

Aging in Japan

Hideo Ibe

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Preface

Dr. Hideo Ibe, one of Japan's finest public servants, has made significant contributions to the creation of Japan's health, welfare and pension systems. In this paper, Dr. Ibe addresses some of the problems confronting Japan today, among them pensions, long-term care, housing policies and the legal system. Of surprise to a reader from the West who may assume that Asia is still under the influence of Confucian rules of filial duty is Dr. Ibe's contention that "there is almost no continuity of values between the old and young." He is particularly concerned about the decline in births, and what he regards as the loss of "self confidence" on the part of Japanese men.

The International Longevity Center-USA has great admiration for Dr. Ibe, who helped forge the partnership between the ILC-Japan and the ILC-USA. He also inspired “A Comparative Study of Value and Value Transmission,” which was conducted by the two ILCs. This study was reported in detail at the annual meeting of the Gerontological Society of America in 1995.¹

Dr. Ibe fears that if the low birthrate continues at its present pace, in one hundred years the population of Japan will be less than half of what it is today. However, during this new century, much can change. Factors that affect fertility – from the unusually complex and problematic social relationships that exist between men and women in Japan today, to the high costs of schooling – may be ameliorated. But, until attitude transformations and effective politics are introduced, Dr. Ibe, astute and activist policymaker, is not likely to be assured.

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¹ *A Comparative Study of Values and Value Transmission between Japan and the United States, Part II, U.S. Report*, by Charlotte Muller, Ph.D. and Catherine B. Silver, International Longevity Center (Japan), Tokyo, Japan, 127-197, March 1995.

Effects of Ascribed and Achieved Characteristics on Social Values in Japan and the United States, Research in Stratification and Mobility, by Catherine B. Silver and Charlotte Muller, Ph.D., Vol. 15, 153-176, 1997.

Introduction

What distinguishes the aging of Japanese society from that of other industrialized societies is its rapid pace. In 1995, elderly persons made up only 14.6% of the population. Current projections are that this proportion will nearly double to 27.4% in the year 2025. The proportion of working age people to Japan's entire population is also sharply declining. By 2050 it is expected that one in every three persons will be 65 years old or over. This will be not so much due to an increase in the average lifespan as to the decreasing birthrate; that is, we are having fewer children.

Until now, the elderly have lived relatively comfortable lives partly because of the financial stability made possible by pensions and partly because of the availability of low-cost medical care under the universal insurance system. Below the surface, however, lie some concerns, such as long-term care, medical insurance finance and pension finance. The Gold Plan and the long-term care insurance bill are intended to address long-term care issues, and the Angel Plan is designed to improve the low birthrate issue. In addition, as the proportion of the elderly grows, old-age pension payments will decrease and the pensionable age will be raised.

Moreover, the government's inadequate housing and land policies as well as our system of laws are the source of dilemmas the Japanese people, as a whole must face. The widows and spouses of eldest sons are often the victims of outrageous inheritance tax rates, forced out of proportion by wildly inflated land prices. Laws designed to protect their human rights and human dignity, including adult guardian law, should be passed. Another knotty problem is how the values of the older generations can be transmitted to the young. This is a particularly crucial issue in Japan where there is almost no continuity of values between the old and the young.

In order to prevent a further decline of the birthrate, an important factor behind the rapidly aging population, government financial support is indispensable. Tax burdens bear down hard on working people in their 30s, discouraging them from marrying and having babies. But what seems a more fundamental problem, in my view, is the loss of self-confidence and drive among Japanese men since the end of World War II. They are apparently lacking in appeal as marriage partners from the viewpoint of women. It is important that younger Japanese men recover confidence and reestablish their self-esteem.

1. Features of Japan's Aging Society

A major feature of the aging of Japanese society is its rapid pace. As shown in Table 1, Japan is the only nation in the world where the proportion of the elderly to the population in 1995 (14.6%) is projected to nearly double by the year 2025 (27.4%). The rate of aging is measured by the percentage of elderly persons in the total population. In other words, an acceleration of this rate results not just from an increase in the number of older citizens but also from a decline in numbers among the younger generations.

For Japan, the central cause of the rapid rate of aging is not only the higher life expectancy among the elderly and the resultant increase in their number, but also the steady decline in numbers among the younger generations. The National Institute of Population and Social Security Research announced its projections in January 1997. Future population estimates for Japan are shown in Table 2.

Regardless of which forecast is applied, a significant decrease in the working age population and an increase in the number of elderly persons is unavoidable. In fact, by the end of 1997 the population over 65 years of age in Japan exceeded the population of those under fifteen. Assuming the low birthrate continues at its present pace, the population of Japan (which now totals 126 million) will fall to less than 100 million by the year 2051 and to 60 million by the year 2100.

The resultant shrinking market, dwindling labor force, and reduced insurance premium and taxpaying capability will bring about an economic decline, and it is feared that the sources of revenue required to maintain the present social overhead capital will dry up. In particular, it will no longer be possible to maintain the quite generous, current welfare measures for senior citizens.

In an attempt to curb the growing tendency of families to have fewer children, the Ministry of Health and Welfare prepared the Angel Plan in 1994. This plan is intended to identify the causes of the declining birthrate, which is the most significant factor in the tendency to have fewer children, and to formulate countermeasures. The plan focuses on the measures to support child rearing. A broad range of measures have been incorporated into the plan, including the development of an improved environment (such as the improvements in the nursery care system to support working mothers), the development of housing, revitalization of local communities, improvements in school education and measures to alleviate the cost of child rearing. However, an honest assessment of the impact of these measures would reveal that they have not been particularly effective.

One of the reasons why this is the case is that though the Angel Plan was developed with an emphasis on the creation of an environment which would facilitate child rearing, there is some doubt as to whether the poor child-raising environment is the only reason why Japanese families choose to have an extremely small number of children.

Considering the causes of the low birthrate, I would first point out that as the number of births outside of marital relationships in Japan is extremely low, the decline is related to the increasing percentage of people who remain single. As shown in Table 3, the percentage of never married men between the ages of 30 and 39 rose by 10.5% during 1980-95, although the total percentage of never married men increased only 3.3% during that period. As a result, the number of births in the last fifteen years decreased by 394,762 (Table 4).

Although sufficient analysis has not yet been done to pinpoint the causes of the sudden rise in the ratio of never married people since 1980, it is my conjecture that changes in the economic environment are a major factor. As will be discussed below, people in their thirties are the most economically disadvantaged age bracket in Japan, and it is believed that this discourages them not only from having children but even from getting married. This assumption seems to be corroborated by the findings of the Health and Welfare Ministry's Institute of Population Problems survey in which the most frequently cited response to the question "Why didn't you have the number of children you wanted?" was "Because raising children costs money."

Other than the economic reason mentioned above, changes in women's awareness due to the higher level of education and increasing social independence have also been pointed out as another reason for the decreasing birthrate. With the spread of democracy in Japan after World War II, Japanese women, who have developed a degree of independence comparable to their counterparts in Europe and the United States, have begun to think that it is natural for them to find their own destiny in life. In other words, they are now able to make important life decisions by themselves, such as whether to marry, whether to have a child, or when to have a child.

The distinguishing feature of aging in Japan, then, is the combination of the increase in life expectancy, a positive factor, and the decrease in the number of children, a negative factor. For the most part, government policies and our own awareness have not kept pace with the rapid advance of this phenomenon, which is occurring more rapidly in Japan than any other nation in the world. For the present, there are too many concerns surrounding the issue of old-age security to allow us to really celebrate the advent of prolonged longevity.

2. The Current Situation of the Elderly in Japan

Although many are anxious about their future, the majority of older citizens at least today enjoy very favorable conditions. The main reason is the expansion/improvement of the medical care system and the financial stability primarily provided by the pension program. By 1995, the average life expectancy at birth for men had risen to 76.38 years while that for woman had reached 82.85 years, and life expectancy in Japan has been the highest in the world since the middle of the 1990s. The average income per elderly household member over 70 is \$1.86 million yen (\$15,500), exceeding the average of 1.77 million yen (\$14,750) for persons in their thirties, according to the Public Opinion Survey on Household Saving of The Central Council for Savings Information (1996). (The foreign exchange rate used throughout this article is Y120 = \$1.00.)

Based on the same survey, the elderly receive 54.8% of their income from public pensions (a system in Japan which is roughly equivalent to a Social Security pension in the US, and the average accumulated savings of people over 70 is 18.87 million yen (\$157,000.00). For details on the Japanese pension system, see the section "2-3. Pension."

Moreover, combined medical benefits, pensions, and social services provided for the elderly totaled 37,305.8 billion yen (\$310 billion) in FY 1994, which represented 61.7% of all national benefits for a variety of social security programs.

These figures inspire an image of elderly citizens enjoying liberal provisions for social security, but what lies behind this? I would like to examine the current social security provisions for the elderly in Japan and their inherent problems.

2-1. Long-term Care

A public opinion survey of the elderly reveals that Japanese older citizens are anxious about their future lifestyle, and particularly about long-term care (Table 7). In fact, the number of elderly people in need of care who are bedridden or suffer from senile dementia is increasing. As shown in Table 8, the percentage of people who require care increases with age. While only around 1.5% of those between the ages of 65 to 69 require care, this rate rises with each age group, reaching 11.5% for ages 80 to 84 and 24% or one in every four people among those over 85. The same survey estimates that for almost an equal percentage, physical infirmity makes the unaided performance of activity of daily living very difficult and time consuming, necessitating some form of long-term care.

In response to the concerns of citizens, the Japanese government drew up the Ten-Year Strategy to Promote Health Care and Welfare for the Elderly (Gold Plan) in 1989. This plan, adopted as part of the reason for the introduction of the consumption tax in April 1989, proposed goals in health and welfare services for the elderly to be realized, concluding at the end of the ten-year plan in FY 1999. The plan designated seven main projects, including the urgent adoption of more effective in-home welfare policies in every municipality, the promotion of the "New Campaign to Reduce the Number of Bedridden Elderly People to Zero," and the urgent establishment of related facilities. The budget for the Gold Plan exceeded 6 trillion yen (\$50 billion) for the entire ten-year period, the first long-term plan of this scale in the field of health and welfare.

In December 1994, five years into the plan, the New Gold Plan was formulated to incorporate revisions to the first plan and increase its effectiveness. Goals for establishing urgently needed infrastructure for care services for the elderly were identified and a basic framework for additional policies, which must be pursued in the near future, were presented. Moreover, a long-term care insurance bill was submitted to the National Diet with the aim of providing more efficient long-term care services starting with the year 2000.

2-2. Medical Care (See Tables 9 and 10)

Once, unlike the health insurance system for company employees, the national health insurance system for self-employed persons covered only half of those who fell in this category and the content of the insurance was very poor. As part of the Five-Year Plan for Economic Independence, which set 1960 as the final target year, a four-year plan for realizing national health insurance covering all Japanese citizens was launched, and with the passing of the New National Health Insurance Bill in 1958 and the subsequent period of high economic growth, popular concern over medical costs disappeared. It would be no exaggeration to say that the long-term monopoly of the Liberal Democratic Party over political power resulted from the introduction of this bill. Even today, excluding certain costs such as hospital room charges, Japan offers almost every citizen the best possible medical care regardless of their income.

Considering the deeply rooted problems the United States currently faces with its medical insurance system, of all the projects I have been involved with, the passing of this health insurance bill is one of the policies, which I am most proud of. There is, however, some truth to the criticism that this generous system has led to declining awareness of the actual costs of medical care in Japan.

Along with the soaring health expenditure for the elderly, the entire medical insurance system is approaching a major turning point. The pensions allotted to the elderly would have served as an overall living allowance including medical care, and there would have been no need to single out the elderly alone for preferential resource allocation for their medical treatment.

Around 1970, however, when the pension system had not yet fully matured and rapid economic growth meant that there was plenty of tax revenue available, the reformist governor of Tokyo decided to provide free medical care to the elderly. This became a symbol of welfare services for the elderly, and similar policies spread throughout the country. Later, pension reforms resulted in greatly improved benefits, setting a target for the benefit as high as 60% of the standard remuneration. At that point, the system of free medical care for the elderly in order to lessen the economic burden on the elderly ceased to be justified.

If financial inequalities among individual pension recipients were a problem, then they should have been encouraged to create their own health insurance through the establishment of mutual aid associations. Instead, free medical care for the elderly invited skyrocketing health care costs with particularly drastic effects on the national health insurance system. Although health insurance societies have contributed one trillion yen (\$8.3 billion) to finance the national health insurance system, the situation has not improved. It would seem to make more sense for pension recipients to pay for their own health insurance from their pension income in order to receive medical benefits.

Reform of the present medical insurance system is being debated, and we must at least review the system whereby those over 70, regardless of their earning power, are exempt from insurance premiums while at the same time enjoying significantly reduced co-payments for medical treatment.

2-3. Pension (See Tables 11 and 12)

In Japan, the pension system covers nearly the entire population of the country, just like medical insurance. However, the system itself is very complex. It is divided into five schemes depending on whom you work for, and contains gaps in benefit amounts among the different schemes (Table 12). Thus, the integration of the system remains a significant challenge for the future. In addition, pension benefits rose markedly after the pension system was reformed in 1973, and since then several additional revisions have been made. Now, however, a reduction in current pension benefits is being debated due to a serious concern over future financing of the pension system.

Compared to the American average of \$600 per month, the Japanese pension of 220,000 yen (\$1,880) (employees' pension) is very high. This blunder was made during the 1973 reform, which set the pension level at 60% of the individual's wage excluding bonuses. The 45% recommended in Convention No. 127 of the International Labor Organization would have been more appropriate.

Closely related to the previously mentioned decreasing number of children are projections that the percentage of elderly persons in the total population will exceed 30% by 2050 and the old dependency ratio (the ratio of 65 years and over to the working age population) will jump from 21% in 1995 to 59%. Revision of pension benefits and payments is therefore inevitable. In the amendment to the law adopted in 1996, the age at which the elderly begin receiving pension benefits has already been raised from 60 to 65, and a further hike is being considered. How to deal with the approximately 2 million people who are not paying into any pension plan is also a major problem.

In addition to these issues, the fundamental philosophy underlying pensions is being questioned. Pension financing methods are the "funding method," in which money invested will be returned in the future, and the "pay-as-you-go method," which is an intergenerational assistance system. However, as long as we leave things as they are without obtaining the full consensus of the nation concerning the present pension system, we risk confrontation between the younger and older generations and a crisis in the very philosophy of social security.

2.4 Other Issues

In addition to the above, several other problems are outlined below.

Housing Policy

Housing is said to be fundamental to welfare and, as such, Western countries have identified housing as one focus of social policy, highlighting it as a major challenge for the entire nation. Viewed from a different angle, because Japan failed to see housing as a national minimum condition for social security, land became the object of speculation, inviting astronomical land prices and uncontrolled development. Surely it is time for Japan to commit itself to making housing and land policy a national priority.

Likewise, it is necessary to establish the concept of “aging in place,” which allows the elderly to live out their lives in their own homes. It goes without saying that inferior housing conditions and exorbitant land and housing prices, moreover, are a major impediment to bearing and raising children.

Inadequate Legal System

(1) The majority of organizations employing a mandatory retirement age system still designate 60 as the age of retirement. However, in consideration of the decline in the number of people of working age and the raising of the pensionable age, we need to provide opportunities for those who wish to work at least up until the age of 70. Unfortunately, unlike in the United States, there is no law prohibiting discrimination in employment on the basis of age, nor is there even any sign that public opinion might call for such a change.

(2) We should be careful in interpreting the information, which indicates that the elderly living in Japan and in urban areas in particular own substantial assets. The problem is that most of their assets are in the form of real estate, which is sometimes called “paper wealth.” While the value of land as an asset has been soaring because of land price increases, various problems arise at the time of inheritance. The estate tax for appreciated land properties has become enormous, and thus almost no one can pay the estate tax in cash. In the end, many people cannot help but pay taxes by selling the estate itself.

Moreover, there are many cases in which bereaved wives cannot continue living at home after their husbands have died, because under Japanese law, wives have the right to inherit one-half of the estate. The remainder is equally divided among the bereaved children. Though the importance of the philosophy of “aging in place” is emphasized as described above, the contradiction between the philosophy and reality must be addressed.

I have been proposing that we revise our legal system so that bereaved wives can inherit the entire estate of their husbands and that children can inherit the estate only after the

bereaved wives have died. I have a renewed feeling about my proposal whenever I hear recent stories of family tragedies involving the inheritance of land.

Nor can we overlook the problem of “the eldest son’s wife.” No matter how much she might sacrifice in order to care for her husband’s parents, legally she has no right to any inheritance from them. How can this discrepancy be resolved? Reluctance to be saddled with caring for a husband’s parents in their old age has been cited as one of the main reasons women avoid marriage. If the birthrate continues to decline, it will become quite common for one couple to be responsible for the care of as many as four parents. If in-home care continues to be the government’s basic approach, then the government should make laws more in accordance with realities, instead of relying on noble-sounding but vague rhetoric about filial affection.

(3) I would also like to touch upon “adult guardian law” or systems for providing legal guardianship for the elderly. Such systems, which have already been implemented in Germany and other countries in order to protect the human rights of the elderly and guard their right to make their own decisions, establish a legal guardian who is responsible for accurately conveying the will of an elderly person and is given the right to act as their representative. Steps are currently being taken to formulate similar legislation in Japan, including exploration of test cases by local government employees.

Value and Value Transmission

A Comparative Study of Value and Value Transmission between Japan and the US conducted by the International Longevity Center in 1993 (see footnote 1) clearly revealed a difference in the role played by parents in the transmission of values. As detailed results were presented at the 1995 conference of the Gerontological Society of America, I will simply mention some of the major features, omitting the details.

Whereas parents in the United States clearly strive to verbally transmit their values to their children, Japanese parents not only do not exhibit any effort to do so, but do not display confidence that their values are transmitted to their children. I have repeatedly pointed out that this is due to the loss of pride the Japanese people suffered in their defeat at the end of World War II and the wholesale discarding of the values of the past that occurred in the postwar period.

According to a Management and Coordination Agency survey of world youth, under the category of supporting one’s parents in their old age, Japan ranked tenth out of eleven countries, with only 25% responding that they would do anything to care for their parents. Japan came nowhere near South Korea at 70% and did not even reach half the figure of 52% for the United States. Considering that it was Sweden, with its well-established social welfare system that ranked eleventh, Japan’s poor rating is all the more striking.

We can only feel uneasy about what kind of changes will take place in the Japanese awareness of intergenerational mutual assistance when the sharply dropping birthrate ushers in the “super-aged” society.

In Conclusion: Suggestions for Raising the Birthrate

As I have described above, the gravest problem arising from the aging of society in Japan is the declining number of children. I have already discussed the resultant problems and possible avenues towards solution under each topic, but in addition to these, the expanded employment of women, the elderly and workers from overseas can help to solve the problems of a dwindling workforce.

What type of policies can be employed to stop the continuing decline in the birthrate, the major cause of the problem of people with fewer children?

First, although many oppose interference by the state in such a private affair as childbirth, any nation aware of a situation that could result in its collapse 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 I believe we are at the point where we must acknowledge that on a macro level this issue affects the entire nation.

I would like to present a rather drastic proposal in this regard. I recommended that a deduction of 5 million yen (\$42,000) for the birth of one's first child and a further 2 million yen (\$16,000) deduction 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 public assets, and this intent must be clearly reflected in the national tax system subsidizing childbirth and child rearing.

Working people in their thirties are the most financially hard-pressed in Japan today, a situation which greatly inhibits marriage and childbirth, as I have repeatedly pointed out. Soaring land prices and the rising cost of educating children over the last 15 years, for example, defy the imagination. Yet the tax exemption for dependents remains fixed at 380,000 yen (\$3,100) per person. In other words, the government has provided no incentives whatsoever in its tax system to accommodate the rising costs of supporting a family and educating children, depending entirely upon the goodwill and efforts of individuals. The government should present drastic measures based on the reflection on this situation.

As more women work, we must consider how to provide better child-care services. Adequate child-care facilities must, of course, be established, but as an additional measure, socializing child care should be promoted: that is, women at home, for example, could be organized to provide baby-sitting services, with fees for this service made tax-deductible. Such institutional improvements, I believe, can exert a positive impact on the birthrate.

On the other hand, little study has been made of, and few solutions pursued from, the psychological aspects of the issue. Here I present some of my own observations on this subject.

During the pre-World War II period, the system of arranged marriages functioned very effectively, successfully joining together eligible men and women in matrimony. Now, however, when postwar democracy, with its concept of equality of the sexes, has become firmly established, a strong counter reaction has emerged to the prewar male-centered arranged marriage system in which family balance was given priority. Now, the majority of marriages are based on love and the freedom to choose one's own partner. The fact that women have equal rights in terms of choosing a spouse means that instead of being the selectors, men also are the ones who are selected. It is a common saying in Japan that "women and stockings grew stronger after the war," but in fact it is simply that men have grown weaker.

For several months after the defeat, Japanese males remained completely devastated. Women, forced to carry on with the daily tasks of life, could not indulge such feelings; they gallantly rose up to support their families, their communities, and their nation.

In time, of course, men resolutely plunged into work in order to survive, and before they realized it, they had transformed Japan into the world's second largest economic power. This period deserves special mention in the annals of Japanese history. Through the propaganda of the Occupation authorities and anti-Japanese media coverage, however, Japanese males lost confidence in their nation and its traditions and became too ashamed and neglectful to pass on their moral values to their children, especially their sons. The way history was taught, the abolition of classes on history education and morality in the schools, and the influence of the Japan Teachers Union were also contributing factors. I touched upon this when I discussed the passing over of values between the generations.

The defeat shamed those who lived during the war and left them burdened by tremendous guilt at remaining alive, a guilt they relieved by dedicating their efforts to their dead comrades. What they did was not wrong, but it is a great tragedy that their energy was solely directed towards Japan's economic recovery rather than towards the restoration of their self-respect through the preservation of their dignity and faith as human beings and as Japanese.

At the same time, Japanese males, who saw themselves as relieved of the responsibility for protecting their nation, women and children under the second clause of Article 9 of the Constitution, grew progressively emasculated, becoming the object of women's contempt. Men are urged to study hard, scolded by their mothers at home and by female teachers at school, and bullied by girl classmates. Discrimination based on the perceived academic ranking of the school is a contributing problem. Girls will have nothing to do with boys who attend schools that are perceived to rank academically lower than their own. Even if they attend the same school, girls evince no interest in boys with lower grades. This principle of ranking becomes even more pronounced at the university level.

I was told by the Maritime Self-Defense Force that because women are more highly motivated than men, the Force plans to increase their number to 10% of the 35,000 member force. Likewise, it is women athletes who are winning at international sports meets. If this trend continues, women may control not only sports but politics, diplomacy and even defense.

The rising percentage of never married people in industrialized nations is often viewed as a women's issue attributed to the increase in the number of working women and higher education. The conspicuous feature of this phenomenon in Japan, however, is the accompanying enfeeblement of men. Whether because men do not have the courage to approach women or because they cannot win female attention to begin with, the responsibility would seem to lie with men.

We would like women to realize that a man's value lies not just in his academic credentials or what university he graduated from, but in his "aspirations" and his "sound mind" and "body"; to recognize that the supportive companionship of a woman can imbue a man with courage and vitality; and to appreciate the splendor of building a wonderful family based on mutual respect. If not, the Japanese population will continue to steadily decline until it is reduced by one third. That could parallel the fate of the population of medieval Europe after the scourges of the plague.

A bright future for Japan depends upon men regaining their confidence and self-esteem and becoming thereby more attractive to women.

Afterword

‘Aging in Japan’ was completed in 1997. Considering the prominent changes Japan has experienced over aging issues since then, the following points should be added.

- 1) It seems there is no end to the unprecedented speed of population aging and low birthrate in Japan. Specific data is shown as follows:

Ratio of Elderly Population (aged 65 and over)

1995	14.6%
1998	16.2%
1999	16.7%
2000	17.1%

Total Fertility Rate

1995	1.42
1998	1.38
1999	1.34

- 2) The Public Long-term Care Insurance System formally started nationwide in April 2000, ten years after the introduction of the Gold Plan. It intends to support in-home care of the entire society based on the establishment of various infrastructures for care services. The system has adopted an insurance system, and aims to provide care services rather than cash allowances.
- 3) In April 2000, the “Adult Guardian Law” was implemented as well, which shows great progress from the standpoint of protecting the property and lives of the elderly, defending their human rights and respecting their self-determination.

Commentary

How much should Dr. Hideo Ibe worry about Japan's declining birthrate?

In the past 40 years, Japan's birthrate has declined steadily and fertility rates have fallen below replacement levels. After World War II, Japanese society began to change dramatically, as Japanese women gained greater independence and the numbers of unmarried men and women of childbearing age increased significantly.

Like most nations of the world, Japan is experiencing a new kind of population growth. Since the early 1900s the average life expectancy in the industrialized world has increased by nearly 30 years. At the same time, the total fertility rate has decreased. For example, the European community is 34% below the replacement rate of 2.1 children per couple. With the exception of Ireland and Turkey, each year there are fewer Europeans than the year before.

In response to the dramatic population shift, in 1994 the Japanese Ministry of Health and Welfare prepared what became known as the Angel Plan. This Plan identified the causes of the lower birth rate and attempted to formulate countermeasures in support of marriage and child rearing.

Among his own policy initiatives, Ibe suggested that the government provide a major tax deduction for each child, who would be regarded as a "public asset."

Dr. Ibe is not alone in his concern over this demographic change. The American writer, Ben Wattenberg,¹ has expressed his concern over the "birth dearth" in the United States and what he calls the "Graying of Europe." However, demographers are also concerned about the "population explosion"² (which is projected to reach 11 billion by 2050), the unevenness of family planning around the world and the precarious relationship between population and resources.

Yet, low fertility may not be the problem. It may be one solution to a variety of population issues.

- Many economists claim that in the interest of economic growth, populations – representing workers and consumers – must expand. However, modern methods of productivity in both agriculture and manufacture require fewer workers than in the past. For example, at the turn of the last century, 37% of Americans were farmers; that number has shrunk to 2%. Yet more food is produced each year. Similarly, fewer people are required in steel and automobile plants. Even the services industries are increasingly mechanized and automated.

¹ Wattenberg, B., *The Birth Dearth*. World Almanac, 1987.

² Teitelbaum, M.S., and Winter, J., *A Question of Numbers: High Migration, Low Fertility and the Politics of National Identity*, Hill and Wang, 1998.

- The critical variable is the purchasing power of existing consumers, not their absolute numbers. While it is true that slower population growth means fewer consumers, it is also true that purchasing power is higher for educated, employed workers than for the uneducated and unemployed. If the population decreased, societies could meet the needs of more people because the absolute wealth of the nation would be divided among fewer people. Poverty and hunger would decrease and the surplus could be used to make technological advances to further enhance quality of life. For example, the material resources of small families are not spread as thin as those of a large family. Generally, unless they are wealthy, parents with few children do a better job of rearing their children and providing them with a good education.
- Smaller populations result in less crowding, pollution, unemployment and urban sprawl.

Another concern is that too few workers will be available to support the growing numbers of older persons, and that labor shortages will result.

Productive aging is a particularly important adjustment that society must make to a lower birthrate. Since more people are living longer and healthier lives, it makes sense that they should work longer. Some economists have compared the number of persons age 65 and older with those 18 to 64 – the so-called “dependency ratio” – and their conclusions have been pessimistic. However, when the economists factor in the first 17 years of life, then declining birth rates offset the growing proportion of older persons. Thus, as the birth rate declines the ratio of older persons and children to workers will actually decline or remain essentially the same.

Dr. Hideo Ibe, and others who share his views, represent an important sector of social, cultural and economic thought. Both sides of the debate must be heard, and the dialogue may result in wiser social policies.

For example, the nations of the world might decide to put a premium on the education of the young, the productive use of older persons, the encouragement of providential savings, the growth of the mature market or “silver industries,” support of science and technology, the promotion of healthier, positive intergenerational relationships and the reduction of ageism.

The phenomenon of longevity will become even more pronounced in the 21st century and all countries will experience some change in their age structure. Societies will be called upon to rethink health care, education, the work place and relationships between the generations.

Perhaps nations will eventually find it advantageous to encourage an initial decrease in the birth rate followed by stabilization of the population.

Policy-makers must always respond to specific national issues of politics, culture, race and ethnicity. Yet ultimately, they all will face the increasing longevity of their populations and the need to pursue positive and productive attitudes and policies.

About the Author

The late **HIDEO IBE** was professor emeritus and former president of the Japan College of Social Work, as well as the president of both the Research Institute for Policies on Aging and the Research Foundation on Social Welfare. He also served as president of the International Longevity Center/Japan. Ibe earned his Ph.D. at the School of Economics, Keio University. His publications in Japanese include *Social Planning* (1968), *Women and Pensions* (1975), *A Treatise on New Poor Law* (1979), *Future Prospects of Social Welfare* (1987), and *Social Security in 50 years* (1987). *Japan Thrice-Opened, An Andepis of Relations Between Japan and the United States*, Praeger Publications, was published in 1992 in English.

About The International Longevity Center

THE INTERNATIONAL LONGEVITY CENTER-USA (ILC-USA) is a not-for-profit research, policy and education organization whose mission is to help societies address longevity and population aging in positive and productive ways and to highlight older people's contributions to their families and society as a whole.

The organization is part of a multinational research and education consortium which includes centers in the United States, Japan, Great Britain, France and the Dominican Republic. These centers work both autonomously and collaboratively to study how greater life expectancy and increased proportions of older people impact nations around the world.

The International Longevity Center-USA is located at 60 East 86th Street, New York, New York, 10028. The phone number is (212) 288-1468. The ILC website is www.ilcusa.org