

Olivia S Mitchell comments:

Thank you for the invitation to the ESRI International Conference 2016 on “Aging in Japan: The Impact of the Retirement of Japan’s Baby Boomers.” I am pleased to be with you and very much enjoyed reading some of Professor Kondo's work on the Japanese labor market.

Prof Kondo’s recent research focuses on differences in employment between cohorts due to changes in mandatory retirement ages and changes in pensions. Here she finds that there is no strong and consistent relationship between the availability of long-term care (LTC) facilities and male or female participation. She also has examined the wage patterns of older workers, and very interestingly, concludes that older workers’ wages have fallen quite substantially over time. This leads her to conclude that in Japan there is little substitution between younger and older workers. Her topics are extremely important to the Japanese people and to policymakers, as LTC in Japan is rapidly becoming a big budget item. Moreover, getting more women into the labor force is a key pillar of the “womenomics” reform proposed by the Abe administration.

In my remarks I offer a few thoughts on what discourages women from working for pay in Japan, and then turn to a discussion of Japan’s LTC insurance program. Predictions are for healthcare spending, and LTC spending in particular, to continue rising at a steady pace. I predict that more aged-care means testing is in the offing.