Demographics and the Workplace of the Future
-Japan’s Case-

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1. Demographic change and labor supply/demand in Japan

2. Role of government, employer and worker

3. Tackling population decrease

4. Towards aging society

5. Conclusion
1. **Demographic change and labor supply/demand in Japan**

   (1) **Urgent issue to be tackled:**
   - Population decrease
   - Aging of population

   (2) **Japan’s GDP growth:**
   - Recovering gradually after the Financial Crisis of 2007-2008

   (3) **Japan’s labor market:**
   - Faces tight supply and demand
   - Labor shortage
JAPAN: Demographic Overview

- **Peaked-out at 128 million in 2008**

- **Projected**

- Ratio of population over age 65 was 26.7% in 2015

- **Million**
  - Age under 14
  - Age 15-64
  - Age over 65
  - Ratio of age over 65

2017 Analysis of the Labor Economy, Ministry of Health, Labor and Welfare, Japan
Aging of population in Europe, USA and Asia in comparison with Japan

2016 Analysis of the Labor Economy, Ministry of Health, Labor and Welfare, Japan
2. Role of government, employer and worker

(1) To cope with the population decrease:
- Maintain workforce
- Cope with changing industrial structure

(2) To cope with the aging society:
- Important role of the aged workers
- Support workers whose parents are elderly care recipients

(3) Promote “Work Reform”:
- government: in charge of legislations
- employers and workers: collaborate towards full implementation
3. Tackling population decrease

(1) Women’s active participation in the workforce
   ● Establish women-friendly environment throughout the workplace including:
     nursery schools, satellite offices and tele-working
     promotion of non-regular workers to regular workers
     maternity and child rearing leaves

(2) Enhance productivity
   ● Application of IT in the services sector, expanding IoT

(3) Promote youth employment
   ● Accommodate “diversity”

(4) Reform industrial structure
   ● “digital society” etc.
Changes in the employment rate

<table>
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<th>Male 2000</th>
<th>Female 2000</th>
<th>Male 2016</th>
<th>Female 2016</th>
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<tr>
<td>Total</td>
<td>72.7</td>
<td>68.1</td>
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<td>Age 35-44</td>
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<td>62.9</td>
<td>71.8</td>
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<tr>
<td>Age 65 or over</td>
<td>14.3</td>
<td>15.8</td>
<td></td>
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</tr>
</tbody>
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2007 Analysis of the Labor Economy, Ministry of Health, Labor and Welfare, Japan
4. Towards Aging Society

(1) Participation of aged workers in the labor market
- Re-hiring retired workers.
- Flexible labor conditions according to his/her will, ability and health.
- Aged workers: transfer their expertise to younger generations.
- Career planning programs for younger generation to prepare for the future.

(2) Tackling elderly care
- Prevent employees from giving up jobs for the sake of looking after their parents.
  - flexible working hours, satellite offices and tele-working
Anticipated role of aged workers

- To perform his/her expertise: 50.0%
- To transfer his/her expertise to younger workers: 38.1%
- To continue his/her assignment as before: 17.7%
- To be shifted to ancillary works: 8.0%
- To function as a leader of the workplace: 0.9%
- Others: 2.6%

Survey by Keidanren (September 2015)
Increasing number of care recipients

![Graph showing the increasing number of care recipients from 2006 to 2030. The graph indicates a steady increase in the number of people requiring support and care recipients.](image)

Keidanren (April 2018)
Percentage of workers whose parents are care recipients or requiring support

Assumption by Keidanren (April 2018)
5. Conclusion

Diversify labor conditions

Promote innovation to enhance productivity