

Demography as Social Risk: Demographic Change and Accumulated Inequality*

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The main purpose of this paper is to discuss social risks related to aging populations, focusing on family and work for elderly people in contemporary Japan. I mainly examine economic inequality measured by mean log deviation and the poverty rate as concrete phenomenon to show social risk. The data which I analyze is the Comprehensive Survey of People's Living Condition in 1986, 1995, and 2004, conducted by the Ministry of Health, Labor, and Welfare of Japan.

There are two major findings of this paper. First, I found that the overall economic inequality among the elderly aged 65 and over has declined mainly because of the decline in the number of those who work and the difference in economic well-being between household types. In particular, the high advantage in the economic well-being of the elderly in a three-generation household has been no longer guaranteed. Second, there was a significant gender difference in the relationship between his/her past life course and economic hardship in their later life. In sum, the location of the elderly at home and in the labor market has changed, and as a consequence, the content of social risk related to aging has been more differentiated.

Keywords: *Economic Inequality, Aging Population, Household Structure, Head of the Household, Labor Force Activity of Old People*

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Introduction

The aim of this paper is to discuss social risk focusing on the aging population in Japan, and in conclusion, I propose a future direction for making our society more sustainable. A country's demography is formed by the life courses of individuals, and it shapes the society. Japan is undergoing a demographic transformation characterized by an aging population. This transformation has three components: the birth rate, mortality, and immigration. Fertility, the main determinant of a society's demographic structure, has declined in Japan for the last three to four decades, and in 2012 stood at 1.41, far below the replacement rate of 2.07. Since the mid-1980s, as a result of increased longevity, the proportion of the elderly, those aged 65 years and above, has increased dramatically and was 24.1 percent in 2012.¹

Such a demographic transformation has increased the generation gap between working and retired people, and because of the rapidity of the change in Japan, the social welfare system cannot keep pace with the current situation. For example, the pension system in Japan became problematic mainly because of the unbalance in size between the working-age generation who contribute to the social security system and the retired generation who receive benefits. In addition to the generational unbalance, the situation of the labor market, particularly for young people, has worsened since the late 2000s. As a result, young people whose financial basis for life can no longer be guaranteed are delaying marriage or choosing not to marry. On the other hand, the elderly have drastically altered their living arrangements in which the number of one-person and couple-only households increased in contrast with the decline in three-generation households. The welfare system, the framework for intergenerational gap conflict between the beneficiary and benefactor, relies heavily on roles in the family where a clear division of labor is supposed to exist. The assumptions underlying the social welfare system in Japan are less valid today and people are falling through the large cracks. One example is the increase in poverty, particularly among families with young children (Shirahase 2009). No other western countries have experienced such a swift change in demographic and family structure in such a short period of time. There are no clear solutions for the resultant social problems. I will discuss Japan's social risk focusing on the sociodemographic perspective such

¹ Statistics Bureau, the Ministry of Internal Affairs and Communications (<http://www.stat.go.jp/data/topics/topi631.htm>, accessed on July 28, 2013)

as the change in the family structure and economic inequality.

Differentiation among the Elderly

The challenge for a policy response to the intergenerational imbalance resulting from the decreasing birthrate and aging population is fast approaching. By imbalance, here, it is meant specifically that as the number of retired older people (the elderly) supported by each member of the working generation (productive-age population) rises, the burden on the working generation grows as well. According to the Ministry of Internal Affairs and Communications' Population Census, in 1980 the number of members of the working generation (15 to 64 years of age) supporting one person of 65 or over was 11.2, whereas in 1990 the figure was down to about half as much, or 5.8 individuals. By 2000 it had dropped to 3.9, a decrease of almost twenty-five percent in twenty years. According to the National Institute of Population and Social Security Research (with assumptions of medium-variant fertility rate and mortality rate), a decrease in the ratio of working people to the elderly population that they support can be projected from 2.8 in 2010 to 1.3 in 2060.²

In considering the phenomenon of the aging population, one must grasp both the macro and the micro dimensions. On a macro scale, the size imbalance between the economy-sustaining working generation and the retired elderly class presents a model of population structure. To focus attention on an individual's way of life and life course, whether he or she is unmarried and lives alone or lives with a spouse, is to encourage a micro-level discussion closely entwined with issues of disparity within the elderly class. Taking the social security system as an example, it is possible to consider any correlation with the pension system from a macro perspective, and on the micro side, long-term care insurance. For the pension system, a structure within which the working generation pays out insurance premiums to provide the retired generation a source of benefit funding; as a result, an imbalance develops in the scale between the workforce and the retired elderly strata. A system of long-term care insurance was introduced in response to the question of who should bear the burden of providing assistance and nursing care as people live longer, and with this a discrepancy grows between so-called biological and societal age (Moen et al. 1992; House et al. 1994). In

² <http://www.ipss.go.jp/syoushika/tohkei/newest04/gh2401.pdf>, accessed July 28, 2013.

other words, with the rise in individual life expectancy, this system was designed to better distribute the risks associated with health and nursing care across society.

The often noted intergenerational imbalance is, then, relevant to what is referred to here as a macro perspective. And yet it is more than a difference in scale between the age groups: the different restrictions of the social systems and the era experienced by each age generation are reflected in the interrelationships between them. The difference, for example, between those who were successful in their job hunting and became working members of society within the era of rapid economic growth and those looking for employment in the unanticipated economic slump of the Heisei era are large and persistent throughout their life courses. The life patterns following the job hunting stage are reflected in each generation's work lives as well as in family formation such as marriage and childrearing. This is referred to in sociology as the cohort effect, and it points to the idea of a group born to a specific era undergoing a shared experience and presenting a particular trait. Between those assured of employment within a lifespan in which guaranteed lifetime employment was the norm and those for whom working life commenced with a seemingly endless stream of short-term contracts for non-regular employment, the generation gap is considerable. From the perspective of age 65 being the beginning of the second half of a life, regardless of the era one was born in there is this commonality on the one hand. However, the era in which one lived up until that point will differ for an older person born in the 1930s and an older person born in the 1940s. For those to become 65 or older in the future, the substance of that elderly status will undoubtedly differ again.

In considering the life path of an individual taking old age as the compilation of a life lived, this stage becomes one in which the qualitative differences, advantages and disadvantages of the working life stage are stored (Merton 1968; Crystal and Shea 1990; Shuey and Willson 2008). In this old age, not only the individual's way of life but also his or her connections with family and the social system must be taken into account. Many who spent their working years in poverty will tend to become more and more penniless as they enter old age, whereas those who have lived affluent lives are able to establish themselves in a retirement of leisure and comfort, making good use of the assets and human resources laid in store until then. The lifestyle of the elderly is influenced not only by earnings but also by what standard of assistance or support has been retained, such as monetary and societal reserves. That is, the quality of one's life in old age, the final stage of human

life, is determined by economic and societal assets, in an era in which inequalities may be even more strikingly observed.

In an international comparison of income inequality among the older generations, the mid-1980s saw the extent of the income gap for Japan's elderly head of household stratum standing out (Shirahase 2002). A major reason for this was that the economic welfare level or economic well-being represented by earnings differs greatly depending upon with whom the elderly were living. During that era, a large number of elderly Japanese were part of three-generation households that included the families of their children. In such households, the employed adult children supported the family finances, so that by living together the elderly could benefit from some security of income. However, it is not the case that all elderly people live with their children in contemporary Japan (Shirahase 2009). Older people (particularly women) tend to live alone. And in as much as they are not cohabiting with family, they may find themselves pressed into a lifestyle with serious poverty risk. A family will make provisions for an elderly member's standard of living: until now, the existence or absence of cohabiting family has been a determining factor for the lifestyle (including family formation) of elderly people.

Compared to the mid-1980s, income inequality for the elderly age group has decreased due to the expansion of the social security system, with the pension system as a prime example. With this, with whom one lives has come to have less sway in the economic welfare standard of the elderly than was previously the case. Still, the disparity in income of the elderly in comparison with other age groups is large, and it is particularly the case that the poverty rate of elderly women living alone remains high. Factors such as what sort of work one was engaged in, what sort of family structure was formed in one's younger years, what order of resources was laid in store, and what standard of human relationships (family relationships) had been established going into one's later years have a great influence over the quality of life of the elderly person. In this paper, I would like to discuss the degree of income inequality among the Japanese elderly from the following two aspects, that is, work and family.

The Working Elderly

Compared to the U.S. and Europe, one major reason for the economic inequality of Japan's elderly class is that the employment rate for elderly

people is relatively high (Shirahase 2002, 2009). Workers in the U.S. and Europe retire at a designated age to enjoy a life of leisure. In the 1980s, the Mitterrand administration in France lowered the starting retirement age for provision of pensions to 60, defining “the golden years” as a time to enjoy the latter half of human life in which one was liberated from paid employment. However, lowering the starting age for pension allowance exerts an inevitable pressure upon the social security budget. Not only France but other European nations, because of financial pressures related to the aging of their populations, have been forced to reverse their policies and keep the elderly within the labor market longer (Duval 2003). The challenge becomes how best to present the continuance of work in a positive light and how to erase the negative connotations of prolonged employment. In this challenge to cast off a societal tendency to prefer early retirement, Japan, with its high rate of elderly workers, can provide a model for Europe. In fact, when surveyed about their desired retirement age, about 40 percent of Japanese respondents over 60 replied, “I will work for as long as I am able.” Such figures reflect a strong desire to work among the elderly (Cabinet Office 2011).

Japan’s labor force participation rate for the elderly aged 65 and over is higher than that of most west European countries in OECD countries.³ That is, in contrast to the European case of the majority retiring to take up their pensions upon reaching the mandatory age for retirement, and their income levels resulting from revenue from those pensions, in Japan, Taiwan, Korea and such countries where the rates of working elderly are relatively high, the livelihoods of the elderly are sustained in accordance with the income of the work in which they are engaged. In fact, the living standards of the elderly in these countries differ substantially according to whether they are working or not.

As continued employment in older age may prove sufficient to maintain economic standards of living, the motivation for continued employment of the elderly becomes powerful. Accordingly, while the significance of work to the individual’s life may be among the reasons for the high proportion of employed older people in Japan, this must be due to the benefits of the income obtained through working. Further, the difficulty of subsisting on pension alone must also be raised as a factor.

According to a national survey on the economic life of the elderly implemented by the Cabinet Office in 2011, the most common reason for

³ The labor force participation rate of the elderly aged 65 and over in Japan is 20 percent, and its OECD average is 12.8 percent in 2012 (<http://stats.oecd.org>, accessed on August 4, 2013).

working given by the elderly, accounting for a majority of respondents, was “to cover living costs.” This dimension of working in order to live is also very present. When figures for the employed and the unemployed elderly are mixed, it results in changes to structures of revenue. Income is mainly divided into earned income received from one’s own employment and income from non-employment sources such as pension or bank interest and dividends. That the income structure for old age does not differentiate between those working for a wage and the unemployed is related to a major change in the proportion of earned income to unearned income.

In old age, the number of the unemployed increases, and these individuals make their living through unearned income such as pensions rather than through work-related income. Just as in the disparity within work-related income, this disparity between work-related income and unearned income, roughly speaking, between wage and pension income, is reflected in the statistics. As pensions tend to be low compared to wages, retirement is another means by which the elderly are pressed into low social class standing; thus, the disparity widens. However, in Europe, where cases of retirement at age 60 and earlier are common and the income structure for the elderly is mostly comprised of unearned income, and the economic disparity of the elderly as a class can be explained by pension and such unearned income streams, the disparity is expected to be less than that involving work-related income. In fact, the income disparity in later life in Europe is said to have relatively declined in comparison to other stages of life (Pampel 1981; Hurd and Shoven 1985).

In Japan, where many continue as self-employed workers after joining the elderly class, characteristically economic inequality among the elderly is higher than for other age groups (Shirahase 2009). However, as the number of self-employed elderly diminish and the number of those retiring and living on pensions (unearned income) increases, economic inequality within the elderly class is narrowing since the mid-1980s.

Income Inequality across Households with Elderly Members

What is the relationship between the change in household structure and economic inequality among the elderly? This section examines income inequality using two measurements: the mean log deviation (MLD⁴) and the

⁴ $MLD = \frac{1}{n} \sum_i h \left(\frac{\mu}{y_i} \right) = h \mu - \frac{1}{n} \sum_i h y_i$

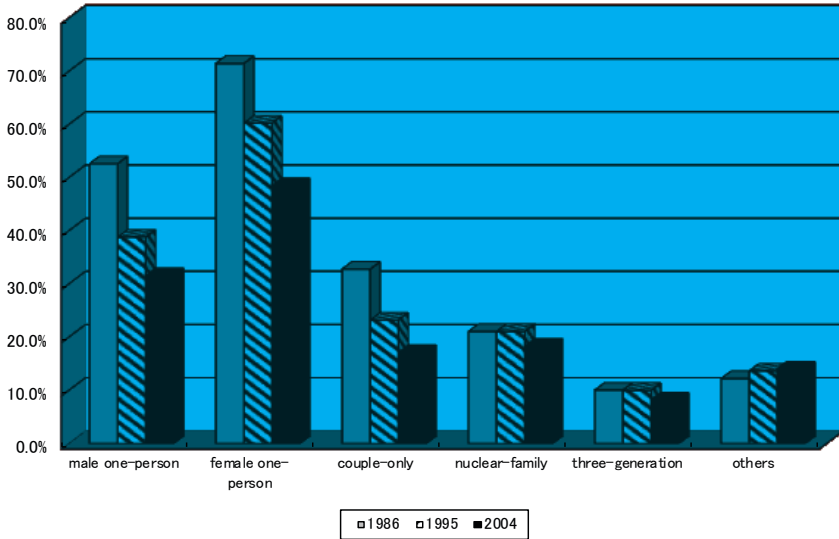


FIG. 1.—Trends in the poverty rate by type of household with elderly members. Source: Comprehensive Survey of People's Living Conditions (Ministry of Health, Labor, and Welfare).

poverty rate.⁵ In this paper, I use data from the Comprehensive Survey of Living Conditions in Japan (CSLCJ). The CSLCJ is a nationally-representative survey of households conducted by the Ministry of Health, Labor and Welfare since the mid-1980s. In order to see the overall trend, I use three points of CSLCJ survey years, that is, 1986, 1995, and 2004.

In the mid-1980s the overall poverty rate across all households was 11.5 percent. By the mid-1990s it had grown to 13.2 percent, and by the mid-2000s it was at 17.1 percent. The increase in the poverty rate since 2000 was particularly large. The poverty rate for households with elderly members increased to be 20 percent higher than the poverty rate for the total number of households. Figure 1 presents the poverty rates by the type of household in which elderly members reside over the three points of the survey in order to examine how the poverty rates differ by the types of households with elderly members.

The poverty rate across all types of households with elderly members is

n = sample size, y_i = disposable income of the household i , and μ = the mean disposable income of the total of households.

⁵ The poverty rate is calculated as the proportion of households whose disposable income is less than the median disposable income of total households in the society.

declining overall. The household type with the most dramatic decline in poverty rate is the one-person household. In the mid-1980s, about 50 percent of male one-person households were in poverty, whereas by the mid-2000s, the figure had decreased to 30 percent. The poverty rate among female one-person households was even higher, and the decline more dramatic: over 70 percent were in poverty in the 1980s, falling to 48.5 percent by the mid-2000s. Although there has been a clear decline, the poverty rate among elderly women living alone remains quite marked. With longer life spans and a growing tendency to remain unmarried, it is possible that the poverty rate of single elderly female households will remain high or become even higher. And given that the poverty rate among three-generation households with elderly members is lower than ten percent, it is safe to conclude that living alone as an elderly person entails considerable economic risk.

The overall poverty rate has increased among all households in which an elderly person resides. Yet the trend in the poverty rate of some household types with elderly members shows a decline. Although the overall poverty rate is increasing, why is the poverty rate of certain household types declining? How can these contrasting trends be explained and what do they mean (especially since there are indications that the overall poverty rate across all types of households with elderly has improved over the last twenty years)? However, elderly one-person households have a much higher poverty rate than three-generation households. What is occurring here is that the percentage of the total number of households with relatively high poverty rates has increased, so consequently the overall poverty rate among households with elderly members has also increased. This suggests that both the proportional distribution of household structure and the poverty rates by household type with elderly members have to be taken into account when examining changes in the overall poverty rate among the elderly.

In order to explain the reasons for the change in the extent of income inequality, I divided it into three factors: (1) the effect due to changes within household type; (2) the effect from changes in the distribution of the household structure over time; and (3) the effect from changes in the difference between household types. These three effects correspond to the following questions: (1) whether changes in the degree of income disparity were caused by a rise in the degree of income inequality within a particular type of household; (2) whether it occurred due to a change in the proportional distribution of the overall household structure; or (3) whether it depended on changes in the mean difference between the household types over time. To break down changes in the degree of income inequality into

these three factors, I have adopted the study by Nishizaki, Yamada and Ando (1998). For example, to explain the change in MLD from 1986 to 1995, I break it down into three kinds of factors. The first part depicts the intra-household effect, the second and the third denote the distributional effects of the household structure, and the fourth examines the inter-household effects.

$$\begin{aligned} \Delta MLD &= MLD^{1995} - MLD^{1986} \\ &= \sum_i \bar{\alpha}_i \Delta MLD_i + \left[\sum_i \overline{MLD}_i \Delta \alpha_i + \sum_i \ln \left(\frac{\mu}{\mu_i} \right) \Delta \bar{\alpha}_i \right] + \sum_i \bar{\alpha}_i \Delta \ln \left(\frac{\mu}{\mu_i} \right) \end{aligned}$$

$\bar{\alpha}_i$: the mean proportion of the household category i in 1986 and 1995

\overline{MLD}_i : the mean MLD of the household category i in 1986 and 1995

μ_i : the mean disposable income of the household category i in each year

μ : the mean disposable income of the total of households in each year

Table 1 shows the results of breaking down the three factors in the change of MLD among households with elderly members. When comparing 1986 to 1995, the overall degree of income inequality increased from 0.239 to 0.252, showing a difference of 0.013. The major factor in explaining this change is the distributional change of the households between 1986 and 1995. The degree of income inequality within each household type has slightly increased, and the distributional change in household structure represented by the decline in three-generation households and the rise in one-person households and couple-only households largely explains the increase in the degree of income inequality between these two periods. On the other hand, the between-household difference has declined. The difference in the mean disposable income by household type became smaller in these years.

In a cross-national analysis, Shirahase (2002) claims that a characteristic

TABLE 1
THREE FACTORS IN THE CHANGE OF MLD AMONG HOUSEHOLDS WITH ELDERLY MEMBERS

	Difference in MLD	within-household effect	Distributional effect	between-household effect
1986~1995	0.01310	0.00066	0.02384	-0.01141
1995~2001	-0.02200	-0.02938	0.01039	-0.00305

SOURCE.—Comprehensive Survey of People's Living Conditions (Ministry of Health, Labor, and Welfare).

of income inequality in households with elderly members in Japan is that the level of economic well-being of the elderly differs significantly depending on the type of household in which they live. For instance, the economic well-being of the elderly who live alone is inferior when compared to that of those who live in a three-generation household. In contrast to Western Europe, the structures of households in which the elderly live in Japan are diverse, and it is one of the reasons that the extent of income inequality is much larger in Japan than in Europe. As the nation's social security system, particularly the pension system, has improved, the poverty rates among the elderly, particularly elderly women living alone, has improved markedly. And because of improvements in the social system, the overall extent of income inequality by household type has declined in Japan. However, there is still ample space for improvement.

From 1995 to 2004, the overall extent of economic inequality improved from 0.252 to 0.230. One of the major reasons for this was a decline of income inequality within particular household types. Inter-household differences narrowed in the period from 1986 to 1995, though to a lesser extent than in the previous period. The decline in economic inequality from the mid-1990s to the mid-2000s mainly occurred due to the improvement in within-household inequality (-0.029), and the extent of income inequality within household types became smaller between 1995 and 2004. However, the effect of the distributional change in household structure has remained positive, which means that the distributional change in household structure, represented by the increase in one-person and couple-only households, has led to an increase in the overall degree of income inequality. On the other hand, the effect of within-household changes on the extent of income inequality overcame distributional changes in household structure with elderly members between 1995 and 2004, and consequently, the overall extent of income inequality has declined since the mid-1990s.

Regarding changes in the structure of households with elderly members, the mean size of the household has become small due to the increase in the number of one-person households and couple-only households. Whereas formerly, the majority of the elderly used to live with their child's family in three-generational households (where they could enjoy basic livelihood security, including income security within the household), at present the number of one-person households and couple-only households has increased, so that the decrease in household size is positively related to the high extent of income inequality. However, the between-household difference in the level of economic well-being has also become small, and the gap

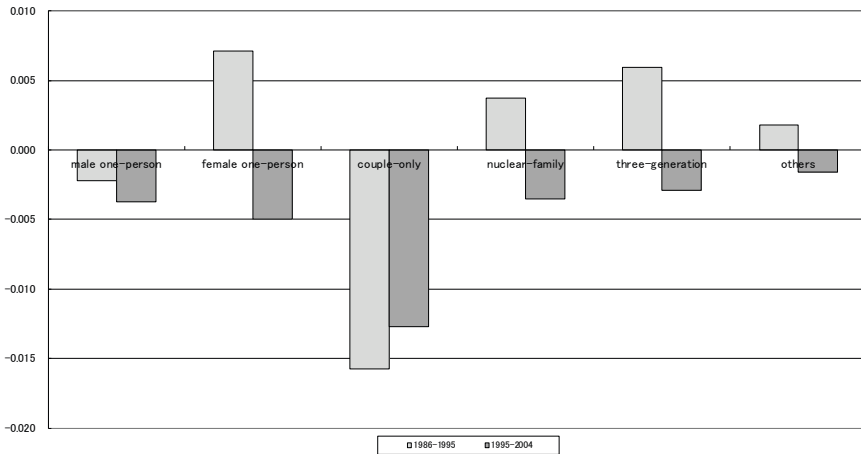


FIG. 2.—Within-household effect on changes in the degree of income inequality (MLD) by household type. Source: Comprehensive Survey of People's Living Conditions (Ministry of Health, Labor, and Welfare).

between the elderly in three-generation households and in one-person households is no longer so large. This is the main reason that the overall extent of income inequality has declined recently.

The results confirm that from the mid-1990s to the mid-2000s, the extent of income inequality within certain household types lessened and thus led to the lessening of the overall extent of income inequality among households with elderly members. Figure 2 depicts how the weighted extent of income inequality within one household type contributed to the overall extent of income inequality, which corresponds to the first component in the equation shown earlier. Figure 2 shows that a large proportion of the recent reduction in the extent of economic inequality across all households with elderly members was caused by a reduction in inequality within couple-only households. The negative effect derived from female one-person households (which traditionally have had a high poverty rate) on the overall change in the extent of income inequality is similarly significant, but not to the extent of that of elderly couple-only households. This result can be interpreted as follows: the contribution of a reduction in the extent of income inequality in one-person households is relatively smaller than that in couple-only households, a difference that is partly due to the fact that the proportion of the former is smaller than that of the latter. Couple-only households make up over one-third of all households, and as of 2004 this was the largest single

group by type of household. The lessening of the extent of income inequality within this group – the couple-only households – has mostly contributed to the reduction in the overall degree of economic inequality among households with elderly members. Improvements in the public pension system are likely to be a major reason for this reduction.

Economic Inequality among Three-Generation Households

In the previous section, I found that the elderly members of three-generation households are relatively better off in terms of economic well-being, compared with those living in other types of households. In fact, the poverty rate of elderly living in three-generation households is the lowest, and consequently, the extent of income inequality is the smallest. Yet, the number of elderly living in three-generation households has been declining, even though the Japanese-style welfare system is based on this model. The transformation in the structure of households with elderly members means that these three-generation households are no longer as common as they used to be, and that the elderly can no longer expect to enjoy the livelihood security provided by family members. This section of the paper pays closer attention to these ‘three-generation households,’ which today constitute one-quarter of the total number of households with elderly members, focusing on the economic position of the elderly member within the household.

First, I would like to examine the definition of ‘household head’. As the person who represents the household, the household head is usually expected to play the role of breadwinner. As of 2004, about 90 percent of household heads were breadwinners. When looking at households with elderly members, however, the household head is not always the same person as the breadwinner. In fact, there are cases in which an elderly father remains the head of the household, whereas the actual breadwinner is a son. From 1986 to 2004, the percentage of three-generation households that designated an elderly member as the head increased from 20 to 36 percent.

Figure 3 shows that the poverty rate for households in which the head is non-elderly declined slightly from 10 percent in 1986 to 8 percent in 2004, and that among households with an elderly head it increased from 8 percent in 1986 to 11 percent in 1995, and then dropped to 9 percent in 2004. Interestingly, whereas in the mid-1980s the poverty rate among elderly-headed households was lower than among non-elderly-headed households (usually the son was the head), from 1995 onwards the poverty rate among

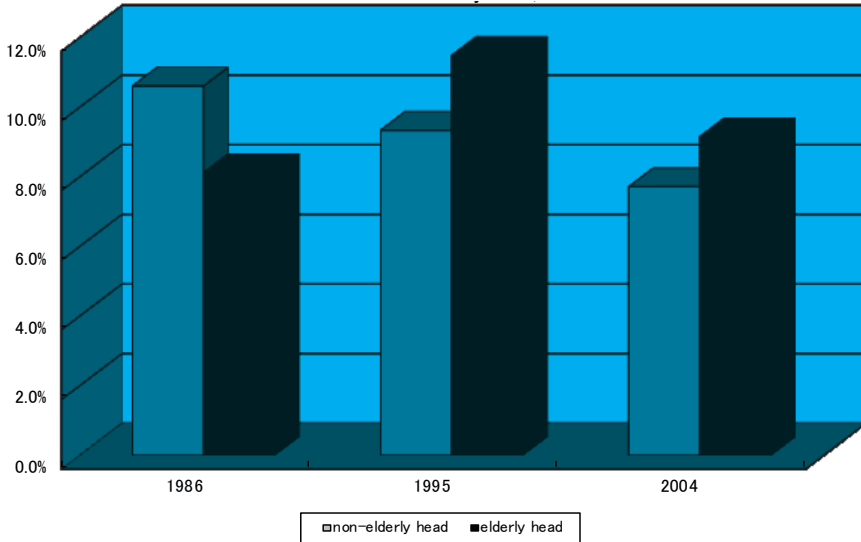


FIG. 3.—Poverty rate among three-generational households (elderly head versus non-elderly head). Source: Comprehensive Survey of People's Living Conditions (Ministry of Health, Labor, and Welfare).

elderly-headed households was higher. It is likely that both types of households (elderly-headed and non-elderly-headed) were affected by the Heisei-era recession, though differently. It would be supposed that in the three-generation household, the working-age family member, usually the son, plays the role of the household head; this member additionally plays the role of breadwinner and takes care of his elderly parents. Indeed, figures show that in 1986, the percentage of three-generation households with an elderly head was only 20 percent. After 2004, however, the figure almost doubled to 36 percent, so that more than one-third of three-generation families now has an elderly head. These changes in the proportion of households with the elderly as the household head suggest that the role elderly members play in the household economy has changed.

Given that the household head traditionally plays the role of breadwinner, the increase in the proportion of elderly household heads in three-generation households would mean that the elderly continue to play a major role in supporting the family economy. Before 1995, elderly members in three-generation households used to enjoy economic security by living with the married son, who had taken over the role of breadwinner. After 1995, however, a shift in the dynamics of family roles occurred, and it was no

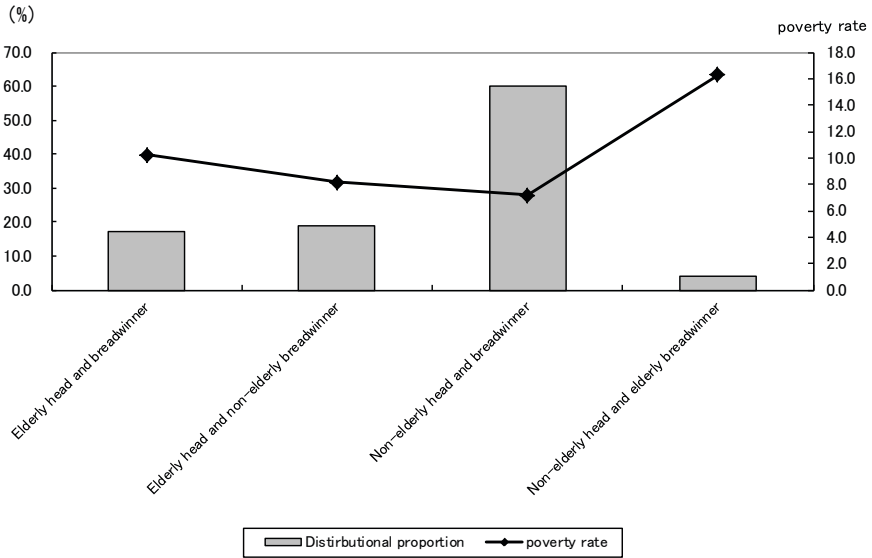


FIG. 4.—Poverty rate among three-generational households by type of household head (elderly/non-elderly, breadwinner/non-breadwinner) in 2004. Source: Comprehensive Survey of People's Living Conditions (Ministry of Health, Labor, and Welfare).

longer the case that the position of the elderly member of a household was guaranteed to be beneficial, a change that calls for an in-depth examination of the economic role that these elderly people played after 2004.

Figure 4 presents the poverty rates among three-generation households by combining the age of the household head and that of the household breadwinner. The most predominant combination (60 percent) is that of a non-elderly household head who is also the breadwinner (Type 1). Seventeen percent of three-generation households have an elderly head who is also the breadwinner (Type 2). In almost 20 percent of three-generation households, an elderly person holds the position of household head but is not the main earner (Type 3). And in a minority of cases (4 percent), a non-elderly family member is the household head, but is economically supported by an elderly member (Type 4).

The highest poverty rate is found in Type 4. An example of a Type 4 household is one in which the son takes the position of household head, while the family economy is supported by the elderly parent or the grandson. However, because of the small number of these household types, the results call for careful interpretation. The lowest poverty rate, on the other hand, can

TABLE 2
POVERTY RATE OF ELDERLY LIVING ALONE ACCORDING TO MARITAL STATUS

	Male		
	1986	1995*	2004*
never-married	63.6	65.2	50.0
widowed	51.3	36.6	28.4
divorced	50.0	33.3	34.4
	Female		
	1986	1995*	2004*
never-married	71.8	54.3	47.3
widowed	72.0	60.7	48.5
divorced	65.9	62.1	49.5

SOURCE.—Comprehensive Survey of People's Living Conditions (Ministry of Health, Labor, and Welfare).

NOTE.—* statistically significant at the level of 5%.

be seen in Type 1 households, in which a non-elderly member takes the position of household head, earns the most, and supports the household economy. Therefore, it can be supposed that the elderly member in a conventional three-generation household would gain economic security by sharing the household with the younger generation. However, while the majority of three-generation households are of this type, the proportion is decreasing, and it can be speculated that the so-called Japanese-type welfare state, in which the young generation provides the elderly members of the household with basic livelihood security, is fading.

Trajectory of One's Life Course to the Elderly Stage

In what ways is the life of an individual up to the elderly stage reflected in the economic conditions of that stage? Here, by focusing our attention on the marital status (whether unmarried, divorced or widowed) of the elderly person living alone, we will make a conjecture as to the life course and consider its relationship to poverty risk in old age.

In the mid-2000s, the majority of elderly people living alone are assumed to have been living in bereavement for deceased partners, with 80 percent of women being widows and 70 percent of men being widowers. However, the

economic risk of living alone in old age differs according to whether one was always single, widowed or divorced. Table 2 illustrates the poverty rates of elderly people with relation to their marital status. From the table we can see that for elderly single men, the rate of poverty is higher than for divorced or widowed elderly men, a difference so great as to be statistically significant. Whether these men never married due to a lack of funds or became poor in older age because they had not married, the true direction of this causal relationship cannot be determined by means of this data. However, in any event, for unmarried men entering into old age, there is a high risk of poverty; there is a close correlation.

On the other hand, women's poverty rate is not greatly affected by whether they are single, widowed or divorced. The poverty rate of elderly women living alone has declined. While the rate of poverty among elderly women living alone reached as high as 70 percent in the mid-1980s, by the mid-2000s it was below 50 percent. While the poverty rate remains high, even in widowhood this high poverty rate does not suggest for elderly women as clear a distinction according to life course as that of the men.

What kind of significance might such a difference between the numbers for men and for women suggest? One interpretation is as follows. As represented by the high poverty rate of elderly men who are unmarried, in the case of men, the reason for remaining unmarried and living alone is related closely to the individual's economic stability. For men without such stability, the likelihood of remaining unmarried throughout one's lifetime may be expected to be high, while on the other hand, economic strength and marital status are not closely connected to a similar extent for women. Whereas a man's own lifestyle choices may relate directly to his own economic stability, for a woman, whatever her life choices may have been in the past, her condition of living by herself does not reflect directly upon her economic standard of living. That is to say, in comparison to men, women are not actualizing an accumulation of lived experience in the form of economic stability. The individual woman's economic standing is linked not so much to her own life course as it is prescribed by her connection to her relatives, her parents or husband. That a difference in the economic conditions of elderly women is not directly reflected to any great degree by a life course that involves her living alone does not suggest that women's lives have not been constricted in the past. Upon looking into why an elderly person came to live alone, we may rather reflect that the life course up to that point was one in which rank was established not so much within the individual as within the relationships inside the family, suggesting that up to now the relationship

between the life course and the individual's economic stability has been an indirect one.

Most women have lived with their parents until they get married, so that should this unmarried interval be prolonged, the time spent under her parents' roof would as well. Rather than what sort of life course one has followed up to this point, whether she has lived with anyone or by herself seems to regulate to a high degree the woman's economic level. The woman as an individual will not have accumulated from her lifestyle to the extent that a man has; in living with or apart from her surrounding family and relatives, her economic level has been determined in indirect and direct ways. On the other hand, whether a man chooses to go through life unmarried or not reflects very directly upon his risk of poverty in old age.

In this sense, in observing differences in life patterns and differences in poverty rates, it might be said that when men depart from the stereotypical path, they bear a heavy penalty. While within gender theory, traditionally the position of women as the oppressed sex has been emphasized, in fact the penalty for departing from convention is shown here to be higher for men. Life as a single among the elderly, in Japan as in the West, is a position of economic disadvantage. However, it cannot be overlooked that the paths taken there and the effects of the life choices made along the way differ according to gender, and that particularly for men who deviate from the mainstream comes substantial economic sanction.

Who has come and via what life path to the latter years of life? Such interior details can never be fully grasped, but through the frame of poverty we can make conjectures as to one consequence of life choices. Nevertheless, it is not only in the makeup of past lives that we can find real evidence of disparity not readily apparent. One other such factor is the regional differences of the aging population.

Conclusion: The Risk Sharing and Sustainability of the Society

The aging process is accompanied by various social risks such as being ill, losing one's job and economic security, being bereaved, and facing loneliness, at the individual basis. And at the macro level, we have witnessed that the demographic structure of our society has largely changed in a short period of time mainly due to a sharp drop in the fertility rate during the 1950s. At the same time, the family structure in which the elderly live also largely changed. The elderly used to deal with the risks related to their aging

process by co-residing with family members of younger generations, mostly their eldest son. Such a multi-generational household made it possible for the elderly to share various risks related to the aging process across various generations within the household. However, now, the majority of the elderly live either by themselves or just with their spouse, and such a conventional way of risk sharing at the household level has become more and more difficult.

In different life stages the risks and needs for people differ. For example, looking at health, with age it becomes easier to catch a cold, physical strength lessens, and the hips and legs deteriorate (with differences between individuals, naturally). Even by increasing one's longevity and alleviating health problems somewhat by engaging in moderate exercise, cutting down on excess eating and drinking and watching eating habits, nonetheless, the rise in health risks with aging cannot be altogether curtailed. But to suggest for this reason that one focus solely on ingesting high-risk items, to arrange for compensation payments with regard to such risks, and so on would be preposterous. Within a society of an aging population and declining birthrate, what is surely most essential now is social cohesion, or to put it another way, a societal structure with a mutual support system of shared various risks.

The mutual support suggested here is not within a relationship of shared risk and benefit in the immediate sense but a mutual gain over individual life courses, surpassing any instantaneous cost or benefit to form together a collective movement toward an abundant society. It is for this reason that in forming our shared society it is asked of us that we employ strength of imagination not limited to the standard of only what we can see. Even an individual who is currently healthy and to whom sickness is an irrelevancy cannot assert that the possibility of future illness or injury is nil. In this sense, the life of a person consists in part of an accumulation of various chances and risks. Therefore, for everyone to work together to take apart the various risks will bring more blessings than anyone can even predict. More than anything, for people of different ages who have lived among so many generations, creating a shared society and engaging in such cooperation will culminate in a lasting cycle of many benefits.

And so the income inequality from the 1980s has been explained and the significance of the aging population has been expressed. The income inequality of the elderly class is great, and it is composed of a mixture of both the rich and the poor. As the size of the current working generation reduces in connection with declining birth rates, the number of elderly people to be

supported by each member of that current working generation increases. An issue that arises here, however, is that while the economic conditions of the current working generation lending support weaken, the economic conditions of the elderly groups, of the people to be supported, vary widely. That is, it has been proven difficult to grasp an aging society which holds to such a simplistic intergenerational relationship such as one that supports a structure in which the working generation supports the retired elderly class. Of the working generation and the elderly, it has become impossible to state that the former is more economically stable than the latter, and in some cases the reverse may be true. In which event, the role of the working generation as supporters of the elderly in itself becomes problematic and a state of affairs has been reached in which the system itself can no longer be effectively administered.

One possibility, then, is to construct a redistribution measure based not only on multiple generations but within the generations themselves. This exposition of the benefits and provisions of a society of mutual support centers its focus on its benefits and provisions, but an accumulation is needed to hold up these benefits and provisions and for this the responsibility must be levied. This discussion, from the point of income inequality, has centered on the flow, but the inequalities in the elderly stage also result from an accumulation of inequality up to then, and the disparity in assets like land and savings is substantial. We have come to a stage in which it is necessary to consider the extent to which not only the 'flow' but the 'stock' must be subject to being redistributed and returned to society.

The rate of asset holding of the elderly is high compared on average to other age groups. Yet in speaking here of averages we must not forget the large gap that exists between the haves and the have-nots. Because of this, it is inadequate to treat the ranking of the elderly within the social system according to age alone. In terms of mutual assistance, this assumes a structure in which the young and middle-aged as well as the elderly all contribute to the system. In particular, as this paper has shown with regard to the income inequality among the elderly, the questions of to whom, where and in what manner accumulated resources are transferred become integral to political measures of redistribution. When we aim for a sustainable society, attention is given to a future facing endurance, but in considering redistribution measures it might perhaps be helpful to consider introducing a system for clearing the "accumulation" in the course of an individual's lifetime instead of passing it down to the next generation.

Looking from the perspective of maintaining social security funding, the

introduction of a new consumption tax is under consideration. Certainly, in terms of widening the scope of funds without restrictions on use, raising the consumption tax is bound to be effective. However, prior to that, or simultaneously, a review of direct taxes such as those on inheritance, property or income is urgently needed. Sweden's generous social welfare policy is built from collections taken from the middle class up throughout the highest tax rates, which is a wide scope. In Japan's case, on the other hand, the tax rate of the middle class income bracket is flat and the income tax revenue made up from annual income is restricted (OECD 2012). Upon consideration of the social welfare measures for the elderly, taking into account that social group's particular needs and the redistribution policy, and taking into account the disparity within society as a whole, the former determines the target group for the system by age and the latter determines responsibility not by age but by standards of earnings and assets. From this it is not too much to say that the benefit created from that responsibility would be guaranteed to be available regardless of age.

Whether we are talking about those aged 65 or 80, the various social systems whose rankings are regulated according to age alone will prove unable to adapt to the aging society to come. A society in which elderly people's lives are various, coexisting in various generations, and continuing to overcome obstacles in keeping with all the society members' real contributions must be a goal; it must be one image of an aging society. This may well be an advocacy of what has been referred to as "participatory society" (Atkinson 1995; Beck 2000; Miyamoto 2009). To grasp wider participation in the concept of responsibility, and for each member of society to pursue service to that society, is to visualize an invigorated and sustainable society without regard for the distinction of age per se.

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