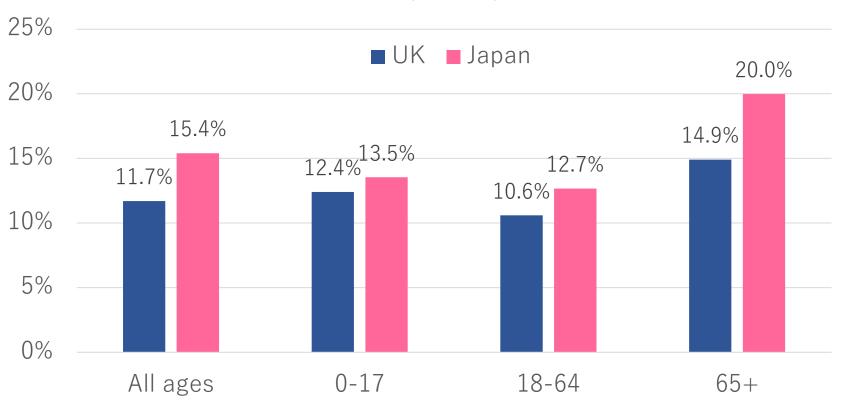
Daiwa Anglo-Japanese Foundation Seminar Poverty in the UK and Japan Poverty in Japan

Aya Abe
Director, Research Center for Child &
Adolescent Poverty &
Professor, Social Policy
Tokyo Metropolitan University

Some basic comparisons

Relative poverty rate



Poverty definition = those whose income is below 50% of median equivalized household income

Source: UK OECD statistics, Japan own calculation using MHLW Comprehensive Living Conditions Survey. All figures are for 2018.

Child poverty rate: 2004-2018

Child poverty rate: UK & Japan



Source: UK OECD statistics, Japan own calculation using MHLW Comprehensive Living Conditions Survey. All figures are for 2018

The Myth of "Egalitarian society": 1960s to 1980s

- Rapid economic recovery and development after the WWII
- "The (aftermath of) the war is over" (EPA 1956)
- 1965 The Ministry of Health & Welfare stops measuring number of households with low standard of living.
- 1970s "100 million all middle-class (Ichioku So Churyu)" became the popular word.
 - 1975 National Survey: more than 90% answered they belong to the middle class (upper, upper-middle, middle, lower-middle, lower).
- The notion that Japan achieved "egalitarian society" became pride and identity of Japanese people.

First signs of "visible" Poverty in Japan: 1990s

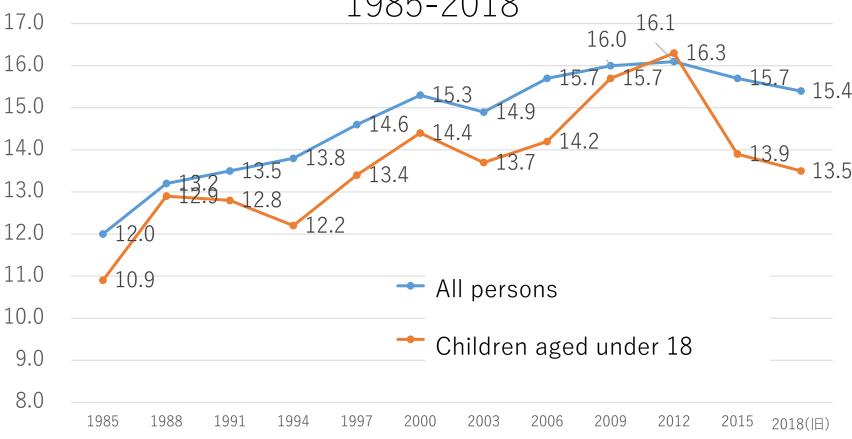
- First apparent signs: Emergence of "homeless" people in 1990s
- 2000 Law for Measures to Assist Homeless (People to achieve) Independence
- Still, homelessness was seen as "special cases" caused by individual laziness, alcoholism and their "preference (they like the freedom of living on the streets!)"



80 yr old homeless man (photo taken in 1997)

 Denial of government to acknowledge the "poverty" as a social issue.

Changes in Relative Poverty Rate in Japan: 1985-2018



Poverty definition: 50% National Median (OECD Equivalent Scale – square root of household size)

Source: Ministry of Health, Labor and Welfare (2020) Comprehensive Survey of Living Conditions 2019

Policy development after 2000

- 2008 Lehman Shock feared to be "once-in-a-century depression"
- 2009 Government change Democratic Party won the election, ending 50-year rule of Liberal Democrats.

Beginning of social policy against poverty?

- 2011 The East-Japan Great Earthquake
- 2013 Law to Promote Policies against Child Poverty
 (子どもの貧困対策の推進に関する法) Enacted
 - First law that acknowledged "poverty"
 - Mandates government to take an action against child poverty (but does not specify what it needs to do).
 - Its target is only poor "children", not poor "families". Thus, the policies implemented so far are concentrated on measures that directly benefit children, and not families. (e.g. scholarships, school social workers, support for NPOs that target children)

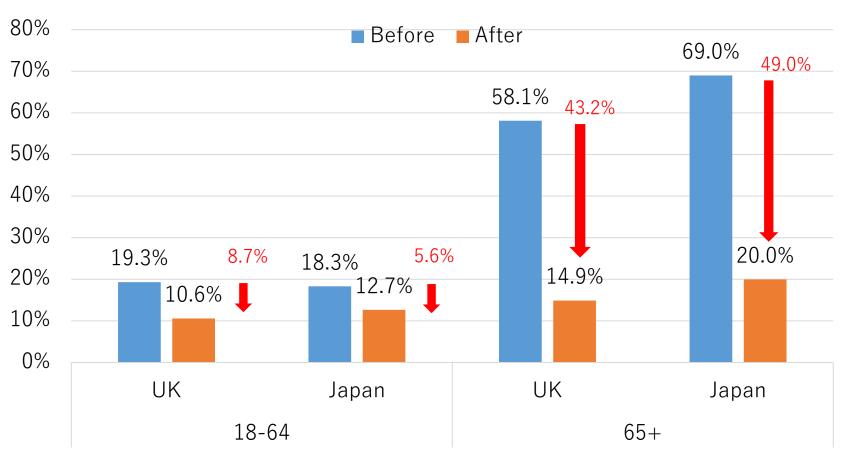
Social Assistance, Housing, Child benefit

	U.K.	Japan
% population covered by public assistance	Universal credit + Income support for lone parents + Income support 1.3%	Public Assistance 1.1% (includes all ages)
Tax credit		No tax credit
% population covered by housing benefit	5.9%	Same as public assistance
%Public spending on Housing Allowance	1.06%	0.12%
% share of public housing in all housing	17%	3.0%
Child benefit (/month)	\pounds 21.05(/week)= \pounds 84.2 (/mo)- eldest \pounds 13.95 – additional child	\$10000 (= £66)/child (3-15yrs) \$15000 (= £99)/child (0-2 yrs)

• Social assistance and child benefit are more generous in the UK compared to Japan.

Poverty rates: Before & After tax and transfers

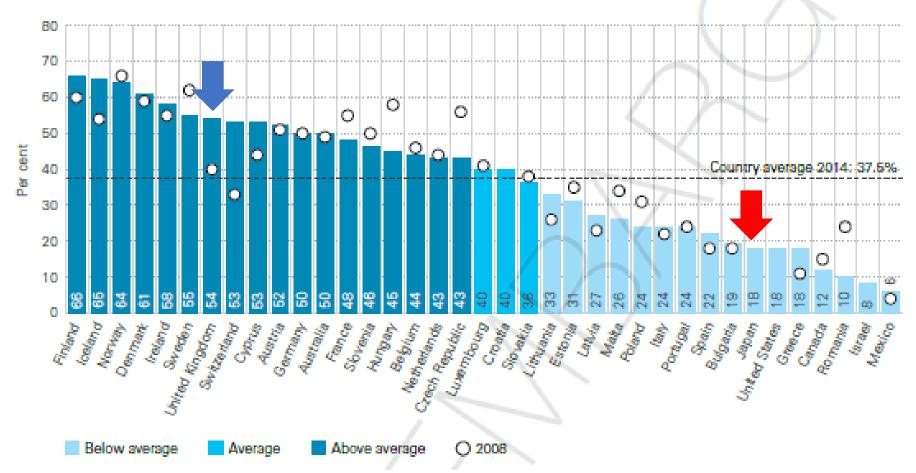
Poverty rate before & after tax and transfers



Source: UK OECD statistics, Japan own calculation using MHLW Coprehensive Living Conditions Survey. all figures are for 2018

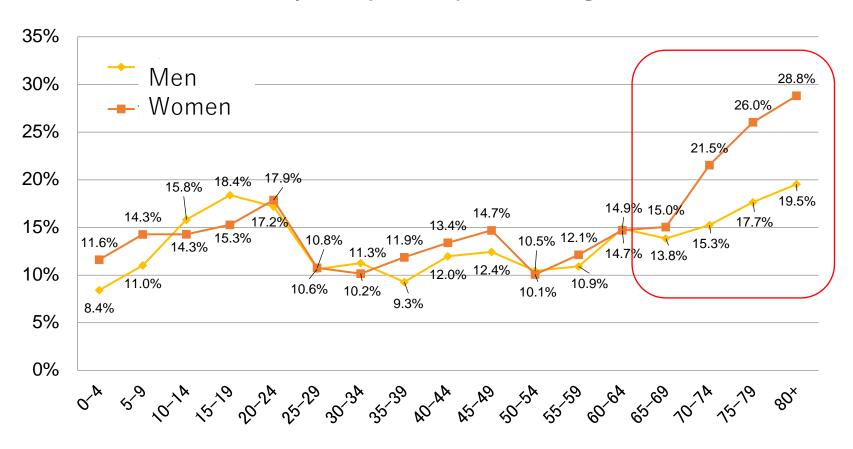
Reduction in the rate of child poverty due to social transfers

Percentage reduction in the rate of child poverty due to social transfers, 2014 and 2008



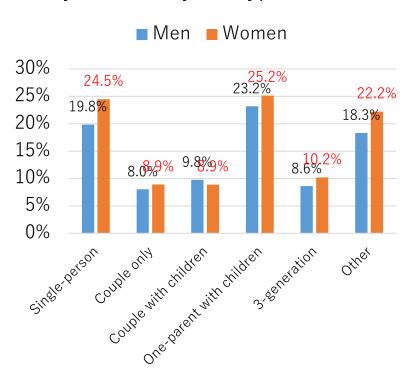
Gendered poverty risk in Japan

Relative poverty rate by sex and age 2018

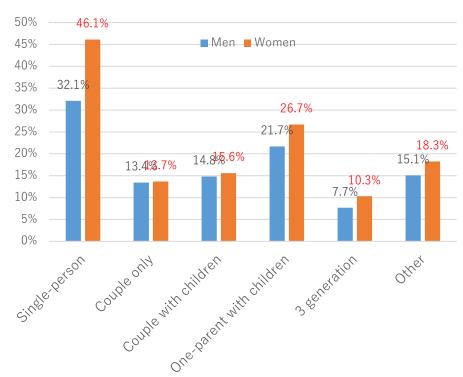


Uneven poverty risk in Japan: "abnormal" household types

Relative poverty rate for 20-64 year olds: by HH type & sex



Relative poverty rate for 65+ By HH type & sex

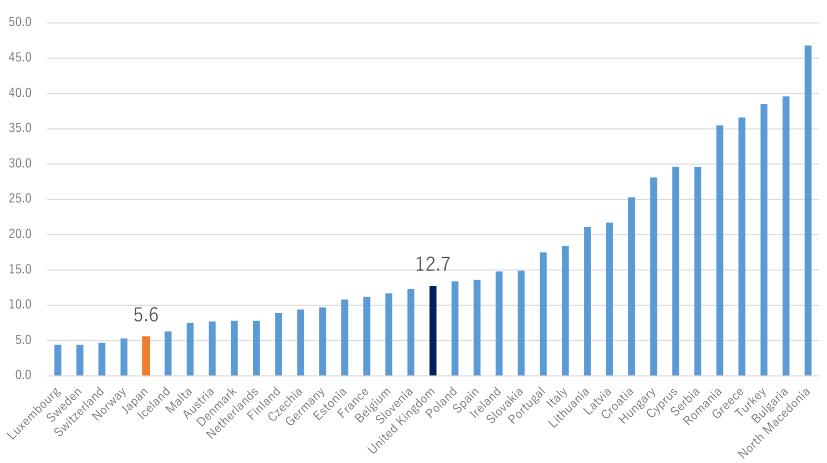


A bit different picture using Material deprivation

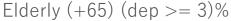
EU-SILC item	Japan question	Response and coding
mortgage or rent payments, utility bills, hire purchase instalments or other loan payments;	In the past year, has your household experience not being able to pay: 1) rent, 2) mortgage, 3) electricity bill, 4) gas bill, 5) water bill	Yes or No (if any of 5 is YES = 1, otherwise =0, if any of 5 is missing = missing)
one week's holiday away from home;	Can <u>you</u> : go to an overnight trip at least once a year	Yes, No (for economic reason), No (other reason) If any member of household (above 18) said No (for economic reasons) = 1, otherwise = 0
a meal with meat, chicken, fish or vegetarian equivalent every second day;	Can your <u>household</u> : eat meat, fish (or vegetarian equivalent) every second day	Yes = 0 No (for economic reason) = 1 No (other reason) = 0 n/a = missing
unexpected financial expenses;	Can your <u>household</u> : has saving to meet unexpected financial expenses	
heating to keep the home adequately warm.		
a telephone (including mobile telephone);	Does your <u>household</u> have: a stationary telephone	Yes = 0 Can't afford = 1 Do not need = 0 n/a = missing
a colour TV;	Does your household have: a TV	
a washing machine;	Does your <u>household</u> have: a washing machine	
a car;	Does your household have: a car	

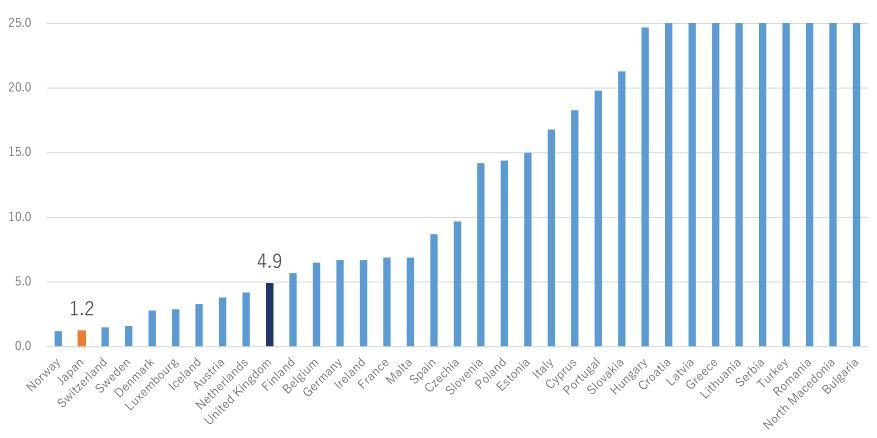
Working age (18-64): % those >= 3



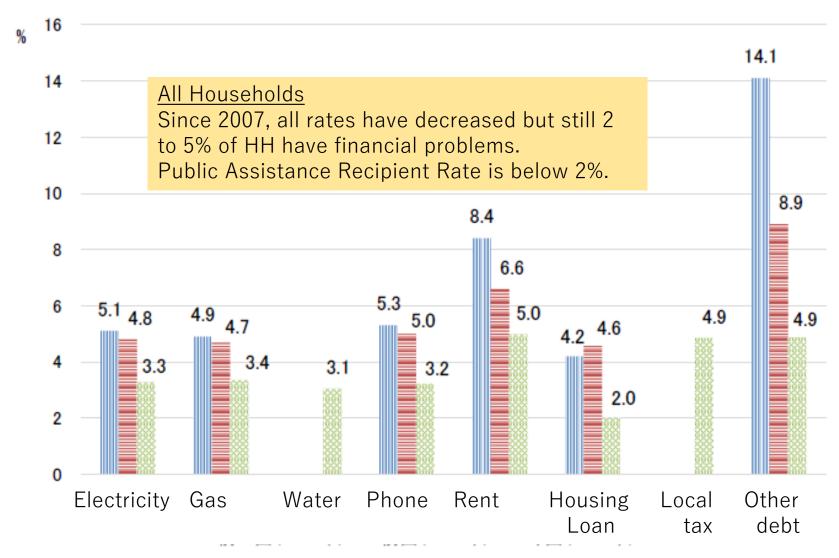


Elderly (65+): % those >=3





% of Households which had arrears in paying utility bills and debt in the past year (National Survey)



% of children who experienced suspension of services (Osaka and Okinawa)

Experienced in the past 6 months suspension of Electricity, Gas or Water			
Osaka (Grade 5)	1.0%		
Osaka (Grade 8)	1.4%		
Experienced in the past 10 years suspension of Electricity, Gas or Water			
Okinawa (Grade 1)	7.7%		
Okinawa (Grade 5)	9.4%		
Okinawa (Grade 8)	8.1%		

出所:各道府県HP

Characteristics of poverty in Japan

More than anything, family structure determines the living standard of individual (especially women).

Family is the biggest provider of safety-net. Public social protection schemes are based on the assumption that everyone is supported by family first.

More than that, <u>not</u> following traditional life course indicates higher poverty risk (even though the causal relationship could be reverse).

Not Unemployed, but "workingpoor"

- 2-tier structure of labour market
- Hiseiki (nonregular) workers have no labour market protection

- ✓ No social insurance coverage
- ✓ No labour union
- ✓ No unemployment insurance
- ✓ No equal pay for equal value of work
- ✓ Minimum wage fairly low

Small government role in alleviating poverty.

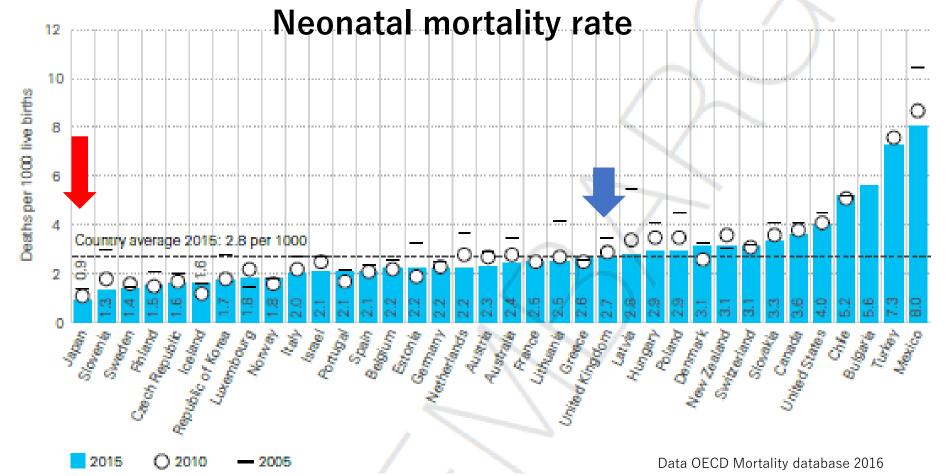
Social protection is very strict and places very stringent means test (asset test, family support test and work test)

Unemployment insurance is limited in its duration (only 20% of unemployed receive unemployment benefit). No minimum guarantee of public pension Not much income support for the poor and lone parents (no housing assistance, no utility assistance, etc.) Extremely regressive social insurance premiums (tax).



While neonatal mortality rate is the best among OECD countries...

Deaths in the first 28 days of life, per 1,000 live births



Suicide rate of adolescent is not good….

Suicide Rates of Adolescent aged 15-19 12009-2013

