

Prospects of Employment and Life Design of *Dankai No Sedai*, or the Japanese Baby-Boom Generation

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I. Introduction

There is a growing interest in the outlook of middle-aged and older workers, including *Dankai No Sedai*, or the Japanese baby-boom generation (hereafter called the “JBB generation”), regarding their prospect of employment after the mandatory retirement age and their life designs in old age.¹ Of course, the rapid aging of society in Japan and the strong motivation of older people in this country to work have long been pointed out. Against this background, the Amended Act on Stabilization of Employment of Older Persons came into effect as of April 2006, and firms that stipulated a mandatory retirement age of under 65 were obligated to implement measures for securing employment of older workers up until the pensionable age by either (i) raising the mandatory retirement age, (ii) introducing a continued employment program (a program whereby a firm will continue to employ older workers currently in the firm’s employment beyond the mandatory retirement age if such workers wish to continue in employment), or (iii) abolishing the system of mandatory retirement age.²

What then is the outlook of the currently middle-aged and older workers, including the JBB generation, who will soon be reaching the mandatory

¹ There are several definitions of the JBB generation, both broad and narrow. As it appears in a footnote below, we defined the JBB generation in this paper as those born between 1946 and 1950 in the JIL 2001 Survey and those born between 1947 and 1951 in the JIPLT 2006 Survey. Incidentally, middle-aged and older people refer to those people 45 years old and over, and older people refer to those 55 years and over.

² As the pensionable age of the specially provided old-age employees’ pension will be raised in phases between fiscal 2006 and 2013, the age until which employment is to be extended will also be raised in phases. The firms, however, are not obligated to continue to employ all older workers who wish to continue in employment. Provided that a firm set criteria for older workers who can continue to be in employment in a labor-management agreement, it is possible for that firm to design a program that will not continue to employ all older workers who wish to continue in employment. For three years beginning in fiscal 2006 (five years for small- and medium-sized firms), firms can also set the criteria in the working rules.

retirement age, regarding their employment in old age (particularly in the first half of their 60s) and what vision do they have about their life designs in old age? And what are the challenges regarding employment management and employment policy that become apparent from the first question? One of the objectives of this paper is to answer these questions by using two surveys conducted by the JILPT (the surveys hereafter called the “2001 Survey” and “2006 Survey”).³ It has already been pointed out that older people in Japan have stronger employment needs than in other countries⁴ and, at the same time, that there are individual differences in the degree of needs for employment and life designs.⁵

When we consider the degree of employment needs and life designs, what similarities or differences are there between employed workers and the self-employed, between employees of private firms and civil employees among employed workers, and between men and women among employees of private firms? The first challenge of this paper is to explore people’s prospects for employment and life designs in old age, paying attention to similarities and differences between different working patterns, between public and private sectors, and between the sexes.

When we consider diversification of employment prospects, employers’ employment management policies and older workers’ professional careers are also important. As for the employment management policies related to old age, the mandatory retirement system, in which an employment relation is terminated once an employee reaches a certain age, is a representative example. On the other hand, with the progress of aging and the amendment of the

³ In JIL 2001 Survey, questionnaire sheets were sent to 2,940 households of men and women between the ages of 45 and 60 nationwide, to which 2,761 households replied. The so-called JBB generation is normally defined as those born between 1947 and 1949, but for this analysis the JBB generation was defined as those born between 1946 and 1950. For details, see Sato et al (2005). The JILPT 2007 Survey was conducted on 3,000 men and women of the JBB generation in the broad sense (i.e. those born between 1947 and 1951) who were working as of October 2006 (the effective response rate was 90.7%). For more details, see JILPT (2007a).

⁴ Incidentally, the actual retirement age of men between 1999 and 2004 is 64.2 in the U.S., 63.0 in the U.K., 61.3 in Germany, and 59.3 in France (OECD Secretariat). The desirable retirement age of around 65 in Japan as we see later in the analysis comes slightly later.

⁵ Detailed description of the literature will be omitted here. See Sato (2004).

Pension Act, which provided for phased raise of the pensionable age,⁶ Japanese firms have implemented a variety of employment extension measures⁷ to meet people's strong motivation to work in the early half of their 60s (60 to 65). The schemes of mandatory retirement age extension, work extension, reemployment, and abolishment of the mandatory retirement system are some of the examples.⁸ Japanese firms, at the same time, are exposed to intense market competition. There may be certain conditions that have to be met in order to satisfy the needs of all older people. What are those conditions? To explore this question, we need to examine the employment management policies of firms for which the JBB generation, who will soon be retiring, work as well as the chances that their wishes for employment would be realized. Another factor that cannot be ignored in examining the chances for their wishes to be realized is the professional abilities and specialties⁹ that they may have accumulated in their professional careers. Is there a difference in the chances for employment between those who see themselves as having a specialty and those who do not? The second challenge of this paper is to explore people's chances for employment and the conditions for employment, paying attention to firms' employment management policies and workers'

⁶ By the amendment of the Pension Act of 1994, it was provided that the pensionable age for the basic pension of employees' pension would be raised to 61 in fiscal 2001, and thereafter it would be raised by one year every three years until it is raised to 65 in 2013. For the earnings-related component of the employees' pension, the pensionable age would also be raised by one year every three years between 2013 and 2025. The pensionable age for both the basic pension and the earnings-related component would be 65 for men in fiscal 2025 and for women in fiscal 2039.

⁷ For the purpose of this paper, the employment extension measures are a concept that includes extension of the retirement age and continued employment programs.

⁸ For the purpose of this paper, mandatory retirement age extension refers to "raising the mandatory retirement age." Work extension refers to "a scheme whereby the mandatory retirement age is maintained but an employee reaching that age is continually employed without retiring." Reemployment scheme refers to "a scheme whereby an employee reaching the mandatory retirement age first goes into retirement before being employed again by the same firm." The continued employment programs consist of the work extension scheme and reemployment scheme.

⁹ For the purpose of this paper, specialties refer to the answers given to the question, "In your career, do you have anything that you can call as your 'field of expertise' or 'specialty'?" in JILPT 2006 Survey. They can be broadly broken down into technical, science and engineering specialties, such as SE, R&D, and production management, and clerical and arts specialties, such as interpersonal relations, accounting and finance.

professional careers.

II. Prospects for Employment in the First Half of 60s and Conditions for Realizing Employment of Active Middle-aged and Older Workers

1. Prospects for Employment in the First Half of 60s: JIL 2001 Survey (1) Differences by Working Style, Public/Private, and Sex

Firstly, we use the JIL 2001 Survey to examine middle-aged and older workers' prospects and wishes regarding employment in old age, in the order of full-time male employees of private firms, full-time female employees of private firms, civil servants, and self-employed people.

Table 1 looks at full-time male employees of private firms, including the JBB generation in the broad sense, full-time female employees of private firms, male civil servants, and self-employed male people, and analyzes and compares their motivation to work and availability of work until the pensionable age as of the time of the survey.

From the above results, there are a number of points that can be pointed out. The first is the difference between self-employed workers and employed workers. Employment management of older workers differs considerable between employed workers and the self-employed. For the self-employed, there are, for practical purposes, no mandatory retirement age system, reemployment scheme, or work extension scheme. Their motivation to work in old age is high: the age until which they "want to be employed in income-earning work" is 67.5, which is higher than that of employed workers. It has been pointed out that, as a characteristic of the employment pattern of older people in Japan, the percentage of full-time employed workers in all older workers tend to decrease with age, while the percentage of self-employed people and family workers tend to rise. A similar result has been obtained in this survey.¹⁰

¹⁰ According to the Ministry of Labour, Survey on Employment Conditions of Older Persons [*Konenreisha shugyo jittai chosa*] (1996), the percentage of self-employed male workers (the figures in parentheses are the percentage of regular employees) was 20.0% (61.1%) for the age group between 55 and 59, 28.9% (39.8%) for the age group between 60 and 64, and 36.7% (24.1%) for the age group between 65 and 69.

Table 1. Prospects for employment in old age: Comparison by working style

	Full-time male employees of private firms	(of which JBB generation)	Full-time female employees of private firms	Male civil servants	Self-employed male persons
N (people)	1,885	800	353	426	192
Until what age can you keep on working? ¹					
Reemployment	62.3	62.2	64.0	62.4	There is no mandatory retirement age system, in principle
Work extension	63.9	63.8	64.7	63.0	
Mandatory retirement age extension	63.8	63.8	67.5	64.4	
Availability of work until the pensionable age ²	52.3	53.1	39.0	58.0	60.9
If work is not available, the time until receiving pension in full amount ³	3.4	4.0	2.8	3.4	4.9
Desirable retirement age ⁴	65.5	65.6	62.3	65.3	67.5
Percentage wishing for full-time employment in old age ⁵	49.4	50.0	30.5	25.8	—

Notes: ¹ To those who answered, “Continue to work after the mandatory retirement age by way of reemployment” (reemployment), “Continue to work after the mandatory retirement age by prolonging the period of employment” (work extension), or “Continue to work by way of extension of the mandatory retirement age” (mandatory retirement age extension) to the question, “When you reach the age of 60, what kind of employment patterns do you think will be available at your firm?” (SA), a question was asked until what age they could actually keep on working in each case. The figures shown are the average age (unit: age).

² The percentage of respondents who said “Yes” to the question, “Do you think you will have an opportunity to be employed in income-earning work from the time you retire from income-earning work, because of mandatory retirement age, etc., to the time you receive pension in full amount?” (unit: %).

³ To those who replied “No” to the question of footnote 11 above, a question was asked on the “period until which they could receive pension in full amount.” The figures show the average length of time (unit: year).

⁴ The average response to the question, “Until when do you want to be employed in income-earning work?” (unit: age).

⁵ The percentage of respondents who replied, “Work as a full-time regular employee,” to the question, “How would you like to work in the first half of your 60s?” (unit: %).

The second point is the difference in how men and women regard work in old age. Even though they may have the same working style of working full-time for private firms, male and female full-time employees of private firms answer differently as regards the question, “Until when do you want to be employed in income-earning work?” For men it is 65.5, whereas for women it is 62.3, about 3 years sooner for women. The percentage of women who wish to work full-time in old age is 30.5%, less compared with men. In sum, it can be said that full-time female employees have stronger orientation towards early retirement compared with men.

The third point is that the JBB generation shows no particular characteristics. Even when we extract the figures for the JBB generation from full-time male employees of private firms and compare those figures with the overall figures of full-time male employees of private firms, there are no marked differences as regards how they regard work in old age. The desirable retirement age for full-time male employees of private firms overall is 65.5. It is 65.6 for the JBB generation, roughly the same. The percentage of those wishing to work full-time in old age is 50.0% for the JBB generation, which is not considerably different from 49.4% for male employees overall. These results suggest that the JBB generation’s views on work in old age are not as unique as it is made out to be.

The fourth point is the difference between the public and private sectors. If we compare civil servants with employees of private firms, there are no significant differences as regards the age until which various systems allow them to work (62 to 64) and as regards the desirable retirement age (65.3). The percentage of those civil employees who wish to work full-time in old age, however, is 25.8%, which is slightly lower compared to male employees of private firms.

In the next section, we will focus on the full-time male employees of private firms (including the JBB generation), who make up the biggest group among the above groups of different working styles, and examine their prospects for employment in old age.

(2) Case of Middle-aged and Older Full-time Male Employees of Private Firms

Table 2 summarizes the results of an analysis on the prospects for employment in old age of middle-aged and older full-time male employees of private firms.

Table 2. Prospects for employment in the first half of 60s: Middle-aged and older full-time active male employees of private firms¹

	Reemploy- -ment	Work extension	Mandatory retirement age extension	No mandatory retirement age	Company policy undecided	Don't know the company policy	Don't know
N (people)	423	257	104	104	345	113	442
Firms' employment management ²	22.4	13.6	5.5	5.5	18.3	6.0	23.4
Age one can continue to work until ³	62.3	63.9	63.8	—	—	—	—
Availability of work until the pensionable age ⁴							
Yes	61.9	68.9	57.7	66.3	46.4	42.5	36.4
No	15.1	7.0	14.4	1.9	13.0	13.3	14.7
Don't know	22.2	23.0	26.9	28.8	44.2	44.2	48.0
Desirable working style ⁵							
Full-time	46.8	61.1	53.8	73.1	45.8	44.2	45.5
Part-time	35.7	21.4	23.1	7.7	29.9	24.8	30.3
Desirable retirement age ⁶	65.2	65.9	65.0	67.5	65.6	65.8	65.3
Knowledge of pensionable age ⁷							
Precisely	63.6	57.6	57.7	39.4	47.2	44.2	45.7
Generally	31.2	34.6	35.6	48.1	44.3	46.9	42.5
Don't know	4.5	7.0	5.8	12.5	7.8	8.8	11.5

Notes: ¹ The attributes of the middle-aged and older employees subject to the survey of Table 2 and of the firms they work for are: (i) size (50.8% with less than 300 employees), (ii) job type (41.2% are department managers and section heads), (iii) mandatory retirement age system (87.9% have the system), (iv) reemployment/work extension scheme (50.0% have a scheme), (v) percentage all those who wish can continue in employment (12.7%).

² The percentage of those who answered, "Continue to work after the mandatory retirement age by way of reemployment" (reemployment), "Continue to work after the mandatory retirement age by prolonging the period of employment" (work extension), "Continue to work by way of extension of the mandatory retirement age" (mandatory retirement age extension), "Can continue to work indefinitely because there is no mandatory retirement age" (abbreviated to "No mandatory retirement age"), "Don't know since the company has not made its stance clear" (abbreviated to "Company policy undecided"), "The company's policy is decided but I don't know what it is" (abbreviated to "Don't know the company policy"), and "Don't know" to the question, "When you reach the age of 60, what kind of employment patterns do you think will be available at your firm?" (SA) (unit:%).

³ In relation to the question of footnote 17 above, respondents were asked, "Until when is it possible to work?" The figures are average age (unit: age).

⁴ The percentage of respondents who said "Yes," who said "No," and who said "Don't know" to the question, "Do you think you will have an opportunity to be employed in income-earning work from the time you retire from income-earning work, because of mandatory retirement age, etc., to the time you receive pension in full amount?" (unit: %).

⁵ The percentage of respondents who replied, "Want to work as a full-time employee" (abbreviated to "Full-time") and who replied "Want to work as a part-timer or by commission" (abbreviated to "Part-time") to the question, "How would you like to work in the first half of your 60s?" (SA) (unit: %).

⁶ The average response to the question, "Until when do you want to be employed in income-earning work?" (unit: age).

⁷ The percentage of respondents who replied, "I know when I will start receiving pension" (abbreviated to "Precisely"), "I generally know when but not precisely" (abbreviated to "Generally"), and "I don't know" (abbreviated to "Don't know") to a question on "the pensionable age of the old-age employees' pension (basic pension)."

About 50% of the subjects worked for a large firm at the time of the survey (the percentage of those working for small- and medium-sized firms of less than 300 employees was 50.8%), and 41.2% of the subjects were in managerial jobs of department manager, section head, etc. The mandatory retirement system was introduced in 87.9% of the firms the subjects worked for, and 50.0% of the firms had programs such as reemployment scheme and work extension scheme. On the possibility of employment in old age, 32.2% said, "All employees reaching a certain age must retire," 42.9% said, "Only those who fulfill certain conditions can continue in employment," 12.7% said, "Even after a certain age, all those who wish to continue working can remain in employment," and 2.1% said, "All workers continue in employment indefinitely."

The following points can be mentioned as regards their prospects for employment in old age. Firstly, on the question of "When you reach the age of 60, what kind of employment patterns do you think will be available at your firm?" the largest portion of the respondents predicted that they would be able to "continue to work after the mandatory retirement age by way of reemployment" (hereafter abbreviated to "reemployment") at 22.4%, followed by those who said they would be able to "continue to work after the mandatory retirement age by prolonging the period of employment" (hereafter abbreviated to "work extension") at 13.6%. These were two of the answers with most responses. The percentage for "Continue to work by way of extension of the mandatory retirement age" (hereafter abbreviated to "mandatory retirement age extension") and "Can continue to work indefinitely because there is no mandatory retirement age" (hereafter abbreviated to "no mandatory retirement age") each had only 5.5%, a very small percentage. There are views endorsing abolishment of the mandatory retirement age system (the so-called ageless theory), but only a very few predicted that the mandatory retirement age system would be abolished in their firms.

While the above results pertain to those who have good prospects for future employment, we should not overlook the fact that 23.4% answered, "Don't know," 18.3% answered, "Don't know since the company has not made its stance clear" (abbreviated to "company policy undecided"), and 6.0% answered, "The company's policy is decided but I don't know what it is" (abbreviated to "don't know the company policy"), who together account for 47.7% of all respondents. In sum, it can be said that the majority of these

people did not know then whether they had any prospects of employment in old age. We cannot ignore the fact that slightly less than half of full-time male employees of private firms are unable to, for one reason or another, predict whether they would be able to work in old age.

Secondly, if we look at the availability of work until the pensionable age, there is a kind of a gap between those with good prospects for employment in old age, on one hand, and those who replied, “Don’t know,” “Company policy undecided,” and “Don’t know the company policy,” on the other. For the latter, in other words, those who did not know their prospects for employment in old age, the percentage replying they had work until the pensionable age was generally lower, while the percentage replying they did not know whether they had work was higher.

Thirdly, among those who “did not know” their prospects for employment in old age, the percentage of those hoping to be employed in full-time work was not low. Generally, about 45% of these people hope to be employed in full-time work. The “desirable age of retirement from income-earning work” for these people was 65 on average, which was not much different from others. In sum, this indicates that there is a considerably large group of people who do not know whether they would be able to fulfill their hope of being in employment in old age but who nonetheless want to be employed in full-time work in old age. We can read from this a part of the concerns that middle-aged and older workers have about their future life in old age.

2. Employment Prospects and Conditions for Realizing Wish for Employment: JILPT 2006 Survey

In Section 1, we attempted to analyze the data of JIL 2001 Survey. After the survey, the Act on Stabilization of Employment of Older Persons was amended, and continued employment of workers up to 65 years of age became an obligation as of April 2006. To understand the developments in the JBB generation’s prospects for employment in old age after the amendment and to examine differences brought about by differences in professional careers, we analyze the data of JILPT 2006 Survey below.

(1) Prospects for Actualizing Wish and Chances for All Who Wish to be in Employment: Employment of All Who Wish until 65 is Conditional

Those who wish to continue to work at their current workplace after 60

were asked whether it was likely that their wish would be actualized, to which 33.7% answered, “Likely,” 38.8% answered, “Possible if conditions can be met,” 13.5% answered, “Unlikely,” and 13.4% answered, “Cannot say.”

Based on the data set obtained from this survey, we estimate below the percentage that all those who wish to be employed after 60 would actually be employed.

Firstly, since the desirable retirement age of employed workers of the JBB generation is around 65 on average, the possibility of employment of up to 65, for the time being, is a requirement. If we consider the mechanisms of employment management systems, we find that those who are capable of working until 65 are (i) those with no mandatory retirement age and no set term of employment, (ii) those with the mandatory retirement age of 65 or over, and (iii) those whose firms have a mandatory retirement age between 60 and 64 but virtually all employees who wish to work after the mandatory retirement age can do so. If we divide the number of these people by all the employed workers subjected to the survey, we obtain the figure of 41.7%.¹¹ Therefore, for about 60% of the people remaining, the realization of their wish to be employed until 65 was conditional.¹²

¹¹ Incidentally, according to the Ministry of Health, Labour and Welfare, Survey on the Implementation of Measures for Securing Employment of Older Persons Based on the Amended Old Persons Act (October 2006) [*Kaisei koreiho ni motozuku konenreisha koyo kakuho sochi no jisshi jokyō*], 84% of firms with 51 or more employees had implemented measures for securing employment of older people, but only about 40% of those firms had measures for continually employing all those who wished to be employed. The remaining 60%, therefore, had set certain criteria on whom can continue to be employed. About 70% of such firms had set the criteria in a labor-management agreement, and about 30% in working rules.

¹² Although exact comparison is not possible, the survey results on large firms in JILPT (2007b) show that about 90% of the firms had introduced reemployment and work extension schemes, but the percentage of firms that employed about 70% of employees who had reached 60 was about 40%. The percentage of firms “reemploying all employees who wish to be reemployed” was 24.6% and of firms employing “those who fit the criteria to be part of a continued employment program” was 72.2%. For the majority of firms, continued employment after 60 is conditional (employees must have no health problems, must be motivated to work, have a good attitude towards work, and have certain accomplishments).

Table 3. Chances for realizing wish for employment in old age by position

(%)

	Chances for realizing wish for employment in old age					Total	
	Likely to be realized	Possible if conditions can be met	Unlikely	Can't say	No response		
Regular employees	30.0	38.0	14.2	17.5	0.3	100.0	613
Group leaders, chief clerks	37.4	35.2	15.4	8.8	3.3	100.0	91
Section heads	33.1	42.4	18.0	6.5	0.0	100.0	139
Department directors	33.3	42.1	13.5	11.1	0.0	100.0	126
Directors	50.3	38.5	5.6	4.9	0.7	100.0	143
No response	24.3	37.8	10.8	24.3	2.7	100.0	37
Total	33.7	38.8	13.5	13.4	0.6	100.0	1149

(2) Chances for Realizing Wish for Employment after 60: Differences by Attained Position and Specialty

We understood from (1) above that certain conditions must be met in order to satisfy the JBB generation's eager desire for employment in old age. Then what about the wishes of the employees? What chances are there for those wishes to be realized? And what are the conditions for realizing those wishes?

These questions are considered in Table 3 in relation to the positions of the employees. The percentage of those who thought their wishes would be realized tended to be high among directors.¹³

As for employees' chances for realizing their wish for employment in old age, the percentage of those answering, "Likely to be realized" and "Possible if conditions can be met" are also generally higher among those having a specialty than those without (Table 4).

¹³ While many people in managerial positions, such as directors, department directors, and section heads, replied that "chances for realizing their wishes were high if conditions could be met," we also cannot overlook the fact that in JILPT Survey on Enterprises Regarding Continued Employment of Older People (2006) [*Koresha no keizoku koyo no jittai ni kansuru kigyō chōsa (2006)*], firms consider "securing work for older workers within the company" (39.6%) as well as "difficulty in the handling of managerial people" (38.9%) as problems in securing employment or in continued employment of older workers (MA) (Arakawa 2007).

Table 4. Chances for realizing wish for employment in old age by specialty

	Chances for realizing wish for employment in old age					(%)	
	Likely	Possible if conditions can be met	Unlikely	Can't say	No response	Total	
Have a specialty	40.2	41.5	10.1	7.8	0.4	100.0	562
Do not have any specialty	33.8	35.5	14.5	15.7	0.5	100.0	662
Can't say	36.6	36.6	10.4	15.3	1.2	100.0	347
No response	33.3	26.7	16.7	16.7	6.7	100.0	30
Total	36.7	37.7	12.1	12.9	0.7	100.0	1601

(3) Firms' Employment Management Types and Chances for Realizing Wish for Employment

It is considered that chances for realizing one's wish for employment also differ depending on the system of employment management in one's firm. Whether or not to implement the mandatory retirement age system is an important consideration for Japanese firms in designing employment management for older people. In addition, older people's wish to be employed in old age and the question of whether the person is someone whom the firm would want to continue to employ are important. Therefore, we categorize the types of firms' employment management as follows:

- “No mandatory retirement age + No term of employment” type
- “No mandatory retirement age + Term of employment” type
- “Mandatory retirement age + All those who wish to be employed” type
- “Mandatory retirement age + Those who meet certain conditions” type
- “Mandatory retirement age + Those wanted by the firm” type
- “Mandatory retirement age + No continued employment system” type

Table 5 shows chances for the JBB generation to realize their wish for employment by employment management type. The type with the highest likelihood of realizing their wish is the “mandatory retirement age + all those who wish to be employed” type with 50.3%. The chances are high because even though there is a mandatory retirement age, employment is guaranteed to all those who wish. On the other hand, as for the “no mandatory retirement age + term of employment” type and the “mandatory retirement age + those who meet certain conditions” type, the percentage of those replying, “Likely to be

Table 5. Firms' employment management types and chances for realizing wish for employment

	Chances for realizing wish for employment in old age						(%)
	Likely	Possible if conditions can be met	Unlikely	Can't say	No response	Total	
No mandatory retirement age + No term of employment	35.9	40.1	8.5	15.1	0.4	100.0	284
No mandatory retirement age + Term of employment	24.1	34.5	24.1	17.2	0.0	99.9	29
Mandatory retirement age + All those who wish to be employed	50.3	37.6	4.8	6.1	1.2	100.0	165
Mandatory retirement age + Those who meet certain conditions	26.5	49.5	17.2	6.9	0.0	100.1	204
Mandatory retirement age + Those wanted by the firm	33.5	38.6	14.6	12.7	0.6	100.0	158
Mandatory retirement age + No continued employment system	31.8	22.0	25.8	18.9	1.5	100.0	132
Total	35.1	38.8	13.5	12.0	0.6	100.0	972

realized," is low, at 24.1% and 26.5%, respectively. In particular, the "mandatory retirement age + those who meet certain conditions" type has the highest percentage, among the 6 types, of those answering, "Possible if conditions can be met," at 49.5%.

(4) Types of Employment Management of Older People and Measures for Realizing Wish for Employment

We saw above that there are differences in the chances for realizing one's wish for employment in old age depending on the employment management types of one's firm. How then do the measures and challenges for realizing such a wish for employment differ depending on the employment management types? Table 6 analyzes the necessary measures for continued employment again by firms' employment management type. From the analysis, we can point out a number of points.

Firstly, among those working for firms without a mandatory retirement age, which correspond to the "no mandatory retirement age + no term of

Table 6. Types of employment management of older people and necessary measures for continued employment (multiple answers)

	No mandatory retirement age + No term of employment	No mandatory retirement age + Term of employment	Mandatory retirement age + All those who wish to be employed	Mandatory retirement age + Those who meet certain conditions	Mandatory retirement age + Those wanted by the firm	Mandatory retirement age + No continued employment system	(%)
Extension of mandatory retirement age	11.6	10.3	37.6	41.7	43.7	42.4	
Introduction of system for continued employment beyond mandatory retirement age	19.7	31.0	45.5	60.3	60.8	43.2	
Abolishment of mandatory retirement age	8.8	17.2	13.9	11.8	8.9	14.4	
Review of job description	21.5	10.3	18.8	14.7	19.0	22.0	
Reeducation and training of older people	4.9	10.3	5.5	10.8	8.9	6.8	
Allow shorter working hours	26.1	37.9	27.3	29.9	34.8	25.8	
Allow fewer workweek days	25.0	34.5	30.9	36.3	29.7	26.5	
Review of wages and treatment	20.1	20.7	31.5	36.8	38.0	25.8	
Utilization of older people as leaders in passing down skills and knowledge	14.4	10.3	23.0	20.1	23.4	13.6	
Others	2.5	13.8	1.2	1.0	0.6	1.5	
No measures required in particular	31.0	10.3	10.9	9.8	10.8	17.4	
No response	2.5	6.9	1.2	0.0	0.6	3.0	

employment” type and “no mandatory retirement age + term of employment” type, the percentage of those who gave responses to the necessary measures and challenges was generally lower compared with those working for firms with a mandatory retirement age.

Secondly, among those working for firms with a mandatory retirement age, the percentage of those who gave responses to the necessary measures and challenges was particularly high among those who correspond to the “mandatory retirement age + those who meet certain conditions” type and “mandatory retirement age + those wanted by the firm” type. In these groups, the percentage of those who thought such measures as “introduction of system for continued employment beyond mandatory retirement age,” “extension of

mandatory retirement age,” and “review of wages and treatment” as necessary was extremely high.

Thirdly, the measure of “introduction of system for continued employment beyond mandatory retirement age” was mentioned by a particularly high percentage of people in the “mandatory retirement age + those who meet certain conditions” type and “mandatory retirement age + those wanted by the firm” type, at above 60%. In these two groups, “extension of mandatory retirement age” was also mentioned by a high percentage of people at over 40%. Among those in the “mandatory retirement age + those who meet certain conditions” type, the percentage mentioning, “Allow fewer workweek days,” was also slightly high at 36.3% (shaded parts on Table 6).

(5) Necessary Measures for Continued Employment in Respect to Specialty and Employment Management Type

As we have seen above, the JBB generation has a strong desire to continue working in their old age. The realization of such wish for employment in old age, however, was much dependant on certain conditions. Therefore, certain measures are needed in order to realize this hope. The above analysis has shown that chances for realizing this wish differed by each employee’s attributes, such as attained specialty and position, and by the employment management types of the firms employees worked for. If we summarize the axes of analysis that emerged out of the above analysis anew, they would be as shown below.

The first axis, from the worker’s viewpoint, is whether one has formed certain specialty during one’s professional career. Those without a specialty generally tended to think that there should be more measures in order to realize their hope for continued employment in old age, compared with those with a specialty. It can be considered that there is a need to provide support for those without a specialty.

The second axis is the employment management systems of the firms that workers work for. These include the six employment management types we used above.

If we combine the two axes of “specialty/no specialty” and “mandatory retirement age/no mandatory retirement age,” the latter from the employment management types, then we have four categories or types. We analyze these four to better understand the conditions for realizing workers’ wish for

Table 7. Conditions for continued employment by specialization and mandatory retirement age (multiple answers)

	(%)			
	Has specialty + No mandatory retirement age	Has specialty + There is mandatory retirement age	Has no specialty + No mandatory retirement age	Has no specialty + There is mandatory retirement age
Extension of mandatory retirement age	11.4	35.3	16.7	46.5
Introduction of system for continued employment beyond mandatory retirement age	19.5	53.7	27.6	55.1
Abolishment of mandatory retirement age	6.5	12.5	11.5	12.9
Review of job description	24.4	19.2	16.0	15.8
Reeducation and training of older people	7.3	9.0	7.1	8.9
Allow shorter working hours	27.6	25.1	29.5	32.3
Allow fewer workweek days	23.6	33.7	26.9	32.3
Review of wages and treatment	16.3	34.9	21.2	31.0
Utilization of older people as leaders in passing down skills and knowledge	23.6	26.3	5.8	15.8
Others	6.5	2.0	1.3	0.3
No measures required in particular	32.5	13.7	26.3	10.6
No response	0.8	0.0	3.2	1.3

employment in old age.

The first type is those with a specialty who work for a company with “no” mandatory retirement age. The second is those with a specialty who work for a company with a mandatory retirement age. The third is those “without” a specialty who work for a company with “no” mandatory retirement age. And the fourth is those “without” a specialty who work for a company with a mandatory retirement age.

If we analyze the conditions for continued employment for the above four types, it will be as shown in Table 7.

Firstly, in the case of those “with” a specialty and “no” mandatory retirement age, “No measures required in particular” is given by the largest percentage of respondents. There are other conditions above 20%, such as “Review of job description,” “Allow shorter working hours,” and “Allow fewer workweek days.”

Secondly, in the case of those “with” a specialty and a mandatory retirement age, the percentage of those replying, “Introduction of system for

continued employment beyond mandatory retirement age,” is high at over 50% (dark shaded part), followed by conditions above 30%, including “Extension of mandatory retirement age,” “Review of wages and treatment,” and “Allow fewer workweek days.”

Thirdly, in the case of those with “no” specialty and “no” mandatory retirement age, the conditions of “Introduction of system for continued employment beyond mandatory retirement age,” “Allow shorter working hours,” “Allow fewer workweek days,” and “Review of wages and treatment” are all between 20% and 30%.

Fourthly, in the case of those with “no” specialty and a mandatory retirement age, the percentage replying, “Introduction of system for continued employment beyond mandatory retirement age,” is very high at over 50% (dark shaded part). Furthermore, “Extension of mandatory retirement age” is above 40% (dark shaded part), and “Allow shorter working hours,” “Allow fewer workweek days,” and “Review of wages and treatment” are also in the range of between 30% and 40% (slightly dark shaded parts). Among the four types, this group had the highest percentage of responses as regards necessary conditions and measures.

From the above, it can be said that for those who see themselves as having “no” specialty or field of expertise and there is a mandatory retirement age at their companies, there is a need to introduce continued employment system or mandatory retirement age extension, to promote shorter working hours and fewer workweek days, and further to review their wages and treatment.

III. Life Design and Lifestyles in Old Age

1. Making Ends Meet in Old Age: JIL 2001 Survey

We analyzed above the prospects of active middle-aged and older workers for employment in old age. How then do they plan to support themselves in old age? We need to consider this question as well as differences between different working styles, between public and private sectors, and between men and women. As we saw from the analysis on Table 2, about 50% of male employees of private firms, for example, wished to be employed full-time in the first half of their 60s, and their desirable retirement age was roughly around 65. But since the age until which they could actually work was 62 to 63, it was predicted that there would be a “lapse” of about 2 to 3 years. There were

Table 8. Ways of making ends meet in old age (MA)

	Full-time male employees of private firms	(of which JBB generation)	Full-time female employees of private firms	Male civil servants	Self-employed male persons
N (people)	1,872	791	351	425	188
Spouse' income	16.6	17.1	74.6	12.2	19.7
Own income	79.4	82.4	49.3	71.1	93.6
Child's income	3.2	2.8	2.8	0.9	11.2
Spouse's public pension	13.0	11.3	34.2	12.7	11.2
Own public pension	41.6	37.7	31.9	54.4	25.0
Spouse's corporate pension	2.8	2.5	19.9	2.1	2.7
Own corporate pension	32.3	30.3	16.5	13.4	8.0
Assets and incomes of family business	4.6	5.1	3.1	7.8	17.6
Support from parents	0.4	0.6	0.6	0.2	0.5
Own unemployment insurance	14.1	11.4	5.1	1.4	0.0
Spouse's unemployment insurance	1.4	1.9	5.4	0.5	0.0
Savings	33.4	33.4	31.6	43.3	20.7
Survivors' pension	0.2	0.1	0.0	0.0	0.5
Others	1.2	1.6	1.7	2.4	1.1
Total	244.2	238.2	276.9	222.4	204.8

also not a few people who had “no” work until the pensionable age or who “did not know” if they would be able to secure work until the pensionable age. With these points in mind, let us examine how they plan to support themselves in the early half of their 60s.

Using working styles we have been using, Table 8 summarizes how people in each category of working styles intend to support themselves in old age.

Firstly, as for full-time male employees of private firms, “Own income” (79.4%) came at the top of how they would support themselves in old age, followed by “Own public pension” (41.6%), “Savings” (33.4%), and “Own corporate pension” (32.3%).

The responses of the JBB generation were not too different from those of the full-time male employees of private firms. The percentage of “Own income” (82.3%) was higher than that of the male employees overall, while the percentage of “Own public pension” (37.7%) was slightly lower. The percentages for “Savings” (33.4%) and “Own corporate pension” (30.3%) were about the same.

The responses given by full-time female employees of private firms differed somewhat from those of their male counterparts. “Spouse’s income” (74.6%) came at the top of how they would support themselves, followed by “Own income” (49.3%), “spouse’s public pension” (34.2%), “Own public pension” (31.9%), and “Savings” (31.6%). Compared with the cases of men, women were more dependent on their spouses (i.e. their husbands).

In the case of male civil servants, “Own income” (71.1%) came at the top, but the percentage was somewhat smaller compared with that of male employees of private firms. On the other hand, the weight of “Own public pension” (54.4%) and “Savings” (43.3%) tended to be higher.

In the case of the self-employed (male), dependence on “Own income” (93.6%) was extremely large. On the other hand, the percentages for “Own public pension” (25.0%) and “Savings” (20.7%) were small.

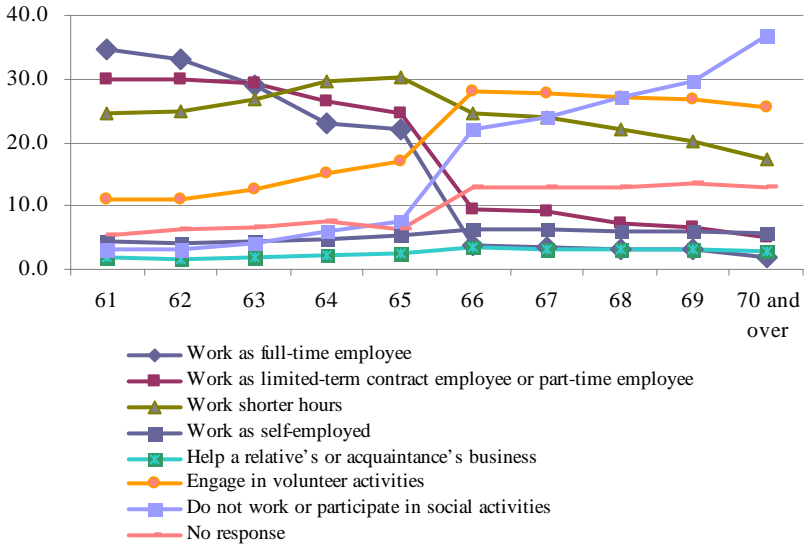
As the above makes clear, it can be said that there are differences between men and women, between employees of private firms and civil servants, and between employed workers and self-employed workers as regards their ways of supporting themselves in old age. As for employees of private firms, while one’s own income and public and corporate pension are the mainstays in supporting themselves in old age, we cannot overlook the fact that in terms of the level of dependence, there are greater expectations on “income” than on pension. This suggests that dependence on income from work will continue to be large in the first half of their 60s. In this respect, we can say that securing employment opportunities in old age is extremely important.

2. Desired Lifestyles in Old Age: JILPT 2006 Survey

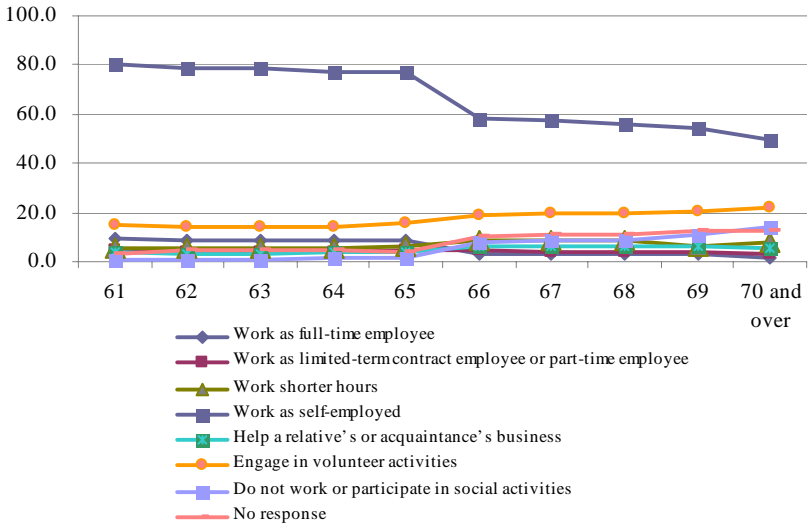
In Section 1, we examined, from JIL 2001 Survey, how people planned to make ends meet in old age. What we cannot overlook is the fact that old age is the time of retirement from work as well as the time of formation of a new lifestyle. Therefore, how they will live their life, in other words, their lifestyles, becomes important. In this section, we consider the desired plans of employed workers of the JBB generation as regards work and social activities in old age, in comparison of those of self-employed workers.

Figures 1 and Figure 2 show the outlines of people’s desired work styles and social activities (including retirement) between the ages of 61 and 70. Several points can be mentioned.

**Figure 1. Outlines of desired work styles and lifestyles:
Employed workers (MA)**



**Figure 2. Outlines of desired work styles and lifestyles:
Self-employed workers (MA)**



Firstly, by working styles, employed workers wished to continue working as employed workers, and self-employed as self-employed.

Secondly, in the case of employed workers, “Work as a full-time employee” and “Work as a limited-term contract employee or part-time employee” declined with age in the first half of 60s, while “Work shorter hours” increased during the same period.

Thirdly, particularly in the case of employed workers, the percentage of those who plan to take up “volunteer activities” and those who plan “not to work or participate in social activities” increased with age.

Fourthly, therefore, in the case of employed workers, there is a kind of a fault line at a point between the ages of 65 and 66. For example, the percentage of “Work as a full-time employee” dropped off dramatically at this point, while the percentage of “Engage in volunteer activities” rose rapidly. This indicates that for employed workers, the age of 66 is a turning point at which they retire from work and begin to form a new lifestyle.

On the other hand, self-employed workers showed a marked contrast to employed workers. For self-employed workers, there was no fault line of work and retirement at the turning point of 66 like employed workers. While the percentage of those working as self-employed declined gradually, many continued to work as self-employed past 70.

From the above, it can be said that in the case of employed workers of the JBB generation, the percentage of those planning to work as a full-time employee was high in the first half of their 60s, after which many planned to retire from work in the latter half of their 60s and increase the weight of a new lifestyle outside work. And in that new lifestyle, there was a group who planned to include short-time work and volunteer activities and another group who planned not to work or participate in social activities.

IV. Conclusion

- (1) If we analyze, from the data of the 2001 Survey, active middle-aged and older workers’ (including the JBB generation) needs for employment in old age, their prospects for employment in old age in their current firms, and concerns they had about life in old age, the following may be pointed out: (i) although there were differences between those in the public sector and those in the private sector, between men and women, and between

- employed and self-employed workers, there was generally a strong need for employment in old age, they hoped to continue working until 65 on average, and about a half hoped to be employed full-time; (ii) they planned to support themselves in old age basically from their “own income;” and (iii) however, about a half was not “certain” about their prospects for employment in their current firms, which meant there were many issues that need to be addressed in fulfilling their needs.
- (2) The Act on Stabilization of Employment of Older Persons was subsequently amended in the wake of the amendment of the Pension Act, and firms were obligated to continue employing their employees until 65 years of age as of April 2006. The data of the JILPT 2006 Survey are noteworthy in that they illustrate the state and issues regarding employment management responses of firms roughly half a year after continued employment became an obligation. (i) The analysis of the data shows that in about 40% of the cases all employees who wish to be employed could be employed until 65, but for the remaining 60% employment was conditional. (ii) If we examine the chances for employees to realize their wish for employment in old age and the issues related to that, there were considerable differences depending on (a) the employment management systems of the firms the employees worked for and (b) employees’ professional careers (attained position and specialty), which had an effect on the likelihood of employment by firms. (iii) If we look at the desired work styles and lifestyles of people between the ages of 60 and 70, there were differences depending on their working styles and attained positions. In particular, there were significant differences between employed and self-employed workers.
 - (3) In sum, not only does the JBB generation have a strong need for employment in old age, but also those needs are diverse and differ by individuals. It can be said that even though continued employment of employees until 65 is now an obligation, a future challenge for firms as regards their employment management and employment policy is to better accommodate the needs of individual workers.

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