

Global Policy Initiative

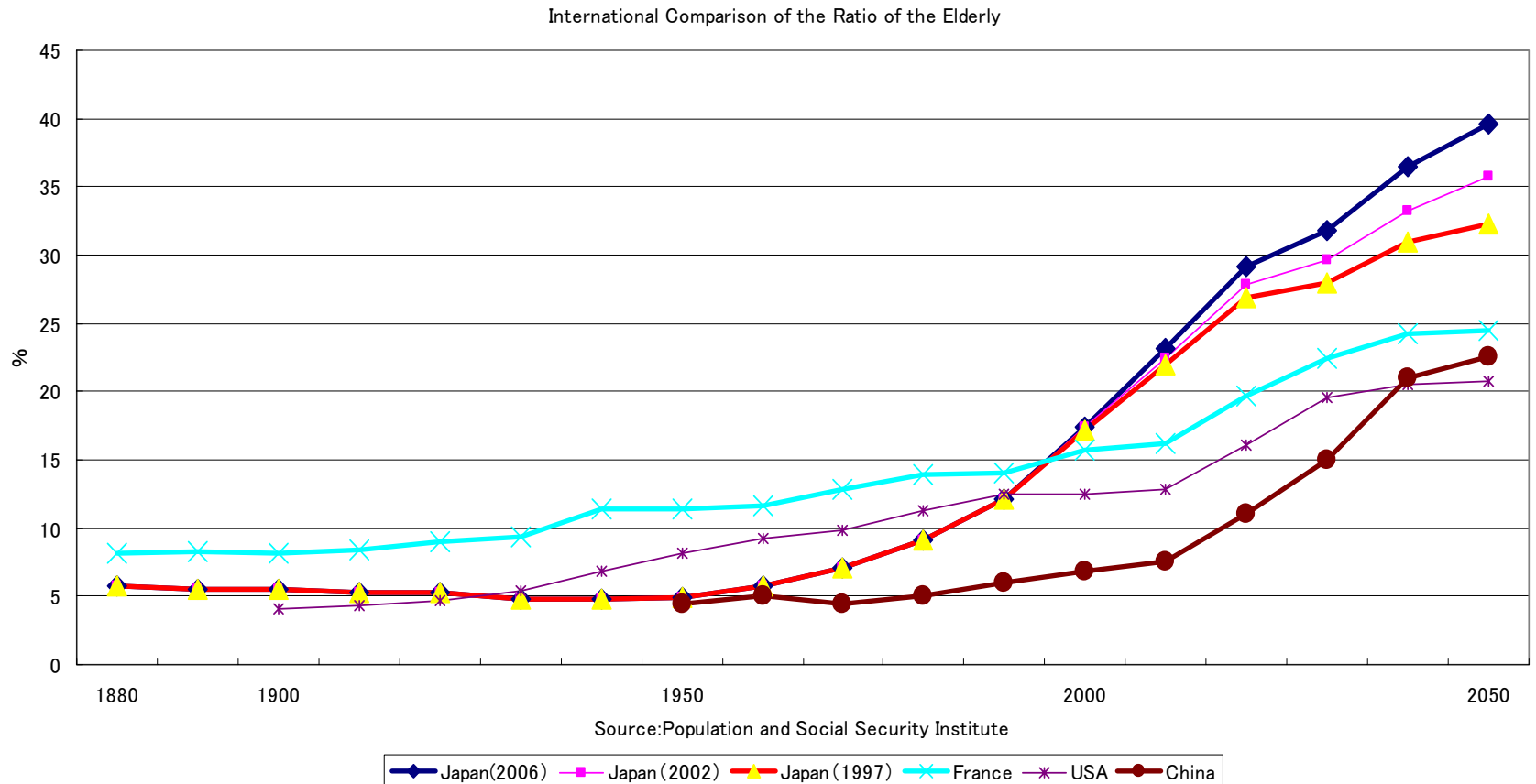
July 21, 2007

International Christian University

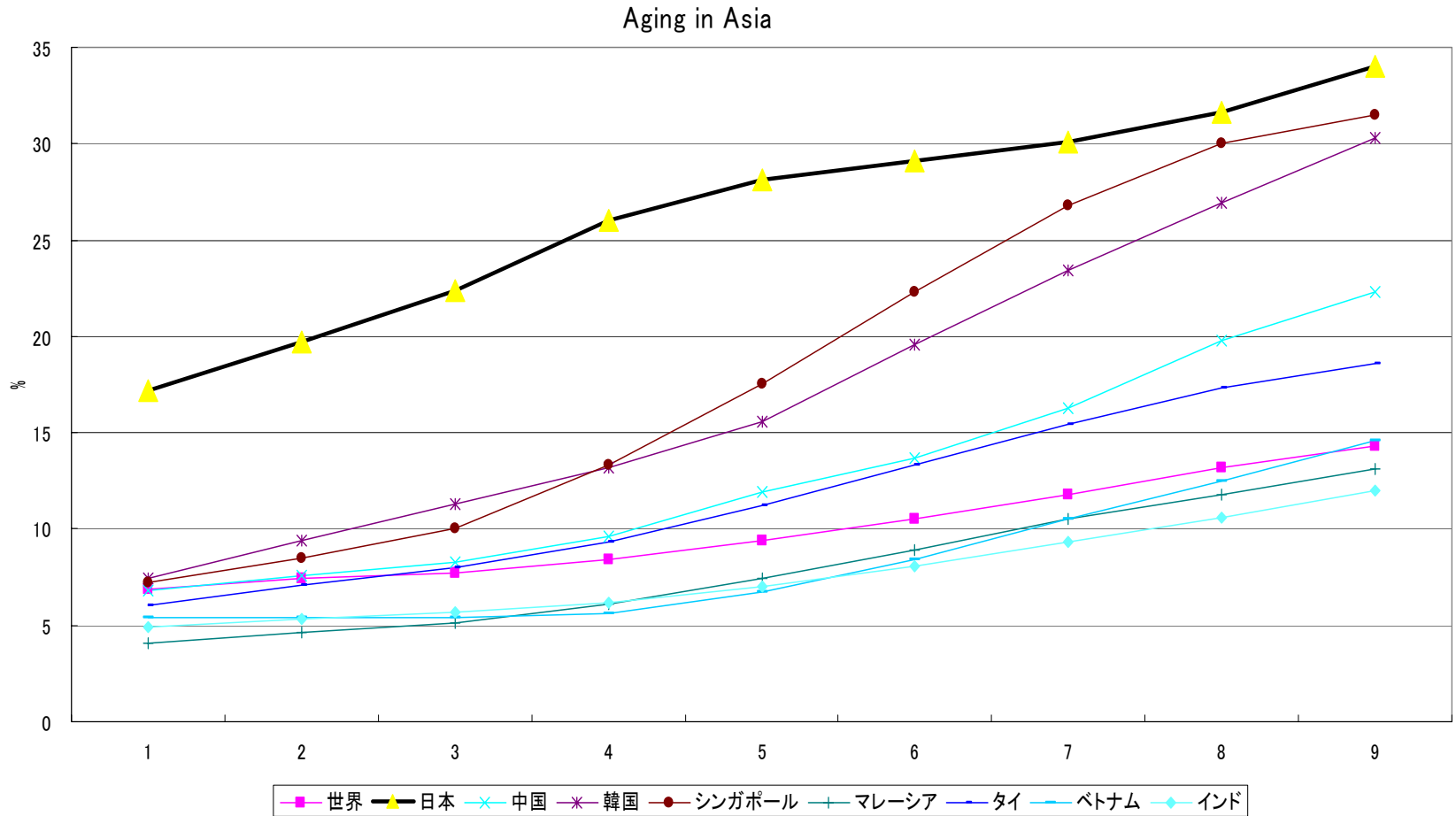
Naohiro Yashiro

Accelerating speed of aging

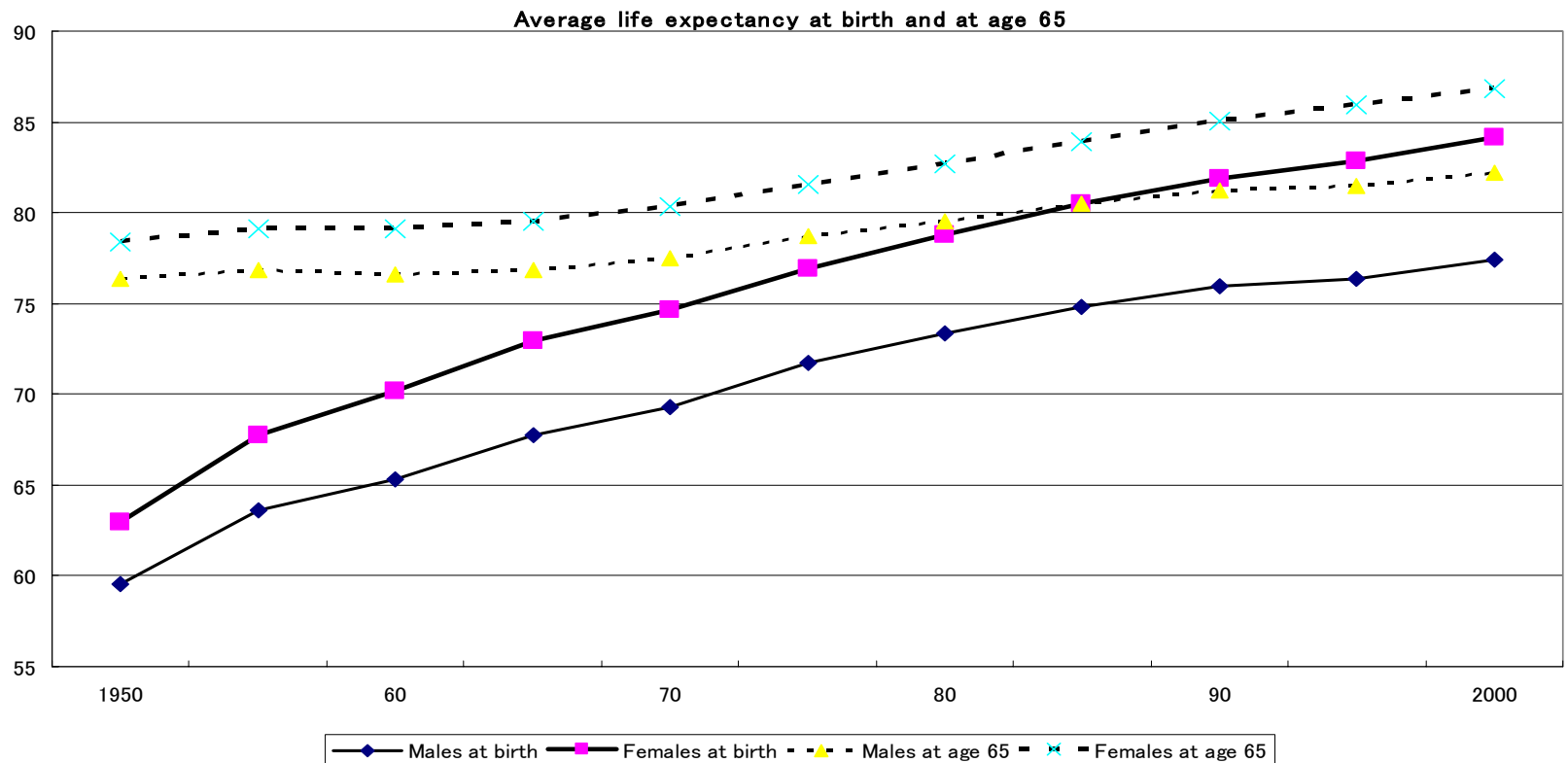
40 % of Japanese will be the elderly by 2050



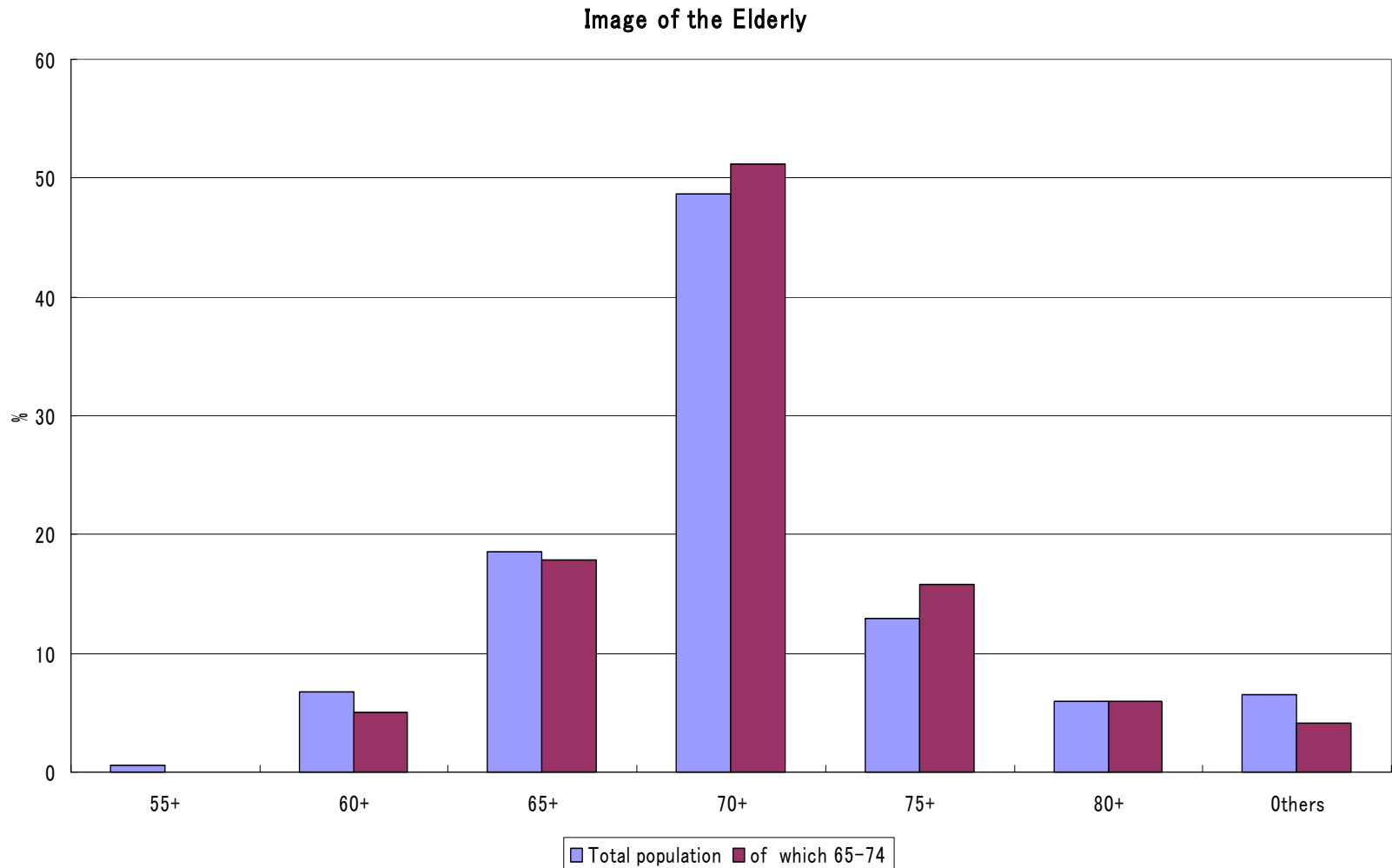
Rapid aging is a common feature in Asia



Extending longevity



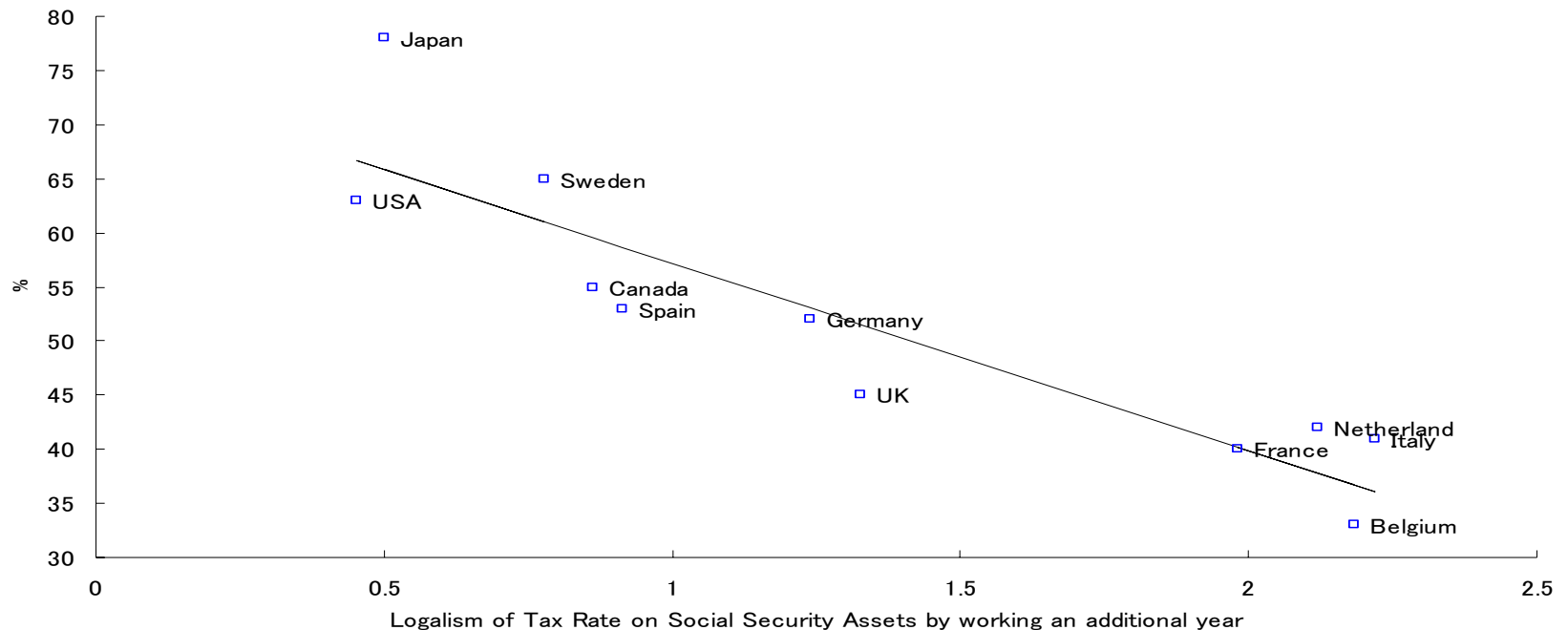
Who are the “elderly”?



Higher labor market participation of older workers is due to lower penalty to work in the social security system

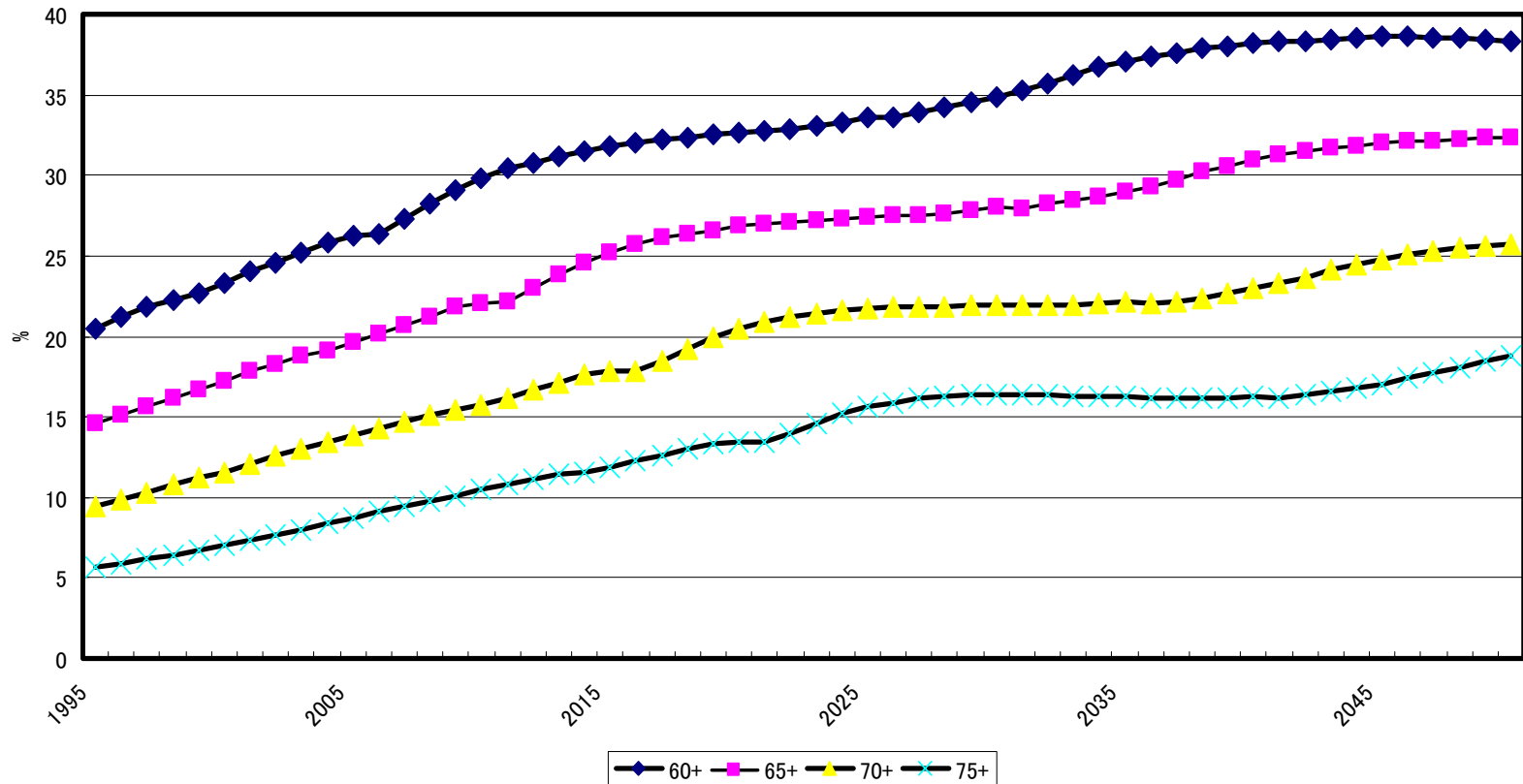
(Gruber and Wise, Social Security and Retirement around the World, NBER)

Tax on Social Security Assets and Labor Force Participation of Age 55–64



Maintaining the “age-neutrality” in the social schemes by changing definition of the elderly

Projection of the “Elderly” ratios
(1997 estimates)



Principles of the age-neutrality

- Extension of the pension eligibility age linked to the average life expectancy
- Actuarially-fair pension scheme i.e. setting one's lifetime benefits equal regardless with the pension eligibility-age
- Prohibition of the mandatory retirement as well as the other age-related practices