

Elderly Care System Development Forum

A Case Study of Yichang City and International Experience
Exchange
26–28 September 2022



Labor Participation of the Elderly and the Public Pension System

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Section I Labor Participation of the Elderly in Japan

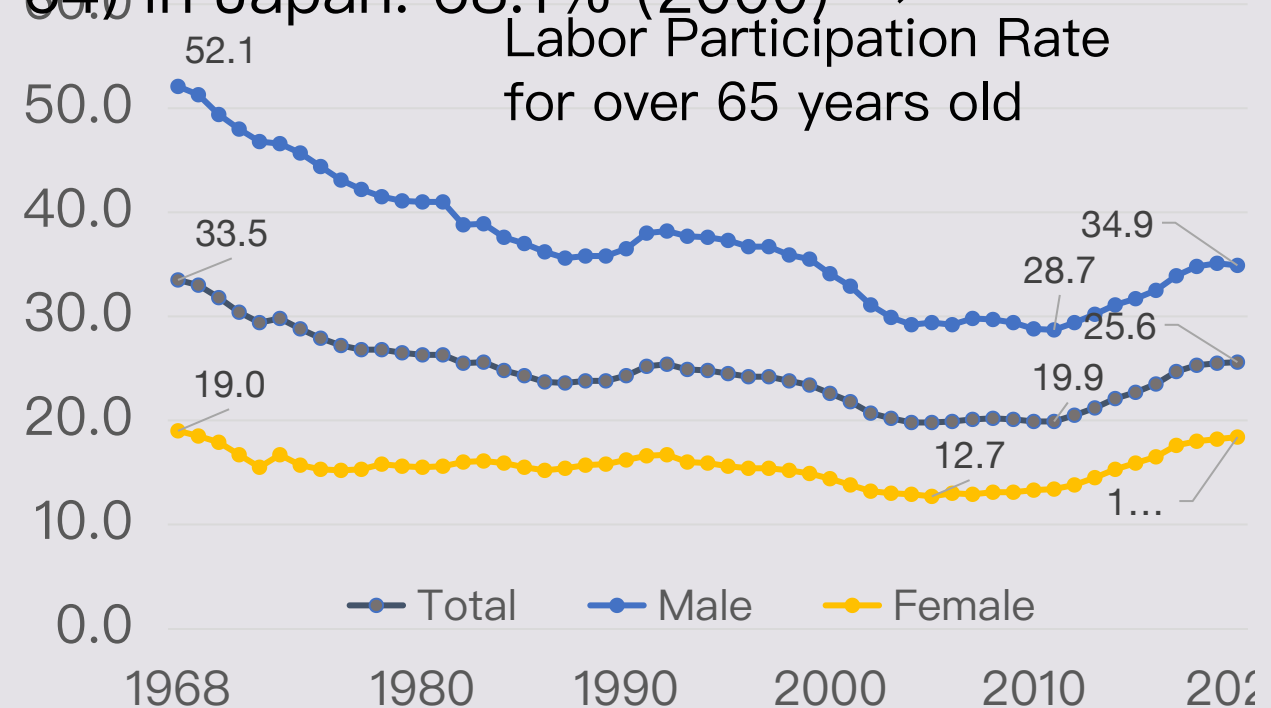
- Aging population can be a brake on economic growth.
 - In particular, the decline in the working-age population is critically important.

Working-age population ratio(15–64) in Japan: 68.1% (2000) → 59.4% (2021)
 But there are also many healthy elderly people

- Labor participation of the elderly will

• Their labor participation rates:

- 1960's~2000's: decreasing
- 2010's~2020's: increasing



• Labor Force Survey



Section II Public Pension System in Japan

- 1941: Labor pension system established
Starting age for payment: 55 years old.
- 1954: New welfare pension system established
Starting age for payment: male 60, female 55
- 1980: Raising the starting age was proposed, but did not materialize
Opposed for lack of employment environment for the elderly
- 1985: Starting age for female to 60 (phased in by 1995)
- 1994 and 2000: Starting age to 65 (phased in by 2030)



Section III Employment Environment for the Elderly

- Revision of Law concerning stabilization of employment of elderly
- 1990: Measures to ensure employment up to 65 (effort obligation)
- 1994: Measures to ensure employment up to 65 (obligation)
- 2020: Measures to ensure employment up to 70 (effort obligation)
- Options within the measures:
 - Raising the retirement age
 - Introduction of continuous employment system
 - Abolition of the mandatory retirement age, etc.



Section IV Conclusion

- Starting age for pension inhibits incentives to continue working.
- Retirement system discourages raising the starting age for pension.
- This has justified government intervention on retirement system in Japan.
- However, mandatory employment continuity limits corporate flexibility.
- Further study is needed, based on the experiences of other countries.

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