

Global Focus on Knowledge/Winter Semester 2008

Living in Globalized Society

Economic Globalization and People's Livelihood

“Changing Socioeconomic System: Continued Disparities and
Institutional Reform”

The University of Tokyo

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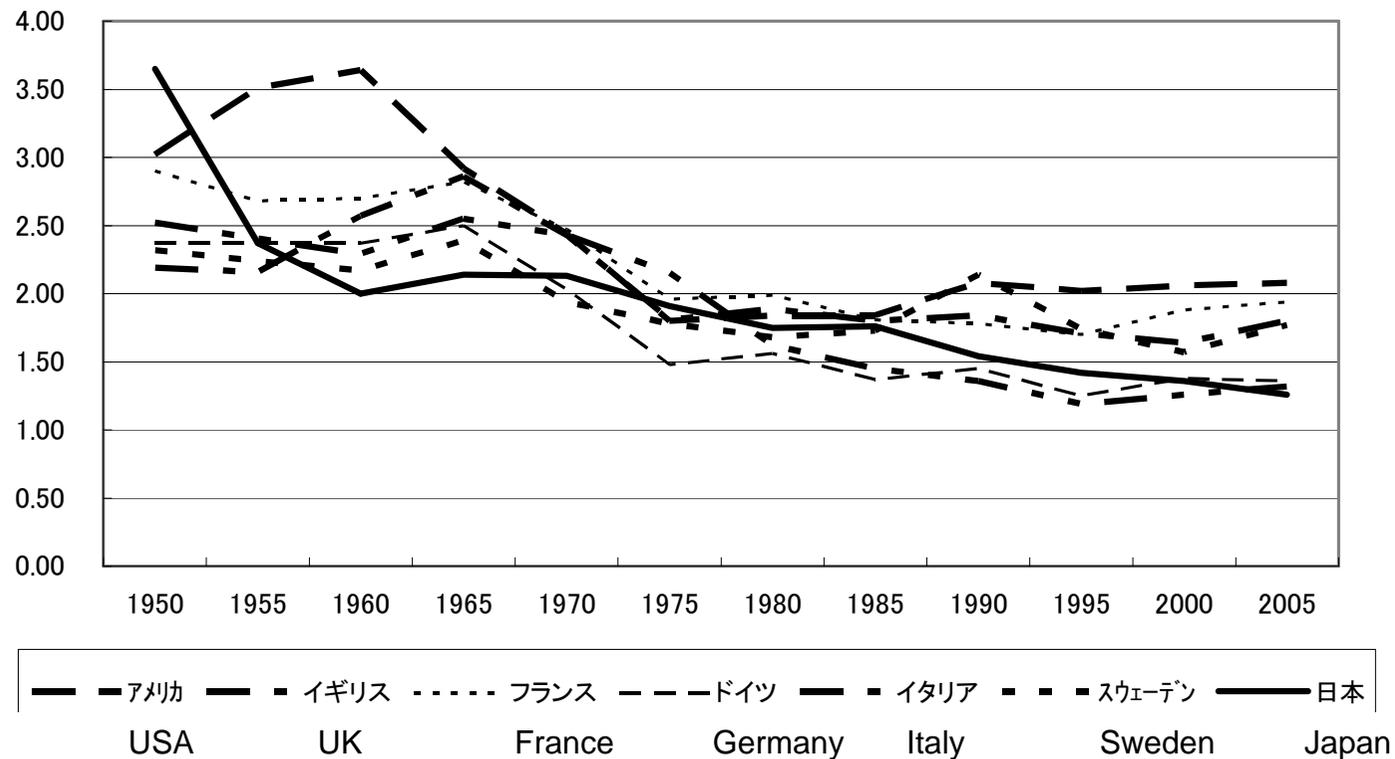


Human Life Varied By Nation

- To be born (birthrate)
- To receive an education (percentage of students who go on to higher-level schools)
- To be married (marriage rate, divorce rate)
- To give birth to children (illegitimate children)
- To work and ways of working (labor force participation rate, nonregular employment)
- Way of living in old age (pension, medical care)

Levels of Total Fertility Rate and their Changes

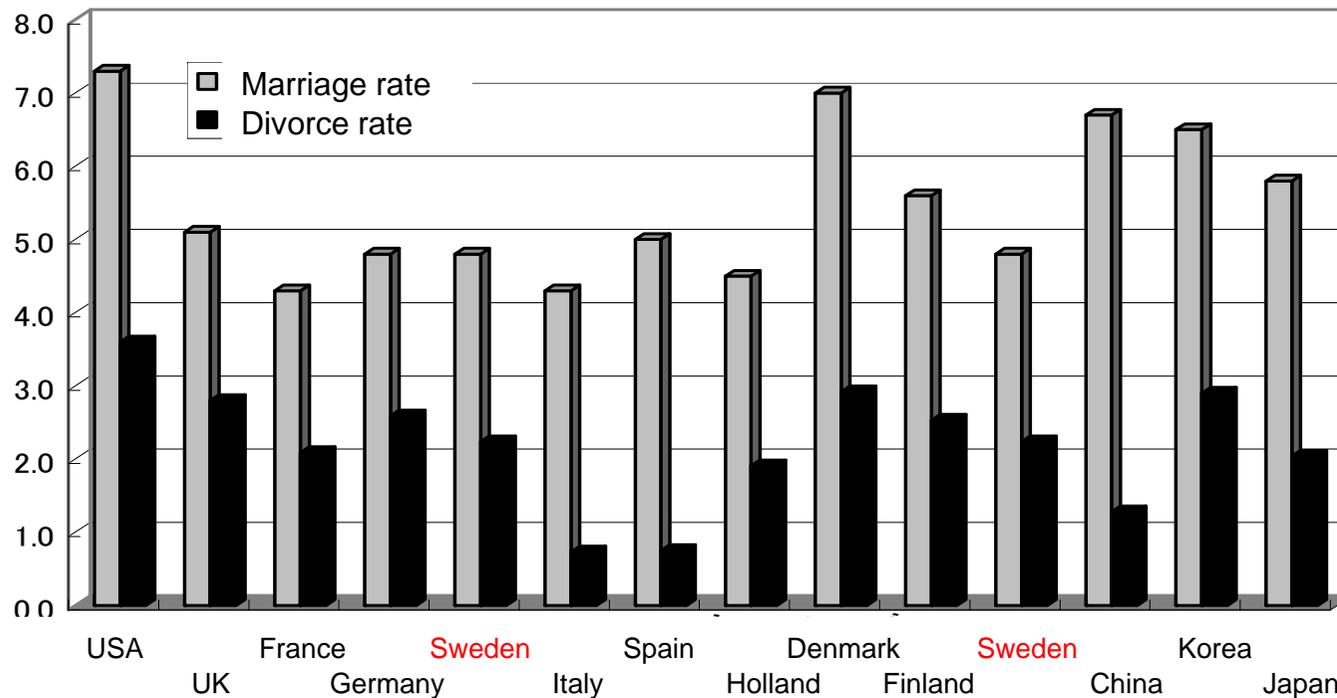
Changes in Total Fertility Rates of Various Countries



Origin: National Institute of Population and Social Security Research, *Demographic Statistics Data Book 2008*

Marriage and Divorce: Institutional Ideology and Institutional Design Behind Them

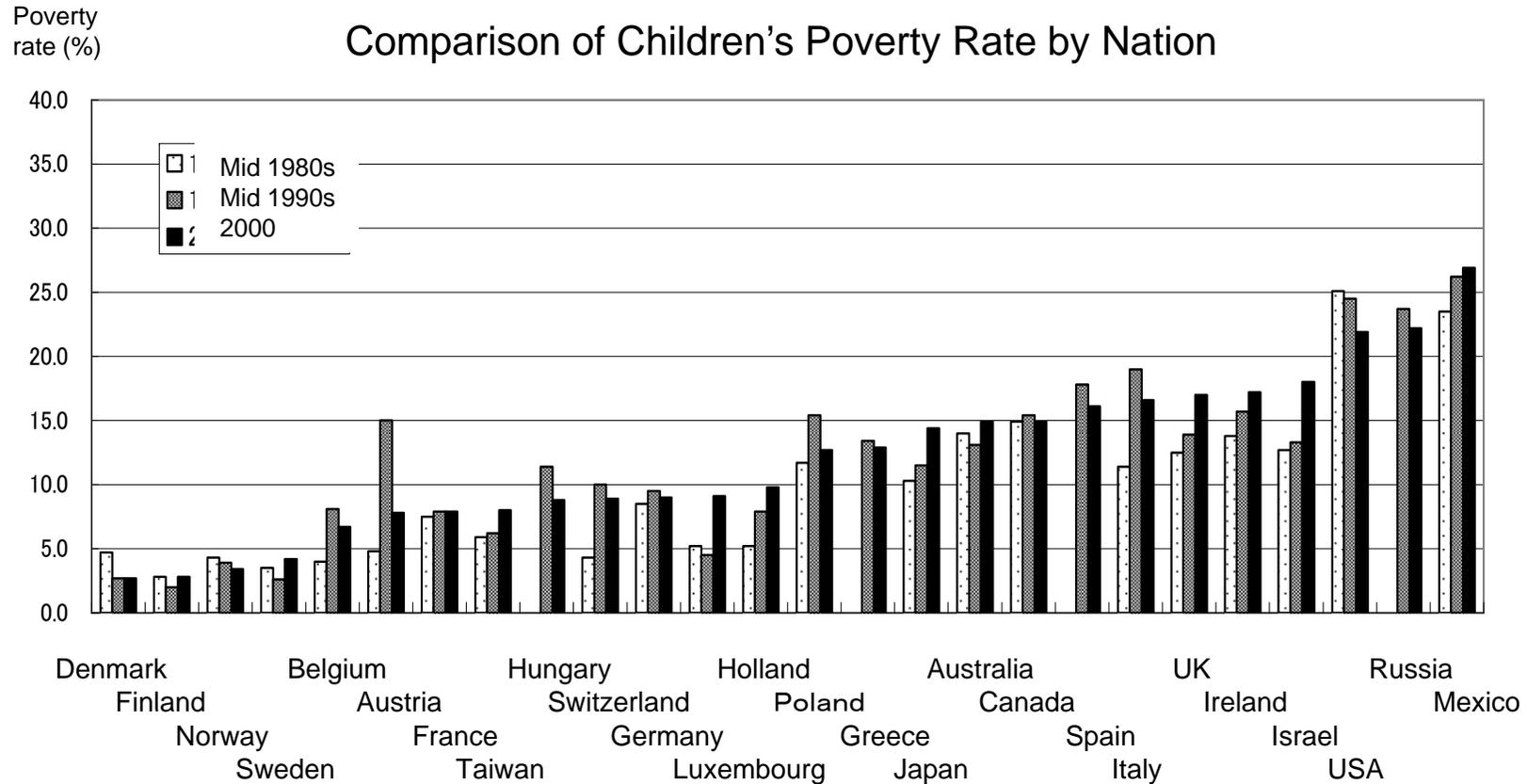
Divorce Rates and Marriage Rates of Various Nations



Note: Both marriage rate and divorce rate are to 1,000 population.

Origin: National Institute of Population and Social Security Research, *Demographic Statistics Data Book 2008* ; drawn up from the charts 6-19

Difference in Poverty Rate of Children

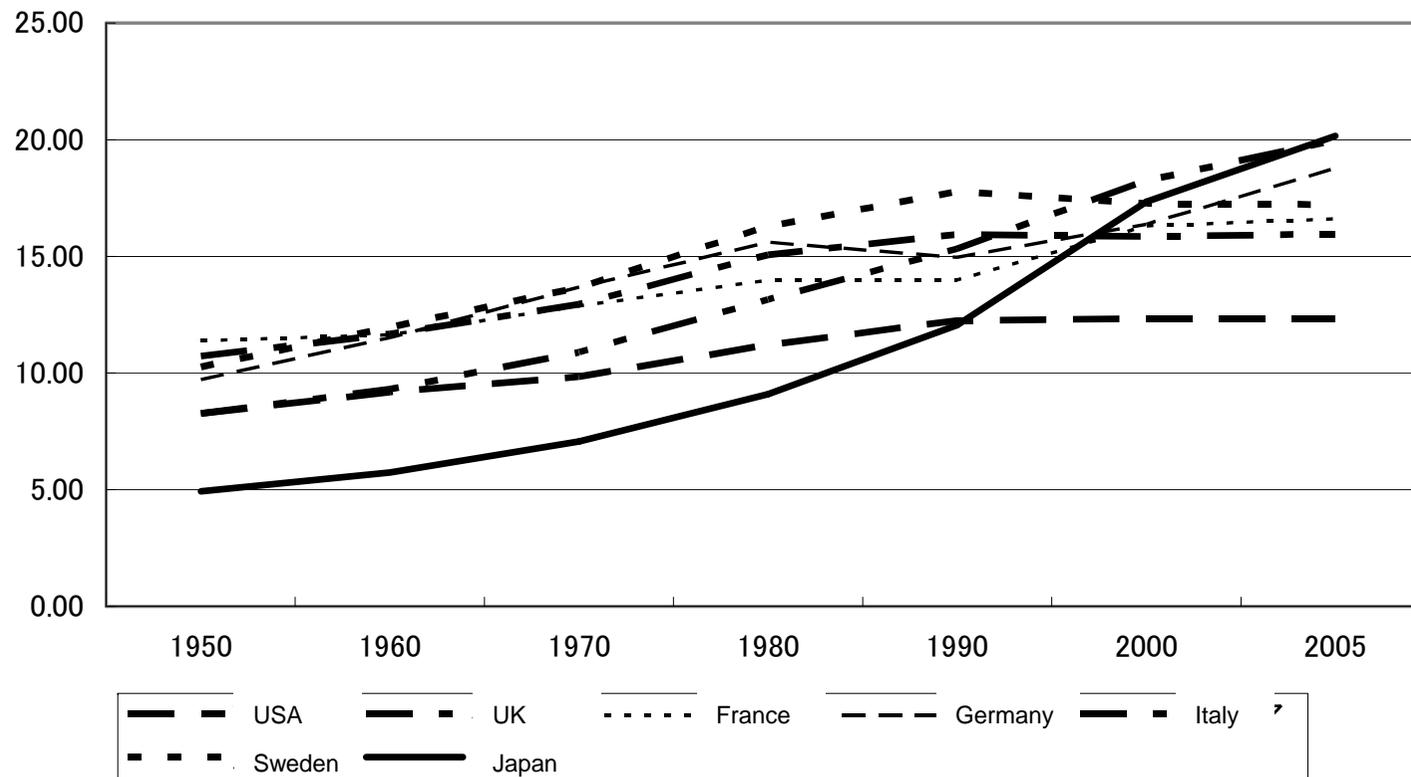


Note: Ranking by poverty rate (median income of less than 50%) in 2000

Origin: Sawako Shirase, *International Comparison of Economic Disparity*, Health, Welfare and Labor Scientific Studies, *Comprehensive Research Report on International Comparative Survey as to Socioeconomic Disparity in Aging Society with Fewer Children* (March 2007); Luxembourg Income Data (<http://www.lisproject.org/keyfigures.htm>, February 2007); National Livelihood Survey (each year)

Feature of Japanese Population Change: Speed in Aging

Transition of Proportion of Population of 65 Years Old and Over (%)



Origin: National Institute of Population and Social Security Research, *Demographic Statistics Data Book 2008*

Difference in Lifestyle of Elderly

Table 1a Germany's Structural Distribution of Households with Elderly

	1984	1994	2000
Male alone	7.0	6.7	7.1
Female alone	35.3	40.0	34.6
Wedded couple only	46.6	46.4	52.7
Nuclear family	0.4	0.4	0.4
Other	10.8	6.5	5.3

Table 1c France's Structural Distribution of Households with Elderly

	1984	1994	2000
Male alone	5.9	6.9	7.5
Female alone	26.8	24.7	22.9
Wedded couple only	50.4	56.8	60.7
Nuclear family	0.7	0.6	0.6
Other	16.2	11.1	8.3

Table 1e Italy's Structural Distribution of Households with Elderly

	1986	1995	2000
Male alone	3.9	4.1	5.8
Female alone	16.9	20.8	19.5
Wedded couple only	51.8	52.8	54.6
Nuclear family	2.0	0.9	0.9
Other	25.4	21.4	19.2

Table 1g Sweden's Structural Distribution of Households with Elderly

	1987	1995	2000
Male alone	14.8	12.8	12.4
Female alone	31.7	33.4	33.0
Wedded couple only	51.8	52.6	51.4
Nuclear family	0.3	0.2	0.3
Other	1.5	1.0	2.9

Table 1b Taiwan's Structural Distribution of Households with Elderly

	1986	1995	2000
Male alone	3.9	6.2	5.7
Female alone	1.9	3.8	5.7
Wedded couple only	17.4	28.0	33.5
Nuclear family	4.3	3.7	3.1
Other	72.5	58.3	52.1

Table 1d U.K.'s Structural Distribution of Households with Elderly

	1986	1994	1999
Male alone	8.6	8.4	9.4
Female alone	26.0	25.9	27.2
Wedded couple only	51.2	54.6	53.0
Nuclear family	0.7	0.8	0.6
Other	13.5	10.3	9.7

Table 1f USA's Structural Distribution of Households with Elderly

	1986	1994	2000
Male alone	6.4	7.2	7.5
Female alone	25.8	24.2	22.7
Wedded couple only	49.2	51.7	50.3
Nuclear family	1.7	1.6	1.8
Other	17.0	15.2	17.7

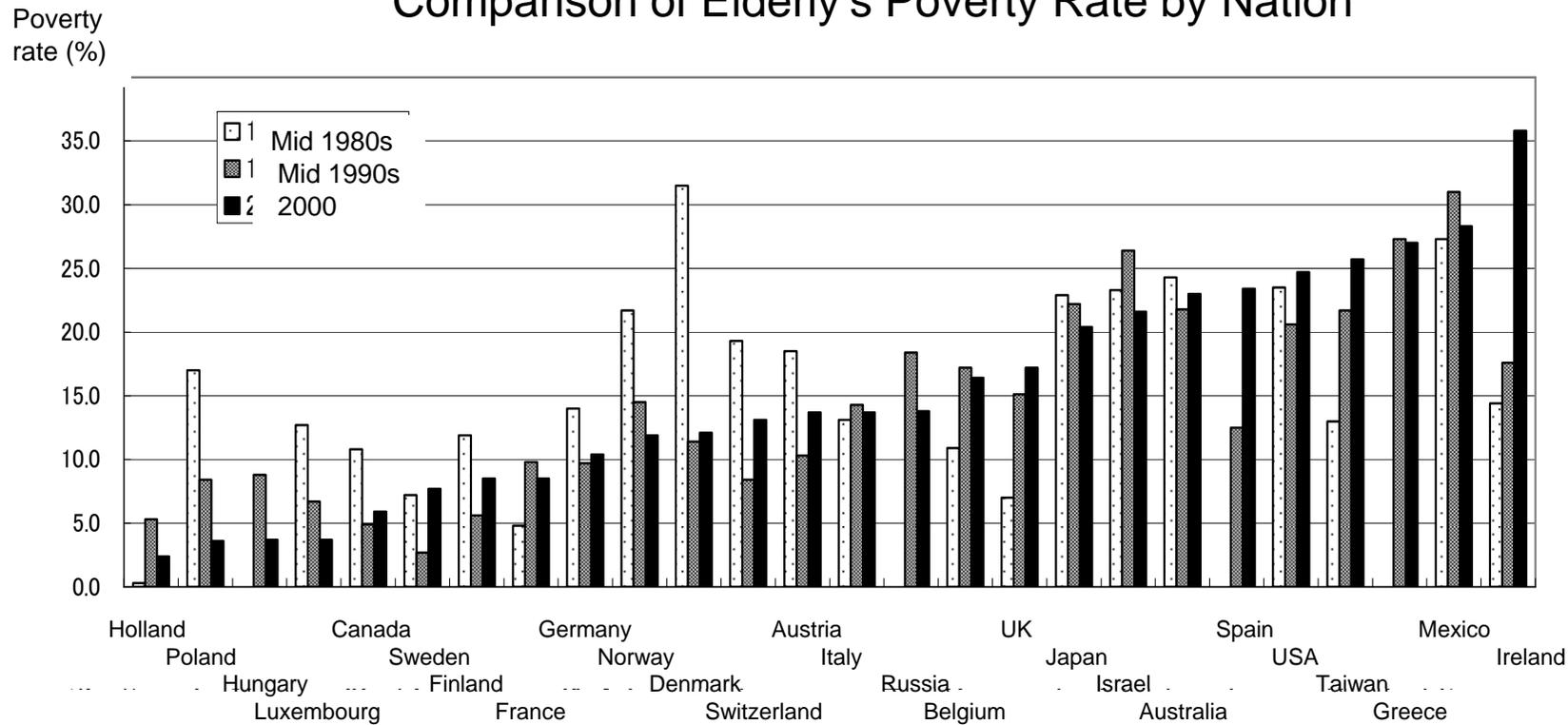
Table 1h Japan's Structural Distribution of Households with Elderly

	1986	1995	2001
Male alone	2.1	3.0	3.5
Female alone	10.0	12.7	15.8
Wedded couple only	19.7	25.5	28.8
Nuclear family	14.3	17.1	17.9
Other	53.9	41.8	34.0

Origin: Sawako Shirase, *International Comparison of Economic Disparity*, Health, Welfare and Labor Scientific Studies, *Comprehensive Research Report on International Comparative Survey as to Socioeconomic Disparity in Aging Society with Fewer Children* (March 2007); Luxembourg Income Data (<http://www.lisproject.org/keyfigures.htm>, February 2007); National Livelihood Survey (each year)

Difference in Poverty Rate of Elderly

Comparison of Elderly's Poverty Rate by Nation



Note: Ranking by poverty rate (median income of less than 50%) in 2000

Origin: Sawako Shirase, *International Comparison of Economic Disparity*; Health, Welfare and Labor Scientific Studies, *Comprehensive Research Report on International Comparative Survey as to Socioeconomic Disparity in Aging Society with Fewer Children* (March 2007); Luxembourg Income Data (<http://www.lisproject.org/keyfigures.htm>, February 2007); National Livelihood Survey (each year)

International Comparison of Income Disparities: Japan's Level

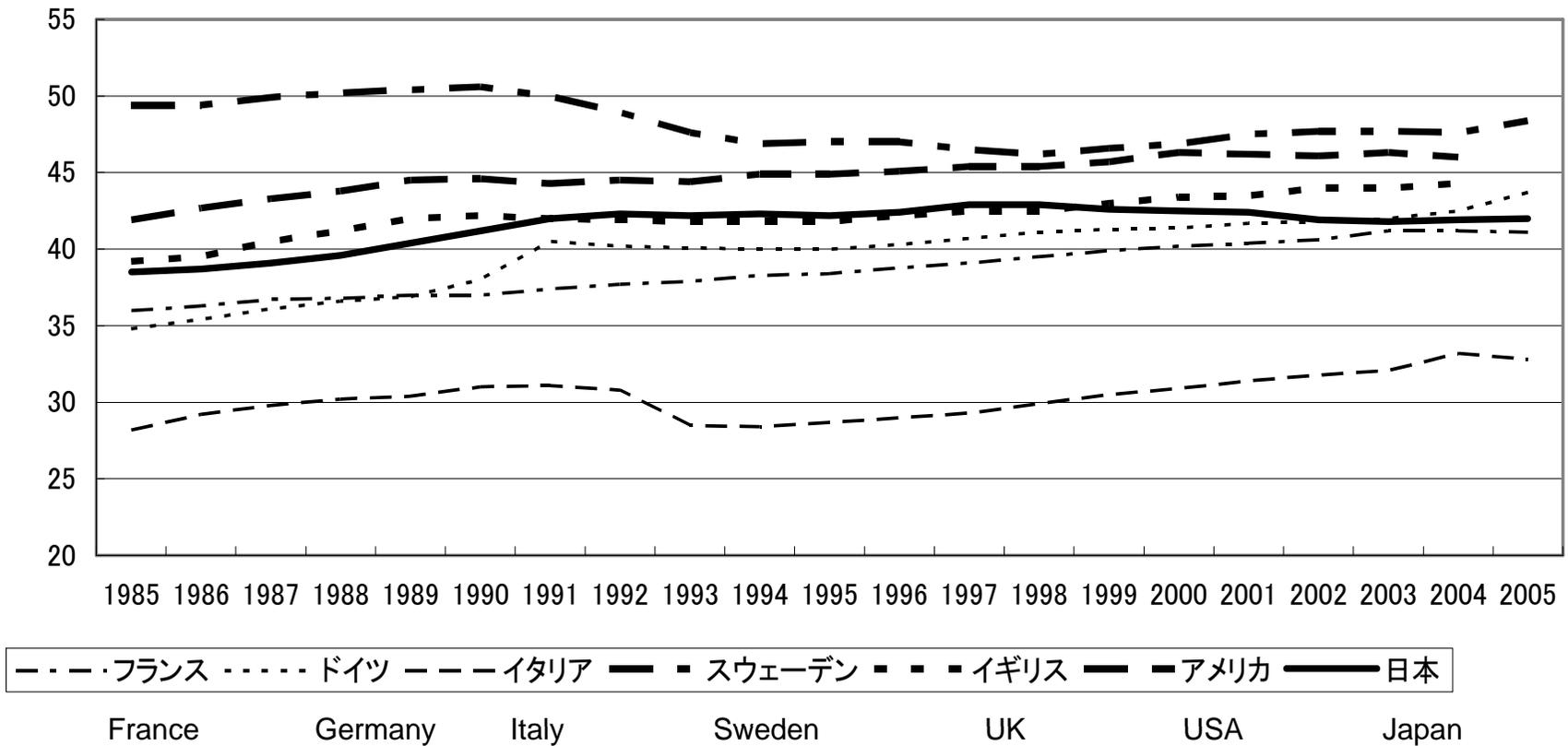


Note: Ranking by Gini coefficient in 2000

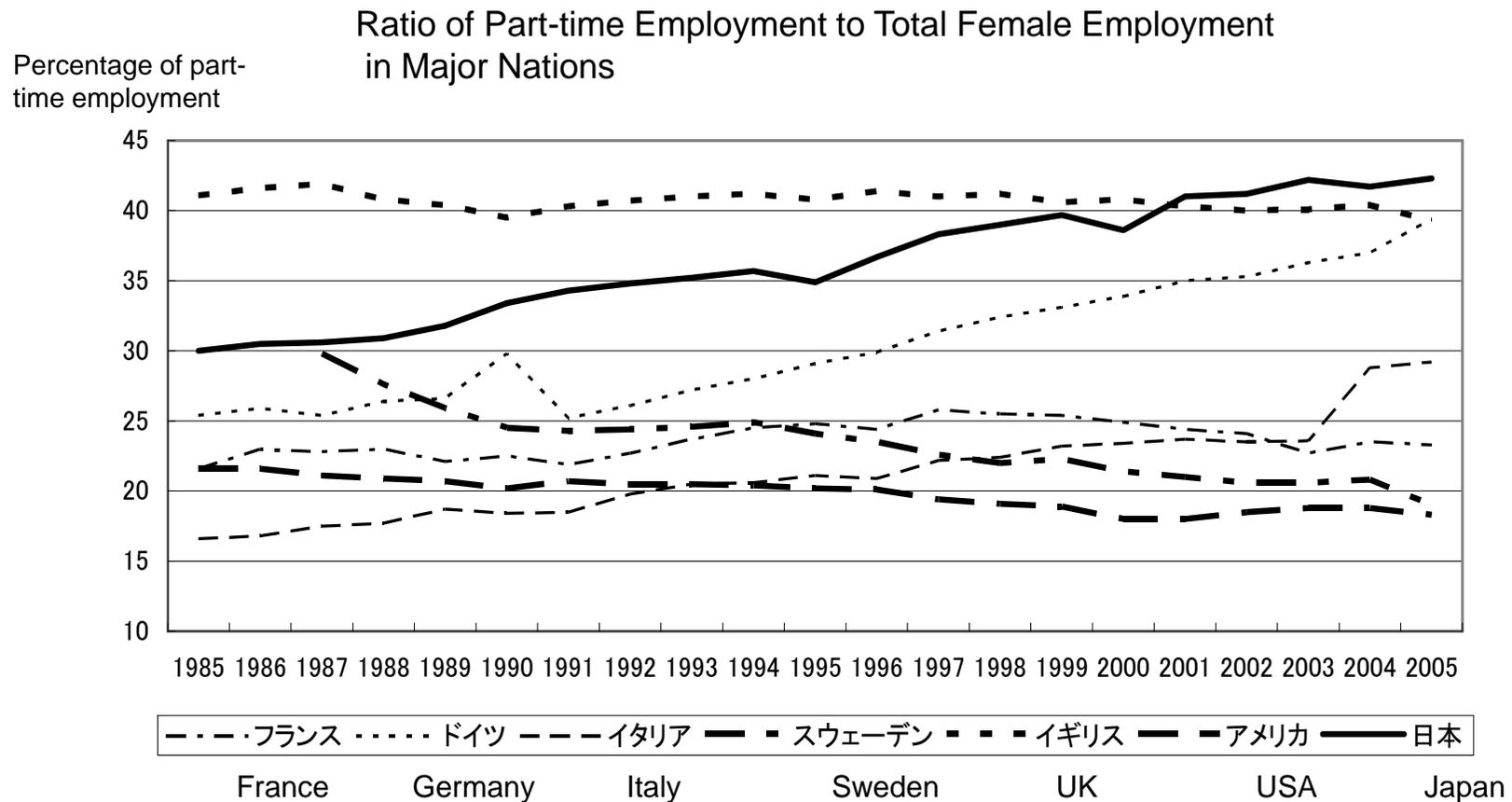
Origin: Sawako Shirase, *International Comparison of Economic Disparity*; Health, Welfare and Labor Scientific Studies, *Comprehensive Research Report on International Comparative Survey as to Socioeconomic Disparity in Aging Society with Fewer Children* (March 2007); Luxembourg Income Data (<http://www.lisproject.org/keyfigures.htm>, February 2007); National Livelihood Survey (each year)

Different Rates of Female Participation in Labor

Trend of Female Participation in Labor (%)



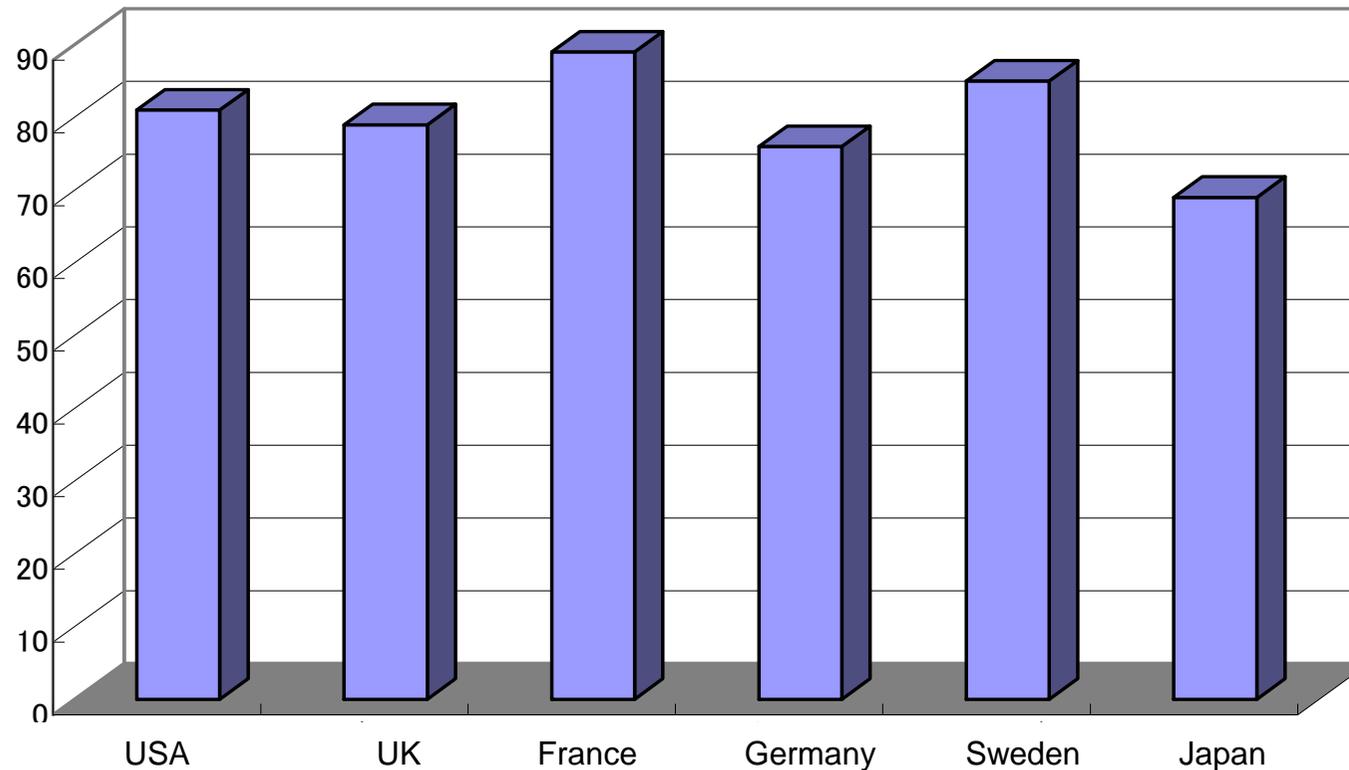
Different Way of Working by Nation



Origin: OECD, *Labor Force Statistics*, 2007

Common Gender Disparity and Disparity Level

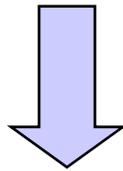
Wage Disparity by Gender in 2005 (Median Male Wages = 0)



Origin: OECD, *Labor Force Statistics*, 2007

Different Institutional Designs of Different Nations

- Variance in macroscopic patterns of human life is related to difference in various institutions by nation.



Institutional operation (eligibility for participation, qualification as a recipient)
Policy ideology that lies behind institutions (positioning of families, life security after retirement, etc.)

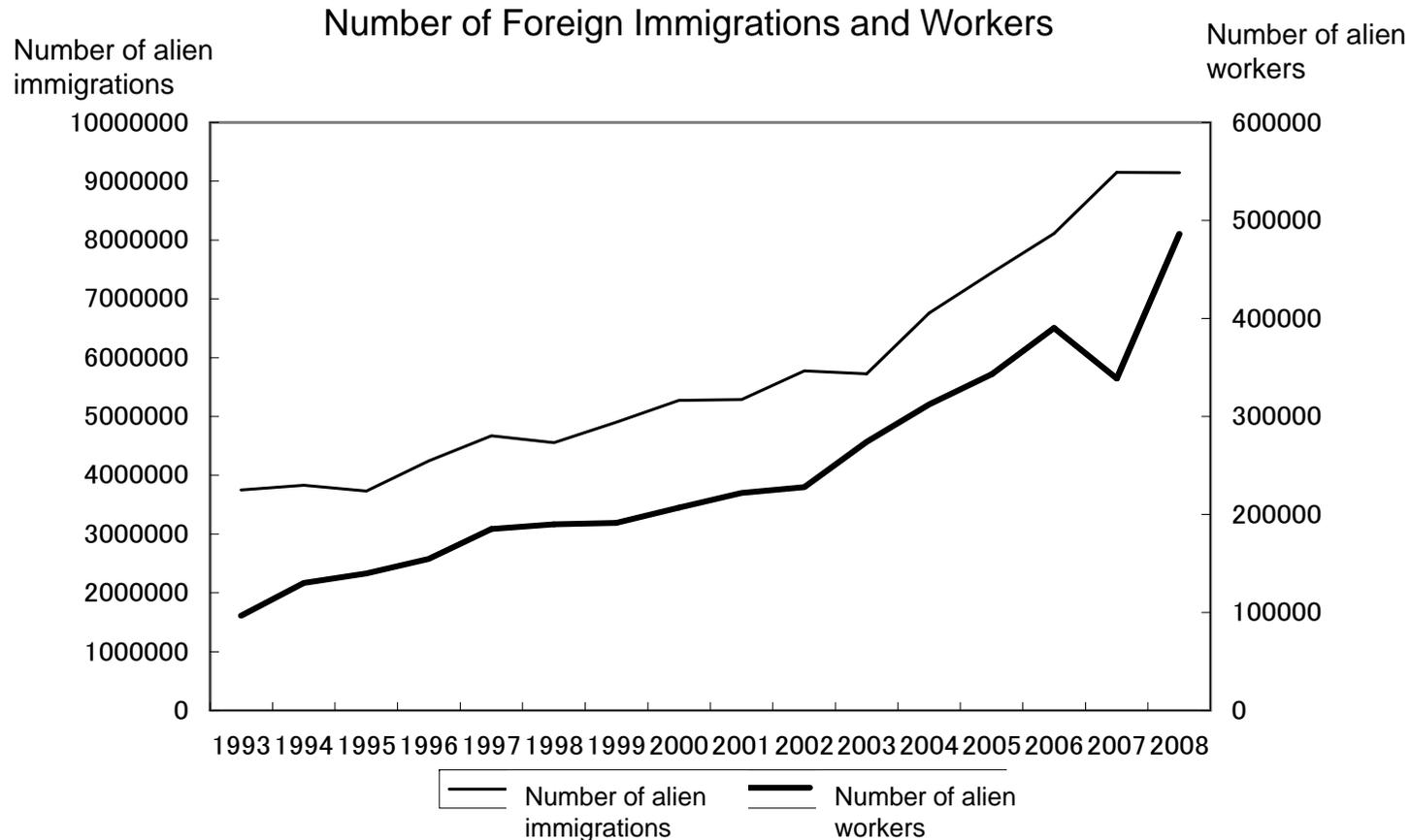


One Unit of Institution as a Nation and People's Shift

- Those who have come from out of the state
- Those who have the relationship with different countries

- Foreign population, foreign workers
- Positioning and treatment of them

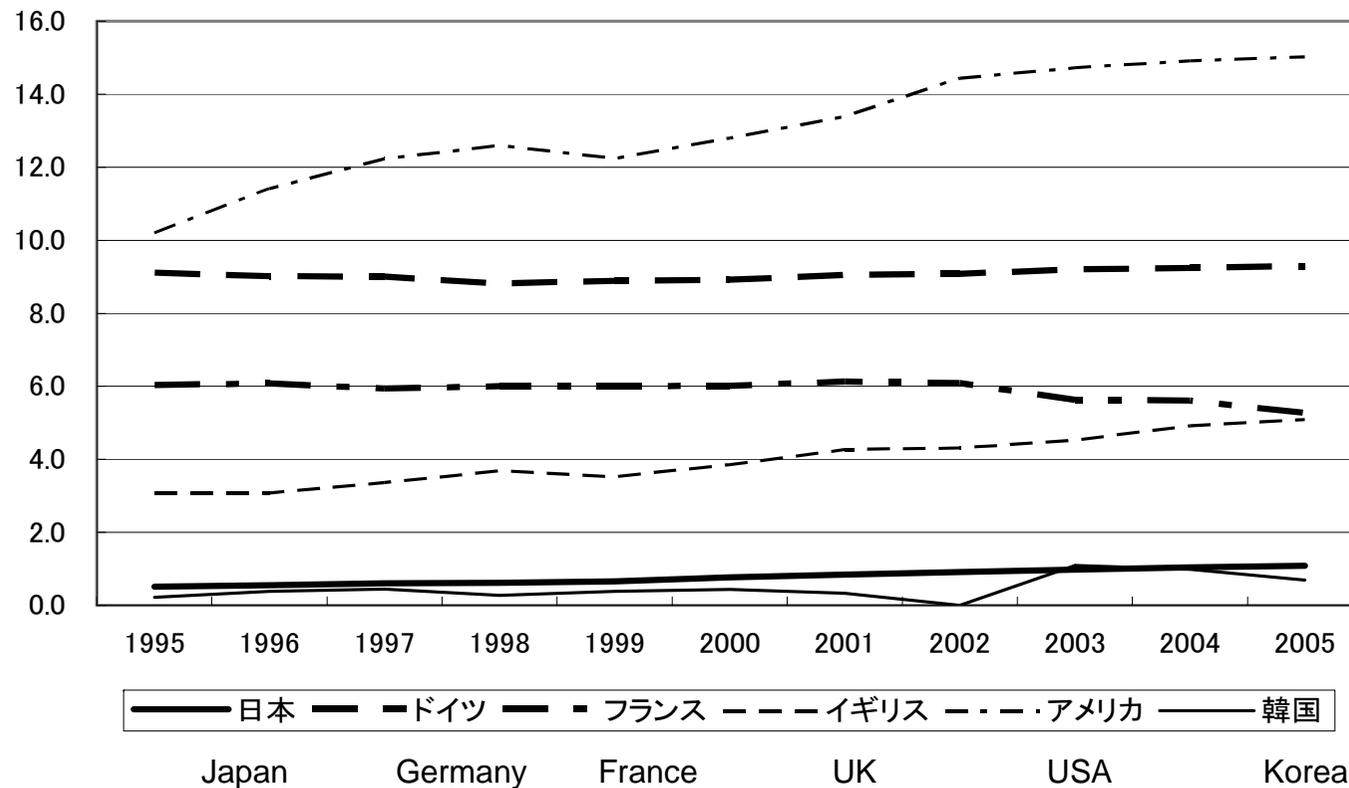
Increasing Foreign Immigrations and Foreign Workers



Origin: Immigration Bureau, Ministry of Justice, *Regarding Number of Foreign Immigrations and Japanese Exited Country in 2008 (Flash)*; Ministry of Health, Labour and Welfare, *Alien Employment Status Report*

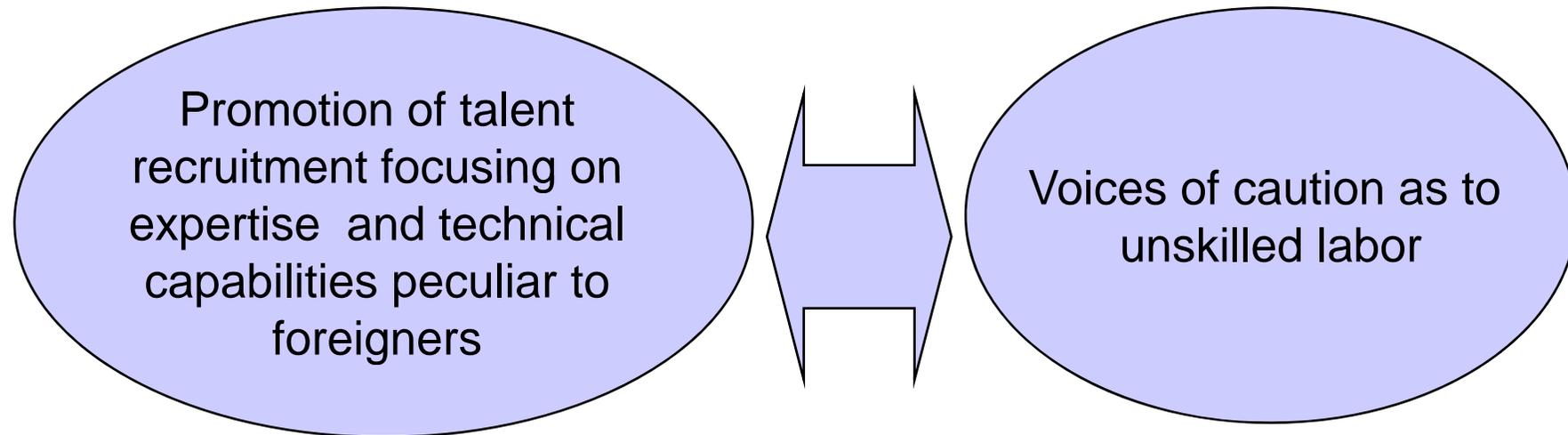
Ratio of foreign workers to the Japan's workforce is extremely low compared to western nations.

Transition of Percentage of Foreign Workers in Japan's Workforce



Origin: Labor Policy/Training Institution, *Data Book of International Comparison on Labor 2008*; drawn up from the charts 2-16

Discussion on Reception of Foreign Workers



- Free Trade Agreement (FTA), Economic Partnership Agreement (EPA)
 - Reception of foreign workers in the area of nursing/ caregiving

Duty to Notify Employment and Unemployment of Aliens

Business proprietors' obligation enacted on October 1, 2007

- Business facilities employing foreign workers: 76,811
- Number of foreign workers: 486,398
- Nationalities of foreign workers:
Chinese at 43.3%, Brazilians 20.45, Filipinos 8.3%, Koreans 4.2%
- Residence status of foreign workers (purpose of visit):
Residence status based on tenure (permanent resident, spouse or child of Japanese national, spouse or child of permanent resident, long-term resident): 46.0%
Designated activities (technical intern, working holidays, household employee) :19.5%
Residence status of specialist/technical fields (professor, artist, religious activities, journalist, investor/business manager, legal/accounting services, medical services, researcher, instructor, engineer, specialist in humanities/international services, intra-company transferee, entertainer, skilled laborer): 17.5%

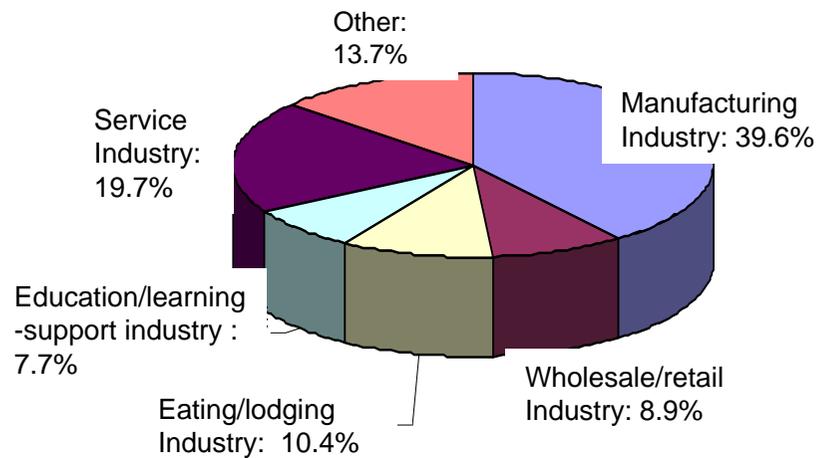


Technical Intern Training Program

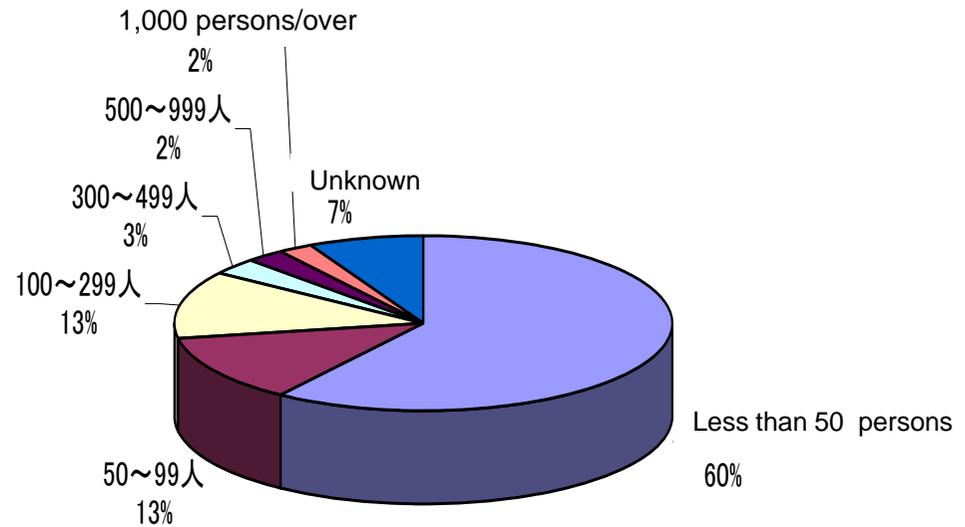
- One who is admitted into Japan with the residence status of “training” and who finishes it in a receiving institution, if met certain conditions, can proceed to a technical intern training with an approval to change to the residence status of “designated activities.”
- Technical Intern Training Program: established in 1993 aiming at nurturing human resources of developing nations
- The technical intern training is limited to 114 kinds of operations in 62 occupational categories such as electronic equipment assembly, machining process, manufacturing of textiles and clothes, etc. The length of one’s stay is 3 years at the longest including trainee activities.
- All labor-related laws and regulations are applied to such technical interns.
- There are some firms that use the Program to secure low-wage unskilled workers.

Industries Where Foreign Workers Take up Employment and Size of Establishments that Employ Foreign Workers

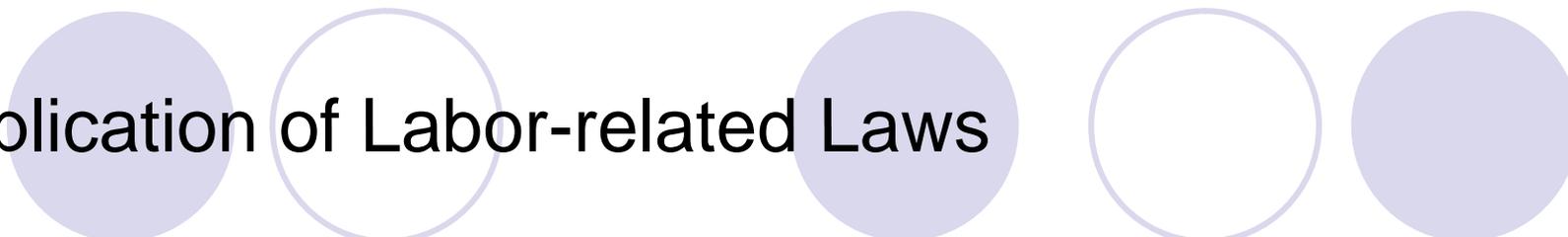
Distribution of Industries in Which Foreign Workers Take up Employment (%)



Distribution of Business Sizes that Employ Foreign Workers (%)



Origin: Ministry of Health, Labour and Welfare, *Regarding Situation of Notified Alien Employment Status (as of the end of October 2008)*, announced on January 16, 2009



Application of Labor-related Laws

- In principle, the labor-related laws are applied to those who work in Japan irrespective of their nationalities.
 - ➡ Labor Standards Law, Minimum Wages Law, Industrial Safety and Health Law

Article 3 of Labor Standards Law: “The employer shall not practice discriminatory treatment regarding wages, working hours and other working conditions on the ground of the worker’s nationality, belief, or social position.”

- Unemployment Insurance Law: Irrespective of their nationalities, aliens residing in Japan are treated as being insured.

Principle of Equality of Domestic and Foreign People

- Protocol Relating to the Status of Refugees ratified in 1981:
Social security is applied to those aliens who stay lawfully in line with the principle of equality of domestic and foreign people in the same way as Japanese.

(1) Annuity

National Pension: The nationality clause rescinded in 1982;
Applicable to all who live in cities, towns, and villages

Employee Pension: Applicable to all who are in ordinary employment relations in applicable business establishments.



Application of Social Security System

(2) Medical service

National Health Insurance: to cover all who have addresses, including aliens, in cities, towns, and villages, with their minimum residence period of one year.

Health Insurance: Applicable to all who are in ordinary employment relations in applicable business establishments.

(3) Livelihood Protection

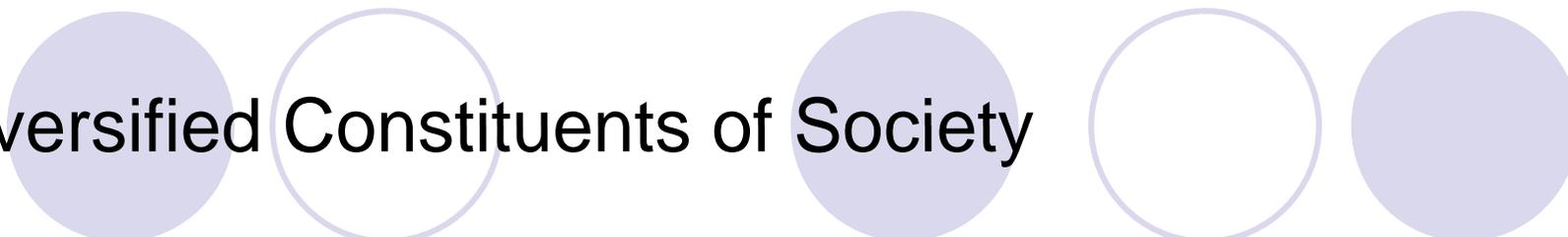
As there is the nationality clause in Livelihood Protection Law, a measure for foreign people is not in place yet.

Article 25 of the Constitution: “All people shall have the right to maintain the minimum standards of wholesome and cultured living.”



Application of Social Security System (2)

- Child-support allowance, childcare allowance
The nationality clause rescinded in 1982
- Public nursing care insurance
To cover those of 40 years old and over with the address in municipalities
- International annuity portability agreement (social security agreement)
To handle such pension-premium problems as a double burden and nonrefundable insurance
Application adjustment as to public annuity systems between two countries, and a period portability aimed at the acquisition of the right to receive a pension
Concluded with Germany, U.K., Korea, U.S.A., France, Belgium, Canada, Australia.

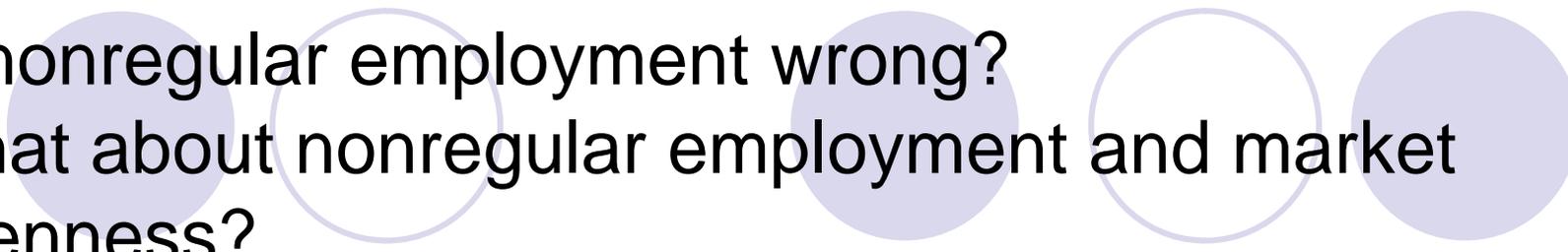


Diversified Constituents of Society

Constituting with different sociocultural backgrounds



Actualization of the society for living together
and supporting each other



Is nonregular employment wrong? What about nonregular employment and market openness?

- The problem of nonregular employment is that once one is engaged in nonregular employment, the chance to shift to regular one is limited.
- An increase in nonregular employment does not necessarily mean openness of the labor market.
- There surely is a positive meaning in nonregular employment. Policywise, however, its features that should be considered as the problems are low wages, unstable employment, limited public welfare and restrictive shifts to regular employment. A part of policy targets is to enhance the selectivity of nonregular employment to the extent where one can make a choice between nonregular employment or regular employment.



Pros and Cons of Diversification

- Is diversification desirable?
- To realize and guarantee fairness in selectivity following diversification constitutes accepting diversification in the true sense.
- Balance between diversification and disparity/inequality

It's we who think of this balance; there's no evaluation standard existing. Diversification and inequality are not necessarily matched equally. To accept diversification leads to the realization of a matured welfare state.

Redistribution policy

While the circulation of capital, goods and people does not conclude within a nation any longer, it is still significant to share various social risks in the unit of one nation. Even if some degree of downgrading should be compelled as a whole, it would not be desirable to take on a large number of jobless peoples, and neglect a huge poverty group.

Groping for Optimal Balance

- Balance between the advanced capitalistic economic system and life security
- Balance for whom?
- Balance at what point in time should one aim at?
- There is no single answer.
- We create on our own.



Participatory
society
Redefine the
communal good

The key concept for the global society over coming years.