Introduction

1. Current Situation on Ageing

(1) The highest level of population ageing rate in the world

Life expectancy in Japan has steadily increased. In 2005, the percentage of the population over 65 (the population aging rate) reached 20.2%, which is the highest among developed countries; compare for example, Italy: 19.6%, Germany: 18.8%, Sweden: 17.2%.

Japanese society has aged at an unprecedentedly rapid pace; Japan took only 24 years to double its population aging rate from 7% to 14%, while France took 115 years, Sweden took 85 years, and the United Kingdom took 47 years. Moreover, as the total population in Japan decreases, the ageing society will continue to accelerate. The ageing population rate was 23.0% in 2010, and it is expected that it will reach 39.4% in 2055. Japan becomes an aged society which no other country in the world has experienced.

(2) “Baby boomers” reach 65 years old

"Baby boomers," born during the first baby boom from 1947 to 1949, are reaching their 65th birthdays from now until 2014. Thereafter, the total number of people aged 65 or over is expected to increase by one million people every year. "Baby boomers" are the symbol of change in the postwar period with the popularization of higher education, salaried-employment, or urbanization in a consumer-driven culture. When “baby boomers” with such backgrounds become 65 years old, the image of elderly people will be transformed remarkably.

(3) The increase of social security expenditure

With the combination of the low birthrate and increased longevity, social security expenditure is rapidly increasing. In fiscal year 2011, about 108.1 trillion yen was spent on social security. And in fiscal year 2025, it is expected to increase to about 151.0 trillion yen.

2. Review of the General Principles Concerning Measures for the Ageing Society

(1) The fundamental framework of Measures for the Ageing Society

The fundamental framework of measures for the ageing society in Japan is based on the Basic Law on Measures for the Ageing Society (1995). Based on the Law and the General Principles Concerning Measures for the Aging Society, which were approved by the Cabinet in 2001, a range of measures for the ageing society has been promoted.
(2) The objectives of the review of the General Principles Concerning Measures for the Ageing Society

Reflecting changes in the social environment and circumstances of the elderly, it is necessary to change the perception of elderly people based on the assumption of a “65-year life span”. Therefore, factors such as employment, social participation, community and living environment, and preparation for the elderly need to be considered in terms of a “90-year life span”. Further, Japan has to realize a fast-ageing society which enhances the pride and dignity of elderly people who want to remain active, encourages and enables elderly people to be productive members of society, and supports them in living as independently as possible.

Furthermore, in order to respond to the challenges of the declining population resulting from a low birthrate and extended longevity, it is necessary to construct a society where people of all ages can maximize their motivation and potential and support one another by expanding employment opportunities for young people and women as well as elderly people and promoting occupational skills development.

Thus, based on the Basic Law on Measures for the Ageing Society Law, the Government of Japan is planning a review of the General Principles Concerning Measures for the Ageing Society, which was decided by the Cabinet in 2001.

(3) Basic stance

To review the General Principles Concerning Measures for the Ageing Society, the following six principles should be considered:

(a) Revising the perception of “elderly”

In order to change the fixed image that "the elderly are supported" regardless of their actual state of health and economic situation and to remove obstacles preventing elderly people from practicing their skills and fulfilling their potential, the consciousness of “elderly” needs to be changed.

Specifically, the “baby boomers,” who have a huge impact on society, will consist mostly of people over 65 and consequently will further change the image of “elderly.” Thus, the importance of updating the image is increasing.

(b) Establishment of a social security system to provide people with a sense of security in their old age

In restructuring the social security system, it is necessary to return to its original purpose, which is to support the independent lives of citizens and to establish a social framework for realizing lives
without anxiety. Further, in order to restore and enhance its primary function, self-sustainability would be supported within families and through the spirit of mutual assistance, with attention to the optimum balance between self-help, mutual help and public help.

Moreover, the lives of people of all ages should be secured by tackling income disparities, enhancing income redistribution and strengthening assistance for child-raising. Also, through enhancing the system and reviewing the benefits, the sense of security of each citizen would be increased, and the social security system made more sustainable.

(c) Utilizing the power of elderly people who are able and motivated

As physical condition and motivation in old age differs with each person, needs regarding working hours and conditions will vary. In order to create a society where elderly people, who are able and motivated, can have access to a job regardless of age, a system which enables a flexible working style according to individual needs should be facilitated.

Furthermore, opportunities for wider social participation should be promoted by enabling diverse lifestyles, realizing potential and increasing self-fulfillment.

(d) Strengthening of regional powers and realization of stable local communities

While relations within local communities have diluted, they should be reconstructed in order to prevent elderly people from becoming socially isolated. In the reconstruction, a network of personnel from within families and the wider community should be formed in order to create a vibrant life style for the elderly.

Moreover, in order to provide elderly people with a secure life, it is necessary to establish a health care system that provides both the elderly and their families with a sense that they can access health care when they need it while enabling them to live their lives with dignity.

(e) Realization of a safe and secure living environment

It is necessary to create an environment which minimizes difficulties for elderly people, when they go shopping or go to a hospital. Therefore, Japan is improving and supporting their daily lives through a barrier-free environment. In order to put together the type of city where elderly people live independent, healthy and comfortable lives, urban planning that reduces commuting time for medical staff and care-workers, is being promoted. In addition, more housing is being provided for elderly people and regional public traffic systems are being developed. In order to protect them from crime and other problems and dangers, while creating a safe and secure society, it is also necessary to provide adequate means of communication for the elderly.
(f) Preparation for the "90-year life span" from youth

In order for people to live long healthy lives, healthcare, lifetime learning, and self-development from youth are essential. Further, it is necessary to realize a work-life balance that enables various choices to be made between work, child-rearing, nursing-care, self-development, and social activities.

Moreover, in terms of economic independence, it is necessary to support an economic model that enables people to manage their assets and financial resources appropriately during their careers and to utilize them effectively after their retirement.

Initiatives in Japan

1. Older Persons and Development

(1) Measures taken for realizing a society in which people can work regardless of age

In order to secure equal employment opportunities for elderly people, the Employment Measures Act was revised in 2007 to prohibit the establishment of age limits for recruiting, with some exceptions as permitted by the Act.

The Act on Stabilization of Employment of Elderly Persons obliges employers setting the mandatory retirement age below 65 to introduce at least one of the following measures to keep workers employed until the age of 65: the raising of the retirement age; the introduction of the continued employment system; or the abolition of the mandatory retirement age. Approximately 95.7% of the enterprises with 31 or more workers have already implemented the above measures, according to the Report of the Employment Status of the Elderly submitted by such enterprises as of June 1, 2011. Considering that the eligible age for the earnings-related component in old-age employees' pensions will be gradually raised to 65 from fiscal year 2013, the revised Act on Stabilization of Employment of Elderly Persons was approved by the Diet on August 29, 2012. It stipulates the measures to ensure that all workers who wish to work until 65 are allowed to do so.

In addition to such legal reforms, the government encourages companies to allow all applicants to work until the age of 65 or even 70 by taking various measures such as subsidies for business operators. The government also supports the reemployment of middle-aged and older people by providing a career counselling and job placement service at Public Employment Service Offices, and offers various job opportunities and social participation of the elderly through the Silver Human Resources Center.

These measures resulted in an increase in the employment rate of workers in the 60-to-64 age group of 1.8%, from 55.5% in 2007 to 57.3% in 2011.
(2) “New Public Commons”

In order to realize a society where everyone has a place and a role to play, the Government of Japan supports the idea of “New Public Commons,” under which not only the government but also citizens, NPOs, private businesses, and other parties, in the spirit of mutual assistance, play an active role in providing public goods and services for our everyday lives. Diverse players in the “New Public Commons,” which comprise specified nonprofit organizations, volunteer groups, and old-style local bodies such as neighborhood community associations, provide public goods and services, and offer opportunities for local people to participate in society. An improvement in the environment for the activities of such players can create opportunities to participate in society for elderly people, who often place great value not only on economic aspects but also on a sense of fulfillment and social participation.

As concrete measures, tax reforms that create incentives to donate to bodies such as specified nonprofit organizations have been made. Other measures include the revision of the Law to Promote Specified Nonprofit Activities, which stipulates local governments’ unitary administration of services (e.g. certification and supervision) related to specified non-profit organizations, the introduction of a new authorization system and so forth. For such measures, smooth implementation and enhancement of awareness are being promoted. Support is provided for infrastructure that serves as a foundation for specified nonprofit organizations’ activities, fund-raising activities, and the collaboration among specified non-profit organizations, local governments and businesses. Also in areas affected by the Great East Japan Earthquake, assistance is offered for bodies like specified non-profit organizations which provide victim assistance and carry out reconstruction.

(3) Comprehensive Reform of Social Security and Tax

Since the Japanese social security system is facing the problem of balancing contributions and benefits, reforms are required to maintain its functioning and ensure the sustainability of social security including pensions, medical care and long-term care. Given that the composition of the population continues to change, it is necessary to review the current system under which active workers pay contributions which are then redistributed to the retired population. Any reform should ensure the fairness of both benefits and burdens between generations and within the same generation in response to demographic change.

In regard to public finance to support social security, tax revenue cannot cover even half of the annual budget, and the combined outstanding long-term debts incurred by the national and local governments will amount to 196% of GDP by the end of Fiscal Year (FY) 2012. The fact that social security expenditure exceeds 50% of overall general budget expenditure while tax revenue is less
than half of annual spending means that the burden of a considerable portion of social security expenses is being transferred to the next generation. Moreover, a natural increase of 1 trillion yen in social security expenditure every year is inevitable. Therefore, from the perspective of ensuring both the sustainability of the social security system and fiscal consolidation, it is necessary to end the shifting of social security burdens to future generations and to ensure a balance between contributions and benefits.

Consequently, the Comprehensive Reform of Social Security and Tax (hereinafter referred to as the “Reform”) aims to establish a social security system that can secure the lives of all generations by strengthening support for child raising and employment among young people. The Reform also intends to secure stable financial resources for social security and fiscal consolidation by raising the consumption tax that all generations pay, implementing this reform in line with the Outline of the Comprehensive Reform of Social Security and Tax, approved by the Cabinet on February 17, 2012. The Diet passed the related bills in August 2012 which stipulate various measures to improve social security, including the improvement of the pension system by shortening the eligibility period for benefits and paying additional welfare benefit to low-income elderly pensioners, as well as the enhancement of support for child raising through a quantitative expansion of childcare. In addition, the consumption tax will be raised from 5% to 8% in April 2014 and to 10% in October 2015. This tax hike will secure stable financial resources for raising the government’s share of pension payments to half and pay for increased expenditure on social security for the elderly. The government is also promoting reforms to the medical care and long-term care systems with the aim of concentrating medical resources on acute periods of hospitalization and creating an integrated community care system, so that, by 2025, each person will be able to receive appropriate medical care and/or long-term care wherever he/she lives.

(4) Lifelong Learning

(a) As values diversify in Japan’s ageing society, opportunities for finding mental enrichment and fulfillment through learning are increasingly required, as well as opportunities for acquiring new knowledge and techniques to respond to changes in society. Thus, to provide appropriate learning opportunities that respond to the diverse demands for learning throughout citizens’ lives, it will be essential to undertake positive and comprehensive efforts for the promotion of lifelong learning through the building of collaborative and cooperative frameworks involving various stakeholders, including national and local public entities and private-sector organizations and enterprises. Based on this understanding, the Life-Long Learning Promotion Act was enacted in 1990, establishing relevant implementing systems, and the Fundamental Law of Education, revised in December 2006, clearly stated the concept of lifelong learning. In accordance with these laws and the findings of the Central Council for Education, the Ministry of Education, Culture, Sports, Science and
Technology (MEXT) has been endeavoring to create an environment in which each and every citizen can learn throughout his or her entire life, by providing diverse learning opportunities, and developing mechanisms so that the results of learning can be appropriately evaluated, all with the aim of promoting efforts for the realization of a “lifelong learning society.”

(b) As far as the awareness and diffusion of lifelong learning is concerned, MEXT has set up the National Lifelong Learning Network Forum, which brings together, under one roof, representatives from government agencies, universities, NPOs and other civil organizations, private-sector enterprises, and so on, all of which are making efforts to utilize the results of lifelong learning activities to help solve societal problems. At a recent forum in Tokyo on 5-6 November 2011, under the theme of “Hopes for the Aging Society -- Challenging New Possibilities,” working groups discussed research related to the participation of aged persons in society and learning leading to independence.

(c) Many learning opportunities are being provided to persons of all ages at community educational facilities, such as community centers, libraries, museums, women’s educational facilities, and at boards of education. Among them are activities and lectures for promoting understanding of the ageing society as well as classes and lectures for aged persons. During fiscal year 2007, 38,900 lectures targeting aged persons were held at community centers, and 9,359 lectures were held at board of education facilities.

(5) Response to Disaster

The Cabinet Office recognizes the importance of providing evacuation support during a disaster and of paying sufficient attention at shelters to people requiring assistance, including the elderly. The Cabinet Office, by formulating the “Guidelines for Evacuation Support of People Requiring Assistance During a Disaster”, has supported the municipal governments in making lists of people requiring assistance, developing overall plans outlining policies for providing disaster support, and formulating evacuation support plans for each individual requiring assistance.

2. Advancing Health and Well Being into Old Age

(1) Health Japan 21

To ensure a healthy life at an older age, it is important for elderly people to remain physically and socially active through improvements to their lifestyles and the social environment.

Since 2000, the Government of Japan has implemented the "21st Century National Health Plan (Health Japan 21)" establishing 79 specific targets in 9 areas (Implementation period: 2000-2012), for encouraging lifetime health promotion. The Health Promotion Act (Act No. 103, 2002) came into
force in May 2003, with “Health Japan 21” at its core, aiming at promoting public health and disease prevention.

In July 2012, the Government of Japan developed the Second “Health Japan 21” for next ten years from 2013, for the purpose of extending healthy life expectancy and reducing health disparities.

(2) Quality standards concerning Long Term care services

A number of laws and regulations set the quality standards concerning staff, facilities and managements of each LTC (Long Term Care) provider. Each provider seeking LTC benefits has to meet these standards and be granted the appropriate designation or permission from the local government. With regard to the service providers, some LTC workers’ qualification systems are established by law, specifying the required qualifications such as exams, training, and renewal of registration cards.

LTC insurance services are available to persons who obtain the Certification of Needed LTC. When people receive LTC services, the professional care manager makes care plans tailored to the needs of each individual.

The long-term care fees, the amount of which is decided by the government, is made in return for LTC services provided. The amount is reviewed and revised every three years. In deciding the long-term care fees, the LTC quality is evaluated on the basis of various indicators. For example, “Improvement in Support Needed Condition” is used when evaluating Outpatient Day LTC and Rehabilitation, and the percentage of patients who return home serves as an indicator for the evaluation of a LTC health facility. Users can freely conclude service contracts with the providers, most of which operate in the private sector.

Furthermore, the revised Long Term Care Insurance Law came into force on 1 April 2012 to cover new services such as 24-hour regular rounds, responding as needed, and multiple services. This Law intends to expand the integrated community Care System for those requiring LTC in order to provide comprehensive services including medical services, LTC, preventive care and housing and daily life care. The aim of the revision is to ensure the appropriate distribution of roles and enhance coordination between medical care and LTC.

In addition, the government revised the Certified Social Workers and Certified Care Workers Act in 2011 so that LTC workers can perform certain medical procedures such as the aspiration of sputum.

(3) Provision of comprehensive and sustainable home medical and nursing care

The government is working on the comprehensive improvement of home medical and nursing care from the perspective of budget, institution and compensation, so that elderly persons requiring
LTC can receive the necessary medical and LTC services in their own homes.

From the budgetary point of view, the government has been developing human resources for home medical care in cooperation with the various professions and local centers to strengthen coordination between home medical and nursing care. As for institutional reform, the government decided to incorporate the coordinated system of home medical care into the Medical Plan. In addition, the financing of home medical and nursing care was thoroughly evaluated when the payments for medical and LTC services were revised in 2012.

3. Ensuring enabling and supportive environments

(1) The ensuring of safe and secure housing and the realization of comfortable lives

Under the “Basic Program for Housing” approved by the Cabinet in September 2006, (Implementation period: FY 2006-2015), efforts were made in terms of both hardware and software to ensure safe and secure housing of elderly people in local communities. The government also promoted the supply of rental housing friendly to elderly people, and the comprehensive development of public rental housing complexes and social welfare facilities. The revised “Basic Program for Housing”, approved by the Cabinet in March 2011 (Implementation period: FY 2011-2020), is intended to facilitate the provision of secure housing through further enrichment of the “soft” aspects.

The following represent examples of specific measures;

(a) The Act on Promotion of Rental Housing Supply for People in Need of Secure Housing was enacted in July 2007, whereby the government intends to provide public rental housing and use private rental housing more effectively.

As for new public housing and rental housing supplied by the Urban Renaissance Agency (UR), barrier-free environments are standardized. Existing facilities and residential complexes are being transformed into barrier-free environments. (In FY 2011, approximately 14,000 public housing units and approximately 1,500 UR housing units were newly developed.)

(b) In order to encourage barrier-free housing, special incentives such as the reduction of income tax and/or fixed assets tax are offered if elderly people modify their homes.

(c) By using the support scheme for acquiring a good quality house within the framework of the securitization service of the Japan Housing Finance Agency, the interest rate on repayments is reduced for any housing with an especially high barrier-free environment.

(d) In order to further promote the stable supply of elderly persons’ housing, the Act on Securing a Stable Supply of Elderly Persons’ Housing was revised in 2009 to expand basic policies and formulate plans for a stable supply of elderly persons’ housing by local governments. The Act was further revised in 2011 to establish the registration system for “Housing for the Elderly with Services”, which provides barrier-free housing and services for the elderly in conjunction with
medical and long-term care. (As of July 2012, 1,877 buildings and 59,764 housing units are registered as Housing for the Elderly with Services.)

Based on the Basic Program for Housing, housing policies will continue to be further developed to contribute to the securing of safe housing for elderly people.

(2) Promotion of the livelihood support by regional mutual support

To prevent single elderly people dying in solitude, the local governments are required to provide support in response to the needs of elderly people requiring assistance.

The national and local governments promote community-building to assist the community life of elderly people requiring assistance through cooperation among the public sector, welfare volunteers, volunteer groups and the private sector. The Ministry of Health, Labor and Welfare (MHLW) has implemented a pilot project “Reliable Livelihood Creation Project” since 2009. MHLW is working on the establishment of a system of projects to prevent the isolation of single elderly people from the community and to ensure their safety.

Conclusion

As described above, since 2001, various measures for the aging society have been implemented based on the current General Principles Concerning Measures for the Aging Society. Eleven years later, considering changes in the economy and in society, the General Principles are under review. New measures in line with economic and social changes should be implemented, while current measures that have not been fully realized should be further promoted. The new General Principles Concerning Measures for the Aging Society will lead to a society where the elderly can live with other generations in grace and dignity.