

Creative Responses to an Aging Society: The Japanese Experience
AARP Global Aging Program Idea Exchange with Hiro Murata
June 2006

Japan is the most rapidly aging country in the world. Demographic change – specifically a declining fertility rate and growing longevity – has resulted in an aging ratio over 20 percent in 2005. In other words, over one in five Japanese people are over 65 years old.

Mr. Hiro Murata visited AARP Headquarters in Washington, DC, to offer his perspective on the Japanese experience in aging. He addressed a number of challenges and trends that have compelled Japanese society to explore creative solutions to the meet the needs of older persons.

“ The Frontier of Challenges” in Aging Societies

In the government’s attempts to address the realities of this demographic shift, the Pension System Reform was enacted in 2004. It accompanied a modification of an existing Older Adult Employment Act that had a mandatory retirement age of 60. To adapt to current challenges, the mandatory retirement age in Japan will increase gradually until reaching 65 by 2013. According to Mr. Murata, to avoid bankruptcy of the pension system, the modifications to the Older Adult Employment Act stipulate that employers must continue to provide jobs until the minimum retirement age. In addition to changes related to retirement and pensions, the Japanese government established a five year plan to develop and improve the long-term care insurance system in 2000.

The national fertility rate is currently around 1.2 children per woman, while in urban areas it can be even lower; it is around 0.8 in Tokyo. There appears to be a “crisis” in Japanese society, but – as Mr. Murata pointed out using Japanese kanji characters – a crisis can indicate danger or opportunity. As a consequence, creative responses are needed for Japan to advance successfully into the future and to accommodate its aging society. Mr. Murata addressed five areas for consideration in which creative action can achieve this: long-distance caregiving; physical activity decline; aging-related living style change; lifestyle in later life; and working in later life.

Long-Distance Caregiving

According to research, 71 percent of Japanese people over 65 want to live alone, while only 20 percent express the desire to live with their children. However, Mr. Murata

explained that these survey results hide the fact that many older Japanese would prefer to live with their children but do not want to be or to feel like a burden. Still, there is an increase in the distance between parents and children.

Innovative strategies that utilize technology can make long-distance care more manageable without causing parents to feel like a burden. The I-Pot, an electronic tea pot that notes the times of use and sends the data to cellular phones, is one way for children to observe their parents' behavior in an indirect and more polite way. Monitors networked to the gas heating system can also send signals to children when there is an aberration – a potential indicator that something is wrong. These technologies make for a win-win situation: children can feel relatively secure of their parents' well-being, while parents feel comfortable knowing they do not cause unnecessary stress for their children.

Physical Ability Decline

The physical changes that accompany aging also require creative responses to ensure older people's well-being and social inclusion. Statistics show that 97 percent of households in Japan own and utilize cellular phones; yet 43 percent of individuals aged 50-60 do not have one. In an effort to target this market, NTT DOCOMO released the Raku-Raku mobile phone. Described as an "aging friendly" cellular device, the Raku-Raku has gained popularity due to its ease of use. Among its features are large buttons and text, operational support through spoken instructions that help the user to work the phone, and three one-touch buttons that can be programmed with important numbers, such as children or medical contacts.

A second device featured by Mr. Murata was the DS Lite by Nintendo and its highly popular "Brain Age" game. Middle-aged and older persons compose the core consumers of this interactive game that uses stimulus-response patterns to keep the mind sharp in an entertaining format. The game also tracks performance and allows multiple users to store profiles on one unit.

Aging-Related Living Style Change

In Japan, family living trends underwent a cyclical change in the 20th century. In the mid-1920s, multigenerational family living shifted to nuclear-style family structures, where parents lived only with their pre-adult children. Around 1990, the trend swung back to where multiple generations of a family resided together. In this configuration,

families lived under one roof but occupied private areas, often including separate entrances. This was related to the prohibitive costs of housing.

In recent years, however, “living nearby” has become more common. This has had a positive effect on multigenerational ties compared to living far away. Families can maintain close connections, while the various generations can develop their own personal spheres. This situation has obtained the label of “Loose-Tie-Big-Family” and a number of products have begun to target this concept. Mini-van manufacturers and recreational parks like the Tokyo German Village have recognized the need to accommodate the needs of both older and younger generations as well as the desire to engage in leisure activities as a group. Retirement communities also hold great potential to provide residential proximity to one’s children while enjoying an independent residence.

Lifestyle in Later Life

Japan experienced its “baby boom” (known as the "dankai" generation) between 1947 and 1949. This means that the oldest baby-boomer will retire in 2007. Consequently, it is imperative for Japanese society to address what Mr. Murata refers to as the five “No ’s” that salaried workers face after retirement:

1. no place to go regularly;
2. no identity, as it previously was associated with position in society;
3. no hobbies or specialty other than work;
4. no human network other than company; and
5. no idea what one should do.

A number of solutions have been created to tackle these barriers to happiness and personal fulfillment in retirement. Club Tourism is a 3.6 million member “prosumer” (producer-consumer) association that integrates travel opportunities with the chance to make new friends and identify a new social community. Excursions are organized based on a number of personal interests and backgrounds, and package tours shape social inclusion and cohesion. Another solution is a magazine directed toward the 50+ market. Iki-Iki is a successful life-encouragement magazine targeting women aged 50-70 years. It has been in operation since 1987 and can create potential demands by promoting interests in its target sector, such as lifelong learning or travel interests.

Working in Later Life

While almost one third of older Japanese adults want to continue work with no predetermined retirement age, many people 60 years and older have a difficult time finding or retaining jobs. Some companies, however, are utilizing the abilities of older adults and adapting to their unique needs. Irodori, Inc. is a small company that gathers leaves to sell to restaurants for use as a garnish. Ogawa-no-sho, a joint venture between the local government and a private company, manufactures steamed bread based on local ingredients. The average age of both these groups is 70, and Ogawa-no-sho gives employees three hours of nap time each day to ensure positive levels of energy.

Mr. Murata identified seven features for making the most of older workers:

1. creating jobs that make full use of the mind and the body;
2. introducing market competitive principles to create challenges;
3. adopting a flexible work system with relation to day and time;
4. making high-tech devices usable and more accessible for older adults;
5. creating product differentiation;
6. targeting niche markets; and
7. promoting entrepreneurial producers with high product planning and sales skills.

Creative Responses: Examples and Lessons

Among some of the examples of Mr. Murata's efforts to address the need for creative responses to the challenges of an aging society are a Curves fitness club, Dankai Nihonbashi Academy, and college-linked residential communities for active older adults. The latter of these have a tremendously positive impact through integrating older and younger individuals. Residents have greater access to resources and stimuli, while students have more opportunities regarding activities and knowledge exchange.

Mr. Murata identified a number of lessons related to the Japanese experience of an aging society. First, technological innovations can contribute to addressing the issues of an aging society; however, technology does have its limitations. Those who manage businesses must find innovative ways to encourage active work as individuals age. Social activities that cross generations are also vital to engaging older people and helping them to stay active both in work and personal life. Finally, a significant point to remember is that the fundamental needs of older citizens are universally applicable.

The universality of lessons related to older adults indicates that experiences in Japan can provide common wisdom among nations that face the challenges of demographic change. As Mr. Murata suggests, AARP can serve as the “Global Center” for sharing this wisdom and operating as the central authority on global aging.

Bio

Hiro Murata is President and Founder of Murata Associates, Inc., and President of the Social Development Research Center, both in Tokyo. His 19 years of experience as an entrepreneur, business incubator and project manager makes him a seasoned interdisciplinary leader. Murata’s specialty is supporting enterprises through strategic planning, marketing and alliance coordination.

Murata authored the book *The Business of Aging: 10 Successful Strategies for a Diverse Market*, published in 2004. He is a regular contributor to five business journals in Japan on the topic of marketing and business strategy in the 50 plus market. Murata is also a frequent commentator to many leading Japanese newspapers, magazines and broadcast media, including Nikkei, Japan Industry News, Newsweek Japan, International Herald Tribune, Dow Jones, Silver Industry News, TV Tokyo and NHK Radio.

Murata holds a Master’s degree of Engineering from Tohoku University Graduate School of Engineering, and a MBA from Ecole Nationale des Ponts et Chaussees, French national Grand Ecole in Paris. Murata speaks fluent English, French, and Japanese.