

# Challenges of an Aging Japan: How to Maintain the Working Force?

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# Demographic Changes

- In 2013 there were 1,2 million new employees, while 2,2 million retired
- According to the UN data, the working age population of Japan is projected to decline continuously from 87.2 million in 1995 to 57.1 million in 2050
- To keep the size of population at the level of 2005, the country would need 17 million immigrants up to 2050



# Life expectancy

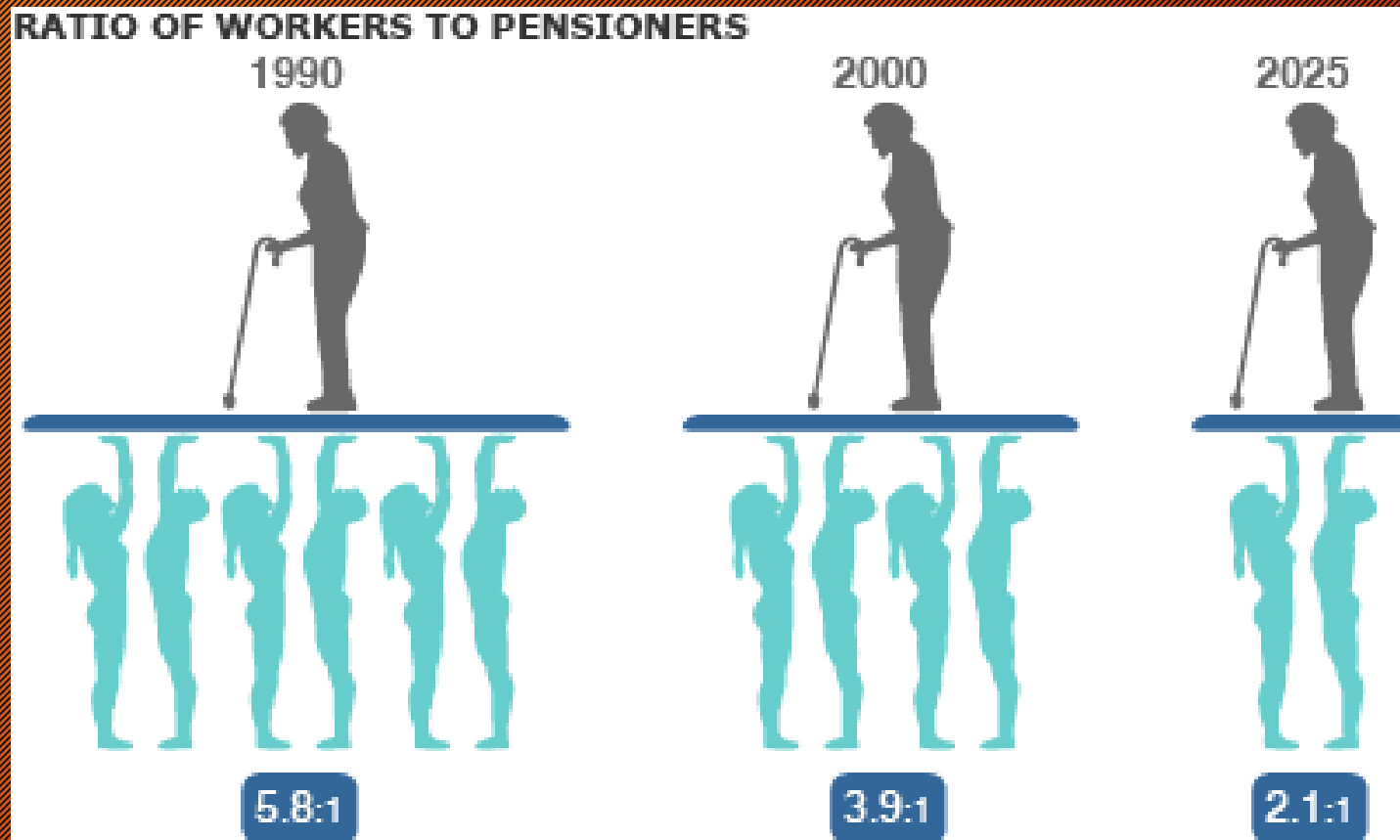
## Male

- 1950 - 59,57
- 2014 - 80,50

## Female

- 1950 - 62,97
- 2014 - 86,83

# Aging Society





# Possible Solutions

- Raising retirement age of elderly persons
- Immigration
- Women
- Robots



# Robots

- Machines as replacement of workers
- ASIMO multifunctional robots
- No labor law issues - no dismissals, strikes, wages, harassments...
- Maintenance related issues
- Liability issues are of a different nature





# Employment of Older Employees

- Age discrimination not illegal in Japan
- Mandatory retirement age
- “Age-conscious” policy based on guidelines
- Stick & Carrot efficiency
- Closing the gap between pensionable age and mandatory retirement age



# “Active Promotion” approach

- The Older Person’s Employment Security Act (OPESA), 2004
- 1. Extension of mandatory retirement age; (16%)
- 2. Re-employment of the person who reached mandatory retirement age; (81,2%)
- 3. Abolishing mandatory retirement age (2,8%)
- The OPESA 2012-criteria for re-employment prohibited



# Success Story

- The male employment rate between 60 and 64:
- Japan 78,9% (2015)
- US 60,5%
- UK 58,7%
- Germany 61,7%
- Italy 36,5%
- France 26,4%
- S. Korea 73,0%
- Thailand 74,2%



# Success Story?

Reasons for working - male 60-64:

Economic reasons	73,2%
To enrich life or to participate in society	7,6%
Being asked to work	5,5%
Health reasons	4,4%
Have spare time	3,8%
Others	2,9%



# Immigration

- France: 11.8 million (19%)
- Germany: 16.3 million (20%)
- Japan: 2,121,831 (1,67%)
  - Chinese 30,9%
  - Koreans 23,6%
  - Filipinos 10,3%
  - Brazilians 8,2%
  - Vietnamese 4,7%



# Immigration Policy

- *Nikkeijin* and “pay-to-go”
- Preferential immigration treatment for highly skilled professionals (2012)
- For first 20 months around 900 visa issued
- EPA with Vietnam, Indonesia and Philippines to promote immigration of nurses and certified care workers
- By the end of 2015 2,069 candidates, out of which 317 passed the national exam.



# Women

Paraguay	89	0.6724	83	0.6363	61	0.9928	55	0.9758	104	0.0847
Tajikistan	90	0.6682	38	0.7284	110	0.8993	123	0.9559	100	0.0891
Chile	91	0.6670	112	0.5445	32	0.9993	1	0.9796	67	0.1448
Angola*	92	0.6659	92	0.6163	127	0.8062	1	0.9796	34	0.2614
Bhutan*	93	0.6651	27	0.7528	116	0.8843	82	0.9725	122	0.0509
Armenia	94	0.6634	82	0.6384	29	0.9995	131	0.9497	115	0.0662
Indonesia	95	0.6613	103	0.5881	101	0.9574	107	0.9663	75	0.1334
El Salvador	96	0.6609	114	0.5345	79	0.9886	1	0.9796	70	0.1409
Maldives	97	0.6604	99	0.5914	1	1.0000	112	0.9612	101	0.0890
Mauritius	98	0.6599	105	0.5735	72	0.9907	1	0.9796	93	0.0959
Azerbaijan	99	0.6582	72	0.6591	85	0.9820	136	0.9254	114	0.0663
Cameroon	100	0.6560	40	0.7258	122	0.8470	112	0.9612	99	0.0902
India	101	0.6551	124	0.4465	120	0.8574	135	0.9312	9	0.3852
Malaysia	102	0.6518	100	0.5904	73	0.9907	75	0.9730	121	0.0530
Burkina Faso	103	0.6513	28	0.7467	128	0.7987	99	0.9685	98	0.0914
Cambodia	104	0.6509	77	0.6514	117	0.8811	1	0.9796	96	0.0916
Japan	105	0.6498	104	0.5841	91	0.9757	34	0.9791	118	0.0603
Nigeria	106	0.6469	54	0.6965	126	0.8115	122	0.9607	83	0.1190
Belize	107	0.6449	80	0.6458	103	0.9445	1	0.9796	133	0.0099
Albania	108	0.6412	87	0.6324	92	0.9755	134	0.9313	130	0.0256
United Arab Emirates	109	0.6372	122	0.4672	1	1.0000	112	0.9612	81	0.1206
Suriname	110	0.6369	119	0.4986	39	0.9973	1	0.9796	110	0.0723
Korea, Rep.	111	0.6351	118	0.5036	100	0.9592	75	0.9730	86	0.1046
Bahrain	112	0.6334	117	0.5146	71	0.9911	112	0.9612	113	0.0667
Zambia	113	0.6312	84	0.6354	121	0.8472	98	0.9690	109	0.0732
Guatemala	114	0.6304	113	0.5422	102	0.9522	1	0.9796	123	0.0475
Qatar	115	0.6299	106	0.5735	53	0.9941	129	0.9522	135	0.0000
Kuwait	116	0.6292	115	0.5252	57	0.9936	112	0.9612	126	0.0370





# ‘Womonomics’

- Gender equality should be treated as a universal right, rather than as a response to economic problems
- Present system allocates productive roles to men and reproductive roles to women
- *Matahara* and *Patahara*
- Limitations of law



# Future

- Changing position of female employees
- Raising retirement age further?
- Prohibition of age discrimination?
- What kind of employment system Japan really needs?





# Thank you!



In the Hollow of a Wave off the Coast at Kanagawa

Hokusai (1760 - 1849)

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