding the fact that it was the second largest economy in the world, the world leader in many areas of new technology, with one of the fastest rates of productivity growth among the advanced industrialized countries – apparently is determined by the increase in the average age of its population. This is an example of a trend that has become prevalent over the past decades: the naturalizing of economic and political discussions, and specifically giving a political economic

discussion a demographic form.

At the end of 2006, the total world population was 6.56 billion persons (US Census bureau, 2006). Its current annual growth rate estimated at 1.3 per cent, which is considerably lower than its peak value of 2.1 per cent during 1965- 1970. This slowing down of global population growth has been primarily due to the almost universal reduction of fertility over the recent decades. In 1970-1975, the number of countries with below-replacement fertility was 19, but it had increased to 65 by 2000-2005. Most of these low-fertility countries are in the developed regions. However, the number of countries in the developing regions with below-replacement fertility increased at a phenomenal rate from nil to 19 over the three decades under consideration. It is also interesting to note that a number of countries with the lowest-fertility (that fertility grew from Zero to 17 during the same period).

In Asia, Japan was the first country where the fertility transition occurred. It is important to note, however, that Japan's fertility decline was the earliest to occur not only in East Asia but also in the non-Western World. More importantly, it was the greatest in magnitude among all industrialized nations. As a result, the ageing process of the Japanese population has been extremely fast, and is expected to accelerate in the next few decades. In 2005, the population of Japan became the oldest in the world, and its population growth rate turned negative.

Ageing in Japan, as elsewhere, is a matter of deep human ambivalence (D. Plath, 1972, p. 133). Because of the fast and drastic social changes there are two contradictory factors which coexist in the many aspects related to ageing in Japan. For example, while respect for aged is still regarded as one of the essential virtues, social services for the aged, which is indispensable for their well being, are much less compared with the more advanced countries of the western countries. Another example is that while there are many older persons sometimes over eighty years old at the head of large firms, the compulsory retirement age of most firms is low. In the same way, while the psychological tendency of *inkyo* (retired life) still remains with its translation 'living in

hiding in one's old age' (having delivered the responsibility of daily life); there are many very old politicians who never think of retirement. In this aspect as in many others, it can be regarded as a society of contradiction. Many bureaucrats retired from the service but in the real sense they never retired for many of them joined company as chairman or some as advisors to the company, others as 'think tanks' and they are called *Amakudari* meaning 'parachuting' or 'fallen with grace from heaven'. Thus, it is very difficult to give a clear picture of ageing Japanese society, and to say that older persons are not productive. The research is an attempt to explore the myths regarding ageing of population and the problems surrounding ageing. The research will also look into the shortcomings of the policy makers to solve the problems. Accordingly, the following hypothesis and research question has been used to get a clearer picture of the problem.

Hypothesis

1. Ageing *per se* is not a problem in itself, but a social construction.
2. More old people mean an exponential rise in ill health and in dependency.
3. Elderly are the gain and the positive aspects of development and not the drain in the society.

Research Questions:

Basing on the above mentioned hypothesis, a research question can be proposed:

1. Is ageing really a burden on the society?
2. Will the ageing population bankrupt the state pension's schemes?
3. What are the causes of rapid aging of the population?
4. What are the demographic changes confronting the Japanese society today?
5. How would the government secure financial, material and human resources to carry out the plans and deliver services to genuinely needy elderly people and their caregivers across the entire society?

With the above mentioned hypothesis and objectives in view the research work has been divided into five chapters.

The first chapter is an attempt to define the concept of 'Ageing' and how the study of ageing started. It will examine the Japanese government's initiatives, measures, and policies regarding improvement of fertility and care for the elderly. It will also thread through the issues such as whether the present government policies fulfils the needs of the elderly or whether it is serious in improving the contemporary fertility situation in Japan.

The second chapter will discuss the changes and transition that has taken place in the society as well as in familial sphere. The changing attitudes of the people and the value changes in Japan with the change of time will also be dealt with briefly.

The third chapter explores the pension system of Japan, the evolution of the income maintenance system and the political issues revolving around pension.

Examining the trends in the diseases and problems and policies regarding health care for the elderly, the fourth chapter will discuss some of the trends in health problems commonly observed in the advanced industrial societies. The rather unique problem of Japan is the rapid in crease in the elderly population leading to high prevalence of bedridden elderly will be dealt with at length. As the government policies related to the elderly health have been revised over the past few decades an inquiry into the shifts in the policy, in recent times and its implications would be highly instructive.

CHAPTER I

CONCEPT OF AGEING AND DEMOGRAPHIC TRANSITION

Introduction

The list of major global hazards in the next century has grown long and familiar: it includes the proliferation of nuclear, biological and chemical weapons, extreme climate change, the financial, economic, political aftershocks of globalization and violent ethnic explosions waiting to be detonated in today's unsteady new democracies. Yet, there is a less understood challenge – the graying of the developed world's population – that may already do more to reshape our collective future than any of the above.

Many nations today face the problem of over-population for which various measures are being taken to contain the problem. However, in recent years a new population problem is rising – ageing. Numerous demographers and social and political commentators have pointed to the growth in the numbers of the elderly, that we are facing a "Global Ageing Crisis", which will daunt the public policy agendas of developed countries and force the recognition of their social contracts (Mulan, Phil, 2002: XI). The combination of a world wide decline in birth rates and increase in the life expectancy of people has created a so-called gerontological drift. The concern with the graying of society is often linked to the preoccupation with apprehensions about declining fertility rates. Addressing the question, 'where are the children?' seems to be necessary or more than a concern and is important as a country's population is not only the source of its vitality but also the cause of the assorted cost involved in maintaining a reasonable standard of living. The situation of not having children or having less and less children seems to represent a vote of no confidence in the future.

The concern in the decline of birth rates, has develop a debate on the negative economic and social impact, that the growth in the numbers of elderly directly impacts the amount spent on health care, welfare and pensions. "The real cause of the increase in the pension and welfare burden is the rise in absolute numbers of seniors, which is occurring as those in the middle age and above, and in particular those of the baby -

boom generation[1], grow older" (*Japan Echo,* 2006, P.13). Many contributors argue that, as the proportion of young people shrinks further it will not be possible to support the growing army of society's elderly. Economists have claimed that the growing population of aged over 65 years will make it impossible to sustain the present system of old age pensions. Population problems are rarely about numbers or the size but it is the structure that becomes an important factor. And for Japan, it reflected deep rooted anxieties about the direction of society loss of national power.

1. What is Ageing?

Ageing is used in many different contexts and can be used as a natural term which means almost the same as 'living'. From the day one is born, one lives and one ages. On the other hand most everyday usage of the term applies to the elderly, or those close to being old. It is seen as more marked feature of older people – of one's elderly relations or neighbours: Aunt Maria is looking older these days; or she is showing her age or she's ageing fast.

The term in specialist studies is no less muddled. For example, there is a discussion about biological ageing. Why do people age? Is biological ageing a form of a disease? Is ageing therefore treatable? On the other hand there is the field of gerontology, and the study of entire population ageing. This is much more to do with the combined effects of lots of individuals growing old. General physicians, geriatricians, economist and sociologist also have their own, and overlapping perspective on ageing. The problem of ageing is been stereotyped and used as the individual old age is a period of unavoidable retreat in the face of both ill health and poverty, of gradual withdrawal into passivity and dependence (Thompson, 1992, p.26.). This popular imaginary serves to legitimize the public policy response to a different type of ageing. One of the objectives of this research is to challenge this perception in order to provide the foundation for questioning many of the public policies. A big part that hold the fear about population ageing (in the gerontological sense) exerts is that many commentators super impose an individual into the demographic trend. This confusion inflates a sense of dangerous

[1] Narrowly referring to the 6.8 million people born in 1947 – 49.

implications of ageing population time bomb which strikes a chord, as our semi-consciousness and flashes to our own personal ageing time bombs. Thus, this research will also look into the reality aspects of ageing upon the fortunes of society which depends upon other man made factors, for demographic ageing is not natural, nor its consequences for society predetermined.

The normal conception of ageing can be defined as the passing of life years as a process of inexorable maturing and development. However, one should be sensitive to, and differentiate between, several different sorts of ageing: chronological, biological and demographic.

What is meant by chronological, biological or demographic ageing and how do they differ? The chronological is the most straightforward. It continues from birth until death. People age chronologically as they clock up their birthdays. However, the pace of biological ageing is much less rigid or natural. It varies between people. This is a well recognized image of getting old, of a personal physiological and biological decline. It is usually accepted that this requires medical treatment. But even the recognition and acceptance of his/her possibility of medical intervention reveals that individual biological ageing is not as natural as it first appears. Health care can offset, or even reverse biological ageing. Social intervention in this way can postpone 'old age'. Drugs and medical support can prolong active life. What a person can do at a particular age changes. It means individuals can become 'old' later. Being old can start at different ages!

Social development significantly extends both life expectancy and active life expectancy. Rising living standards and better public health measures such as sanitation and cleaner water supplies make it more likely for people to reach a mature age in healthier state and hence experience ageing for longer. The French demographer, Patrice Bourdelias has persuasively argued the need for quantitative measures of 'equivalent age 'that is sensitive to improvements in health and life expectancy over time. He establishes that the reality of ageing has changed. A 60 year old in the 1990's is not the same as a 60 year old in the 1820's (Bourdelias, 1993). Using this approach he then shows that since

the age, in years at which 'old age' begins, increases overtime, the percentage of old people in the population at any point can remain constant even while the age structures changes. More people above certain age say 64, does not equal the same increase in 'dependent' old persons. From these perspectives, a dynamic population can be said not to age at all. People of the same historical period can 'feel their years at different ages'. Social class and the type of working life that one endures have influential role in this respect.

The Naturalistic notion of ageing are encouraged by association between old age and act of dying – a transition from one state of nature, 'life' to another 'death'. This is an unsurprising view given the fact that in many developed countries most people who die are old and in Japan, for example about four –fifths who died are over 65. This link between old age and death seems further to confirm the common naturalistic perception of ageing. The confusion between the natural and social becomes much more problematic when it extended to demographic, or populations ageing. Although population ageing and individual ageing are two different phenomena, perceptions of the former tend to be influenced by everyday images of what ageing is assumed to mean for individuals. The most fundamental issue that is talked about is the manner in which the natural element of biological ageing becomes associated with demographic ageing. For the fact that there is a big difference between societies and people, that populations unlike individual people do not die has lessened the confusion. On the contrary many social Darwinist have employed the image of shrinking or ageing populations as an expression or even cause of natural decline, as if all societies could really die out.

The danger which flows from the naturalistic outlook on population ageing is that it's supposed social implications – such as the unsustainable burden upon the welfare state and for the government budgets or pension funds – seem 'natural' too. The problems of ageing population appear as preordained and as unalterable. Anthony Giddens, the British Sociologist, draws out some of the consequences of the conventional naturalized notion of ageing: 'ageing is treated as 'external' as something happens to one ...against such a backdrop it isn't surprising that the population over 65 is widely

regarded as the medical and financial burden on the rest of the national community (Giddens, 1994, p. 170). Just as individual ageing appears out of personal control – at a certain time in their lives, individuals began to feel old and may be dependent upon others – so this is felt to be a characteristics of population ageing, a problem which is outside human control.

The common sense assumption is that the ageing dynamics as well as its supposed implications are inevitable, unstoppable and unending. Hence the naturalization of societal ageing sustains many of today's myths on this issue. For example the need to cut state pension provision is depoliticized and appears plain common sense because of the inevitable relentless pace of increasing cost arising from the ageing population. As John Vincent describes, 'apocalyptic demographers have provided the new right financers with ways in which to convince people that the current pensions arrangements are unstoppable' (Vincent, 1996, p.9). But one fact that this perspective ignores is that population ageing has been going on for some time, most developed industrialized are not in a demographically new situation so that the contemporary alarmism about the problem of ageing needs to be contrasted with the past. In many circumstances and time periods population ageing is an incident, a matter which is rarely commented upon. The consequences of the confusion conflation of individual and ageing are compounded by the way the naturalistic connotations reinforce the view that people can do little to overcome this problem, even though they are really socially not natural difficulties.

Ageing is understood as outside human control. Little can be done about its supposed economic and social consequences. The ageing fetish is more than an 'innocent', diversionary scapegoat. It becomes an apology for many social problems (Op.cit., Mullan, 2000, p. 18). This is a big problem with much mainstream gerontology. The social implication of ageing are sometime exaggerated and also erroneously presented as immutable, rigid natural laws. Though the prism of demographic shifts, society's problem is interpreted in a fatalistic manner. Specifically, three interrelated, but false assumption are often made about population ageing – that it is natural, steadily inexorable and unending.

1.1. The Social character of Old Age

The definition of an ageing society is that overtime there is a rising proportion of old people within the whole population. This seems to be a straightforward definition, but who precisely are 'old people'? Ask the elderly people themselves, and one can get results which is different from the stereotypical surveys of elderly people about how old they feel, which confirm the social element of ageing. Paul Thomson (1992, p.26) summarized a survey as running completely counter to stereotypes of old age. One can always find 65 years old and even 75 years old who deny they are old. There are always some people older than others but when and how do people become legitimately characterized as 'old'. We therefore need to establish firstly as to what we mean by old people. One can look at it in two ways at what age does a person first become 'old' and when does 'the old' become a meaningful category? Both the ways are socially determined and in answering these questions there are insights offered by critical gerontologists, such as Allan Walker and Chris Phillipson who argued that the experience of old age is determined more by economic and social factors and less by biological or individual ones (Tinker, 1992, p.250).

1.2. When Does Old Age Begin?

In Japan today or anywhere the usual assumption is that old age begins at 65 years, but looking at it, one might ask: why 65 years? If we look at the 65 years old some of whom one knows personally or in the public eye – they really don't seem old. It is found that the arbitrary year 65 as the date of the onset of old age alerts us that it is a socially constructed year (Op.cit. Mullan, 2000, p.19). The society constructs the year 65 which becomes the dividing line between young and old for everyone in the society, in particular, the existence of 'old age' as a recognizable category, and therefore ageing beyond a certain number of years, is a progress of human progress. It is a function of human success in improving health standards so that some people can live longer (Phil Mullan, 2000, pp. 19 -20).

The determination of when old age begins is more than just a product of human

progress in extending life expectancy. It is also a social convention in which defining age of when one becomes old has not been common between historical periods and between countries. The determining age for old varies from countries of a similar level of social and economic development. Throughout the century and across different advanced countries, to be old could mean to be above 50 or above 60 or above 65 or above 70: these and even more ages have all been used even though the convention changes overtime (Ibid. 2000, p.20). To establish this convention many factors play a role, for example the development of early geriatric medicine as a distinct discipline – was in itself a human achievement and the product of previous progress in extending life expectancy is doubtless.

In the middle of the 19th century while reviewing the century medical works on old age, Kirk locates the categorization of old age (where he credited it to Belgian mathematician Quetelet, who he defines the start of old age) – from 60 to 65 years of age, viability loses much of its energy which is to say that probability of life then becomes small (Kirk, 1992, p.489). Another physician Sir William Osler Bart, also made an allusion to the "comparative uselessness" of people over 40 and the entire dispensability of people over 60 (Laslett, 1987, p.154). The assumption is the physical defect or deterioration in association of old age with biological ageing. In the medical study the classification of ageing condition is an epidemiology, an illness, thus leading the aged to be stereotyped.

The medical concept of old age extended into the areas, were explanations for equating retirement from work, at an elderly age, with the onset of bad health, as a biological inevitability. Whereby leading to force retirement due to ill health, then with these comes retirement and pension – where these are the key social factors which stand above all others in determining the customary view of the threshold of old age: the normal age of retirement from work, and linkage of entitlement to pensions. Because of these innovations, the society in general tends to accept governments 'pension age' and 'retirement age' as the convenient dividing line between matured adulthood and old age. In the 50s and 60s making this 65years as a retirement age was a conventional birthday

for 'old age' to begin. Giddens in answering his own question of what is old age? states that old age is a creation, pure and simple, of welfare state. Early retirement in the industrialized world was clouded with the picture of when old age starts. This extended the possibility for older people to withdraw from productive activity well before the significant physiological decline.

1.3. Definition of Old age in Japan

While discussing a problem of a particular country it is important to understand the people of that country. Different cultures perceive a problem differently. It is manifested in their socio-economic and historical background. In Japan and other Asian countries old age is defined (as Japanese people used old age) to mean people of sixty years of age and over, as in most societies under the influence of Chinese culture. In ancient China the calendar year was named with the combination of two sets of Chinese characters - one consisted of twelve characters and the other five characters. Therefore, on becoming sixty-one years old, the named of that year was the same as that of the year of birth. For this reason the sixty-first year after birth is called *kanrenki (*return of the calendar) and it is used to have special meaning in life (Daisaku, Meada, 1978, p. 47). This custom is also observed in some of the Southeast Asian countries.

Kanrenki was regarded as the beginning of second childhood, and thus in Japan many people used to hold a passing rite to mark *kanrenki*, which also signified the social sanction permitting entry into *inkyo* (a retired life), if this was desired by the individual. In reality, most of the Japanese old continued to work, either for money or for satisfaction in continuing to have a meaningful role in life.

However, the concept of old age is changing greatly. In common with most gerontologist in western countries, the Japanese gerontologist also tend to use the age sixty- five as a dividing line between middle age and old age, the main reason being that the proportion of the population aged sixty- five and over seems to be appropriate for considering social programs. But in many actual programs persons aged sixty and over are generally treated as old people. In fact, the pensionable age of the largest public

pension program, called *KOSEINENKIN HOKEN* (Welfare Pension Insurance Program) is sixty for man and fifty-five for women, five years younger than the average pensionable age of Western countries, according to Daisaku, Meada (1978).

But in the present day Japanese society the concept of old age is changing and so is the attitude towards it. In a survey on life in an ageing society where the birth rate is declining about 50 per cent respondents told that old age starts at 70 years and above, about 25 per cent told that it starts at 65 years and over. It was interesting that about 16 per cent of the respondents said that '75 year old and over'. This change in the attitude is probably due to the longer life expectancy, which has pushed this age to more than 75 years and over. (Kudu *Keichi*, Home research, 2001, p.15). Thus ageing is a combination of the concept of biological capacity of survival with the changing physical condition, the psychological capacity for adaptation with the changing circumstances and the sociological capacity with the changing roles in society.

According to the definition of the United Nations, an "Ageing society" is one where the number of people's age who is more than 65 years and above constitutes 7 per cent of the total population of that society. In the same way an aged society is one in which 14 per cent of the total population are above 65 years. Thus, Japan has already entered the aged society, with its aged population constituting about 29 per cent in 2005. However, with nuclear family system becoming the norm in the industrialized society, even in the case of Japan, it is often the immediate kith and kin who takes care of the elderly person. But with the change of time the family taking care of the elderly is declining and the government's responsibility of taking care of the senior citizens is increasing.

1.4. The Emergence of Old Age

The use of 'old', 'elderly', or 'old people' refers to a very distinct segment of society and therefore was almost meaningless much before the 20th century. It is only as a consequence of mainly the 19th century social advances that survival to higher ages has become more frequent. The progress in curbing premature death has allowed both

members of old to grow and the category 'old age' to take off. Thus the study of old age is something recent. Eric Midwinter, the Director of the Centre for Policy on Ageing, remarked the turn of 1990's as the touchstone of old age (Mid Winter, 1990, p. 221). Before old age was such a limited concept that it was difficult to make generalizations regarding the views of the different epochs about the medical aspects of ageing. More significantly it was not until the end of 1940's that geriatric medicine began to emerge as a substantive medical specialism. This is not the result of neglect or over sightedness: it was just that, the people did not constitute the bulk of social grouping much before that time.

What does demographic ageing mean then? The answer to this question can be seen here as that of ageing populations as a feature of all industrializing countries or societies and this process goes back to the 18th century France and more widely in many economically advanced countries, as well as to the second half of the 19th century where ageing was considered as a positive expression of human development and progress. This can be explained in two terms, firstly, where ageing arises as a result of winning battle against premature death at all ages. Elderly people tend to live longer however; this is a small influence on ageing. Historically, greater influence of ageing comes from the younger people living longer as a result of curbing a wide scale fatal disease and illness. For example in Japan or in many developed countries, diseases such as cholera and typhoid are virtually non-existence. As these 'escapees from death' grow old, the age structure shifted upwards, taking most effect on one or two generations. (Though mortality continues to fall even faster among young people this influences on the trend towards an older population).

Secondly, and even more influential has been the fall in fertility rates; and fertility, according to Emily Grundy, was the most determinant of age structure in most popuilation (Reobuck, 1979 pp. 417 – 18). Fertility rates tend to decline in rough parallel with the influence of advancing economic and social development. Falling fertility brings ageing in its wake because with fewer young people the average age of the population rises and the society ages. Therefore, despite all the conventional negative connotations,

the progress of both biological and demographic ageing, though distinct as explained above, has one thing in common.

2. The Demographic Transition:

There is much mainstream discussion of 'demographic transition' as underlying the ageing process today. The transition expresses the move in age structure as societies change from high mortality, high fertility levels to low fertility ones. This shift is the combined product of economic development, industrialization and urbanization in today's developed countries.

The demographic transition is one of the most influential ideas of the 20th century demography. For example, the United Nations (UN) Special *Demographic Year Book* on the topic of ageing puts the transition centre-stage (UN, 1993). In fact such emphasis is misplaced for understanding the ageing process today in industrialized countries. For a start demographic transition has become fetishised by many users of the term. What could only be the best reflection of reality has assumed, of its general applicability, an unjustified significance as representing the essence of the real process of population change. With frequent assumption of its general applicability, the term implies a rigid common historical process. The theory is often put forward as relevant, not just to the historical ageing patterns in the advanced industrial countries, but also to population trends in the rest of the world. While adequate as an approximation to past population trends in some parts of the world it is not helpful in the way it is more widely used, either applicable to the third world today, or as a predictor of future trends universally.

The argument is generally based on fault premise because there are no natural abstract laws for human population growth. The causes and influences of population trends should always be examined in the context of the given society. Hence, the dangers of any population model – a demographic transition one, or any other. A model tends to blinker their users from identifying historically and socially specific understandings of demographic reality. Also, to the extent to which the model had some validity, it is a description of the past. The transition has already happened in the advanced countries. It

is no longer a significant determinant of ageing in the industrial world. Therefore, the catastrophist discussion of current ageing patterns in the west cannot be based upon transition effects. Before these contemporary factors are explained it is necessary to demystify the demographic transition process so that it has little role today, and that it can be eliminated from current enquiries.

It is true that the initial, secular, trend towards ageing is associated with the demographic transition. It does approximate to what happened in the past in many earlier industrializing countries. For example, elements of the demographic transition can easily be observed in Japan, or any other developed countries. This argument is useful in highlighting a significant counter-intuitive point about ageing. It is commonly believed that the main factor behind ageing is rising life expectancy: people especially older people, are living longer. Ageing's main determinant is the secular fall in fertility rates, as more important than changing mortality rates in fueling ageing. The historical shift from the relatively young age structure of a century ago to the relatively old one of today is largely a consequence of the transition from relatively high to low fertility which was set in motion in most developed countries in the last third of the 19th century.

Richard Smith explains the way this process work: 'A fall in fertility reduces those in the lower age groups and correspondingly increases the percentage of the population in the upper age groups' (Smith, 1984, p.413). The average age of any population is more affected by the relative numbers of people in all the different age groups than by a change in the absolute numbers in one particular age group. With respect to population ageing this means that a relative shift in the proportions from young to old is more important than the absolute numbers of elderly people (Phil Mullan, 2003. p. 31).

Among professional demographers this is not a new discovery. One of the world's foremost authorities on demographic ageing, Nathan Keyfitz, recounted in 1975 that "demographers know that a population that is increasing slowly has a higher proportion of old people than one that is increasingly rapidly, and that differences in birth rates have

a larger influence on the age distribution than do differences in death rates". Historically then, ageing is a product not of changes in death rates, but of what happens at the opposite end of the life cycle – at the point of birth. The trend – fall in fertility rates, not mortality rates- was for long time the most important factor driving ageing. This is sometimes described as "fertility-dominated" ageing (UN, 1993). With each successive generation smaller than its predecessor the average age of the population had to rise. As a result the proportion, not necessarily the numbers, of old people tended to rise. The demographic transition thesis is a way of illustrating this trend.

Stage one is the stationary state before the transition. The usual picture is of backward, non-industrialized, agrarian economy experiencing high death rates paralleled by high birth rates. The high birth and death rates tend to balance each other out to produce a broadly stable population size. As a result society has a youthful complexion. The age structure picture has a pyramid shape.

Stage two shows the impact of industrialization, higher agricultural production and better control of famine and disease. It is marked by a fairly sharp fall in the mortality rate which is the positive by-product of economic development. Falling death rates are socially influenced by the cumulative fruits of economic progress.

A higher standard of living, better diet and improvements in sanitation and sewage, public health, hygiene and some medical knowledge mean fewer people die from poverty, disease and malnutrition (Mullan Phil, 2000, p. 33). Life expectancy tends to rise. Initially, the high birth rates of the earlier age persist. Even though during stage two individuals are starting to live longer to a greater age, the paradoxical impact on the age structure of the population is, in the first instance, for it to get even younger, not older. This regardless of any assumption about which age group is affected most by falling mortality rates. This is because the main determinant of the age distribution of the population is still the course of fertility. And at this point fertility remains high, meaning a large young population. In practice, mortality rate falls are also first concentrated among children, which further emphasize the youth bias in the population (Ibid.,2000, p.33).

The foremost influence on the demographic shift in stage two is not what is happening to mortality rates but what is happening, or rather not happening, to the fertility rate. High fertility is not at first affected by the broader economic and social developments. A large number of people continue to be born and with the lower mortality rate, fewer of these youngsters die creating a youth 'bulge' which weight the entire population downwards age. Not only will this first generation be larger as a result of declining infant and youth mortality but there would be a supplementary 'echo' effect when 20 to 30 years later this generation comes to child-bearing age starts to produce its own offspring. Lower mortality level also means that would be more women of child bearing age and fewer of them will be widows. In contrast to the effect on population *structure*, the course of mortality levels have a greater impact upon population *size*. As the population becomes younger it also grows. This can be quite rapid depending upon the pace of divergence between falling mortality rate and the constant high fertility rate.

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Stage three starts when the fertility rate begins to fall, mirroring the earlier declines in mortality rate. Ageing begins. Keyfitz explains that although the correlation is far from perfect, history seems to be saying that with more or less lag, industrialization has led to reduced family size (Keyfitz, 1975, p.279). The slower response of the birth rate than the death rate to economic change is often attributed to the view that fertility decline depends more strongly on the alteration of established customs and practice. To put it crudely the mortality rate has stronger objective social-technical determinant, while the fertility rate is to greater extent subjectivity influenced a social-cultural process. Kuznets (1979 pp. 123 -133) makes this point as follows:

> 'The reduction in mortality was accompanied, but not simultaneously, by decline in fertility... Modern economic growth has provided opportunities for great reduction in death rates and inducements and requirements for a marked reduction in birth rates'.

Table 1: The demographic transition

Stage	Characteristics	Controlling modes
1	High birth rate; high death rate; population stable or rising slowly,	No industrialization; socioeconomic conditions of traditional (kinship based) societies prevail; disease and accident fatality rates high.
2	High birth rate; declining death rate; population growing at accelerated rate.	Introduction of scientific health technology and, in most cases, some industrialization in what remains an essentially traditional society.
3	Reduction in birth rate; low death rate; population growing but not at accelerating rate.	Industrialization; nuclear family replaces a wider kin group as the economic unit; "small family" style diffuses from upper (i.e., "socio-economically modernized") classes.
4	Birth rate comparatively low, but varying with economic cycle, at time being high enough to produce a "population explosion"; death rate low.	Full industrialization; segments of society that have full access to social correlates of industrialization, fertility level of individual families is influenced by work and business opportunities.
5 (Hypotheti -cal)	Low overall birth rate and an increased variance in fertility; low death rate; population tending toward stability.	Automation; the individual begins to emerge as the economic unit and many women (and men) elect the single and /or childless life.

Note: the five stages, overlapping in time and space, are not absolutes; the controlling modes specify those segments of society which they apply and the socio economic variables which govern them.
Source: Roberta L. Hall, 'The demographic Transition', *Current Anthropology*, Vol. 13, No.2 (April, 1972) P.214.

Among the socio-economic factors linked with the rate of fertility earlier this century were: rates of mortality for people of child rearing age (both women and men), marriage rates, the normal marriage, and the cultural role of the family. In the more recent period, the proportion of women at work, the availability off child care facilities, and developments in contraceptive and abortion technology, have all played a part (Davis 1987, p.59). Overall some of these factors embody a casual element; others are co-factors which brought about by other determinants.

The social class also has a bearing on the matter of birth rates. In most cases fertility decline began in the middle classes and spread much latter to the working class. At different times different factors predominated in the shift to smaller family size. In

economically backward, mainly agrarian societies, a large number of children were often necessary for economic survival. For example, before the intensive use of technology, agricultural production is dependent on the extensive cultivation of the soil by large number of labourers. The progression to industrialization and intensive production on the other hand begins to limit this incentive for having large numbers of children. Urbanization, especially introduces the pressure in the same direction. The introduction of even rudimentary social welfare systems from the end of the 19th century offsets need for extended families to look after the ill and the elderly. Once fertility begins to decline the average age of the population will immediately start to rise, as cohort born is smaller than the preceding one. The rate of population growth slows too. However, the ageing of population structure tends to show itself in marked way only after about a 30 to 50 year period of falling fertility.

The population is ageing overwhelmingly from 'below'. The population gets older not because of what is happening to the lives of elderly people but because of the fall in the relative number of babies joining the human stock. It has always been the case historically that a population ages more rapidly by reason of reduced birth rate than as a result of a decreased death rate.[2] When fertility rate has fallen to around the replacement level – the level at which birth balance death, maintaining a stationary population we reach the four stages (in Japan the replacement rate is about 1.2 children per women). The demographic ageing of population continues for approximately another three generations after fertility has ended and reached replacement levels. This is how long the successively smaller birth cohorts to grow old. Thereafter, mortality decline replaces fertility as the main factor affecting the age structure. Once low mortality has been attained there is little scope for further significant reductions in mortality for infants, children and younger adults. Any further fall in mortality will tend disproportionately to affect older people and so can enhance the ageing tendency.

This is because once mortality is low the vast majority of deaths occur among

[2] Although counter-intuitive, this assessment has been recognized among demographers for some time. See for example, the book produced by The Population Institute (1960); coincide with the United Nations first World Population Conference in Belgrade in 1965.

older people. Therefore, improvements in mortality rates, for either social or medical reasons predominate among already older people. This has been the trend in most industrialized countries since the 1960s. The United Nations *Demographic Yearbook* in 1993 confirmed that in low mortality countries the overwhelming majority of all deaths' is among the existing elderly (UN 1993, p. 30). It went on to report that since 1960 the expectation of life at age 60 had increased significantly in especially Japan, France, Germany, Spain, Switzerland and Australia.

When old age mortality falls in this way the population will tend to age further, but now 'from above'. On its own, though, this influence on the pace of ageing will be much weaker than the previous fertility-driven ageing. Eric Midwinter succinctly summarizes the opinion of most demographers: "when all points about decreasing mortality and morbidity have been made, the main feature marking the rising proportion of older people is the dramatic fall in the fraction of younger people" (Midwinter, 1990, p. 223). One supporting argument which gains significant medical support is that further declines in old age mortality will be much slower than over the past 20 – 30 years. At this point if fertility were in the region of replacement rate, population numbers and the age structure would tend to stabilize.

To summarize, contrary to intuition derived from individual ageing, demographic ageing is much more influenced by changes in fertility levels than with reduced mortality levels. The dominant influence on the pace of ageing is the change in population structure resulting mainly from birth rate movements, which shifts the average age population. These cohort effects from differing fertility rates upon population structure are much more significant than the aggregate effects of the individual ageing and living longer. Although the main determinants of shifts infertility rates have changed over the past years, thus, showing the importance of 'ageing from below' remains paramount in understanding demographic ageing today. The demographic transition may no longer apply but some of its insights still do. R. Smith explains that the recent rises in the percentage, rather the number, of over 60s are primarily the result of the sharp falls in fertility after the baby boom that ended in 1964. This baby 'boom and bust' phenomenon

of the post-war years is the major force behind the experience of ageing and of the projections for this continuing into the next century.

2.1. Japan's Demographic Transition

In common with most of the western world, Japan's population has also been ageing. Taking a look at the demographic model of transition, Japan has reached the stage four where birth rate is comparatively low, but varying with economic cycle, at time being high enough to produce a "population explosion"; but with a low death rate. Japan has attained full industrialization, whereby the segments of its society began to have full access to social correlates of industrialization, and thus fertility level of individual families is influenced by work and business opportunities. Because of the wealth of information provided by the media and through other channels not only men but the most influenced are the women who came out of the domestic life and work outside homes where they are paid. In many industrialized countries women too contribute to the families income which too is prevalent in Japan but if we take a close cross check on the patterns of women employment there seems to still persist the 'M curve' where women before marriage and after marriage continue to work till the age of 20-25 and then stop working to bring up their child and then join the labour force again when their children have started to attend school.

Japan has experienced a long term trend of lowering birth rates even before World War II and except during the postwar baby boom birthrates have been on the decline. The Japanese government was positive about decreasing births after war. On its defeat in war, Japan lost its colonies, and the government had little means to accommodate the population pressures caused by returning servicemen and people repatriated from its former colonies. Thus, a reduced birth rate was what the government intended.

In the 1950s the TFRs (Total Fertility Rate) of Japanese women drop to the level of two-per person. Almost a decade needed for reversing the fertility rate from an increase to decrease. Compared with other countries of Asia, Japan can be said to be model of success in controlling the population in such a short period of time. It is note

worthy that in Japan population control was not forced or encouraged by the government initiatives but was undertaken voluntarily by individual couples. Considering the measures implemented elsewhere – such as the "one child campaign" of the Chinese government and forced sterilization or incentive-induced sterilization in India and Bangladesh– Japan represents a good example to many developing countries faced with the population explosion. Although Japan's population has been controlled as a result of people's voluntary decision making, there has been a gap between the desired numbers of children in a family. Behind the reality of a two household, instead of the ideal number of children of three children per family, the third is often aborted. The reduction in birth rate was not forced politically but was induced economically. Many parents gave the reason "it's expensive to bring up a child" for they could not afford to raise more than two children. By the end of the 1990s "two children families" was a widely accepted norm, and having more than two was considered to be status symbol, as opposed to the past saying " the poorer you are, the more children you have".

Unfortunately, in those days birth control was mainly a matter of induced abortion. Induced abortion is in no way a contraceptive method. However, it was used as such first, because of women's lack of knowledge of other options due to unavailability of information, and second men's uncooperative attitude towards contraception. According to the statistics, feotuses equivalent to about two thirds of live births were aborted in the 1950s. In many cases abortion was practiced by married women who already had two children. Their idea of birth control was to have the undesired third or fourth child aborted.

Consequently, Japan in the postwar days was given the dishonorable name, "paradise of abortion" (Ueno, Chizuko, 1998, p.105). Unlike inhabitants of the Christian sphere, Japanese seldom were stigmatized for having induced abortions, and so feticide became a crime in 1880; and the law, which was revised in 1907, still exits today. However by relaxing the preconditions for induced abortion under the Eugenics Protection Law of 1948, relatively safe and inexpensive artificial abortion became accessible to Japanese women. This law is a revised version of the National Eugenics

Law enacted in 1940 during the war. The eugenics reflects the concept of having superior descendents, which remained in existence until 1996, when the National Eugenics Law was replaced with the Maternity Protection Law (*Botai Hogo Ho*). Under the former law, induced abortion was legalized in real terms by interpreting a provision in an extended way that admitted abortion for an 'economic reason' by a designated obstetrician.

After the "1.57 shock"[3], government and business circles began expressing concern about the declining birthrate. In particular, they were troubled by prospects of 1) a reduction in national strength, 2) a future shortage in the labour, 3) rapid ageing of the population and heavy burdens of elderly care placed on the society. Compared with the inhabitants of other industrialized countries, Japanese people were ageing at an accelerated rate. It was found to be impossible for any of the industrialized countries to curb the present trend in lowered birth rates and population ageing. However, they have been trying to delay the speed of with which ageing occurs in order to prepare for an era marked by large elderly population. Otherwise the government policies and services will be unable to respond to the rapid decline or change causing problems in many aspects of social life (Ibid., 1998, p.106).

The first concern, linking population decline with "reduced national strength" is an antiquated idea of the 19th century. Japan almost quadrupled its population in a little over a century i.e., from 30 million at the time of the Meiji Restoration in the late 1800s to 120 million in 1985. Therefore, it is no use worrying about the current trend, which is likely to turn around. The second concerns man shortages in the coming decades, unspoken racism and exclusionism. In forecasting the future labour market, taking into account only natural population growth, i.e., the birth of children of Japanese nationality is a futile one and does not calculate the growth of the social population (immigrant workers). The demand and supply in the labour market depends largely upon the policies for immigrant workers. Connecting lower fertility rates with possible labour shortage in the future is based on the premise that the current Immigration Control Law will remain

[3] In 1998 the TFR reached an all-time low of 1. 57 and Japan's low fertility burst into public consciousness when the media coined the phrase "1.57 shocks".

in force.

According to a projection of the "probability of unemployed married women taking care of bedridden of elderly person or those with dementia by age in 2025" conducted by the Population Institution of Nihon University, almost 50 percent of married women between the ages 40 and 49 will be caring for elderly members of the families. The demographers involved in making these projections–many of whom are thought to be men – have questionable gender bias. According to Ueno Chizuko, firstly, they assumed the caretakers will be women only. Second, they anticipate that "unemployed married women" – in other words, "full time housewives" – will not be exempted from providing domiciliary care for elderly parents, and lastly, they considered that the ratio of full time housewives in the female population will remain at the same level. If working women and men are included in the care taking population this probability will go down (Ibid., 1998, pp. 105 – 106).

As for supporting the elderly population, it is predicted that younger generations must bear a greater tax burden to buttress the ever shrinking national budget. This represents a pseudo-problem in considering the over 65 population as a "non- productive population" as a whole. Individual differences will become more apparent when people get old. An increasing number of the elderly will be healthy and have an active social life, and it will be desirable and necessary to incorporate them in the labour force. If the number of elderly who work, have income, and pay taxes is expected to increase, it is not appropriate to regard the elderly as a dependent population. Otherwise, as per the current wage system, wages as per age should be reformed.

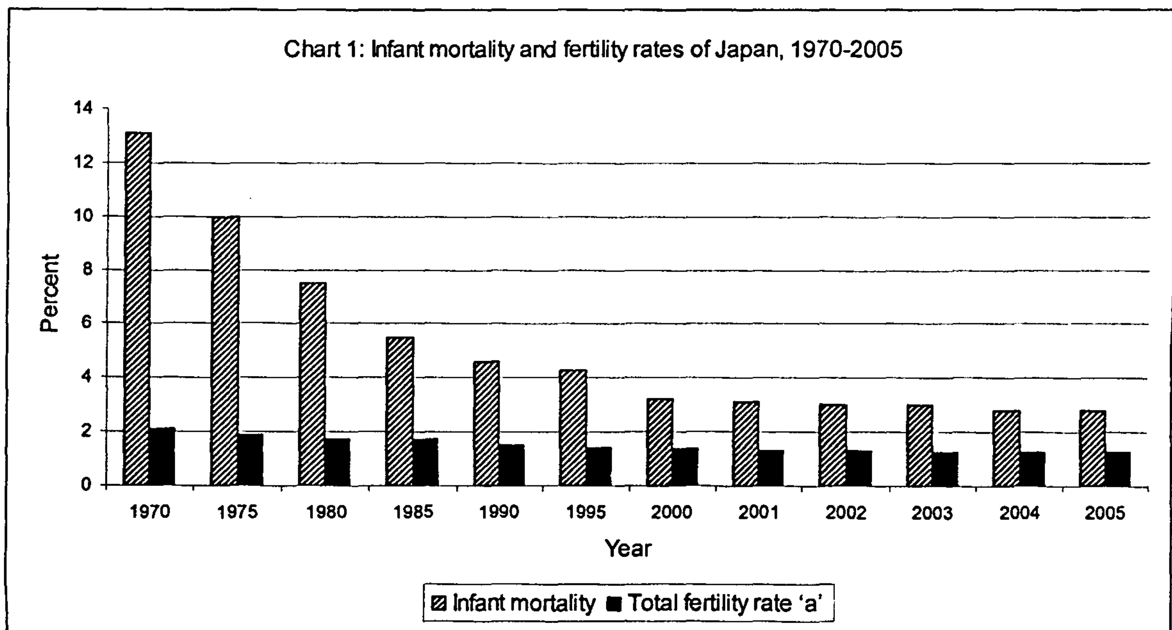
Reduced fertility rates are showing similar developments in all industrialized countries. Except for the United States,[4] there is no country among them that shows population growth above the 2.1 replacement level. The industrialized countries with a

[4]Reports, NIRA (National Institute for Research Advancement) a survey conducted by comparative survey on the decreasing birthrates in industrialized countries of Europe but excluded the United State from the list of target countries. Because America, as a immigrant country, is multinational society with a North – South gap within its borders. Thus it can be hardly categorized as a developed country from demographic point of view.

similar tendency can be further divided into three groups: those with a relatively high total fertility rate of 1.8 such as France and Britain, those medium TFR of 1.5 such as Japan until recently, and those with lower TFRs. With its current rates below 1.4 Japan has joined the latter group. It so happens that the former Axis powers (Japan, Italy, and Germany) have the lowest TFRs.

2.2. The Pattern and causes of Fertility Decline

There has been massive structural change and Japan is headed for several decades of population decline. That decline will continue long after the end of the sharp decline associated with the passing of the baby boom generation. In no industrialized nation do we find a birth rate higher than the 2.1 per cent which is needed to maintain population size. The Ministry of Health, Labour and Welfare statistics showed that there has been increased in the numbers of babies being born through June 2006, totaling up to 92,047, up by 2,632 from the same period last year 2005, and number of marriages also increased by 3.1 percent from 2005. (*Asahi Shimbun*, 2006) Though a ray of hope can be seen yet it is difficult to have valid reasons to believe that Japan's birth rate will grow or return to the normal level.



Before going further with the impact it has on the society it is necessary to rise a question, why fewer babies? Or, what led to the decline in population? One reason is that today's women are not as quick to get married as those of the previous generations. Thus, a slow down in marriage can be expected to mean a slowdown in births. Young adults are putting off marriages for many reasons. (The average age of Japanese women is 29 years). The increase in the educational levels, for women enable them for to be focused on their career and encouraged them to stay in the job market, meaning they postpone marriage and motherhood by giving emphasis to success. Many young adults see greater appeal in a single lifestyle than they expect in married life and feel that there are greater 'advantages in being single'. The key point is that women are now able to support themselves financially without relying on the support of a husband. In other words, 'marriage has become an option than a necessity'. The increase in numbers of divorces also attributes to the decline in fertility rates. High cost of education is another detrimental factor and families living in the metropolitan areas. Housing is yet another factor. Many Japanese suggested that the difficulty of getting accommodation is keeping married couples from having as many children as they would like. Another factor for decline in birth rate is the impact of today's wealth of information.

It is clear that the Japanese made, silently, an important decision in the second half of the 20th century. A motto – "fewer children but better nurture" was widely accepted. The world including Japan was stunned when the results of the collective decision became clear.

Japan currently enjoys the lowest infant mortality rate of 3.24 per cent in 2006, and longest life expectancy with 85 for female and 78 for males in the world. Until around 1870 (the beginning of Meiji Era), fertility and mortality rates were both significantly higher. As the mortality rate began to decline, Japan entered a period of high fertility and low mortality. From around 1920, the fertility rate also started to decline slowly, and the sharp decline after World War II which ushered in the demographic transition. Japan's demographic transition has taken nearly the same path as western countries, but the speed of the transition has set Japan apart. During the three years after

World War II from 1947 to 1949, a baby boom occurred in which the annual number of births exceeded 2.7 million. It peaked in again in 1949. However, the fertility rate declined suddenly, and was called a "baby bust" (The period in which Japan is said to have achieved, "demographic transition").

A number of factors are thought to have contributed to the rapid decline in fertility after 1949, with one of the first being the Eugenic Protection Law, established in 1948 and latter revised three times. The law sanctioned relatively easy access to induced abortion, resulting temporarily in the general use of induced abortion as the main method of fertility control for married couples. Japan's fertility decline since 1947 can be sub divided into three stages: in the first stage, between 1947 and 1957, the total fertility rate (TFR) fell from 4.54 to 2.04 births per women over her reproductive lifetime. During this fertility period, contraception was backed by abortion, which was legalized in 1948. In the second stage between 1957 and 1973, the TRF stabilized at about 2.1 births per women. During this period economic growth was very rapid, averaging about 10 percent a year. People felt that they could afford to get married and have children. Age at marriage stopped rising, and marital fertility stopped falling. The baby bust occurred in the third stage, from 1973 to the present. The TFR fell gradually from 2.14 in 1973 to 1.26 in 2005. The TFR for 2005 was an all time low in post war Japan. If fertility were to remain constant at this level, each successive generation would decline approximately at a rate of 40 percent (Naohiro Ogawa & et. al. 2006, p.3).

The catalyst for the resumption of fertility decline was the oil shock of 1973. Because Japan imported virtually all of its oil, the steep rise in the price of oil, as a result of the OPEC's action, had a major impact on Japan's economy. The ensuing recession was followed three years later by a rebound to a lower economic growth rate of 3 – 4 percent per year. Overall price inflation during those years was 53 percent. As a consequence of this inflation, while unions fought for, and won, large wages increases for full time workers, struggling companies started hiring part-time worker at much lower wages. Women moved into these jobs in large numbers. Previously many of them did piece-work at home, but after 1973 they increasingly engaged themselves in production

outside the home.

Most of the decline in the TFR between 1973 and the present occurred because of later marriage and less marriage. (In this regard it should be noted that only about 2 percent of births occur out of wedlock in Japan). By 2005, Japan was far from the "universal marriage society" than that it was in 1970. Rutherford, et al (2006: p.3), discussed as to why there has been less marriage after 1973 in Japan. The following are the reasons for the downward trend in marriage:

1. Remarkable change in education trends especially among women. The proportion of women of the relevant age enrolled into tertiary education increased from 5 percent in 1955 to 50 percent in 2005.
2. Massive increases in the proportion of women who work for pay outside home. At present, about 99 percent of women work before marriage, and almost all of them are paid employment, so that they have no financial reason for getting married.
3. A huge decline in the proportion of marriages that are arranged, i.e., from 63 per cent in 1955 to 2 per cent in 2002. Now, people have to find their own spouses, which is not easy in Japan because the marriage market is not well developed.
4. A major decline in the proportion of young couples who co-reside with parents when they get married decreased from 64 per cent in 1955 to 29 percent in 2002. Today young couples increasingly do not want to live with parents, and thus the decline in co-residence makes it financially more difficult to get married and set up a house hold.
5. A major increase in premarital sex, thus implying that one does not have to get married to be in a sexual relationship. Between 1990 and 2004 the proportion of single women aged 20 and over who reported that they were using contraception rose from 39 to 57 percent (Rutherford, R.D., N. Ogawa, and R. Matsukara, 2001).

As a consequence of these changes, Japanese women's attitudes towards marriage

have become more individualistic in outlook. They increasingly do not want to live with a mother-in-law, and they want a more egalitarian marriage with more help from husbands in childbearing and housework. However, in contrast, men's attitudes have lagged in this regard and their long working hours have not been conducive to allow for attitudinal shifts on the part of men.

CHAPTER II

CHANGING PATTERNS OF FAMILY STRUCTURE AND PROBLEMS OF THE ELDERLY IN JAPAN

Introduction:

Over the past several decades, Japan have witness a shift in family patterns that would have been unimaginable in earlier generations. The great diversity of family and households forms has become an everyday feature of our age. People are less likely to marry than they once were and tend to do so at a latter age. The divorce rate has risen significantly, contributing to the growth in lone-parent families, or 'Reconstituted families' formed through second marriages, or through new relationships involving children from previous unions. More and more people are choosing to live together – to cohabit – before marrying instead of marrying (Giddens, 2001, p.172). In short, the world of the family looks different than it did fifty years ago. While the institution of family and marriage still exist and are important to our lives, their character has changed dramatically. Japan provides a clear illustration of the contradictory nature of change in family sphere.

Goode's *World Revolution and Family Pattern* (1963), a work published four decades ago sought to describe and interpret the main changes in family patterns that have occurred over the past half century in Japan, China, India, the West, Sub-Saharan Africa, and the Arab countries. His major thesis was that throughout the world industrialization and urbanization were all affecting human societies including the family system, though at different rates of speed. Hence, 'the trend in one family trait may differ from one society to another, for example the divorce rate or illegitimacy rate may be dropping in one society but rising in another"(Goode, W.J., 1963). His analysis led him to conclude that the overall trend seem to be toward a conjugal family pattern which involves fewer kinship ties and greater emphasis on the "nuclear" family unit. However, he also noted that certain ideological and value changes are partially independent of industrialization and have some effect on familial and societal changes. Among the trends he detected were shift "from the arbitrary power of elders towards personal freedom for the young from cold marriages based on economic arrangements to income based on the

youngster's choice, from rigidly maintained class barriers between children to an open class system, from the subjugation of the wife to equalitarianism and companionship in marriage from repression of children's emotions to permissiveness" (Ibid., 1963, pp. 6-7).

These are the few examples of societies around the world where similar sets of issues can be seen with regard to changing family life. The issue at stake differs, but only in degree and according to cultural context in which they take place. The erosion of traditional forms of family life in the West, in Asia or any other in around the world – is a reflection of important contribution to globalization.

1. Defining Family:-

A general definition of family is a group of persons directly linked by kin connections, in which adult members assume responsibility for caring children. While all known societies have family-like groups, vast social changes occurring around the globe have triggered wide variations in family forms and functions. This diversity has made it increasingly difficult to define the term family itself. Social scientists as well as politicians and others often debate the parameters of this basic social unit, revealing conflicting views over the recognition of legitimate family structures and relationships.

A broad spectrum of demographic changes that have occurred over the past several decades challenges the appropriateness of this definition. Adopting a definition by Yorburg sees, "families as groups related by marriage, birth, adoption, or mutual definition, if people define themselves as a family they are family". Mutual definition is an essential feature because if people feel they belong to a family group, if they have a deep, personal, emotional involvement (negative or positive) with this group, and if their identity is defined by the group, then we must accept them as a family. They are families even if their relationships are not recognized by tradition, law, or custom (Yorburg, B. 2002, p. 26).

According to the above notion family is a social construction and therefore, its definition is not limited to that posed by political religious or other institutional systems.

"It allows for variant shades of meaning, allegiance, and authority, as well as encompassing differential membership in kinship systems" (Ritzer George, 2004, p.248).

1.2. Social Change

With industrial revolution, there has been an enormous change in the economic and social structure in world wide scale. Agriculture which was the main economic activity of the people gradually lost ground to industrial activities and subsequently gave rise to the tertiary activities which has shown greater potentials for employment and promise better standards of living. Industrialization inevitably brought about urbanization and as a consequence the agricultural societies got transformed into Industrial-urban societies. Urbanization injected a new style of life with its social and economic infrastructural facilities. The concentration pattern of population as a sequel to industrial – urban network changed whereby horizontal shift or migration of population from rural to urban settlements took place.

In response to such changes the organizational values, norms and the cultural ethos of various societies also underwent significant transformation. The structure, size and composition of family which may be characterized as joint and extended families, peculiar to agricultural rural societies, started showing trends towards nuclearization. Such changes were by no means a result of conscious effort but were a product of the necessities of industrialization and urbanization.

The power structure too could not remain untouched. The traditional power structure which centered on clan and village communities were disturbed and replaced by centralized and democratic authorities of the state system. The traditional authority with the family which was wielded by the elder and old members in a joint family or extended family set up saw its bases eroding as nuclearisation became dominant form of family organization. The aged population thus, were rendered isolated, the care and attention received from their younger generation under the earlier set-up was gradually becoming conspicuous by its absence. It is this perspective of industrialization and social aspects of family forms that problems of the aged, has to be viewed. The new industrial society

works industrial – urban network enhanced the material bases of the population, the scientific and technological advancement brought about a new lease to counter disease and health hazards, agricultural productivity and output to feed the growing population, education and relieve of natural calamities. The consequences of these developments could be freshly seen in the increasing life expectancy of population everywhere, leading to the growth in proportion of older population. The problems of the aged in today's society emanates largely from duality posed by such developments.

Today, the Japanese old have experienced two completely different situations. He/she had undergone rapid changes with the shift from an agricultural society to an industrial society. When a Japanese old person was born, Japan was only one under-developed countries of Asia. Their main occupation was agriculture and fishing. In the course time Japan advance gradually into a developed and industrial economy. The course interludes economic depression, war, political progress and Cultural Revolution– all events taking place in the presence of Japanese old population of today.

1.2.1. The *IE* (House/Home) system

Modern Japan displays all the characteristics of an urbanized and industrialized nation. Japan's modernization shows that there are alternatives in the adjustment of an agrarian society to urban-industrialism not present in histories of modern Western Nations (Wilkinson O. Thomas, 1962, p.678). Rising occupational specialization brings in specific kinds of changes in familial, religious, and all other major areas of social organization. The urban industrial transition in Japan and elsewhere has essentially been a dynamic network of social changes clustering around the development of modern technology.

When the development of society's productive potential, circumstances permits men abundant opportunities for economic independence enable them to become free, independent, and self reliant actors. Their social relations become relations of equality as individuals. However, the modern society which was developed in pre-war Japan was not characterized by such relations of freedom and equality. For Japanese, brought up in a

familistic atmosphere, the world beyond the family was a turbulent world, an *ukiyo*, as it was describe in a word which was sometimes written with characters meaning "world of suffering" sometimes with characters meaning "the floating world". The only way to achieve security in that *ukiyo*, was to forge relationships outside the family which were also of a familistic kind (Tadashi Fukutake, 1982). The parent-child relationship which was the axial relationship within the family itself was strongly colored with accents of subordination, and it was this which caused such relationships to proliferate in Japanese society as a whole. It was by dependence on *oyabun – kobun,* (relations which fictively recreated by family relationships which was enabled to survive the vicissitudes of the *ukiyo* (Tadashi Fukutake, 1982, p. 50).

The Japanese family is structured on the lineal principle. The Japanese family has changed its structure in the postwar period, and it is common to describe this tendency as the "nuclearization" of the family. The term "nuclear family" was established as a technical term by George Murdock in his book, *Social Structure*, in 1949, looking at the great speed at which the Japanese society is one can not help putting up the question as, what these changes in structure meant in the substantive terms. The revision of the Civil Code after the war was a direct challenge of the uniquely Japanese *ie* system and its long traditions. Legal of course did not immediately change and therefore, the system still survives even today. The change in the legally embodied system of values relating to the family could not fail to have an effect on the reality of family life. The lineal family, with the passage of time, and with the steady decrease in the proportionate family enterprises, steadily faced a different social formation.

One example of change is the weakening of the sense of 'family statuses', which earlier was very strong in the rural areas. But now with the disruptions of the ranking order brought about by land reform, the importance attached to notions of the "family's place in the village" has diminished with the years. After the disappearance of the lord - tenant system the status ranking which were sustained by that system are becoming a thing of the distant past. Even more so, is the case in the urban areas.

The decline in the consciousness of the family status is linked to the diminishing authority of the house head, once a representative of the *ie* and the leader of the family. Slowly the Japanese families are generally ceasing to be authoritarian families. There has been a change from male dominated family based on the parent-child relationship that if a familial structure that predicated on the principle of sexual equality, thereby upgrading or proving the status and position of women. Though sexual equality has certainly not been achieved in full practice, the position of women in the family is much higher when compared to the pre-war periods.

Hence, with this aspect comes the change in marriage patterns. Before the war, women in the best interest of their *ie* who were describe as *yome (*daughter-in-law) were indeed expected to be *yome* to their new family more than they were expected to be wives to their husbands. Today, far more importance is placed on understanding between the marital partners themselves, and this alone counts a tremendous change. Another change that contributes to the changes is the number of girls going for higher studies which has increased overtime. As a result women have begun to postpone marriage thus, changing the underlying household structures as well. With the accumulated knowledge women prefer to shift their base to urban areas in search for better living standards. Taking Japan as a whole, this new pattern of establishing a new household with each marriage is not sufficiently wide spread to be considered a dominant one.

In conjunction with these trends for marriage one needs to look at inheritance. The law has changed to a system of equal division among all children, though in fact property is not divided (1982, p. 128). Many parents still prefer the traditional pattern of passing on all their property to the eldest son, who in return accepts as a matter of course the obligation to care for them in their old age. This is especially prevalent in farm families, and is taken for granted in the older middle class of the towns, too, and is still accepted in the urban upper class. Even now a "successor" in the sense is still considered necessary by over 60 per cent of the population.

However, the ties of personal relationships, which were formerly hidden under the

relations of stem and broach families, have come to the surface. Personal ties between close and intimate relatives, meeting on a footing of equality and unconcerned about main or branch relationships or the nature of cousinship, have become the predominant form of kin ties, and do not impose any constraints that the old extended family ties did before the war. This is particularly true of the families of wage or salary employees which have reinforced their independent character.

1.2.2. Changing role of women

Today in Japan nearly 90% of the caregivers at home are females. Earlier, in a family if the frail elderly is male; his wife was the primary caregiver, while today, if the frail elderly is female, her daughter-in-law or daughter takes on the role of caregiver. Most caregivers are middle aged housewives. However, greater labour force participation by middle aged married women changes in their attitudes towards family and the elderly and is making the homecare difficult.

The increase in the number of women with higher education has affected the role of women to a great extent. There has been an increased in the number of women who work outside the home as a result of education. The female labour force used to be characterized as young and single, but it is now characterized as middle-aged and married. The female work force in Japan is 'M' shaped with two peaks. Where the first one was occupied by single women, and the other by married women. The proportion of married female employees was nearly one-third in 1962, a little over a half in 1975 and nearly two-thirds now. The two-thirds of the employed are married. Those over 40 years accounted for less than one- third in 1970, but reached one-half now. Among women aged 15 years and over, the proportion of the employed was 30% and full time homemakers 40% in 1975, but both the figures were 32% in 1984, and then, the proportion of the employed has exceeded that of the full time homemakers.

Many middle aged women work as part-time workers. The Bureau of Statistics, Management and Coordination Agency, defines part-time workers as those who work no more than 35 hours a week regardless of their status or their term of employment. The

number of female part-time employees was 1.3 million in 1970, 2.6 million in 1980, and 5 million in 1990. Of the female part-time workers, one-third was between 45 and 54 years, 15 per cent were over 55. So, most of the part-time workers is over 35 years of age. The middle-aged married women prefer to work as part time because they wish to work without cutting back their household duties, and they want to be home before the children come back from school.

Although women's participation in the work force has increased, their opportunity costs have not risen. In the latter half of the 1970s, (the peak period of "women's entry into the labour force") the age gap between men and women workers expanded. Judging from an opportunity cost theory, women received little encouragement to continue working after childbirth. Even today the typical life course of women is "working full time before child birth, staying at home while caring for the baby, and beginning to work again after the child care period" (Chizuko Ueno, 1998 .p. 111).

1.2.3. Change in the Public Consciousness about Family and Children

In addition to the socio-economic factors, changes in the public consciousness about family and children are often cited as causes of declining birthrates. Reasons includes such as "uneasiness about the future". People's attitudes towards marriage and child have become more tolerant. A survey shows that with many options in life, there is no need to stick to the conventional style of marriage. Such pessimistic thinking is widely shared among young people. Some people may see these changes as a reflection of ego-centeredness or child-hating. But from the perspective of family history, the opposite is true. In modern families, lowered birthrates are considered to be the result of an increased interest in children (Shorter, E. 1975). "To have small number of children and bring them up healthily" was the conclusion based on increasing concerns about children and deeper consideration of them. Given the high cost of bringing up a child in modern society, parents now voluntarily controls the number of children they have (Yamada, Mashiro, 1994). Indeed, at no time in the history have expenditure for child rearing been so costly and privatized. Young people hesitate to have children not because they dislike them but because they foresee the heavy burdens that will be required to raise them. Today many

mothers leave their jobs because they believe that child care requires their full-time attention. It can be concluded that many factors are related to the declining birthrate, and it is difficult to identify a cause and effect relationship. However, the fact that enormous expenses for childbirth and childcare are largely being met by parents privately is obviously a major reason for this decline.

1.2.4. Changes in the Family

Three factors are involved in the declining birthrate: 1) the declining rate of marriages, 2) the declining in marriage birthrate, and 3) the declining out of marriage birthrate. Of these factors the most significant is the marriage rate. The birthrate among married couples has remained at the 2.1 level for the past two decades with little sign of dropping the norm to have "two children per family are widely accepted by married couples toady, and "one child" tends to be avoided. But how does the decreasing birthrate affect the people's view of marriage and family? In 1995, the proportion of unmarried men in the 25-29 age group was 66.4 per cent and of unmarried women, 49 percent; the proportion of men in 30-34 age group was 37.3 percent and of women 19.9 per cent, whereas that of men did not drop below 20 per cent even among men in their forties. This tendency was stronger among younger cohorts. Strangely, in the United States this non-marrying phenomenon is explained as a difficulty of women to find a spouse because they have become assertive. By contrast, in Japan it is the reverse, where there is a difficulty of men to find a spouse. Demographically, an excessive male population is said to be the cause. In industrialized countries the male-female ratio at birth is 105: 100, a ratio that is carried over until marriageable ages.[5] However, it does not mean that all men have difficulty in finding a spouse. Unmarried older men tend to be poorly educated and seems to be concentrated among successors of farming and family business in less populated areas. Unmarried females on the other hand are found largely among women with superior educational backgrounds living in cities. There is extremely low possibility

[5] According to a report, the male female ratio at birth in china turned out to be 115: 100. Which makes one to be suspicious, that it could be the practice of female infanticide and selective abortion due to the country's "one child policy". It can be assumed that in 20 years men will have difficulty in finding a spouse. This present a good example of when reasonable decision making on the microscopic level would not be reásonable on the microscopic level.

that people in these two groups could make a suitable matches. The modernization process and the industrialization which has made the society economically self reliant and has made in the attitudes of both men and women to remain single for long and also in women to become career oriented has led to postpone in marriage. Behind the rise in birthrates supported by modernization is the advent of a society with a larger married population, or a society in which everyone can afford to marry. It may be normal for any society to have a "remain single" population at the 10 per cent level. An extraordinary "everyone gets married" period from the historical point of view lasted only one century in Japan (Chizuko Ueno, 1998, p.115). As social pressures for marriage strong, and marriage is still valued as an institution. Even so, this strong desire to marry often is not acted upon; hence, marriage rates keep falling.

Another change in the marriage pattern, is the shift from arrange marriages to love marriages, and a strong inclination to seek partnership in married life began to be observed among the young. With the ideal friendly couple concept which became tropical when the postwar baby boomers reached marriageable age in 1970s, the concept seems to have begun to actually be realized but not where the divisions of roles persisted. It was left to the next generation to make "partnership marriage" a reality in name and execution seems to have been under way.

Nevertheless, the conventional gender role expectations are still maintained. Although the concept "men work outside, women do household chores" is endorsed by fewer people, there is a gap in the degree of change between men and women. Husbands still expect their wives to assume responsibility for and perform household task. The increase in the unmarried population due to this unbridgeable gap between women's expectations for "gender role assignments" pervades the Japanese society. Young men still fall behind the changing attitudes of women.

The second cause for the rise in unmarried is the maternal myth persistently held by young women who believe that "children should be reared by their mother" or that mothers should devote themselves on a full time basis to caring for children while they

are small, despite their inclination toward a "partnership marriage". Observing the pattern, the irony is that "partnership marriage" is a self seeking demand for mutual dependency whereby the husband expects the wife to supplement the household income while performing household work, and whereby the wife imposes earning livelihood on the husband while concurrently expecting his help with the household work. Thus, it can be concluded that the disparity in expectations between men and women seems to be the cause for increase in unmarried people.

Simultaneously, the number of unmarried people who have sexual relations is increasing, and the probability of marrying the person with whom one had the first sexual encounter is decreasing for both men and women. Demographic changes showing indices of sexual liberation such as higher divorce rates and higher birthrates of children born out of wedlock are smaller in Japan than in other industrialized countries. Even so sexual liberation has gradually taken place. Certainly, by separating marriage and sexual life, single life has become easier (1998, p.120). The parasite singles can remain unmarried at little cost to their sexuality. Even though they live with their parents, there are a number of places commercially available for this purpose.

However, with a long economic recession and low economic growth, the Japanese style employment system characterized by life time employment and the seniority based system can no longer be maintained. This collapse in the seniority system will increase the number of these single parasites to continue their dependency on their families, and would cause more serious conflict between parent and child over the distribution of resources.

The decline in births outside marriage is another factor contributing to the lowering of birthrate. The rate out-of-wedlock births in Japan are far below than that of the other industrialized countries. Children born outside marriage in Japan remained negligible (below 1 %) for a long time – until a recent increase to 1.1 percent of live births. These low rates are relatively a new phenomenon, before the World War II the rates of children born out of wedlock's were much higher, due to polygamous practices

and the time lag between the cohabitation and legal registration. These children have long been discriminated against distribution of inheritances and other aspects of social life. After the war, as dates of commencement of cohabitation and marriage registration became the same, the birthrates of children outside marriage fell rapidly.

Behind the birth of children out of wedlock is an increase in common-law marriage (cohabitation without marriage registration). In Japan, the rate of unmarried cohabitation is remarkably small. The ages when they actually live together have not greatly changed. In Japan, the age at which a man and women begin to live together and at the age at which they register their marriage are identical. Therefore, the late marriage trend in Japan is literally interpreted as a late start of cohabitation. The age when Japanese couples begin living together may well be the oldest in the industrialized world.

Social sanctions against out-of-wedlock births still exist, and people fear discrimination against such children. For this reason, a legal marriage is considered to be a prerequisite for having a child. Encouragement of out-of-wedlock children is an option to increase birthrate. In Singapore, for instance, the government, concerned about declining birthrate, launched a campaign to promote childbirth. One of its measures was to "encourage[6] unmarried mothers" (1998, p121). Although troubled by its own declining birthrate, the Japanese government has never considered advocating out-of- wedlock childbirth. On the contrary, officials are now thinking about curtailing child benefits for single- parent households (mainly mother headed) due to shrinking finances. Basically, the current policy of the government and economic circles alike is to encourage reproductive activities within the institutional framework of the family and in principle to leave the burden of reproduction and child-rearing cost with the parents.

1.3. Population Trends

The birth and death rates before World War were high. After the war the death

[6] In Singapore women have a strong tendency to marry men with superior educational careers to their own. As a result, highly educated women tend to remain single. Men who would be suitable spouses are usually married. In the 1980s Prime Minister Lee Kuan Yew encourages these highly educated women to take lovers: women's organization protested, declaring the policy to be an "enemy of marriage and family".

rate (yearly deaths per 1,000 population), which had been almost 20 in 1927, fell rapidly to 6.0 in the second half of the 1970s. Since then it has been edging up because of the growing share of elderly people in population, and as of 1993 it was estimated to be 7.1. The birth rate (yearly birth per 1,000 population) subsided gently in the pre-war period after reaching a peak of 36.3 in 1920, then fell much faster starting in 1950, when desire for smaller families spread widely after the postwar baby boom. The decline has continued to the present day except for the period of the second baby boom, and the birth rate in 1993 stood at 9.6.

The shift from a pre-modern demographic pattern, with high rates of both births and deaths, to the modern pattern of low birth and death rates occurred far more in Japan than in the industrialized countries of the West. The main part of this shift was compressed into an interval of only about 10 years starting in 1955. One result has been a transformation in the population's composition broken down by age groups. In particular, the share of children (up to age 14) has been diminishing, and the share of people in old age (65 years or over) has been growing.

The graying of society is also proceeding much faster in Japan than in Western countries. If the threshold of the aged society is a population in which 7% of the people are 65 years old or over, a definition used by United Nations, Japan crossed the threshold in 1970. And in 1995, only a quarter of a century later, the share will have doubled to 14%. By contrast, it took 115 years in France, 85 years in Sweden, and 45 years in Britain for the share of old people to rise from 7% to 14%. The aging process is being accelerated by a tendency of people to have fewer children. For a population to maintain its existing size, women need to give birth to 2.1 children on the average. But in 1947 the number of births fell below that level, and it continued moving down thereafter to 1.50 in 1992. No sudden reversal in this trend is expected. One more factor in Japan's graying society is the lengthening span in life. As of 1992 the average life expectancy of Japanese women was 88.22 years and of Japanese men 76.09 years: both figures were the highest in the world.

As of October 1, 2005, Japan's Populations was 126.77 million (62.34million males and 65.42 million females), a decreased of 20,000 from earlier year, suggesting that Japanese society has entered a depopulation process. Japan has one of the highest life expectancies in the world, and the ageing process of population is proceeding at the rapid rate. The ratio of people aged 65 years and over to the whole population more than doubled from 7.1% in 1970 to 20.0% in 2005. The number of people aged under 15years dropped to a new postwar record low of 17.65 million as of October 1, 2005, a decrease of 171,000 from 2004. With the proportion of those less than 15 years dropped to a low of 13.7% the total population.

1.3.1. Births and Deaths

Population growth in Japan has been primarily been driven by natural increases with only a minor percentage by social increase. In 2005, the natural increase rate (per, 1,000 population) showed – 0.2, the first minus recorded since the vital statistics began in its present form in 1989. Between 1971 and 1973 when the second baby boom occurred, the birth rate averaged 19 (19 per 1,000 population). Since the latter half of the 1970s, however, it has followed a downtrend, reaching 9.6 in 1993. It climbed to 10.0 in 1994, surpassing the level of the previous year for the first time in 21 years, but moved back into a renewed downtrend, falling to a low of 8.4 in 2005 (Ministry of Health, Labour and Welfare, 2005).

The death rate (per 1,000 populations) was steady at 6.0-6.3 between 1975 and 1987. Since 1988, however, it has followed a growth track, reflecting the increased percentage of the elderly in the overall population. The death rate was 8.6 in 2005. Average life expectancy in Japan climbed sharply after World War II, and is today the highest of any other countries in the world. In 2005, life expectancy at birth was 85.49 years for women and 78.53 years for men (Ibid. 2005).

1.3.2. Composition of Households

As of June 2004, there were 43 million household in Japan an increase of 13.6%

since 1995. With the number of household growing faster than the population the average number of persons per household is estimated to fall from 2.72% in 2004 to 2.37% in 2025. From the 1960s to the early 1980s Japan increasingly experienced nuclearization of families but since 1985 there has been more prominent increase in the number of single member households. The share of nuclear families in total number of households in the year 2004 was 60. 6%, while single member household accounted for 23.4% of the total population. The number of household consisting of only the elderly people is also on the rise reaching 17.0 % of the total population in 2004. The population census shows that Japan had 48.22 million households in 2005 and out of the total, 58.9 percent were nuclear family households and 27.6 percent were one-person households, which have recorded a steady growth share since 1975.

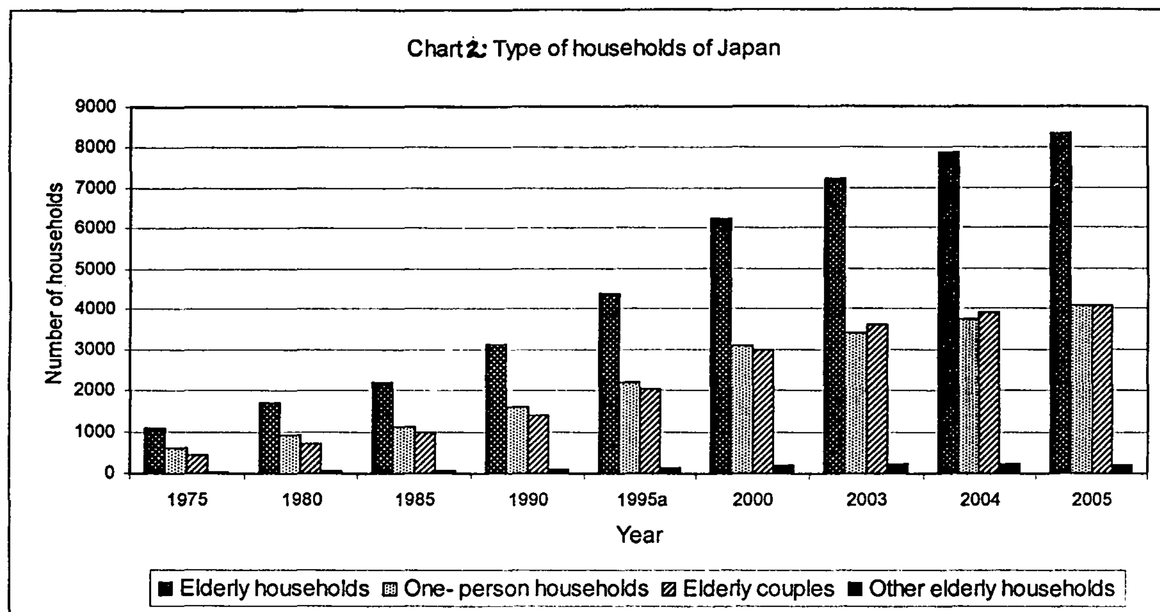
From the 1920s to 1950s, the average number of household members remained about 5 (five). However, reflecting the progressive decline in the birth rate through the 1960s the size of household was down significantly in 1970 to 3.41 members. The size of household members continued to decline to 2.60 in 2005, principally due to the increase of one-person households and the conversion of households into nuclear families.

By the current projections, the average number of household members is expected to decline in the years ahead, reaching 2.37 in 2005. Although the Japanese population had, the number of households is expected to continue to increase for some years to come, because of further shrink in the size of the average household.

1.3.3. Elderly Households

Elderly households (defined as households consisting of individuals aged 65 years or old, with or without unmarried dependents below the age of 18) which numbered about 1.09 million in 1975, representing 3.3 percent of the total household for that year, by comparison there were 8.35 million elderly households in 2005, accounting for a sharp increased shared of 17.7 percent. The number of one person elderly households increased 6.7 times between 1975 and 2005: from 611.000 to 4.07 million. In 2005, three out of four one person elderly households were women. The number of households consisting

only of wife and husband aged 65 years or older reached 4.07 million in 2005, a 9.2 times increase over the figure of 1975 (Ministry of health., Labour and Welfare, 2005).



1.3.4. Marriage and Divorce

After peaking in 1971, Japan's marriage rate fell to 5.7 marriages per 1,000 persons. In 2004, the average age of marriage rose steadily to, 26.8. For men and 24.2 for women in 1971 to 29.6 for men and 27.8 for women in2004. Reflecting the fact that more women are pursuing higher education and entering the workforce, the percentage of women in their twenties and early thirties who are unmarried is rising, a trend that is fueling the decline in the marriage rate. Meanwhile, Japan's divorce rate rose from 0.74 per 1,000 persons in 1960 to 2.30 in 2002, and then declined to 2.15 in 2004. In 2005, the mean ages of first marriage were 29.8 and 28.0, getting 1.6 years and 2.5 years for men and women, respectively, in the past twenty years. The declining marriage rate and the older marrying age in recent years are considered to be two factors behind the downtrend in the live birthrate. Relationship experts say men are paying for putting their jobs first. An unprecedented rise in divorce among Japanese couples married for more than 20 years is being blamed on the so-called "retired husband syndrome". Many of Japan's workers or "salary men" spend decades living largely apart from their families, devoted to their jobs. Some couples are discovering they barely know one another. Marriage

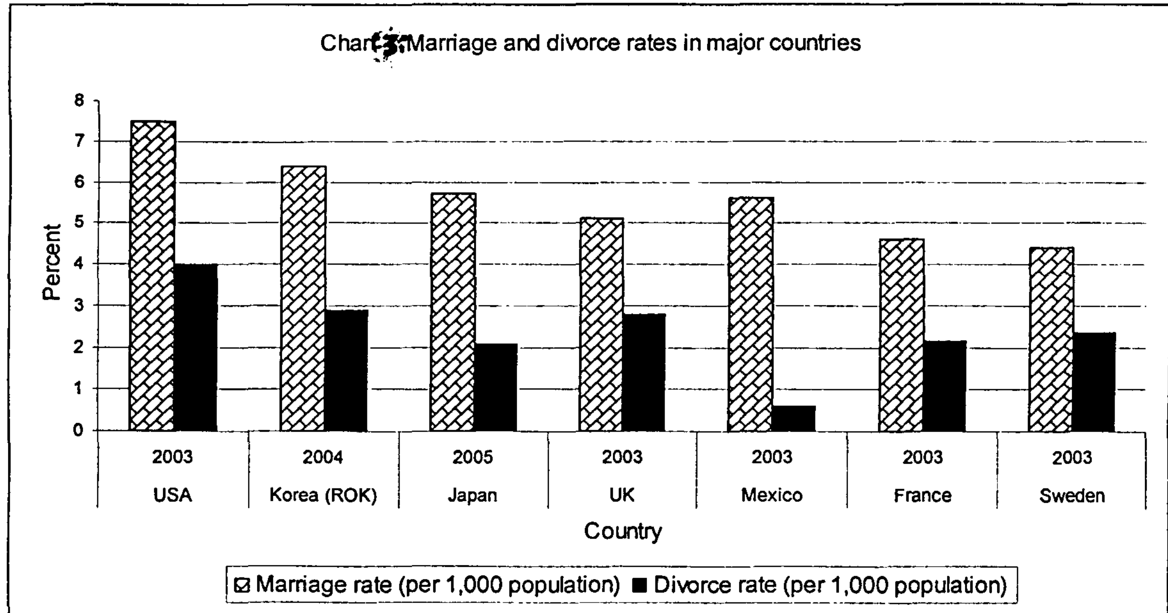
guidance counselors are warning newly retired couples not to spend extended amounts of time together - recommending day trips over cruises.

The divorce rate in Japan has risen by 26.5% in 10 years, according to the health ministry. The number of divorces among couples married for 20 years or more hit 42,000 in 2004, double those recorded in 1985. Divorces among those married for more than 30 years quadrupled during the same period. More people are expected to retire in Japan in the next five years than at any other time, as the post-WW II "baby boomers" reach retirement age.

Relationship experts say that celebratory cruises or long holidays can have a devastating effect on many marriages. "When a man retires at 65 the wife may be thinking "I still have 20 or 30 more years with this person". The author of self-help book *Why Are Retired Husbands Such a Nuisance?* Said it is dangerous for a couple to go on overseas trips after the husband retires. "Disagreements between the spouses often deepen when they spend a lot of time together in a foreign setting". "Husbands pay the price for placing more importance on their jobs than their wives", author Sayoko Nishida said. Many wives increasingly resent how little their husbands contribute to home life and are seeking divorce when, after retirement, the men show no sign of changing their habits. Japanese people also tend to live longer, so when a man retires at 65 the wife may be thinking "I still have 20 or 30 more years with this person".

In contrast, divorces have shown an upward trend since the 1960s, hitting a peak of 290,000 in 2002. Since then, the number of divorces and the divorce rate both has decline for three years straight. In 2005, the number of divorces totaled 262,000, and divorce rate was 2.08 (per 1,000 population).The rise of divorce has also meant less security for families. Wives perceive that they need good job as a hedge against divorce, especially since they are the ones who typically keep their children. As a consequence, women's job tends to become relatively more important than having children relatively of less importance to her. Husbands may like wise are less keen to have children (or having another one) if they increasingly perceive that they may have to pay for children while

rarely seeing them as a consequence of divorce. Japan's crude divorce rate (divorces per 1,000 populations per year) rose from 0.74 to 2.15 in 1960 and 2005. By way of comparison, the rate was 2.1 for France and 2.6 for Germany in 2003, while Japan's rate is currently between that of France and Germany.



1.4. Problems of the Elderly

During the "high growth" of Japanese economy, the flow of population to urban areas made rapid progress as new employment opportunities were created primarily in big cities and other industrial centers (Foreign Press Centre, Tokyo, 1980, pp. 3 -4). The employment structure changed and more young people began to receive higher education. These factors have contributed to considerable change both in the way in which families live and the concept of the family. The rise of households as a result declined rapidly (P.M's Secretariat, Policy for the Aged, Foreign Press Centre, Tokyo, 1978, pp. 7-8).

Generally speaking, three generations living together have higher and greater advantages in the family functions. When viewed from the angle of mutual aid between different generations, the married children can expect manual and other help from their parents at the time of child birth, and for child care, while the latter are still alive. Moreover, for housewives who want to work outside, old parents can be trusted to take

care of the house and children in their absence. When old parent's physical function weakens their married children can be expected to take care of them. This pattern does not always apply, but since mutual aid between generations may be expected each generation can repeat a stable life cycle. By contrast in the case of separate living, the family functions conceivably get reduced. However, in Japan those aged who live with their married children perform at least a few meaningful roles in their homes. According to a research of the urban old people aged 65 and over, 33 per cent of them take full responsibility for housekeeping 12 per cent have more than four roles and 35 per cent have between three and one role (Meada Daisaku, 1978, p.66). Only 20 percent have no roles, which further came down to only 12 percent in the survey of the social participation of aged persons conducted in 1976 (Economic Planning Agency, Annual Report of National Life. *Towards Improving the Foundation of Living and Expanding Opportunities*, FPC, Tokyo, 1979, p.92).

As it is found worthy to note the problems of living together or separately, ascertained by people of different generations, according to a "Survey on the Support of Old Parents", the proportion of those who replied that "It is preferable to live separately if circumstances permit", is small among both the generations of old parents and the middle aged generations, (those who are in the position of supporting old parents). By contrast, those who said, "It's preferable to live together if circumstances permit", accounts for the largest proportion in both categories. Moreover those who replied, "it is preferable to live separately while the parents are active and live together when their health deteriorate" the proportion rises to 76 per cent and to 74 per cent among the middle-aged generation and old aged generations indicating that preferences for living together in a broad sense of the term would be inherited as a fundamental way of thinking for the time being, from generation to generation. Nonetheless,17 per cent of the middle aged generations, a larger proportion than those in the case of the generation of old parent consider that 'living separately will be all right provided that a constant exchange of visits is possible' and this trend in especially conspicuous in urban areas (Report on Health and Welfare,1978, p. 37).

On the other hand, it has been found in another survey that on the assumption that they lived together with their children in future, 43.7 % of the respondents said they wanted to live "in a separate house", 50% expressed a desire to be "partially or entirely independent of children's family in household economy" and 11.0% wanted to "eat meal separately from children's most of the time" (1978, p.38). It indicates that a diversified pattern of living is considered even among those who want to live with their children in future. This was well as a high percentage of those who would accept physically living apart if a constant exchange of visits were maintained, indicates a tendency towards keeping more distance from each other even though living together would be preferred and close contact maintained.

This new trend in the attitude of people is an indication that when people's living standard improves and old people come to have some income from property pension, emphasis on the support of the aged shifts from economic to other considerations such as taking care of them when ill or giving them psychological security by living in the vicinity or visiting them frequently. Such a life style may have resulted from the reflection that the large family system in which people of different generations live together causes mental strain both to the old and the young and also on the other hand a separate living isolates the aged.

The fact behind the high ratio of old parent living together with their married children in Japan in comparison to those in Western countries, may be ascertained to the fact that those couples who are married before the war have many children. Nevertheless, the number of children per household has been decreasing ever since and now-a-days, the average number of children per couple is approaching two in the last decade. This seems that in the future there will be a single married couple as direct descendants for each couple of old man and wife. In that case, even though both sides wish to live together, it would become difficult if there were some lack of adjustments on either side. This could contribute though gradually, in lowering the ratio of those who would be living together in the future. The extension of the average life span in the postwar period has been remarkable. With an extension of the average life span and simultaneous low birth rates,

the population of the aged has increased overtime leading to concerns over their livelihood and health conditions. It cannot be said that merely because the mortality rate has decreased and life span extended, the health level of the aged has subsequently been raised. If people suffer more from disease the meaning of longer life will be reduced. It is only when the aged are able to enjoy their health in their extended life spans, that the standard of health can be considered to have risen.

The trends in the family structure and composition of households amply suggest a gradual segregation of the old population from the home life. Not only as a consequences of shrinking families but also in response to spouse possessing ratio which declines in home life may cause a sense of loneliness among the old especially when Japanese people are known to be socially less active than their counterparts in western countries (Maeda, 1978.p.66). Partially as a consequence of these developments are other problems, economic problems or recreational and psychological strains.

1.4.1. Health Problems

Sound health is one of the basics and important values of human life vital for building an affluent and dynamic society. Obviously sound health signifies a vigorous state of mind and body. The old age is characterized by a general decline in the health of a person accompanied by a number of disabilities and disease. An attempt has been made here to identify and examine problems associated with health of the aged. The Ministry of Health and Welfare says that the sickness ratio is on the rise by and large and the people aged seventy five or over and from sixty five to seventy four registered a sharp increase from 7.8 and 8.3 respectively in 1985 to 411.7 and 327.8 in 1977, and rank first among those aged sixty five or above. Above all 'hypersensitive disease' shows a very high ratio. Among other main disease to inflict the aged are eye disease, neurosis and neuritis in the category of diseases of the nervous system and sensory organs, disease of respiratory organs, disease of digestive organs, muscular and shelter systems and connective tissue and diabetes in the category of diseases related to internal secretion, nutrition and metabolism, this indicates that chronic disease account for the bulk of all disease (National Health Survey, Ministry of Health and Welfare, FPC Tokyo, 1978.

p.22). As regarding the causes of deaths among the aged, one may observe that the cause of death generally are external factors such as in case of infectious disease and external factors such as in deterioration of physical functions are combined to form the cause. Death from senility appears around the age of sixty and increases linearly and this is certainly caused by internal factors. Death from cerebral blood vessels diseases, heart diseases and high blood pressures has more or less the same nature. On the other hand owing to improved medical care and the structure of aging population, infectious disease which were once the prevalent types of diseases have given place to degenerative diseases. These account for nearly fifty percent of all diseases afflicting the aged in Japan (*Policy Office for the Aged*, Ageing in Japan, P.M's Secretariat. Tokyo, 1981, p.6).

The review of health problems among the aged in Japan acquires enormous significance in the light of shrinking family size and increase in proportion of the aged population of Japan. Accordingly, promotion of Health and prevention against disease have an important meaning to an aging society which have serious implications from the point of view of general health conditions of the populations and also from the point of national economy.

1.4.2. Work Employment and Economic Problems

In old age, the two most important problems faced by people are related to health and material conditions. The two are also intricately related. The old age which is considered to begin with retirement from work renders the aged dependent either on pensions and savings of his children. As a result of the old age change in the consumption pattern and social expenditure not only in relation to income but also in absolute terms increases (P.M's office Population and Households finances of Family in Japan, FPC Tokyo, 1981, pp. 13-14), leading to material deterioration and aggravated economic problems. Economic dependence leads to curtailment of freedom and increase of strain. One of the reasons of increased disintegration of joint families may be attributed to economic unavailability and dependence of the aged on the married children. On the other hand, retirement does not necessarily mean that retires has accomplished major works and responsibilities of his life, especially in a situation where late marriages are

generally practiced. In Japan it has been found that about 90 per cent of those who retire have decedents to support, of whom 18.2 per cent have dependents at school. Nearly, 60 per cent of those who retire find their income insufficient for their present life. As a result, 53.5 per cent have to rely on their retirement benefits soon or on their saving and 39.7 per cent have to get other family members to work.

The pattern of retirement age is not uniform in Japan. It varies from types of industries or enterprises and their level of operation. According to the Employment Management Survey (1978), 77.3 per cent of enterprises employing 30 persons or more have a compulsory retirement age. Of these enterprises having a uniform age limit system, the largest proportion 41.3 percent have set the age limit of sixty (33.7 per cent)(Ibid., 1978, p. 48). Nevertheless, in recent years the principles of retirement at sixty is gaining firm grounds and is also supported by the Ministry of Labour and such government regulation as "perspective and guidelines for socio economic activities in the 1980s. (Approved by the cabinet, August, 1983) which is the fifth basic program for employment policy approved by the Cabinet, in October, 1983. These laws have been designed as a basic location upon which the ageing society can be maintained actively (Ministry of Labour, Employment for the Aged, FPC, Tokyo, 1984, pp. 3,4). In Japan, therefore, the system of extended service and re-employment of workers have helped the aged to remain(Ministry of Labour, Summarized Results of the survey on employment etc., of older worker , FPC, p. 3&7) economically productive even in their post retirement age.

For elderly people, work has two purposes one is to earn economically for themselves and their families although they are advance in age and the other is to participate in society to enjoy the pleasure of creation and maintain sound health through work, with income being of secondary importance. Not all old can be discussed in the same light, since they vary in length of career condition of their families, and state of their own health. The survey on Japanese employee's life after retirement conducted by Ministry of Labour makes the following observation: 1) among the retires 84 per cent wanted to continue working in future, 41 per cent deemed it necessary for their livelihood

and fifty per cent of the retires wished for their livelihood and fifty of the retires wished to continue working up to the age of sixty one to sixty five, 2) of those post retirement age, 84.3 per cent has strong desire to work while 4. 2 person per cent felt that they were unable to work on account of poor health or for family reasons although they wished to and only three percent had no desire to work and, 3) of those who wished to work, 41.3 per cent desired it necessary in order to make their living, 23.1 per cent wanted to work for their health and 12.9 per cent found work to be enjoyable and meaningful although they do not need to work for their living.

The strong desire to work came from those people who are in their sixty's and it is precisely this desire to work which has kept the ratio of working elderly in Japan out of 26 .3 per cent higher than those in the USA and many other Western countries (PM's Office, *A Statistical Look at Japan's older population on Respect for the aged Day*. FPC Tokyo, 1982. p.4). To make a living through work is also reflected in the income composition by sources of the elderly population.

In particular, the income of old age households and in general, the household classification is done by the type of source of income produced. It is interesting to observe that despite retirement from work, forty five per cent of the income to aged household come from pension's involvement in productive occupation. Nearly 35.7 per cent comes from employee's income account which is higher than those from pension. If taken together, the pension and other security benefits account for the largest source of income for the aged households. A survey in peers for life in old age on the question of expected sources of income reveals that fifty five and sixty four years wished to draw "income from work". Though public pension as the primary source of income requires relevance to those above sixty five years of age, nearly 23 per cent of them considered it as secondary.

With ageing of population the number of people concerned with life after retirement is increasing. In the face of labour shortage of young labour and rapidly rising wages why must people in their fifty five and sixty five years of age who still have ample

capacity to work and who will work, leave their jobs and be exposed to decreasing income and insecurity of life? Or why must a person who is old enough to retire and should live in easy retirement, work and block the future prospects of younger generations to hold key position in their creative times? The contradictions are apparent.

To sum up one can say that despite strong willingness to work in old age, there has been a gradual decline in the ratio of working aged, which raises serious questions regarding the future of the ageing society. Neither the old cannot be sunk in the sea nor can they be left to decide their own fate? Then should the security services be expanded? The question is complex and the answer difficult. The problems of the aged are multi dimensional and must receive an equally matched treatment. The problems associated with the old come to every one in one's life style. While deliberating on this issue one must have firm grip on the preferences and priorities of the family, society and the overall socio economic conditions of the country.

In Japan family norms are still strong, and most of the aged people are taken care by the family. In a survey published by the Ministry of Health and Welfare in 1995 the percentage of household member who took care of aged person was 66.8%, 5.5% were relatives other than household member and 16.4% were personnel at the hospital clinics. The Government has taken up various measures for solving the problems faced by these Japanese elderly who need utmost respect strong health and an independent life to solve the decline in fertility rate.

CHAPTER III

SOCIAL SECURITY: INCOME MAINTENANCE SYSTEM

Introduction

An ageing population is needless to say, a common phenomenon among the world's advanced countries. Among the problems an ageing population poses, public pension is one of the most difficult with which to cope. The pension system serves the elderly population in two ways: first, it provides a stable financial base for the elderly the financing of, and second, it supplements the loss income that results from leaving the workplace. A person is eligible for this pension once reaching a certain age; however, he or she must have retired from the labour market to receive it. A pension that is granted on the condition of a person's retirement from the work place has the same effect as a subsidy that facilitates retirement among the elderly (alternatively, it works as a "tax" on one's work in the labour market), thereby creating a dilemma between providing an income for the elderly and promoting a longer stay in the labour market.

Such problems are addressed in Japan through a "part-time employment, part-pension" system, which helps maintain a set level of income on the basis of wages and pension added together for those between the ages of 60 and 64. However, if the amount of additional income through earnings results in a corresponding decrease in the pension, that income is in effect fully taxable, thereby discouraging continued employment among the elderly. For this reason, a reform was implemented in 1994 whereby the decrease in the pension was fixed at one -half the amount of increase from the earnings (making the earnings only 50 per cent taxable). Even in this case, where an individual continues to work after reaching the age of 60 (the age eligible for the pension), he or she will not be able to receive the full amount of pension entitlement in his or her lifetime.

The pressure on welfare budgets arises not from demographic shifts but from the wider social constrains on many industrial countries wealth creating capacities. The financial problem of large deficits and burgeoning government's debts levels is not the burden of too many people, but the absence of adequate productive activity to generate

sufficient wealth expansion for all members of the society, of every age, to live well.

It was in the mid - 1970s mainstream questioning of "affordability" of the welfare state took off. It was no coincidence that this followed the climate shift brought about the world by economic recession of 1973-74. This marked the end of the long post-war economic boom and ushered in an age of more limited economic slump, characterized by declining output rising unemployment and inflation brought about a radical reassessment of the post-war welfare state. Rather than a means to invigorate capitalism, the welfare state came to be constructed as fetter on capital accumulation (Myles, 1983, pp.467-8). Ageing was brought into the debate to give the anti-welfare state arguments a spurious air of necessity in order to alleviate an inevitable financial crunch.

There is no doubt, of course, that a significant portion of society's resources is consumed by the old. The reason is that the cost of providing benefits to the employed and other victims of the recession has grown quicker. Higher unemployment can have much greater influence on the state welfare budget than demographic ageing. The supposedly 'natural' phenomenon like ageing - increases social security payments to the employed and reduces the proportion of taxpayers, exacerbating levels of government deficits.

The change today in addressing the affordability of the ageing costs to the welfare system is not the result of the discovery of the ageing phenomenon. It is the prevalence both of an anti-state sentiment and more of a negative assessment of the human potential to overcome difficulties it encounters.

1. The Pension Time Bomb

Pensions are the issue of the 1990s according to Will Hutton, editor-in-chief of *The observer*. It is widely assumed that demographic trends lie behind pensions' higher profile of recent years. Many demographic fears are being used to provide legitimacy for moves to limit existing social provision which serves a strategy to undermine the state's role in providing pensions for its citizens.

Pension is an expensive business for every major economy. Pension represents the single largest component of state spending which is indisputably attributable to older people. It is therefore not surprising that the cost of pensions has occupied a prominent role in the debate about social burden of ageing. The common notion of increasing numbers of the elderly people drawing their pension benefits and draining resources produced by the rest of the population seems one of the most obvious confirmations of the reality of the demographic time bomb. Whatever be the reasons of the welfare cost attributed to older populations, the burden from pension is exaggerated.

On the one hand, pension issue then is among the most graphic illustrations of the demographic time bomb. On the other, it is the area of public policy reform that is most explicitly claimed as driven by demographic necessities. By being the biggest single element of age related social spending, modifying and reducing pension liabilities is presented as the most obvious means to defuse the time bomb. Ageing is advanced as the reason that necessitates the reform of the pension system away from universal public pensions towards private provision, with the state merely retaining the residual role of providing a safety net. But the crusade to move from the public to private systems also cannot be legitimized by even the most extreme of the ageing projections. This is because the particular type of pension system employed-private or public, funded or pay-as-you-go makes no difference to the amount of wealth required at any point in time to fund elderly, unproductive people to a particular standard of living. Different systems are merely different technical means for transferring this wealth to pensioners. As Gabriel Stein, (1972, p.2), an international economist with Lombard Street Research, writes 'pensions - however, constructed and organized, involved a transfer of resources from the active to the retired generation. He further writes that the transfer of resources are disciplined by market pressures, rather than if pension are simply financed on pay-as-you-go basis through general taxation (Ibid., p.3). Thus, it shows that the particular pension system used for distributing part of the national wealth to the elderly does not affect the means of creating that wealth in the first place.

1.1. The burden of pension

In the industrialized world in the 1985 public pension spending a percentage of GDP ranged from 5 per cent in Australia to nearly 16 per cent in Italy. The UK at 6.7 per cent and Japan with 5.3, which was below the average of 9 per cent. Though the figures give weightage to the notion that old age is an increasing burden on the society, it also appears self-evident that more, and older, old people will mean an increasing burden upon the society. In 1988 the OECD (1988. p.102) warned in a major report on pension that:

> "Under existing regulations the evolution of public pension schemes is likely to put a heavy and increasing burden on the working population in the coming decades. Such a financial strain may put intergenerational solidarity - a concept on which all public retirement provision is based at risk".

Another OECD study in 1989 which look into the implications of population ageing for financing the public pensions concluded bluntly that pension funds across the advanced world would not cope (Hagemann and Nicoletti, 1989, p.60). The World Bank, in its major international survey *Averting the old Age Crisis* published in 1994, cautioned: 'if trends continue, public spending on pension will soar over the next fifty years' (World Bank, 1994, p. 277).

Since the vast majority of old people are entitled to state pensions the equation of more spending on pensions seems incontrovertible. Everything else being equal, older people must mean a bigger cost of pension for society. Carolyn Weaver (1987, p. 277) puts the case starkly: 'Holding everything else the same, a doubling of tax rates required to support systems such as social security, or halving of the level of support per beneficiary'. World Bank economist estimate that on current assumptions of coverage public pension spending in the advanced countries will rise from 9 per cent of GDP to over 16 per cent from 1990 to 2040. Accordingly it seems so reasonable to assert that pension systems introduced in earlier times, when there was a different age structure, cannot outlive the impact of an ageing population.

The example of what has occurred in rapidly ageing Japan provides a quick reality check for this type of concern. In just one generation Japan has coped with the

advanced world's most rapidly ageing population with the percentage of over 60 years olds rising from 9 per cent to 18 per cent, without any dramatically adverse social or economic consequences. This illustrates how sustained economic growth absorbs demographic changes with equanimity. More widely, average OECD public pension spending percentage of national income doubled between 1960 and 1984 without precipitating funding crises and unfair inter-generational transfers of the sort predicted for the next century. If this be the case why is all the pessimism about demographic change? Yet all the discussion is about demographic necessity for reducing public pension, why is this so?

It is either because of the generalized misunderstanding of the financial consequences of ageing upon pension liabilities, or something other than these implications which is really at stake in the pension's debate. Jay Ginn (1993), for example, in review of social policy in the 1980s describes how those who wished to justify cuts in public pension depicted older people as threatening the viability of welfare states through their demands on resources. The in-depth of the argument is the real agenda for withdrawal of the state from the pension provision and the promotion of privatized systems in their place.

1.2. The Pension Debate:

Demographic alarmism underpins the entire pension debate. Proposals to alleviate the supposed impact of ageing include measures to raise the entitlement age, the taxing of pensions, the de-indexation of pension increases from average income rises, and basing benefits on lifetime earnings rather than earnings level immediately prior to retirement. The World Banks (1994, p.7), offers a blunt advice to advanced industrialized countries on this topic: raise the retirement and penalties for late retirement age, down size benefit levels which they claim are usually 'overgenerous' and introduce a compulsory private scheme.

Until recently raising the retirement age was one of the most often discussed mechanisms to reduce government pension liabilities (McRae, 1994, p.103). Hamish

McRae describes the feeling of many governments that 'if retirement ages are not raised the burden of paying pensions will be so high that the working people will not be prepared to pay tax levels necessary to fund them'? Pitts (1978, p.180) explains the special attraction of raising the retirement age for a PAYG system: "changes in the retirement age might be expected to have a particularly powerful effect on the per worker burden of social security cost because they can cause the size of the contributory and beneficiary populations to vary in opposite directions". Latter retirement simultaneously should mean more workers and fewer retired dependents.

The OECD publishes reports about the pension provision, in the light of a long-range forecast for national debt of the major economies on the basis of the pension provisions and tax rates present in the its respective countries. On these assumptions the national debt in France and Germany would double by 2030. In Japan the level of the government indebtedness will soar to three times the national income, if the situation continues it will lead to the 'third bubble burst'.

Demographic reasons were also used to justify raising the female retirement age to 65. This was a major change in approach. In 1981 during the Tory government the retirement age for women was introduced as 63 on the ground of sexual equalization, on these the white paper says, 'when resources allow' it would introduce flexible retirement than a statutory age (Nicholas Tammins, 1996).

What seems to be the one of the solution to this crisis is that the pension's policy and economic policy more widely, must encourage people to save whatever their income. Not only encouraging people to save better for them, it also helps to reduce the number of people forced to rely on extra state help in retirement.

In Japan the issue of pension shows some stir in the domestic politics where many as 92 per cent of the voters are not happy with the slipshod handling of pension records according to the *Asahi Shimbun*, on June 27, 2006. And it also further states that as the diet near a close the opposition complaints about the lack of debate on the issues which is

of utmost importance for Japan. For under the current Japanese 'social security system, it is difficult to grasp how much of a burden it represents, and how much one stand to benefit' whereby harbor acute distrust and dissatisfaction towards the social security system. Thus, the Prime Minister of Japan Shinzo Abe, announced a policy of promptly introducing a system to assign a single social security number to each person in the nation, enabling records of their premium payments and benefits under the pension, medical and nursing care insurances programs to be put under one umbrella according to the reports *Yomiuri Shimbun,* 17, June, 2007. In the midst of the entire troubling situation the introduction of the social security identity numbering system would provide enough information and also will be able to deepen the trust in the social security system.

The Id numbering system was introduced in 1997 by the ministerial ordnance and not by Law and also it applies only to the pension system, and many people ignored the numbering system until they became close to the age eligible for pension benefits. If the government had introduced a comprehensive "social security ID numbering system" pension records would have swiftly been integrated with the medical insurances, nursing care and unemployment insurance, and the chaos in the present day functioning of the system would have been avoided (*Yomiuri Shimbun;2007*). Another problem which arises out of the pension issues is that the Ministry of Health, labour and Welfare attributed the jump in divorces to the start of a new pension system in April which allows couples to split their combined pension benefits 50:50 after divorce. A total of 23, 335 couples divorced in April up 6.1 per cent or 1,349 from the year earlier, according to a preliminary health ministry report. It was the first ever increases in 13 months and with the contributing factors of pension. The only way in which the pension split be made is to be decided by either the divorcing couples or the family court (*Asahi Shimbun*, 22, June, 2007). The pension systems in Japan or the debate surrounding the pension systems takes a different turn in Japan for it is neither what type of pension should they follow but it how should they do to put the trust in the system and being transparent in the government dealings. Whatever, the form or pace of the discussion in different countries, it is clear that demographic assumptions and the pension discussions are inextricably linked. The successful argument of the case against the pension can only serve rational

debate on this matter, with the necessities of the respective countries

2. Advancement of Ageing Society with only Fewer Children:

Japan has been growing as an aging society with fewer children at a fast speed that we have never seen in other developed nations. Regarding the issue on having fewer children, the total fertility rate recorded the lower of 1.39 in 1997 due to late marriage plus other reasons. This rate is much lower than the level required to maintain the population, which is 2.08, and the number of new born babies also marked the lowest in the post-war history, about 1.2 million. As for ageing population, according to the "Population Projection for Japan (medium variant)" published by the National Institute for Social Development and Population Problems, MHW, in January 1997, the population ratio of age 65+ is projected to increase from 14.6% in 1995 to 32.3% in 2050. Currently every four persons of working generation are supporting one elderly person, but in the future every 1.5 persons will be supporting one elderly person. The public pension system operates on the basic mechanism of "intergenerational support" in which the current working generation with salaried workers and self-employed people are supporting the elderly people receiving pension benefits. The change in the ratio of the elderly people and working generation supporting the elderly as a result of the advancement of aging society with fewer children will affect the system significantly.

2.1. Overview of Public Pension System in Japan

Japan faces ageing of the population, but the strong dominance of the social insurance system for the entire population has been covered by the public pension system since 1961. In Japan, but the employees and the self-employed are covered by different schemes: the Employees Pension Insurance (EPI) for private sector employees; the National Pension (NP) for the self employed, farmers and others; and Mutual Association for public sector employees. The Basic Pension (BP) was created in 1986, which provides a flat rate benefit for every elderly person. Therefore the Japanese public pension is a multi-tier system; the Basic Pension is the first tier.[7] In order to help finance

[7] Participation in the Basic Pension is mandatory for all residents between the ages of 20 and 60 and monthly contribution per participant is a flat rate of 13.6 thousand yen. The system provides an individual benefits proportional to the number of the years of contribution, and the benefit for those with 40 years of

the first tier pension, tax revenues equivalent to one-third of the actual benefit expenditure are transferred to this scheme by the central government. The national pension provides only the Basic Pension. The Basic Pension for 2006 is 792,000 yen per year, corresponding to 14 percent of average earnings. The value of the Basic pension is price-indexed (Tetsuo Fukawa, 2000, p. 131).

The EPI covers most of the employees in the private sector, although it does not cover part time workers. The contribution to the EPI is 14.6 percent of the annual earnings in 2006, shared evenly by employers and employees. The second tier earnings related pension benefits are proportional both to numbers of years of contribution and the average level of earnings, the amount of Old-age pension received by retired employees is the sum of the basic Pension (basic part) plus the earnings-related part. A model of replacement rate of the EPI Old-age Pension (average wage earner with a dependent spouse who participated for 40 years) is 59 per cent of the net annual income earnings of the active male employees.[8] An additional flat rate benefit of about 20,000 yen per month is paid for the dependent spouse.

Japanese expenditure on public pension was 8.9 per cent of GDP in 2004; 4.7 percent for EPI, 2.9 per cent for NP. For retired people, public pension benefits are the most important income sources. According to the Comprehensive Survey of the Living Conditions of the people on Health and Welfare of the Ministry of Health, Labour and Welfare (MHLW), the share of the public pension benefit for the elderly households (elderly singles or couples aged 65 and over) was 72 per cent in 2003, and about 60 per cent of elderly households depended completely on public pension. While these benefits together with earnings constitute the two dominant sources of income for the elderly in Japan, corporate pensions have not been well measured in the survey (Tetsuo Fukawa, p. 131).

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participation has been 66,000 yen per month per person. The second tier contribution includes the premium of the first tier for both employees and dependent spouses of the employees.

[8] Model pension refers to the Old-age Pension benefit for those male employees with dependent spouse, who earn average earnings for 40 years. The model replacement rate is the proportion of model pension to the average net earnings of male employees.

2.2. Public Pension Reforms in Japan

The Japanese public pension system is required by the statutes to review its financial stability once in every five years and public pension reform has been carried out together with this financial review. Benefits improvement was the main issue in the 1960s and 1970s. However, benefit reduction in various forms as well as the increase in the efficiency and fairness of the system have been the main focus of reforms since the 1980s. The basic pension introduced in 1986 reduces the financial burden of the national pension.

Public pension reforms has been one of the major issues of the recent years in Japan because the sustainability of the system is a serious concern due to the very rapid ageing of the population, and financial balance of the national budget is unattainable without a sustainable public pension system. The normal pension age was increased from 60 to 65 years old in 1994 Reform and 2000 Reform. Pension reforms in 2000 included a reduction of the benefits accrual factor of the earnings-related part of the EPI, aiming to contain expenditures of public pensions in order to keep contribution levels acceptable to achieve generations (20 per cent of annual earnings). Pension reform in 2004 decided to set a ceiling on the contribution rate of the EPI at 18.3 per cent and reduce benefit expenditures through lower adjustment of pension benefit (called as macro-economy indexation)[9] for the period of 2005 - 2023.

The contribution rate of the EPI would increase from 13.6 per cent in 2002 to 23 per cent in 2025 without further reform. According to the 2004 reform, the contribution rate to EPI will increase gradually but will be fixed at 18.3 per cent in 2017 and afterwards, and pension benefits need to be lowered accordingly. However, it was explained by the Ministry that the model replacement rate[10] would not fall below 50 per cent when beneficiary starts receiving benefits at age 65. One way of controlling pension expenditure is to apply a lower benefit increase through "macro economy indexation" but

[9] If we denote total net wage increase minus average net wage increase as 'x', pension benefits will be increased each year in line with the price increase minus 'x', instead of the present price increase.

[10] Model pension refers to the Old-age Pension Benefit for those male employees with a dependent spouse, who earned average earnings for 40 years. The model replacement rate is the proportion of model pension to the average net earnings of male employees.

there are concerns as to whether setting a ceiling on the contribution rate is compatible with the guarantee of the benefit level (Fukawa, 2004).

3. Future direction of Japanese Pension System

The ageing of population also posed a serious problem of the population of intergenerational inequality which is perceived as an important issue in Japan. It is necessary to make the system less vulnerable to economic and demographic changes to reduce the intergenerational inequality in the contribution of benefit relation due to the PAYG financing system. In order to established a long-term stability of the public stability of the public pension system, the obvious options are to increase the normal pension age, to improve the management of the assets held by public pension system, funds to raise the rate of return, to change the post-retirement indexation of benefits, to reduce the rate at which pension benefits accrue, and raise the share of the national subsidy. All of these options have been pursued in recent reforms in full or to some extent. What was not really been discussed yet in Japan are: a)an increase in the normal pension age to beyond 65 years old; b) a change of benefit structure (departure from flat-rate benefit, benefit accrual rate according to income level, etc.); c) adjustment of the system to the changing labour market. The sustainability of the Japanese pension system is discussed in this section from four mutually related different aspects: financing, benefit, interface of work and pension, and coordination between public and private arrangements.

3.1. Financing

Recently in Japan, the paradigm has been shifted from the system where contributions have been adjusted to finance an agreed-upon level of benefits to a system where benefits will be adjusted so that a maximum contribution rate of 22 per cent will not exceeded until 2030 (Conrad and Fukawa, 2003). A similar paradigm shift has occurred in Japan, a driving force behind the shift is the concern about long-term sustainability of the public pension system (Fukawa, 2005). Low expectations about the future pension benefits together with a perception of intergenerational inequality in terms of lifetime contribution-benefit relations is leading to an increasing unwillingness to pay

contributions to the public pension system in Japan.

The 2004 pension reforms is expected to keep pension payments constant at around 9 per cent of the GDP through the end off the decade by allowing the replacement rate to fall from 59 to 50 per cent, and any slippage from this spending target should be met by a hike in the pension eligibility age, rather than by a further rise in the contribution rate (OECD, 2006b). Generational equity is also a big concern in Japan. There are several ways to improve the contribution-benefit relation "macro-economy indexation" and placing a ceiling on the contribution rate, although the contribution rate to EPI will increase from the present level of 14.6 per cent to 18.3 per cent over the 100 years. Macro-economy indexation is a kind of automatic balancing mechanism, but this measure is employed to reduce the pension benefit level for a certain period of time and not permanently (Op.cit., Fukawa, 2005). A rising contribution rate risk further boosting the evasion rate, which is 33 per cent for the NP and about 30 per cent of work places for the EPI. Previous earnings will be revalued in line with total net wages of all insured, instead of the present average net wage increase, and benefits after retirement will be adjusted to be slightly less than price increases, in order to take the reduction of the working population into consideration. However, it would be more transparent to reduce the accrual rate directly, keeping the price indexation as it is (Fukawa, 2004).

3.2. Benefit

The following functions are built into the public pension systems in Japan. The avoidance of sex discrimination although females have longer life expectancy; and income redistribution based on lifetime earnings in order to secure a lifetime standard of living. The social security system would become more sustainable if the labour force participation of women and the elderly were to increase and if the birth rate were to rise in Japan. To accomplish this, social policy should be more oriented towards helping families and reducing the cost women of working and having families (OECD, 1997). The increase child rearing periods will result in higher future pension entitlements in order to improve old-age provisions for women. However, in Japan, child rearing is incompatible with career development and child-rearing periods are not favorably treated

in the pension system. Public pension benefits are important as retirement income in all developed countries, and they are especially dominant for the low-income households. And thus a tendency for the higher social expenditure for the elderly (public pension and other cash benefits for the elderly) age population to enjoy a more equal distribution of disposal income. It is important to note here that the social expenditure for the elderly but the structure in terms of how it is distributed have a strong effect on the income distribution of the aged population.

There is a flat- rate benefit part in EPI (Employees Pension Benefit); the Basic Pension is progressive in terms of benefits, but quite regressive in terms of contribution. The share of the BP part is 30.7 per cent of the total EPI benefits in 2004, but the shares is expected to be focused on the earnings-related part, although macro-economy indexation applies to the entire benefit. The BP (Basic Pension) benefit has a strong effect on income distribution, but if flat-rate benefit is too large, it has a negative effect on work incentives. Dependent spouses of employees are entitled to the BP benefit without paying contributions leading to views that the system is favoring single income families.

3.3. Interface of work and pension

Reforms should take into account the consistency of pension programs with work incentives. In order to cope with the ageing population, it is necessary to mitigate the strong pressure on social security through postponement of retirement (Fukawa, 2005).

It is especially desirable for the Japanese public pension system to be as neutral as possible against very rapid ageing of the population. Working longer is an obvious solution, and tax and social security policies that discourage women and the elderly from working should be revised as soon as possible. Removing disincentives for female labour force participation would be more effective in limiting the falling proportion of workers in the total population. While the relatively low participation rate of prime age women reflects a number of private sector practices, such as seniority-based that discourage women from working full-time. In addition, it is essential to increase the availability of

childcare facilities and to encourage the take-up of parental leave and the creation of more family work places.

The proportion of non-regular workers has risen from 19 per cent of employees a decade ago to over 30 per cent, and part-time workers earn on average only 40 per cent as much per hour as full-time workers in Japan, a gap which appears too large to be explained by productivity differences. While the population ageing is partly responsible for the rise in measured inequality, increased dualism in the labour market is another important factor. The growing use of non-regular workers should be reversed by a comprehensive approach, including reducing employment protection for regular workers (OECD, 2006b).

In order to improve the equity of the system, it is important to avoid different treatment for different income sources, and it is indispensable to coordinate pension policy with other policies such as tax, employment, and family policy. The issue of an earning test is related to providing incentives for older persons to continue to work,[11] and the earnings test has been problematic in Japan for years (Seike, 2003).

3.4. Contribution between public and private arrangements

People need to continue their accustomed standard of living after retirement. It will be realized through a mixture of the public and private arrangements. The public pension benefits are a dominant factor in many developed countries like in France and Germany but almost the same level is also attained through the public and private mixture in UK. Though it is not an option in most developed countries to increase the contribution rate of the public pension inevitably sought. Along this line, a personnel retirement account approach has been introduced or discussed in Germany, Sweden and in the United States. The latest German pension reforms measures highlighting a shift in strategy with regard to evolving public-private pension mix, and the core reform element is the partial substitution of public pensions by personal and corporate pension

[11] the impact of the earnings test in the US will be relatively small in the future, since the earnings test only applies to beneficiaries below the normal retirement age, and for these persons a the delayed benefit credit increases future benefits by an actuarially fair amount (Clark, 2003).

provisions.

It is hoped that the reduction in public pensions will be compensated by an increase in corporate or individual provisions, and corporate pension reforms in 2001 and 2002 increased the options of Japanese companies to restructure their pension systems (Fukawa, 2004). However, the current tax environment in Japan does not exactly favour such additional pension provision, and lower-income earners who work predominantly in smaller and middle-sized companies cannot easily compensate the reductions in public pension by additional private provisions (Conrad and Fukawa, 2003).

4. Concluding remarks

The most important factors for the sustainability of the public pension system are fairness of the system and public trust in the system, and thus the public pension system and the Long-term insurance system, should be supported by the social institution so that it covers most of the population. Therefore, the broad consensus is necessary on how to redefine the public pension system and how to make the system less vulnerable to economic and demographic changes. It is important to provide meaningful benefits to the elderly within an affordable level of contribution for the working population. Fairness of the system is a prerequisite for public trust in the system, and it is clearly useful to treat employees and the self-employed equally. Intergenerational equity is an important factor for the public pension system, and it is often used for this purpose to fix contribution rates for the years to come. Here is a wide range of support for making public pension benefits related to contributions, although not necessarily in direct proportion. The main function of public pension in Japan is to cope with the loss of earnings after retirement, and there is a broad consensus in these countries that public pension has an income-smoothing function.

There is a growing recognition that pension programs need to be flexible to changes in labour market, lifestyle, and demography. The public pension system needs to be neutral from individuals' decision about their life courses. Under the ageing of the population, a paradigm shift from "contribution follows benefit" to "benefit follows

contribution" is inevitable to avoid excessive intergenerational inequality. However, it is not fair that certain generations, old or young, bear all the risk. Certainly, one way to restrict the role of the government is to provide minimum benefits: however it is also true that where public pensions provide only minimum benefits have sooner or latter been obliged to create some kind of system to provide income-related benefits. Many claim that the so-called crisis of the welfare state is due to the fact that there has been too much emphasis on generational equity, the question of the most equitable as well as the most efficient option-or if this is not possible: the best possible mix of the two-might very well be one to which the answers does not exist (Westerveld, 1998). In considering a new approach, it is worth keeping in mind that cutting social expenditure will not necessarily lead to a reduction in the total resources which the society devotes to such ends, though it will change the distribution of the burden.

In order to make the public pension system as neutral as possible against economic fluctuations and demographic changes, it is natural to add pre-funding elements in the PAYG system. Introduction of the personal retirement account is also useful to mitigate intergenerational inequality and gain consent to reduce PAYG benefits from the younger generations.

The upper ceiling of earnings subject to contribution needs to be reconsidered, because it has some distributional rate. Increasing the normal pension age from 65 will be completed in March 2013 for the BP and March 2025 for the EPI (earnings-related part) in Japan. Although an equal treatment of regular and non-regular workers is quite urgent and a serious matter, faster implementation or further increase in the normal pension age is clearly an option in Japan. There is still some room to reduce benefits for the high-income elderly: therefore, it is rational to change the benefit accrual according to the income level as in the US. It is used to apply in a lower benefit control tool, because this method is politically more acceptable. However, it is much more transparent to reduce the benefit accrual rate and keep price adjustment.

The following are some concrete measures to be addressed to increase the

reliability of the Japanese public pension system: a) to define the kind of scope of benefits to be covered by the tax; b) to make sure neutral from occupation; and c) to design both contributions and benefits as earnings-related (namely, eliminate flat-rate contribution benefits) and save expenditure through lower replacement rate for higher income. Once the sustainability of the system has been improved, consistence of the system and its neutrality to individuals' life course will become the most prominent issues.

5. Lessons Learned from the Japanese Experience

1. Assignment Problem—the legacy debt is a sunk cost resulting from decisions made in the past. Recommends separating the legacy pension problem from the problem of re-building the future system.
2. Automatic Balance Mechanism—an automatic balance mechanism offers the ability to adapt to an ever-changing and unpredictable world. The mechanism should be more comprehensive in Japan, taking into account economic factors as well as demographic.
3. Taste of Pie rather than Size or Distribution—this leads one to be cautions as to question whether social security pensions are worth buying. Are they incentive compatible?
4. Balance Sheet Approach— the balance sheet approach because it offers a way to evaluate the long-run financial sustainability of social security pensions and the financial impact of various reform alternatives.
5. Opting Out vs. Adding on— the opting-out plan in Japan is a failure.

CHAPTER IV

SOCIAL SECURITY: MEDICAL CARE SYSTEM

Introduction

The conventional equation of ageing with worsening health provided ample scope for ubiquitous demographic time bomb. As populations age, it is assumed that the cost of health and social care must increase rapidly as people live longer and require greater care for a proportionately greater part of their lives. A fear in most industrialized countries is that increasing numbers of elderly people carrying a progressively heavier burden of disease and disability will swamp health services and consume an increasing proportion of the health and social services budgets. This chapter will examine the trends in diseases and problems and policies related to medical and health care for elderly. It will discus some trends in the so-called health problems commonly observed in advanced industrial societies which in order to draw few lessons that might enable Japanese policy makers.

It has been almost 57 years since the establishment of the universal medical care insurance system in 1961. Only during this time, patients were able to secure the freedom of selecting medical institutions and all citizens were granted to receive high quality medical cares equally through the improvement of the medical insurance system. However, recently the imbalance between increase of medical expenditures and economic growth is expanding because of the increase of medical expenditures along with the rapid increase of aging population and with the advancement of medical technology, and also because of the changes in economic trend. While it is difficult to expect high economic growth in the future at the level that Japan experienced previously. The continuing expansion of the imbalance will lead to the rise of national burden of medical expenditures, particularly on younger generations. This may result the universal medical care insurance system itself to lose its credibility.

In addition, with the changes in employment structure and social structure, subscriber configurations of individual medical insurance systems have been changing

greatly. While recognizing the difference in subscriber configurations between different systems, we must seriously investigate and decide the way to evenly share the burden of the medical care expenditures for the elderly who will continue to increase with the advancement of aging society and the way to keep the increase rate of medical expenditures mild.

In order to resolve these issues and to ensure the maintenance of reliable and stable medical insurance system in the fully established aged society with fewer children in the 21st Century, we must realize radical reform of the entire system including the medical care delivery system.

The ageing of the population is itself an accomplishment in improved national health, but it produces an increasing number of elderly with multiple chronic diseases and disabilities. Medical expenditure has increased at higher pace than the GNP or the average national income, especially expenditure on the elderly. To augment the health of the elderly, primary and or secondary prevention of cancer and cardiovascular diseases by periodical screening examinations, lifestyle changes and control of hyper tension and health–promoting activities have been vigorously undertaken, targeting the middle aged populations. Home visits by a physician, though less and less practiced, seem to strengthen home care. Radical reform of the medical delivery system is in progress, with emphasis on home care and support to the family, rather than on medical treatment.

1. A Rapidly Ageing Society

Improved sanitation, medical technology and health accompanied by a higher standard of living accelerated the ageing of the population in Japan. Infant mortality, which was 60.1 per 1,000 live births in 1950, continued to drop sharply to 4.8 in 1988. Japan's infant mortality rate is now one of the lowest in the world. During the agricultural economy, children supplied a source of cheap labour, and high infant mortality necessitated high birth rates. Moreover, children were almost synonymous with social security for old age. Therefore, the progress from agriculture to an industrial and further to a post-industrial society has changed family lifestyles. Now, it is usually considered

that the smaller the family size, the greater the chances of economic achievement for both parents and their children. Smaller families are also a consequence of women receiving higher education, delaying marriage, seeking meaningful employment. Some younger Japanese avoid formal marriage or procreation, and some are not even willing to take care of their aged parents.

The total fertility rate has been 2.0 since 1975, and the net reproduction rate has been below 1.0 since 1974. These figure decreased to 1.66 and 0.80 respectively in 1988. The government, alarmed by this situation, organized an advisory board to provide a supportive environment for child-rearing families (Shuichi, 1994: 19). On the other hand, the average life expectancy of men and women age 65 increased from 9.89 and 11.88 years in 1935 to 16.1 and 19.67 years respectively in 1987. The proportion of those aged 65 and above and aged 75 and above ('old-old') were below 5.05 and 0.45% respectively until around 1950; but started to swell at an accelerating speed to reach 11.3% and 2.1% respectively in 1988 (Suichi, 1994, p.19). The ratio of people aged 65 years and over to the whole population more than doubled from 7.1% in 1970 to 20.0% in 2005. The number of people aged under 15years dropped to a new postwar record low of 17.65 million as of October 1, 2005, a decrease of 171,000 from 2004. The proportion of those less than 15 years of the total population dropped to 13.7%.

The ageing of the population is being accompanied by an increase in ill and disabled elderly people; and thus the need for expanding medical welfare services is an immediate problem. With regard to the trends in mortality, infectious diseases ceased to be main cause of death, and instead, the so called *seijin- byo* (a Japanese term for chronic degenerative diseases of the middle-aged to old people), emerge as the major cause of mortality. In contrast to Western countries, cerebrovascular stroke rather than heart diseases has been the leading cause of death since tuberculosis was brought under control and stomach cancer is the commonest malignancy. A major cause of these differences is because of the different lifestyle, especially dietary habit. Dietary habit depends on agricultural products which are determined by climatic and historical backgrounds. Nevertheless, all of these Asian countries seem to be moving towards the Western pattern

of diet. The deaths from heart diseases and lung cancer have been increasing, while those from stroke and stomach cancer are also decreasing.

1.1. Diseases of the Elderly:

The main problems of 40.3% of hospitalized elderly in 1987 were cardiovascular diseases, of which stroke constituted a quarter. This was followed by mental diseases, neoplasm, digestive diseases, injury and poisoning, musculoskeletal diseases including fractures. About half of these hospitalized patients and one third of the outpatients had one or more additional diseases. This compares to only about a quarter of patients in the age group 20 to 34 and about 13% among sick infants with multiple diseases. Hypertension disease, ischemic heart disease, stroke and diabetes are usually accompanying or secondary diseases rather primary diseases particularly among hospitalized patients (Statistics and Information Department, Ministry of health and Welfare (SID- MHW), 1990). Thus *seijin-byo* is more wide spread and common than indicated in ordinary health-related statistics when secondary diseases are accounted.

Regarding outpatient consultations for elderly patients in 1987, the rate was highest for cardiovascular diseases, particularly hypertension and stroke, followed by musculoskeletal disease (such as lumbago[12] and joint pains), digestive disease, and neurological and sensory organ diseases (largely eye diseases). Injury and poisoning ranked second for all age groups, but were a minor problem among the elderly.

1.2. Usage of Medical Services:

According to a national survey in 1986 (SID-MHW, 1988, pp.164-165), about 64.4% of the elderly age 65 and above were all compared with 24.6% of all other age groups. Fifty-eight per cent of the former were using medical services on the day of the survey. The number of hospitalized elderly patients increased by about 5% every year between 1955 and 1970, decreases slightly between 1973 and 1975, then increased rather drastically at an average rate of 9% until 1980, and leveled off at about 5-6 % thereafter.

[12] Backache affecting the lumbar region or lower back; can be caused by muscle strain or arthritis or vascular insufficiency or a ruptured intervertebral disc.

Elderly patients thus comprised a doubled over 40% of all hospitalized patients in 1987. The 'old-old' patient's nearly doubled every 5 years to constitute a quarter of all hospitalized patients in 1987, a dramatic increase from a mere 1.2 % in 1960.

The number of outpatients of all age categories increased by 2.6 times between 1955 and 1970 but has stabilized since then. The growing proportion of elderly outpatients, who suffer more frequently from various illnesses, has been counter-balanced by the decreasing proportion of younger people who tend to visit clinics less frequently. Although initially small, the number of the elderly patients continued to increase by 2 to 3 times every 10 years and comprised more than a quarter of the outpatients population in 1987.

The growing use of medical services by the elderly appears more conspicuous when the consultation rate per unit population rather than the absolute number of patients examined. The growth was particularly noticeable after 1960, and the rate of consultation exploded after 1973, when free medical service for the elderly was legislated.

The increase in consultation rates for hypertension was conspicuous, particularly on two occasions. The first occurred following the passage of the legislation of the Law for the Welfare of the Aged in 1963, which recommended free screening of hypertension. Another rapid increase took place in 1972 following the decision to provide free medical services for the elderly above age 70 (but revised in 1983).

Preventive treatment of hypertension is an effective way of controlling cardiovascular diseases and has been strongly advocated. This goal could be achieved only when examination and treatment cost were not a burden to the elderly. Consequently, asymptomatic hypertension became frequent condition for medical consultation.

Another important issue regarding usage of medical services is that Japanese hospitals tend to keep patients for excessively long time periods, much longer, in fact,

than necessary considering the conditions under treatment. The 1987 patient's survey found that more than 405 (of which 70% were elderly patients) stayed in hospitals for six months or longer (SID-MHW, 1990). The same source indicates that, excluding mental diseases, these elderly patients were suffering from cardiovascular diseases (60.6%), musculoskeletal diseases (7.3%), respiratory diseases (4.6%), and injury and poisoning (4.3%) (ibid,.).

However, an extended hospital stay does not necessarily mean better medical treatment for the elderly. In fact, patients with chronic diseases, as noted above, require chronic care and rehabilitation services not generally available at the acute care hospitals. Therefore, the government has begun a reorganization plan for all medical services, including hospitals.

Conversely, there has been marked decline in home visit services. They represented about 9% of outpatient's services of clinics in 1955 but were reduced to only 1.3 % in 1987. This decline may be a consequence of both the increased availability of transportation and the ageing of general practitioners. The decrease in home visits would have been compensated for by an increase in hospital beds, even though hospital services have escalated medical expenditure. Fees for medical and nursing home-visit services were raised in 1990 to increase incentives for physicians and nurses to offer such services.

1.3. Sharp increase in Medical Expenditure:

Paradoxically, improved medical technology does not eliminate diseases but increases the number of older sick and frail patients as well as the needs and cost for further medical services. Ever advancing technology forces doctors to adopt new technologies which are more powerful and expensive. A rapidly increasing number of elders who have multiple pathology and who are the major consumers of medical services have contributed a great deal to an accelerated rise in medical expenditure.

The national medical expenditure of 239 billion yen (2.8 % of the GNP or 3.4%

of the average national income) in 1955 expanded to 18.7 trillion yen (5.0 % of the GNP or 6.4% of the average national income) in 1988 (SID-MHW, 1990). The high rates of increase were absorbed relatively easily during the high economic growth period of the 1950s and 1960s but needed to be restrained after the1973 oil crisis. Thereafter, the medical expenditure for elderly has been placed under strict control.

Medical expenditure as a promotion to GNP is still small in Japan when compared to Western countries such as France (8.165 in 1986), USA. 8.14%, West Germany 7.47% in 1983 and UK 5.23% in 1985 (Matsuura et al., 1989, p.62); but it is expected that it will exceed an acceptable level with rapid pace of ageing in the population. Regarding medical expenses for the elderly, cardiovascular disease consumed 39.6% of the cost, followed by neoplasm at 10.4%, digestive disease at 9.0%, and muscle, bone and connective tissue disease at 8.8% in 1988 (SID-MHW, 1990). Thus in order to reduce medical expenditure, controlling cardiovascular diseases, particularly hypertension and stroke, has become a priority in Japan. A major step in that direction is a recently introduced primary prevention program that rigorously controls risk factors.

The age standardization per capita medical expenditure has varied to some extent, across Japan's 47 prefectures. Indexing the national average as 100.0, it ranged from 81.4 in Chiba to 123.1 in Osaka in 1998. Roughly speaking, centrally located prefectures spent less than the average, whereas peripheral prefectures spent more than the average. The frail elderly who are unable to visit hospitals on their own may use hospital beds as an alternative to domiciliary care. It should be noted that long-term nursing care facilities have been easily available in Japan. From a psychological and social point of view, moving an aged parent to a nursing home is still considered undesirable, as it means 'neglecting the duty of filial piety' and therefore a shame. Admitting the parent to a hospital for medical reasons can avoid such shame and the potential blaming attitudes of others. When either way of relieving the burden is available, the choice of a family is obvious. Filling an empty bed is also welcomed by the hospital. The cost of hospitalization is almost completely covered by insurance so long as the case is medically justified and a physician is willing to supply generous medical services (which may even

be of doubtful efficacy). Although easily accessible and abundant medical services have been highly appreciated by consumers, the practice of "questionable" usage has to be suppressed for reasons to be described later.

According to the recent trend of national health expenditures, actual spending during fiscal 1992 and 1996 is growing on the average of 5% every year, which is about 1.3 trillion, and the national health expenditure in fiscal 1996 was 28.5 trillion. Within this spending, the medical care expenditure for the elderly is growing about 9% every year along with the rapid increase of aging population, and its value in fiscal 1996 was 9.7 trillion, which is about 1/3 of the national health expenditure.

The national health expenditure for fiscal 1997 was 29.2 trillion (2.2% of increase from the previous year) and 29.2 trillion for fiscal 1998 (FY1998 supplementary budget base, 0.2% of increase from the previous year). This is a result of the temporary decrease of growth rate due to the revisions made to the Health Insurance Law, etc. in 1997 to increase the co-payment by the insured. However, the projected national health expenditure for fiscal 1999 is 30.1 trillion (FY1999 initial budget base, 3.0% of increase from the previous year), and it is expected to exceed 30 trillion for the first time.

1.4. Financing medical Services:

Japanese medical services are mainly supported by obligatory health insurance systems with some government subsidies. The first health insurance scheme began in 1972, and subsequently, several more were introduced. However, until 1961, when national health insurance was implemented, health insurance coverage was rather limited. Because of this historical circumstance, multiple insurance systems are independently operated. For employees' insurance is managed by associations established either in a single company or organized by a group of companies. In smaller firms, employees' insurance is coordinated by the government. Among other insurance schemes are: mutual health insurance for civil servants and teachers, seafarer's insurance, and national health insurance for self employed and all other individuals. Participation in health insurance is compulsory, and employers too have to contribute to their respective group funds.

In general, 70 % of the medical cost for dependent family members of an employee is paid from the employees' insurance, and the rest is paid by them. Many insurance programs run by employees' unions provide compensation to cover the remaining 30% either totally or partially. Financially weak insurance associations cannot afford such compensation. The 1972 health legislation for the aged made this 30% free for elderly above age 70 after 1973, but the law was revised in 1982. The Health Insurance for the Aged Law, legislated in 1982 and enacted in 1983, was a turning point for medical insurance policies. Briefly it provides for the following benefits:

1). The existing insurance schemes are to cover the cost of actual medical expenses incurred by regular insurance participants must pay 20% (105 during transitional period) of all medical expenses. The rest is paid from insurance funds and governments subsidies.

2). Free medical services to elderly since 1973 was terminated. Instead, an elderly patient must pay a fixed amount of 800 yen a month if he consults a doctor as an outpatient, or 400 yen a day when hospitalized Seventy percent of the remaining medical expenses are paid from a pooled insurance fund. The other 30% is subsidized by public funds: 20% by the national, 5% by the prefectural and 5% by the municipal budget. The pooled insurance fund was created in 1983 to even out expenses paid by various insurance schemes because the burden of insurance payments became critical for the National Health insurance Scheme which covers large majority of elderly, who contribute little or no premium. Another imbalance in insurance payments derived from the uneven distribution of the elderly population across prefectures and municipalities. The pooled joint fund is to reduce differences in financial resources and degree of services between insurance schemes and to stabilize national health expenditure. All the insurance schemes have to contribute to the pooled funds to share the medical cost for elderly people. The due is calculated on the basis of the national average of the proportion of elderly constituents in the insurance schemes. An adjustments to the method of determining rates of contribution to this joint fund in 1986 has eased the burden of financially weak schemes, particularly the National Health Insurance and resulted in an increase in the

proportional contribution from financially successful insurances and a decrease in contributions from public funds. Patient's contributions were kept stable.

3). Another major innovation has been the creation of mid-term stay facilities, named Health Care Facility for the Elderly, to accommodate elderly patients who require chronic medical, nursing and rehabilitative services but not intensive medical care. The establishment of these facilities indicates a shift of emphasis from conventional hospital services to more appropriate and less expensive care arrangements. Medical expenses in these facilities are borne partly by the insurance funds and partly by patients. Patients pay about 50,000 yen a month for meals and accommodation, which is equivalent to what would have to spend for their livelihood at home.

Table 2:Medical growth rates and sources of growth.

Year	Growth rate			Sources	
	Medical cost	Medical cost per capita	Real medical cost per capita	Population ageing	Other natural increase
1980	9.4	8.6	8.6	1.0	7.5
1981	7.4	6.7	5.0	1.0	38
1982	7.7	7.0	7.0	1.2	5.7
1983	4.9	4.2	5.5	1.2	4.3
1984	3.8	3.2	5.2	1.2	4.0
1985	6.1	5.4	4.2	1.2	3.0
1986	6.6	6.1	5.4	1.2	4.1
1987	5.9	5.4	5.4	1.2	4.1
1988	3.8	3.4	2.9	1.3	1.6
1989	5.2	4.8	4.0	1.3	2.7
1990	4.5	4.2	3.2	1.6	1.5
1991	5.9	5.6	5.6	1.5	4.0
1992	7.6	7.3	4.8	1.5	3.0
1993	3.8	3.5	3.5	1.6	2.0
1994	5.9	5.7	3.8	1.5	2.1
1995	4.5	4.1	3.4	1.5	1.7
1996	58	5.6	4.8	1.7	3.0
1997	1.9	1.7	1.3	1.8	-0.5
1998	2.6	2.3	3.6	1.8	1.8
1999	3.7	3.5	3.5	1.6	1.9
2000	-1.9	-2.1	-2.3	1.7	-4.0
1980-2000	5.4	4.9	4.5	1.4	3.1

Source: Iwamoto (2003) Issues in Japanese Health Policy and Medical Expenditure

1.5. Restructuring of Medical Services

The above mentioned reorganization of medical services has been planned and

implemented at different administrative levels. Planning at the municipal level was undertaken by a committee consisting of medical associations and other professional organizations comprised of nurses, pharmacists, social welfare workers and the like.

In the first step, every prefecture was divided into three to 21 medical service areas depending on its size and altogether 142 areas were identified across the nation. Forty-one percent of these medical service areas are considered to have beds in excess of the national average. Prefectural governors were given the authority to control the numbers of beds and hospitals for their own service areas in order to make efficient use of the existing hospitals and improve functional links between them.

The government announced classification criteria of medical service institutions. If more than 60% of the beds in a hospital are occupied by patients aged 70 or above, the hospital may apply to the prefectural governor for qualification as geriatric hospital. In geriatric hospitals, more caregivers, but fewer physicians and nurses are assigned because care services are valued high and medical services valued low in the reimbursement system. Out of 9,841 hospitals in Japan in 1987, 834 (8.5%) were classified as geriatric hospitals. The number of geriatric hospitals increased by 275 and their beds by 46% between 1984 and 1987. In 1987, 565 of all hospitals had facilities for physical rehabilitation, 9.8% for occupational therapy, and 2.4% for work therapy especially designed for mental patients. In the same year 103 hospitals (or 1.0% of the total) provided day care services for elderly, compared with only 72 hospitals in 1984.

Hospitals with home-visit nursing service increased from 768 (or 8.5% of the total in 1984 to 1423 (14.5%) in 1987 (Matsuura et al., 1990), largely because of the rise in fees for visiting services. The reduced frequency of visiting services is, because of the result of the decreasing number and concomitant ageing of general practitioners. Another factor may be the waning interest of young physicians to enter private practice, which requires more financial and labour input. Employment in large hospitals is preferred because of the easier access to high technology and learning possibilities as well as freer working hours. Primary medical care and home care support are no doubt affected by

these parallels trends.

According to the recent trend of national health expenditures, actual spending during fiscal 1992 and 1996 is growing on the average of 5% every year, which is about 1.3 trillion, and the national health expenditure in fiscal 1996 was 28.5 trillion. Within this spending, the medical care expenditure for the elderly is growing about 9% every year along with the rapid increase of aging population, and its value in fiscal 1996 was 9.7 trillion, which is about 1/3 of the national health expenditure.

The projected national health expenditure for fiscal 1997 is 29.2 trillion (2.2% of increase from the previous year) and 29.2 trillion for fiscal 1998 (FY1998 supplementary budget base, 0.2% of increase from the previous year). This is a result of the temporary decrease of growth rate due to the revisions made to the Health Insurance Law, etc. in 1997 to increase the co-payment by the insured. However, the projected national health expenditure for fiscal 1999 is 30.1 trillion (FY1999 initial budget base, 3.0% of increase from the previous year), and it is expected to exceed 30 trillion for the first time.

As explained before, while national health expenditure continues to increase due to the rapid progress of aging, etc., recent economic trend has been sluggish and the growth rate of national income is staying at a low level. Because of this condition, the growth rate of the national health expenditure has been exceeding the growth rate of the national income. Speaking of the current condition in particular, the Health Insurance Organization and the National Health Insurance are contributing to the health service system for the health services for the elderly and supporting the medical care expenditure for the elderly, but with the increase of medical care expenditure for the elderly the ratio of contribution for health services for the elderly in the spending of individual insurers is increasing every year, and it is now reaching about 30% of the medical insurers' expenditure. On the other hand, the revenue from insurance premiums is growing slowly due to the recent severe economic condition. Medical insurance systems are now facing extremely severe financial conditions. Because of these conditions, single year balance of revenue and expenditure in the government-managed health insurance system recorded

95 billion of deficits in fiscal 1997, and its settlement of account has been in the red for five consecutive years since fiscal 1993. In case of the society-managed health insurance, the estimated settlement of account for fiscal 1997 recorded deficits in 1,001 societies, which is equivalent of 55.2% and the recurring balance of the entire Health Insurance Society is 1.7 billion.

For the National Health Insurance, the recurring balance of the single year in fiscal 1997 shows deficits in 1,543 municipalities, which is equivalent of 47.5% of the total balance are also in the red for 29.2 billion. In general, we escaped from the immediate crisis as a result of the revision made to the Health Insurance Law, etc. in 1997. However, the trend of medical expenditure is moving back to increase mode as observed before the revision, and the difficult conditions are expected to continue into the future.

2. General Strategies for Health Care of the Elderly:

The general direction of the government is to strengthen the care potential of the family and keep the elderly at home as long as possible. Various supportive mechanisms such as home visits by physicians and nurses, day care and short stay as extended services of geriatric hospitals, nursing homes, and health – related facilities are now available to families.

Education and training of caregivers is being intensified. National examinations were set up to certify trained and experienced social welfare workers and helpers: these qualified persons are expected to improve the quality of family support services.

The government is determined to provide the minimum needs to all elderly but considers that any services beyond this level should be provided by the private sector and paid by consumers themselves. Since today's elderly are relatively well-off and demand quality services, the so-called private sector "silver industry" is encouraged to enter the health and welfare market. The "minimum" level service in terms of medical and health care in Japan seems to be high, but in terms of social welfare it appears insufficient.

Among the target group of medical services, the case of 'bed-ridden' elderly needs special attention.

2.1. Bed ridden Elderly:

'Bedridden' in laymen's language refers to those house-bound frail elderly who spend days sitting or lying in bed. For present purpose, 'bedridden' elderly refers to those who are permanently bedridden and those who are still able to get out of bed to ease themselves. Thus in 1986, 274, 300 were in hospitals for longer than 6 months (SID-MHW, 1990) 138,500 in nursing homes, and 282,000 at home. A 1987 survey on bedridden elderly in metropolitan Tokyo, found that they comprised 59.7% of those at home (Division of Welfare Planning for the Elderly, Bureau of Welfare, Tokyo metropolitan Government (DWPE- BWTMG), 1989. p 1-20) and 19.3% of those in nursing homes.

One third of the frail elderly were bedridden because of stroke and 5% due to fractures according to 1984 Basic Survey of the Ministry of Health and Welfare. According to some other surveys, "old age" (without mentioning specific disease) was the reason given for one in six, and chronic rheumatism about one in twenty elderly to be bedridden (Bureau of health for the aged, department of Health and Welfare for the Aged, MHW, [BHA-DHWA- MHW], 1989).

In these western countries, the term 'bedridden' is not commonly used or understood since frail elderly are not necessarily lying in bed. Even with much disability, they usually sit in a chair or wheel chair. It is a Japanese tradition to keep sick people in bed to rest. The habit of keeping Japanese frail elderly in bed accelerates the weakening of muscles resulting in an irreversible bed-bound condition. An especially high prevalence of bed-ridden cases in Japan is most likely a consequence of forcing the aged into passive and inactive role rather than promoting active roles and encouraging physical exercises. It has been reported that in some geriatric hospital (Otsuka, 1989) local communities successfully altered this traditional perception and reduced bedridden patients.

A survey in Metropolitan Tokyo found that 7% of the frail male elderly at homes were being cared for by their spouses, but only 11% of the female counterparts were looked after by their husbands. Fifty-four per cent of the frail elderly women were taken care of by their daughters or daughter-in-law (Division of Welfare Planning for the Elderly, Bureau of Welfare, Tokyo Metropolitan Government, 1989). Since most women enter the labour force before marriage, and currently more than 505 of married women are engaged in economic activities (mostly employed outside the home), giving care to frail parents and grandparents has become a tremendous physical and psychological burden to them.

The increasing frequency of senile dementia among the elderly will aggravate this already difficult situation. About 590,000 (or 4.85) elderly patients in Japan were estimated to be demented. Cerebrovascular dementia constituted about 54% of dementia in men and 35 % in women (Otsuka & Shimizu, 1986). The incidence of cerebrovascular can be reduced by preventing stroke through hypertension control. However, senile dementia of the Alzheimer's type is expected to rise in number. If the present prevalence level continues, the number of patients with senile dementia will reach 1.85 million by 2015. Since at present there is no cure or preventive measures, community support to caregivers families has to be intensified. At present voluntary associations of families with demented elderly are providing emotional support for each other.

2.2. Prevention and Health promotion:

The safety of Labour Law (1967) mandates annual medical examinations for all employees. This, combined with the above–mentioned 1982 Health Insurance for the Aged Law, has effectively prevented or decreased the incidence of some health problems of the population. Primary prevention of *seijin-byo* by lifestyle changes and secondary prevention by elderly detection and treatment have been given a high priority. Annual screening for cardiovascular diseases, diabetes, malignant neoplasm, and liver and kidney diseases has been provided free of charge for the entire population aged 40 and above. According to the Health survey, about three quarters of the population aged 20 and above underwent some form of health check during the preceding one year period: two–thirds

of them had blood pressure test, one-half had chest X-rays, and quarter ECGs (SID-MHW, 1988). Among the population aged 65 or above, the participation rate for blood pressures test was 80%, for chest X-rays 51% and ECGs 465. More than one-third of the adults in the 45 -74 age group had stomach x-rays. Health education campaigns which accompany these checks may have played a more significant role than the examination themselves in preventing the *seijin-byo*. In addition to the prevention of targeted diseases, Japanese in general, have started the promotion of health and active lifestyles seriously. According to the Ministry of health and Welfare, 88% of the Japanese were adopting health measures such as reducing salt intake, having sufficient sleep, and doing regular physical exercise. Dietary habits have improved considerably, and presently, more emphasis is placed on sport activities. Building of local sport centers and training of qualified sport advisors are subsidized by the government.

Other guidelines included in the 1982 Law were: Delivery of handy notebook on health matters to the elderly (2.4million in 1988), health education (216,000 lectures attended by a total of 7.4 million persons): consultations about health (7.8 million attendants), rehabilitation (physical training for 1.4 million people at 2.655 centers); and home visits nursing guidance. These programmes are designed and implemented at municipal level with national and prefectural government subsidies.

2.3. New Facilities for Elderly:

'Health related facilities for elderly" were newly created in 1986 to fill the gap between nursing homes and geriatric hospitals. These health facilities are expected to serve meals and provide baths, physical exercises, and recreational activities to chronically ill elderly patients. The facilities require fewer medical staff than hospitals but more nurses than traditional nursing homes. About a quarter of the elderly who require care (estimated to be 5% of the elderly population) are expected to be placed in these newly established institutions in the near future.

In 1990 the "Ten–year Gold Plan" for Development of Health and Welfare Services for the Elderly were instituted to reduce the demand for medical services by

improving social services (The Gold Plan is described in Japan Aging Research Center, 1996). The major part of the Gold Plan was directed at improving home-based services for the elderly by improving three types of services: 1) home- helpers, 2) short- term stay facilities, and 3) elder day care centers.

To address the shortage of nursing-home facilities, the Gold Plan called for expanding the capacity of nursing homes by nearly 80 per cent by the year 2000. In the early 1990s Japan had only 360 home helpers per 100,000 elderly persons, as compared to more than 5,000 in Sweden. Elder day-care centers were to be increased 17 fold by the year 2000 (Ogawa and Rutherford, 1997, p.70). The 1994 revision of this plan, called "New Gold Plan", kept the same target year, but greater emphasis in the development of community care services. With exception of the target for "care houses", all goals of the New Gold Plan were met by 1999. Still the government believed that the goals set by the Gold Plan would not meet the projected needs of the elderly over the next decade; so a new plan was instituted in 1999. It was called the Gold Plan 21.

By 2004, Japan has one home health worker for every 70 persons, aged 65 or older, that is quite close to the one to 50 ratios for Sweden. A typical city of 100,000 has about 20 day service centers, the number of beds for long term institutional care has grown roughly on proportion to the 65 years and over population. The result of 2.7 per cent of the elderly population was institutionalized, about the same percentage as in 1999 and about half the proportion in Western Europe and North America (Maeda, 2000). Families are expected to pay little or nothing for these Gold Plan services. They are to be paid for national and local governments.

2.4. Medical Delivery Care system

While environment surrounding the medical care system is changing with the rapid progress of aging society and with other causes, various problems have been recognized including the existence of social hospitalization, the average number of hospital days being very long in the international standard, patients dissatisfactions with long waiting time for outpatients to large hospitals, difference in the availability of

medical professionals by region, etc.

To maintain the balance between ensured high quality medical care and stable operation of the medical insurance system, it is essential to establish a proper and efficient medical care delivery system to meet the medical demands by clarifying the functional responsibility of individual medical institutions, offering in-hospital medical care to meet the pathology of patients, adjusting the number of physicians, etc. Also, in order to secure high quality medical care, it is important to improve the quality of medical professionals while respecting patients, to maintain the trustworthy relationship between patients and medical professionals, and to promote the disclosure and offering of medical information.

In November 1996, the Council on Health Insurance, which is the former function of the Council on the Medical Insurance Welfare, compiled a self-initiated recommendation on radical reform of the medical care system. Responding to the recommendation, a revision was made to the Health Insurance Law, etc. in June 1997 with the assumption that radical reform of the system be implemented. The revision included the increase of co-payment and introduction co-payment for drugs to adjust the use of pharmaceuticals and to stabilize the operation of the medical insurance system for a while.

In December 1996, the three ruling parties formed the Medical Insurance System Reform Council and initiated formal discussions on radical reform of the medical care system. In April 1997, the Council formulated the "Basic Policy on Medical System Reform" as it submits the bill of amendment to the Health Insurance Law to the Diet. In June 1997, the Amendment to the Health Insurance Law was established, but the debates in the Diet pointed out again that the basic guidelines and the detailed plan for radical reform of the medical care system should be presented soon. In response to this comment, the Ministry of Health and Welfare formulated the "Medical Insurance System for the 21st Century" (proposal of MHW) on August 7 of the same year, and with consideration of the comments from the Medical Insurance System Reform Council it compiled the

"Medical Care for Citizens in the 21st Century" (proposal of the Medical Insurance System Reform Council) on August 29 of the same year. During this process, it was decided to implement radical reform as much as possible toward year 2000, starting with feasible items (MHLW, 2000).

In the "Law on the Special Measures for the Promotion of Structural Reform" proclaimed in December 1997, it is stated that necessary measures shall be taken in early timing, prior to year 2000, by investigating radical reform of medical insurance system, etc. During the period prior to the implementation of radical reform of the medical insurance system, the Law of Amendment to the National Health Insurance Law, etc. was established in June 1998 to include the review of the burden on medical care insurers to bear the contribution for the medical care for the elderly and measures for adjusting medical expenditures. According to this law, with the consideration of the increase of retired subscribers and the subscription rate for the elderly for municipal insurers of the National Health Insurance, a half of the contribution for the medical care for the elderly relating to the retired insured people, etc. will be borne by the medical insurance of the insured through the Medical Care Service Program for Retired Employees, and the maximum of the subscription rate for the elderly used for calculating the contribution for the medical care for the elderly is raised from 25% to 30% for the time being, until the implementation of radical reform. Also, in order to secure the credibility of the medical insurance system and to adjust medical expenditures, following conditions are stipulated in the law: 1) extending the time period that the medical insurance does not need to consider the medical care facility and insurance doctor for reassignment after cancellation of their registration of insurance medical care facility or insurance doctor, 2) raising the ratio of additional charge for refund accrued for dishonest billing of medical fees, and 3) when hospitals in a region with excess hospital beds do not follow the advice based on the Medical Service Law, the Governor of the prefecture can exclude a portion of or all beds in such hospitals from insurance medical care facility.

The per capita medical expenditure for the elderly (age 70+) is five times greater than that of non-elderly people (age under 70), and with the progress of aging society the

medical expenditure for the elderly is increasing rapidly. The medical expenditure for the elderly is already taking 1/3 of national health expenditure, and it is projected that its portion will reach 1/2 of national health expenditure around year 2025. If this condition continues with the current health care system, the burden on younger generations for the medical expenditure for the elderly will further expand. In order to realize fair sharing of the medical expenditure for the elderly by all citizens, it is necessary to improve the efficiency of the medical expenditure for the elderly and to balance the burden on non-elderly people and elderly people.

Regarding the current health service system for the elderly, following problems have been pointed out: 1) increasing burden of contribution for health services for the elderly borne by individual medical insurers is pressuring the management of their medical insurance, 2) current calculation method for the contribution for health services for the elderly is a problem in a view of fair burden among insurers, 3)while municipalities are providing the benefits for the medical expenditure for the elderly, the cost is borne by individual insurers in a form of contribution for health services for the elderly and this mechanism creates ambiguity in financial and management responsibilities, and 4) while importance of health care starting in young age is increasing, the current system is not responding to this concept sufficient (Horlacher E. David & Landis Mackellar, 2003).

Considering these concerns, the System Planning Committee investigated the issues on the medical care system for the elderly starting in May 1998, and compiled a report, "Opinions on Health and Medical Care System for the Elderly" on November 9, 1998. The report recommends to take preventive measures focusing on healthy living when the elderly can live in good health without being bedridden, and to realize health care and medical care that is suitable to the elderly. It also presents two concepts for new medical care system for the elderly. One is a system in which all medical care for the elderly is completely separated from other medical care, and the other is a system in which medical expenditure for the elderly is borne separately by employees' insurance and the National Health Insurance.

The trends in demography, mortality and disability have been described, and selected national policies and programs have been introduced. Indeed, enormous efforts have been made by successive governments to prepare for the most critical period to come. The principle guideline of the nation so far has been to let old people stay at home with their families as long as possible and keep them healthy and active. In reviewing the changes in policies, there are three distinctive phases (conceptually) in the provision of geriatric services: 1) the expansion period (1945-1973), 2) the adjustment period (1974 - 1984) and, 3) the reform period (1985 and onward). After the gradual expansion of medical insurance and services, free medical service for all elderly above age 70 was implemented in 1973, and thus, the year was dubbed as the 'first year of the welfare state'(Shuichi Hatamo, 1994). The enthusiastic support for the welfare state collapsed rather quickly after the oil crisis of the same year. The rapid increase in medical expenditure stunned the authorities who then began to advocate for self-help and mutual-help. This adjustment period was notable in the promotion of health and prevention and in the spread of the idea, 'high pay for high quality service'. Partial payment of medicals services was also introduced. With the ever increasing numbers of elderly, and therefore frail elderly, caregivers hardships have been well documented. Though for this problem, modern medicine has no perfect cure.

Japan is now in the reform phase which began around 1985. Reorganization and systematization of medical and welfare services aim at maximizing effectiveness and efficiency. The government has been encouraging the private sector to venture in service area. A "National Center for Longevity Science" was established in Aichi prefecture in 1990 to promote research in relevant fields.

There are some realistic problems to overcome for the government policies to be successful. As an example, uncontrolled land prices make reasonable planning of an individual's life after retirement difficult. Many retirees are still paying off loans for homes or education of their children, and some are compelled to leave their life-long residences in urban areas because of rising maintenance cost. Socio-economic gaps between homeowners and non-workers have risen and division within the so called

homogeneous middle-class has been increasing. Building new geriatric facilities in urban centers is extremely difficult; thus few nursing homes or health facilities for the elderly are located in the inner areas of the city. A large majority of them have been constructed in remote mountain areas where land is more reasonably priced.

The potential caregiver, the family, will not be as dependable as one wish because of the high rate of labour force participation among housewives and the small average size of families. The small space of urban homes is also a constraint in caring for the "bedridden", demented or frail elderly. In rural agricultural areas, many old folks now live alone maintaining their inherited properties while children live in cities which offer more attractive economic opportunities. Increasing number of elderly are in single-person households and couple-only households. To these families, the home visit service to teach methods of nursing the elderly has little or no meaning. The community is not yet ready to look after all its elderly residents.

Even nursing homes and hospitals, the shortage of nursing staff and helpers threatens the high quality of care. The quality of care is maintained by the high morale and the dedication of a small number of administrators and caregivers. However, these standards cannot be sustained for long. The so called "silver industry" will serve a minority of elderly who can afford it. Differences in the level of care will create social cleavages rather than mutual help and concern. Many older people are uncertain and insecure about their futures, since they feel that neither their children nor the government will look after them when they become "bedridden" or demented. The government is unwilling to follow Scandinavian models of welfare systems because it fears that high taxes and insurance premiums will be disincentive for young people to work. The government recognizes that a minimum standard of living has to be guaranteed for all, but that this level should be kept below that of the lowest income group in order to discourage people from choosing an "easy option". The present direction seems to follow the US model which advocates pay for service. The quality of service depends on what one is able to pay. Which approach serves the elderly better will eventually determined the people themselves when they see the reality more clearly? According to Campbell

(2003) Japanese have little cause to worry about the financial burdens of aging. The problem of low consumption should, if anything, be helped by population aging, although broader economic trends are more important. And what of rising health care costs? Other factors—particularly how the medical system is organized—are more important than the age of the population in determining the manageability of health care costs. For example, the relatively young United States spent 13 percent of GDP on health care, while Japan spent 7.8 percent. Japan, apparently, is adept at holding down costs. As for pensions, premiums will have to go up and benefits down, but that should not cause a disaster.

CHAPTER V

CONCLUSION

The dramatic change in the population structure or the decline in the Japanese total fertility rate was mainly caused by the rise in the unmarried population. The other explanations are late marriages, high educational expenditures and housing costs, women's higher education and participation in the work force, and change in cultural values. It is difficult to measure the impact of family policies, but the high level of privatization of reproductive cost and the low value assigned to care work can be seen as signs of a child-unfriendly society. If an individual couple makes a voluntary decision to have fewer children, the low fertility rate may not constitute a problem.

The gravest problem arising from the ageing of society in Japan is the declining number of children. The question which is to be focused here is what type of policies is employed to stop the continuing decline in birthrate or what seems to be the major cause of the problem of people with fewer children?

Firstly, it may be suggested that interference of the state in private affair, though opposed by many, any nation that is aware of the situation (the collapse of birthrate) and that does not attempt to devise some countermeasure will be subject to the charge of irresponsibility to future generations. Of course on the micro level, having children is indeed a private and individual affair, but it may prove effective at this point that at the macro level this issue affects the entire nation. Further suggestion could be the deduction, in Japan, of 5 million yen for the birth of one's first child and further 2 million yen for every child thereafter be added to the present income tax deduction, and that child care and education expenses also be made deductible. Children should be regarded as an asset, and this intent may be made in the national tax system subsidizing childbirth and child rearing.

As for the working women, the policy makers may considered providing better child-care services. Adequate child-care facilities may be established, but as an additional measure socializing child care be promoted. Women at home, for example, could be

organized to provide baby-sitting services. Fees for these services could be favourably tax deductible. Such institutional improvements can be a positive impact on the birthrate.

In many countries a "family policy" implies a population policy. It is totally neglected when births are to be controlled, but when births are encouraged, the family policy becomes a major issue often in the name of welfare. When the decreasing population became an issue in Japan, birth encouragement policy such as "Angel Plan"[13] was instituted.

A family policy, after all, reveals the ways in which a society chooses to share reproductive cost. The possible measure are to provide: (1) preferential tax treatment, (2) child care(family) benefits, (3) childbirth and child care leave, and (4) child support services (e.g., child care nurses, public child care facilities).

Regarding preferential tax treatment, a liberal tax deduction is already given to dependents, and in particular to full housewives. Unemployed married women receive preferential treatment in pension as well as health insurance. The Japanese government supports reproductive activities within the conventional family institution with gender-role assignments. In "Japanese style welfare" the view of family members as "potential assets" is consistent with also caring for the elderly and the handicapped. The second measure of the Japanese child care benefits is found to be nominal. Some local governments whose population is decreasing present a money gift to newlyweds or newborn babies. It has been proved, however, that monetary incentives do not contribute to a rise in birthrate. In Germany, the government carries a heavy financial burden for the support of families, with a large proportion of its budget allocated to family benefits. Even so, demographers point out that the impact of this policy to raise birthrates is limited. They explain that the target of monetary incentives and the target of policies are inconsistent. The family benefit is given to households with full-time housewives where the potential of having children is traditionally considered to be the greatest: policies to

[13] In this line of policy, the government implemented the parental leave act in 1991 and better financial support for child care facilities.

assist the ever-increasing households with working mothers are feeble in comparison.

Some legal steps have been taken to provide childbirth and child care leave in Japan. In 1985, in exchange for enforcement of the Equal Employment Opportunity Act, the provisions for women workers in the Labour Standard Act were either revised or eliminated. In lieu of the repeal of indirect maternal protection provisions such as menstruation leave, direct maternal protection was reinforced, for example, by extending maternal leave from 6 weeks to 8 weeks both before and after a child's birth. The Labour Standard Act also ensures that a mother of an under-12-month old infant may take one hour off for child care each day.

In 1991 the Child Care Leave Act became law. The bill was approved as a windfall measure driven by the sense of crisis in political and business circles after the "1.57 shock". The focal points of the deliberative process were (1) whether a 1 year leave after childbirth should be paid or unpaid, and (2) whether this leave should be available to both men and women. Finally, the assertion of the "No work, No pay" principle by the employers associations was agreed to, and the second point was easily accepted without much discussion. Thus, the Child Care Leave Act stipulated that leave must be taken without pay (later this provision was amended to allow 20 per cent of the employee's basic salary to be paid from employment insurance) and that it was available to both men and women (either one at one time). The reason for so little discussion of the second point that the politicians and employers were certain that few men would be interested in the benefit even if it was offered to them. This proves to be right for in the first year of enactment; only 14 out of eligible male workers in 47 prefectures went on child care leave. They immediately became heroes and were taken up by the local media.

Japan can be proud of its child care support services such as public facilities, which are comparable to those European countries. Japan's public child care services are the equivalent of those in France and exceed those in Great Britain and Germany. They cannot equal the child care provided by Sweden which is highly advanced in this area. In contrast, the demands for the greatest privatization of reproductive cost in the United

States has, and continue to, force working mothers to find personal solutions to their child care needs. In comparison with America the availability of public child care services in Japan is almost equal to those of socialist societies. Because of the public authorization system, the equipment and management of child care facilities must meet prescribed standards of quality. Though fees vary according to parents' income, parents have easy access to child care services.

According to the enrollment data of small children in Japan 44 per cent of 3-year-olds attend either Kindergarten or day-care center, and this rate rises to 89 per cent among 4-year-olds. Almost 100 per cent of children have pre-school education. And with the decreasing number of children, entrance to public kindergartens or day-care centers has become less competitive. As a result, these facilities offers incentives to clients, but the enrolment is high, and there are some problems in the administration of child-care facilities, including shortages of (1) under-1-year old care, (2) extended hours of service, (3) night-time care, (4) sick child care (5) temporary care, (6) after-school care for school-aged children.

The greatest problem has been the shortage of under-1-year-old care. Before the enforcement of the Child Care Leave Act, this posed a dilemma for employed women who wanted to continue working after childbirth. In Tokyo, a municipal office of Shinjuku has had a generous system of child care for children below 1 year old, and those in need moved to this area. This suggests that if local municipality wants to attract people at reproductive ages, it should provide sufficient child care services for under-1-year-olds and school-aged children. As the cost of caring for children under the age of one is so expensive, supply usually does not meet the needs.

Child care in theory cannot be categorized as family policy and thus it is quite difficult to evaluate the effectiveness of family policies. According to the convergence theory in demography, birthrates in industrialized countries converge into the same tendency at certain width. Difficult as it seems to explain the reasons, even when empirically supported, the birth rates in France with liberal family benefits are almost the

same as those in Britain with almost no family benefits. Sweden, which is considered to be an advanced welfare state, has had birthrates similar to those neighbouring Scandinavian countries. Furthermore, the birthrates among immigrant communities "converge" at the level of those in host communities in a short time. If so family policies seems to have no effect, birthrates are commonly recognized to decline in societies where bringing up children is costly and where the environment is unfriendly to mothers and children such a phenomenon has been affected not only in Japan but other industrialized countries.

Looking at the other aspects as to the problems faced by Japan's population ageing it is found that the legal system is inadequate to take care of the present problems: firstly, the majority of organizations employing a mandatory retirement age system still designate 60 as the retirement age. However, inconsideration of the decline in the number of people of working age and the raising of the pensionable age, Japan may need to provide opportunities for those who wish to work at least up to the age of 70. But, unlike in the United States, there is no law prohibiting discrimination in employment on the basis of age, nor are there even any signs that public opinion might call for such a change.

The dilemma posed by a decreasing child population and an increasing elderly population is the matter of distributional justice of reproductive cost (Ueno, 1990). In other words, which sector of society should bear the cost of the labour of life? The view that sees a decrease in the child population accompanied by an increase in the elderly population as a problem should be further questioned. From a different perspective, this demographic phenomenon can be regarded as only a "pseudo-problem". If birthrates drop as a result of voluntary decision-making by couples, a resultant decline in the number of children will not present any problem. Then it may be a viable option to do nothing on the policy level. However, if the goal of the society with smaller child population and larger elderly population is to ensure the security and welfare of all the people throughout their lives, then there is much to do on the policy level.

To sum it up Japan's population will, no doubt, continue to age and the mounting social security burdens that this process places on the existing work force can be substantially curbed by increasing the ratio of workers to the elderly people. This requires drastic reforms in the current social security system, which discourages the elderly and married women from joining the work force. A basic measure that must be taken to counter the effect of the fall in birthrate and ageing of the society includes current employment practices that regularly discourage both elderly and married women from productive work. It is also important to seek ways to provide supplementary support for family members taking care of the frail elderly or raising children, making it possible for them also to work at full time jobs.

APPENDIX

Appendix

Table 1:Vital Statistics of Japan.

Year	Live births	Death rates	Infant mortality	Natural increase	Total fertility rate 'a'	Life expectancy	
						males	females
1970	18.8	6.9	13.1	11.8	2.13	69.31	74.66
1975	17.1	6.3	10.0	10.8	1.91	71.73	76.89
1980	13.6	6.2	7.5	7.3	1.75	73.35	78.76
1985	11.9	6.3	5.5	5.6	1.76	74.78	80.48
1990	10.0	6.7	4.6	3.3	1.54	75.92	81.90
1995	9.6	7.4	4.3	2.1	1.42	76.38	82.85
2000	9.5	7.7	3.2	1.8	1.36	77.72	84.60
2001	9.3	7.7	3.1	1.6	1.33	78.07	84.93
2002	9.2	7.8	3.0	1.4	1.32	78.32	85.23
2003	8.9	8.0	3.0	0.9	1.29	78.36	85.33
2004	8.8	8.2	2.8	0.7	1.29	78.64	85.59
2005	8.4	8.6	2.8	-0.2	1.25	78.53	85.49

Source: Ministry of Health, Labour and Welfare.
Note: Rates per 1,000. 'a' - the average number of children that would be born alive to a hypothetical cohort of women if, throughout their reproductive years, the age-specific fertility rates for the specified year remained unchanged.

Table 2 :Population by Age, 2005

Age	Population		
	Person	Male	Female
All ages	127756000	62065400	65590500
0 - 10	1229400	623300	606200
10 - 20	1381400	700000	681400
20 - 30	1780300	896500	883800
30 - 40	1742400	873000	869400
40 - 50	1647000	805900	841100
50 - 60	1493900	735700	758200
60 - 70	1495300	735700	758200
70 - 80	925300	356800	568500
80- 90	252100	69900	182100
90 - 100	26400	3800	22600
100 and over	163500	96100	67400

Source: Ministry of Internal Affairs and Communications.

Table 3:Population Change in Japan, 1970-2025 (Projections).

Year	Total population	0-14 (%)	15-64 (%)	65 or over (%)	Total dependency ratio(a)	75or over/65 or over (%)	Familial support ratio (%)
1970	103720	23.9	69.0	7.1	44.9	30.2	1.7
1975	111940	24.3	67.8	7.9	47.6	32.0	1.6
1980	117060	23.5	67.4	9.1	48.4	34.4	1.5
1985	121049	21.5	68.2	10.3	46.7	37.8	1.4
1990	123611	18.2	69.7	12.1	43.5	40.1	1.3
1995	125570	16.0	60.5	14.6	50.4	39.3	1.1
2000	126925	14.6	68.1	17.4	46.9	40.9	0.9
2005	127449	13.8	66.2	20.0	50.6	45.1	0.8
2010	127013	13.0	64.0	23.0	55.6	48.0	0.7
2015	125603	12.1	61.0	26.9	63.2	48.4	0.6
2020	123235	11.0	59.5	29.5	67.6	52.1	0.6
2025	120094	10.2	58.8	31.0	70.0	60.0	0.6

Sources: Statistics Bureau, Population Census, various years; Nihon University, Population Research Institute population Projection, 2003. Number of persons aged 0-14 years or 65 years or over per hundred persons aged 15-64 years. Number of women aged 40-59 years divided by the total population aged 65-84 years.

Table 4:History of Public Pension Reforms in Japan.

Year	Public pension reforms
1961	Introduction of National Pension
1973	Improvement of benefit level, introduction of CPI indexation
1985	Introduction of Basic Pension(1986)
1984	Gradual increase in normal pension age for the basic part of the EPI, Net wage indexation, contribution from bonuses (1%)
2000	Gradual increase in normal pension age for the earnings related part of the EPI, Price indexation(2000), Reduction of accrual factor by 5 per cent for the earnings related part of the EPI (2000) Contribution based on annual earnings (2003)
2004	Upper ceiling for the EPI contribution (2017) macro - economy indexation (until 2023)

Note: Implementation year in parenthesis

Source: Fukawa, T and K. Yamamoto (2003), Japanese Employees' Pension Insurance: Issues and Reform. *The Japanese Journal of Social Security Policy*, Vol.2, No.1, June, Pp. 6 - 13.

Table 5: Public Pension as percentage of GDP in Selected OECD countries in 1985

Country	Public pension spending to GDP
UK	6.7
US	7.2
Japan	5.3
Germany	11.8
France	12.7
Italy	15.6
Canada	5.9
Australia	4.9
Austria	14.5
Denmark	8.5
Finland	7.1
Greece	10.7
Ireland	5.4
Netherlands	10.5
New Zealand	8.1
Spain	8.6
Norway	8.0
Portugal	7.2
Sweden	11.2
Switzerland	8.1
OECD average	8.9

Sources: OECD, 1988a.

Table 6: Demographic Transition in Selected Countries.

Country	1950	2000	2050
Japan	83,625	127,034	112,198
China	554.760	1,273,979	1,392,307
South Korea	18,859	46,779	44,629
India	357,561	1,021,084	1,592,704
US	157,813	284,154	394,976
Canada	13,737	30, 689	42,844
Brazil	53,975	173,858	253,105
UK	49,816	58,670	67,143
France	41,829	59,278	63,116
Germany	68,376	82,344	78,765
Italy	47,104	57,715	50,912
Sweden	7,014	8,877	10,054

Source: United Nations "World Population Prospects: The 2004 Revision".
Note: The figures for 2050 are median values.

Table 7: Life Expectancy, 1970-2004.

Year	Life expectancy	
	Male	Female
1970	69.31	74.66
1975	71.73	76.89
1980	73.35	78.76
1985	74.92	80.48
1990	75.92	81.90
1995	76.38	82.85
2000	77.72	84.60
2003	78.36	85.33
2004	78.64	85.59

Source: Ministry of Health, Labour Welfare.

Table 8: Causes of Death, 2004.

Diseases	Deaths	Share of total%
Cancer	320,3358	31.1
Heart diseases	159,625	15.5
Cerebral hemorrhage	129,055	12.5
Pneumonia	95,534	9.3
Accidents	38,193	3.7
Others	285, 837	27.8
Total	1,028,602	1000

Source: Ministry of Heath Labour and Welfare, *Jinko Dotai Tokei (Demographic Statistics), 2004.*

Table 9: Marriages and Divorce Rates in major Countries.

Country	year	Marriage rate (per 1,000 population)	Divorce rate (per 1,000 population)
USA	2003	7.5a	4.00
Korea (ROK)	2004	6.4	2.90
Japan	2005	5.7	2.08
UK	2003	5.1	2.80
Mexico	2003	5.6	0.62
France	2003	4.6a	2.14
Sweden	2003	4.4	2.36

Sources: United Nations, Demographic year book, 2003; Ministry of Health, Labour and Welfare, *Jinko Dotai Tokei* (Demographic Statistics), 2005.
Note: a – provisional.

Table 10: Number of households with persons aged 65 years and over

Year	Total number of households	Single persons only		1,000 per households
		Male	female	Married couples only
1986	9,769 (26.0)	246 (0.7)	1,035(2.8)	1,782 (4.7)
1995	12,695 (31.1)	449(1.1)	1,751(4.3)	3,075 (7.5)
2000	15,647 (34.4)	682 (1.5)	2,398(5.3)	4,234 (9.3)
2002	16.848 (36.6)	755 (1.6)	2,650(5.8)	4,822 (10.5)
2003	17,237 (37.7)	776 (1.7)	2,635 (5.8)	4,845 (10.6)
2004	17, 864 (38.6)	906 (2.0)	2,842 (6.1)	5,252(11.3)

Source: Ministry of Health, Labour and Welfare, *Kokumin Seikatsu kiso Chosa* (basic Survey on National Life), 2004.
Note: Figures in parenthesis are percentage.

Table 11: Types of diseases common among the elderly.

Diseases	1987	1999
Arthritis or rheumatism	12.2	7.7
Eye diseases	15.6	29.5
Asthma and other respiratory illness	4.7	4.3
Hypertension	28.9	29.0
Heart diseases	11.4	12.4
Diabetes	3.9	6.5
Digestive diseases	9.2	12.9
Renal or urinary tract ailments	3.0	3.5
Stroke	2.0	7.1

Source: Yasuhiko Saito and Eileen M. Crimmins, Changes in the Health of Elderly Japanese between 1987 and 1999.

Table 12: Comparison of elderly's income (based on PPP) in US$ for mid 1990s.

Country	Mean disposable income of the elderly	GDP per Capita income	Percentage of seniors below $7,000	Percentage of seniors below $10,000
Canada	17,000	21,000	1	11
Finland	12,000	19,000	7	41
Germany	14,000	20,000	8	27
Italy	13,000	20,000	20	45
Japan	18,000	23,000	14	26
Netherlands	12,000	19,000	9	51
Sweden	12,000	19,000	4	28
United Kingdom	12,000	19,000	17	53
United States	18,000	26,000	12	27

Source: Casey and Yamada (2002), Table 2.9, p. 43. Casey, B. and A. Yamada, (2002). "Getting older, getting poorer? A stuffy of earnings, pensions, assets and living arrangements of older people in nine countries", OECD, Paris.

Table 13: Population growth rate in Japan, 2002- 2007.

Year	Population	Population growth rate
2002	126,974,628	+0.15%
2003	127,214,499	+0.11%
2004	127,333,002	+0.08%
2005	127,417,244	+0.05%
2006	127,463,611	+0.02%
2007	127,433,494	-0.088%

Source: CIA Fact Books 2002-2007.

Table 14: Change of Household Structure.

Types of households	1970	1980	1990	2000	2004
Single persons	18.5	18.1	21.0	24.1	23.4
Nuclear families	57.0	60.3	60.0	59.1	60.6
Single parents with children	5.1	4.2	5.1	5.7	5.9
Married couples without children	10.7	13.1	16.6	20.7	21.9
Married couples with children	41.2	43.1	38.2	32.8	32.7
Three- generation families	19.2	16.2	13.5	10.6	9.7
Others	5.3	5.4	5.6	6.1	6.3

Source: Ministry of Internal Affairs and Communications, Nihon Tokei Geppo (Monthly Statistics of Japan), January, 2006.

Table 15: Increase of Elderly Households.

Types of households	1975	1980	1985	1990	1995a	2000	2003	2004	2005
All households	32877	35338	37226	40273	40770	45545	45800	46323	47043
Elderly households	1,089	1,684	2,192	3,113	4,390	6,261	7,250	7,874	8,349
Percentage	3.3	4.8	5.9	7.7	10.8	13.7	15.8	17.0	17.7
One- person households	611	910	1,131	1,613	2,199	3,079	3,411	3,730	4,069
Males	138	192	218	295	449	682	776	906	1,010
Females	473	718	913	1,318	1,751	2,398	2,635	2,824	3,059
Elderly couples	443	722	996	1,400	2,050	2,982	3,594	3,899	4,071
Other elderly households	36	52	65	100	141	199	245	245	209

Source: Ministry of Health, Labour and Welfare.
Note: 'a' excluding Hyogo Prefecture where the survey was canceled because of earth quakes.

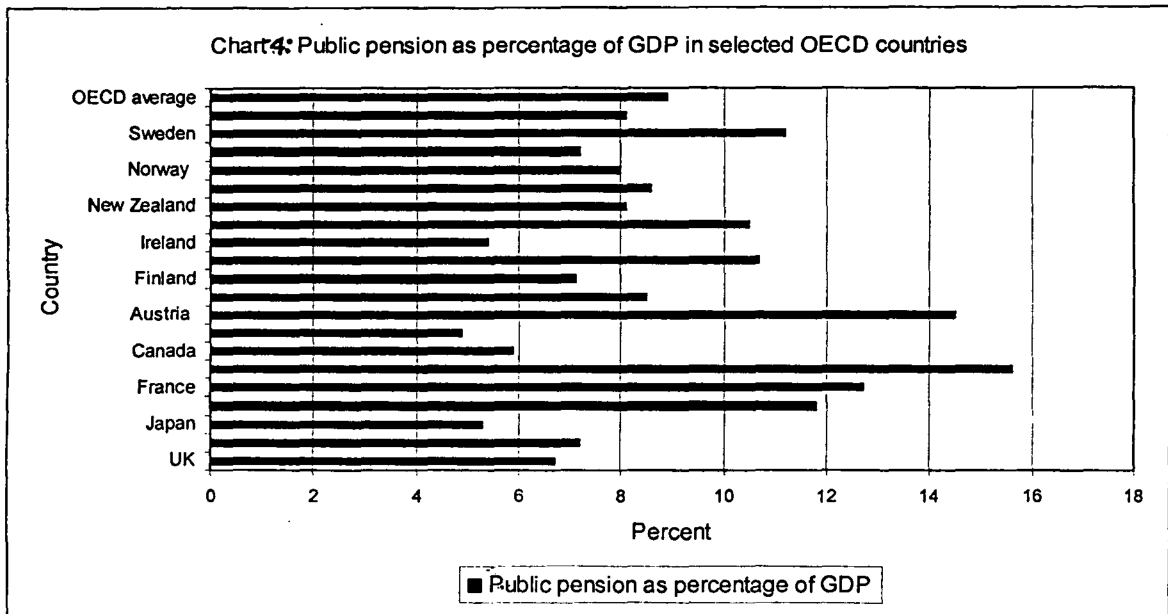

Chart 4: Public pension as percentage of GDP in selected OECD countries

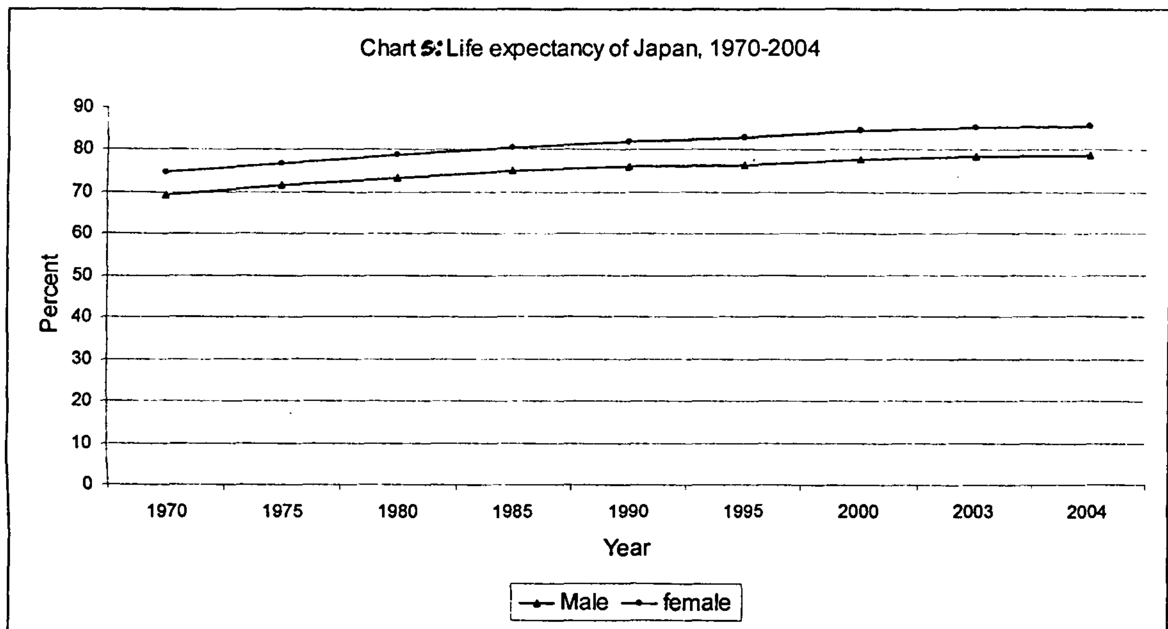

Chart 5: Life expectancy of Japan, 1970-2004

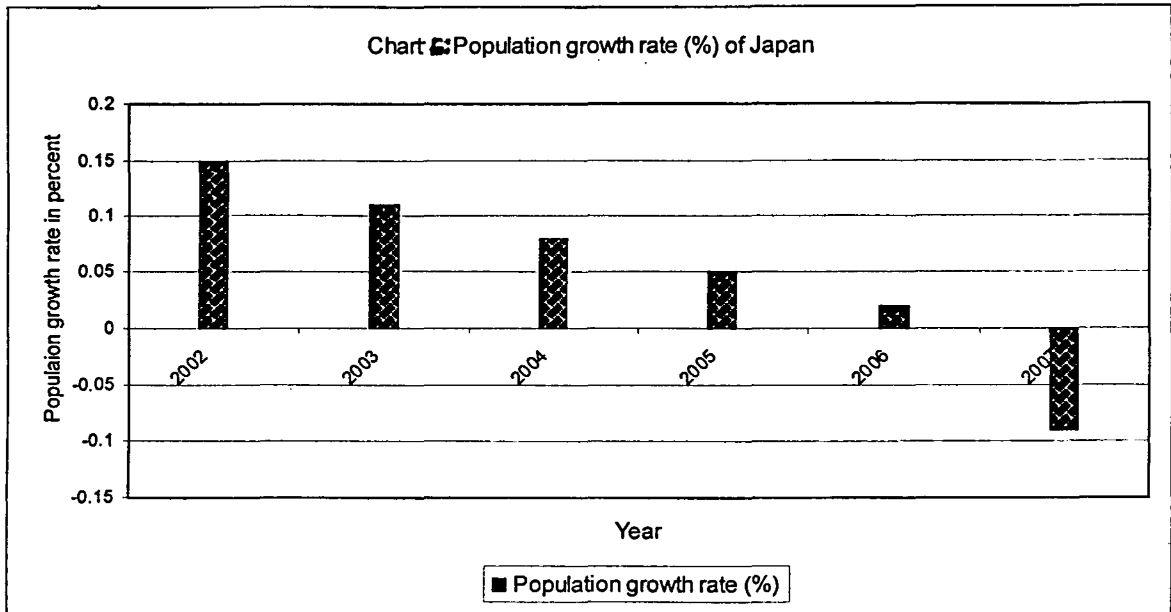
Chart 6:Population growth rate (%) of Japan
Populaion growth rate in percent
0.2
0.15
0.1
0.05
0
-0.05
-0.1
-0.15
2002
2003
2004
2005
2006
2007
Year
Population growth rate (%)

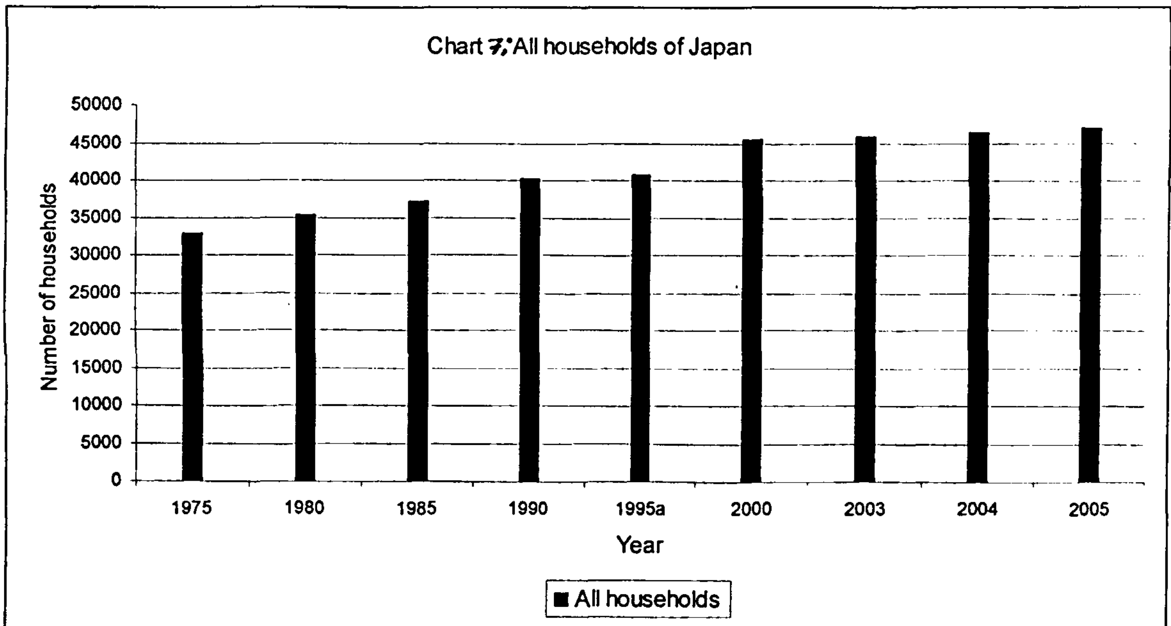
Chart 7:All households of Japan
Number of households
50000
45000
40000
35000
30000
25000
20000
15000
10000
5000
0
1975
1980
1985
1990
1995a
2000
2003
2004
2005
Year
All households

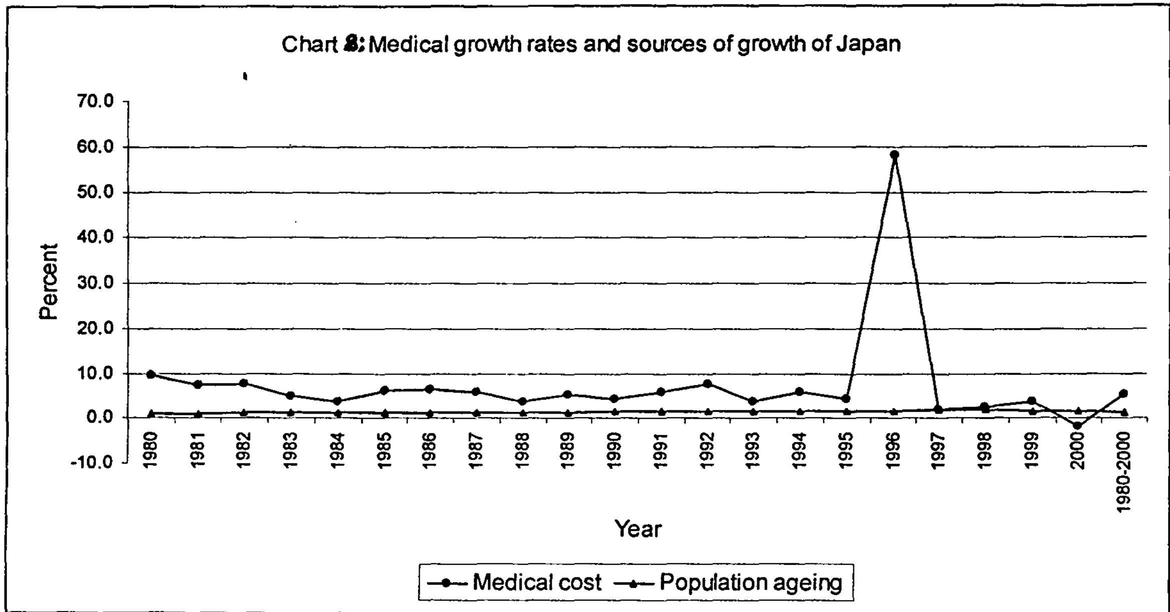

Chart 8: Medical growth rates and sources of growth of Japan

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