

RIETI-JSTAR Symposium

Japan's Future as a Super Aging Society: International comparison of JSTAR datasets

Handout



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Japan's Aging Population and Policy Challenges

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1. Reforms in Japan's Social Security Systems

Government Pension System:

Future benefit was reduced significantly in the last reform

Benefit level

Starting pension: wage inflation adjusted

Continuing pension: wage inflation adjusted => price inflation adjusted

Significant cut in the long run

No longer a major problem

Health Insurance

Cost of old age population is about 5 to 6 times of young adult population

Aging will increase cost significantly

Long-term Care Insurance

Most pressing cost problem

Cost of caring very old generation will be a heavy burden for younger generations

2. Policy Issues for Reforms

Shrinking working age population

15-64 year old population will decline by 17% over the coming 20 years

Old-age population above 65 year old will increase by 35% over the same period

Japan is likely to face severe man-power shortage in medical and elderly care services

Possible solutions

Make old people healthy

Change current practice of medical intervention to very old people

E.g., avoid the use of gastric fistula (direct feeding into stomach)

Even if a patient is in deep coma, his doctor cannot stop feeding

Social understanding of death and criminal law has to be changed

Increase fertility rate

Takes at least 20 years to have any effect

Change inbound immigration policy

Only highly-educated high-income people are allowed

Only very skilled immigrants are allowed

Current migration: about 30,000 per year