

The Disaster and the Aging Society

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Reconstruction and Beyond: The Great East Japan
Earthquake and Its Impact on an Aging Japan

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Three Contrarian Views

- Older people in and after the disaster
 - Certainly there were mistakes, but
 - The government didn't do so badly
- Older people and reconstructing rural towns
 - More a plus than a minus
- Population aging and Japan's future
 - It isn't a plus
 - But not that big a minus

The Disaster and the Elderly

- Most of the dead were 60+
- Frail old people had a tough time afterward
- Loneliness in temporary housing
- But lessons were learned from Kobe
 - Priorities in shelters
 - Quick referrals to facilities
 - Community activities in housing
- Long-Term Care Insurance provided a framework for services

How to Grade Performance?

- Media criticism of the government's mistakes have been intense—elderly, and in general
- On an absolute standard, a poor grade, but if graded on a curve—relative to what other nations did (or would do), pretty good.
- I do see one lesson that must be learned—Japan needs a FEMA to cut through red tape
 - Silly regulations—trucks on highways
 - Jurisdictional barriers, organizations and towns
 - Over-fairness, equality over common sense

Older People and Rebuilding

- Common observation—they lack energy, resources, and the spirit to pick themselves up
- Actually, Tohoku older people are pretty feisty, and attached to their towns
- And even in economic terms, a town with a lot of old people has some advantages
 - Less reason (push or pull) to go elsewhere
 - Pension income without needing jobs
 - Frail elders are a source of employment🎵

Micro and Macro

- Fishing towns have strong economic basis and close-offshore marine industry is well suited to multigenerational family enterprises
- Rural Japan has long-term population decline; the disaster towns may do better than average, with their elders as a plus
- What about Japan as a whole? Isn't population aging the biggest threat it faces?

Catastrophic Demography

- Popular view that population aging will lead us all to rack and ruin
- A conservative ideology—lesson is that we need to dismantle pensions and health care
- If potent in the US (13% 65+) the argument really bites in Japan (23%)
- Often said that aging caused Japan's lost decade(s) and will prevent future growth

Not true!

- Aging should hurt growth because
 - Fewer workers so less production
 - Lower savings so less investment
- For twenty years Japan in opposite situation
 - High unemployment (often disguised)
 - Plenty of cash, no demand for investment
- Aging certainly causes some economic problems, but how important?

Japan's Economic Problems

- Most significant? Hardest to deal with?
 - Low growth, stagnant incomes
 - Growing inequality
 - Rebuilding Tohoku
 - Lack of jobs for young people
 - High level of government debt
 - Population aging
- I'd put them in exactly this order

Summing Up

- Japan faces some big challenges in rebuilding Touhoku but having so many older people is more a plus than a minus
- For the whole economy, population aging is the least of Japan's problems
- The government performed pretty well after the disaster (relatively speaking), but there are clearly lessons for the next one
- Thank you!