

The Rise of Poverty in Japan: The Emergence of the Working Poor

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I. Introduction

Japan has no official “poverty line,” and subsequently no official statistics on poverty. In practice, the public assistance’s “minimum standard of living” (below which subsistence benefits can be claimed) is used to calculate the poverty rate,¹ or the OECD index, which is defined as 50% of the population’s median income. No comprehensive survey has yet been conducted by the government on the current state of poverty in Japan. In its annual report for 2006, the Ministry in charge of economic and fiscal policy, incidentally questioned the OECD’s estimations on Japan’s poverty rate; the OECD had assessed Japan’s relative poverty rate in 2000 to be 15.3%, the fifth highest ratio amongst OECD countries.² Regarding absolute poverty, the Ministry’s report stated that “from the viewpoint of absolute poverty, it is difficult to state that Japan is currently facing a severe issue.”³

However, studies by several economists reveal a worrying increase in the very low-income population; this is accompanied by the fact that current safety nets such as social security and public assistance have large gaps in their personal scope. Also, according to several economists⁴ relief by public assistance for example does not surpass 16% to 20% of the estimations on families in need. This means that there are a significant number of families with low incomes and who do not receive relief from the State, although they are in need of assistance.

Poverty is not only a matter of income. The famous economist, Amartya Sen, has defined it as a “capacity deprivation”. Indeed, poverty often involves,

¹ Seiichi Kanazawa, “Kozo Kaikaku no moto de no Seikatsu Hokai to Saitei Seikeihi: Saichin, Seikatsu Hogo, Nenkin Undo no Zenshin no Tame ni,” *Chingin to Shakai Hoshō* 1421 (2006): 4.

² Cabinet Office, Government of Japan, *Keizai Zaisei Hokoku* (2006), 265-66.

³ As a critic to this position, see Makoto Yuasa, “Kakusa de ha Naku Hinkon no Giron wo” (1), *Chingin to Shakai Hoshō* 1428 (2006): 4.

⁴ Kohei Komamura, “Seifuthi Netto no Saikochiku: Teishotokusha Setai no Jokyo,” *Shukan Shakai Hoshō* 2208 (2002): 24ff.

in addition to a lack of income, being excluded from a range of social services, and “personal freedom” to realise oneself.⁵ The economist Atsumi Ninomiya argues that structural reforms under Prime Minister Koizumi’s neo-liberal policies have resulted in a combination of two disparities. The first is a “dominance disparity” of capital over the workforce, and the second results from discrimination within workers or within the population itself, such as between permanent, regular employees and irregular temporary workers, or between standard citizens and the socially vulnerable. According to Ninomiya, this double-structure has resulted not only in increased income disparity, but also in a violation of the freedom and equality of people.⁶ Such a society is depriving low-income earners from their rights to a minimum standard of living, education, and work, as well as depositing layers of various poverty issues at the bottom of society. Moreover, inequalities are a cradle to poverty.

II. The Elements of Today’s Poverty

1. Employment Instability and Unemployment

Needless to say, unemployment is a direct cause of poverty, and people who are currently unemployed or searching for a job are generally more likely to become poor. According to Komamura (cited above), the risk of becoming part of a low-income household is higher for unemployed persons in their late thirties to late fifties.⁷ The unemployment rate itself peaked in 2002 at 5.4%, and then slowly decreased to 3.9% in July 2008. However, employment has also largely shifted to “irregular” forms of employment since the 1990s onwards, replacing the permanent workforce with a more instable and lower-waged one.

Youth unemployment (15 to 24 years old) increased sharply from 5.1% in 1993 to 9.5% in 2004, while permanent job openings have decreased; overall, the employment situation has become more instable and severe. In addition, as long as workers remain in these instable work contracts, their social security benefits based on the employment relationship and commitment of employers’ contributions are either restricted or do not apply, and as such their wages are likely to be lower.

⁵ Atsumi Ninomiya, “Shinjiyu Shugiteki Kakusa Shakaika no Kozo to Sono Kokufuku Shiten,” *Chingin to Shakai hoshō* 1427 (2006): 19ff.

⁶ Ibid.

⁷ Komamura, “Seifuthi Netto no Saikochiku: Teishotokusha Setai no Jokyo,” 26.

The elderly and people with disabilities have always experienced limited employment opportunities. The employment rate of physically disabled persons is half that of people without any disabilities, and households headed by elderly people make up for 50% of the population receiving public assistance. In particular, elderly people living alone are at risk of social isolation. Also, as their revenues are comparatively lower, they have a higher risk of being exposed to various troubles in their daily life; this is one aspect of the poverty of elderly people.⁸ The role of the public pension as a way to secure a minimum standard of living in one's old age, as compared to public assistance, needs careful consideration.

2. The Dysfunctions of the Public Assistance System

The functional failures of the public assistance system as a safety net are a direct cause to the increasing poverty rate. Estimations on the ratio of households with a lower income than the minimum living standard (a condition to receive public assistance) and which are actually receiving benefits are around 20%, as mentioned above. This shows that public assistance is not fulfilling its purpose, which is to guarantee a minimum standard of living to every citizen in need.

With regard to structural reforms, budget allocations for public assistance have also become an issue. Since 2004 and Koizumi's local public finance reform (the so-called *Sanmi-ittai* reform), which resulted in a large cut in local tax allocation grants (tax transfers from the central government to local entities), the financial burden of local governments over social security was scheduled to increase substantially. However, this was met with very strong opposition, leading to negotiations that resulted in a compromise.⁹ The Ministry of Health, Labour and Welfare (hereinafter MHLW) proposed a reduction in national budgetary contributions to national medical insurance (managed by municipalities) and public assistance, as well as child benefits under public assistance. Following a series of sessions between representatives of national and local authorities, apart from the child benefits part, the reduction was roughly retracted.

This dialogue in fact revealed the differences in perceptions between the

⁸ Katsuyoshi Kawai, and Michio Kanno, "Minato-ku ni okeru Hitori Gurashi Koreisha no Seikatsu to Shakaiteki Koritsu Mondai," *Chingin to Shakai Hoshō* 1432 (2006): 4ff.

⁹ This is explained in detail in Kimiko Takeda, "Seikatsu Hogo to Jiritsu Shien wo Meguru Zaisei Mondai," *Chingin to Shakai Hoshō* 1431 (2006): 4ff.

government at the central level on the one hand, and local governments on the other, on the reasons why the volume of public assistance allowances varies between entities. While the MHLW argued that higher staffing resulted in a higher level of allocations, local governments considered the reverse relation to be true; that is, higher allocations were enhanced by insufficient staffing, which was incapable of adequately coping with an increased demand. In addition, local governments emphasized the economic and social causes of the rise in public assistance demand, such as unemployment and aging, and relationships within the community, insisting that the margin of discretion in public assistance is actually very narrow. The MHLW suspected that the difference in benefits granted showed insufficient efforts on the part of local administrations to control them.¹⁰

The national budget contribution to public assistance is based on Article 10 al. 4 of the Law on Local Finance,¹¹ which stipulates that “the financing of public assistance” is the competence of local authorities, with a partial contribution from the national budget. Article 75 of the Law on Public Assistance¹² further states that “the costs for public assistance benefits paid by prefectures and municipalities, and the administration costs of shelters for rehabilitation are financed by 3/4 of the national budget.” Decisions on whether to engage these costs are, however, the competence of prefectures and municipalities; this means that according to the MHLW, even if they decide to widen the scope of allocations, their impact on local finance remains limited.

This proportion of 3/4 of the budget is the result of a 1985 reform, prior to which 80% of social security costs were supported by the national budget. The reform reduced that percentage, and although in some instances this ratio was later re-established, once the reduction had been made it opened the way to further reductions, making it a matter of political will.¹³ However, when we see the low percentage of low-income households receiving public assistance, such a claim from the MHLW sounds rather strange.

As for the characteristics of households receiving public assistance, a very high percentage is single-person households (73%), and many of these households are headed by inactive elderly persons or people with disabilities (46% are

¹⁰ *Ibid.*, 8.

¹¹ Law No. 109 of 1948.

¹² Law No. 144 of 1950.

¹³ Takeda, “Seikatsu Hogo to Jiritsu Shien wo Meguru Zaisei Mondai,” 11.

elderly households, 40% are households with disabilities or illness). Households with no such “disadvantages” receiving public assistance do not exceed 5.9%. The main reasons for benefits claimed are illness and injuries. Until very recently, Article 4 al.1 of the Law on Public Assistance, which requires the “full use of one’s capacity to work” as a prerequisite condition to applying for public assistance, constituted a severe obstacle to benefits allowance by persons of working age (15 to 64 years old) with no disability. This was the consequence of a misinterpretation of the law, and resulted in a notice issued by the MHLW (#0731001 of the Social Welfare and War Victims’ Bureau of the MHLW, as of July 31, 2002), indicating that “... the fact that the applicant has the capacity to work does not in itself preclude meeting the requirements under the law...”¹⁴

3. The So-called “Homeless”¹⁵

“The term homeless refers to people living and performing their daily activities in parks, dry riverbeds, streets, stations and the like, for no other reason” (Article 2 of the “Law for Special Measures Concerning Support for the Independence of the homeless”, Law No. 105 as of August 7, 2002). The homeless constitute a rare form of “visible” poverty in Japan.

Many of the homeless are people who, as a result of the economic recession that followed the collapse of the inflated bubble economy in the early nineties, have experienced unemployment, business failures, multiple debts, and other such work-related hardships, and have ended up living on the streets. The homeless usually meet all requirements of the law on public assistance in terms of low income, and situation of needs; yet still, paradoxically very few of them have received benefits. This was a consequence of the “use of capacity to work” requirement and the “permanent residence” requirement, which were conventionally used to exclude them from the application of the law. Until the very end of the 1990s, local authorities had neither budget nor financial assistance from the central government to construct a policy to help the homeless, and therefore measures directed towards them were temporary and casual.¹⁶ Until

¹⁴ Masaoki Hibino, “Homeless Shisaku to Koteki Fujo Jissen no Kadai: Kyotaku Hogo,” in Homeless Shisaku to Shakai Hoken no Gendaiteki Kadai, *Shakai Hoshō Ho* 21 (2006): 34ff.

¹⁵ On the issue of the homeless in general, see Homeless Shisaku to Shakai Hoken no Gendaiteki Kadai, *Shakai Hoshō Ho* 21 (2006).

¹⁶ Hirohito Fujita, “Homeless Shisaku no Genjo to Kadai: Chiho Jichitai ni okeru Jiritsu

2000, there existed only measures taken on a voluntary basis by local administrations, such as extra-legal assistance, providing meals, temporary shelters, baths, assistance to safely pass the winter, and so on.

In February 1999, a “homeless liaison conference” composed of local authorities was created at the state level. In July of the same year, a working group composed of experts and concerned entities, “The Working Group for Measures to Assist the Self-support of the Homeless,” was established, and issued its report in March of the following year.

Based on this report, the “Law for Special Measures Concerning Support for the Independence of the Homeless” was adopted on August 7, 2002. In 2003, based on Article 14 of the Law, the government conducted the first National Survey on the Situation of the Homeless, which counted 25,000 homeless persons throughout Japan. However, NGOs and civic associations assisting the homeless estimated their real number to be about three to four times higher. The 2002 law provides that “people with a willingness for self-support and who are constrained to a homeless situation” will be entitled, under the responsibility of the State, to support to find stable employment, counselling and skill development to secure work opportunities, housing, medical care, and general support for their daily life, with the objective of freeing themselves from assistance and attaining independence.

The Law establishes an “obligation of effort (*doryoku gimu*)” to the State.¹⁷ Based on the survey, the State drew up a Basic Plan of Action for Assistance to the Homeless in July, 2003. I will now discuss the basic ideas of the action plan.

The MHLW is currently considering revision of the 2002 Law on Special Measures for the Homeless and of its basic action plan. To that end, it conducted a second national survey on the homeless situation in Japan in January 2007. The methods used for this survey were, as for the first time, visual counting, as well as interviews with about 2000 homeless on their backgrounds and daily life.

According to this second survey, the number of homeless in Japan is 18,564 persons, which is 6,732 (26.6%) less than the first survey. Former occupations of the homeless included construction work (about 50%), with 12% in the production industry, while direct causes for becoming homeless were “less

Shien Jigyō no Tenkai,” *Shakai Hoshō Ho* 21 (2006): 38.

¹⁷ Hibino, “Homeless Shisaku to Koteki Fujō Jissen no Kadai: Kyotaku hogo,” 41.

work opportunities” (31.4%), bankruptcy and unemployment (26.6%), and injury, disease or old age (21%). Approximately 70.4% homeless are still working, of which 75.5% are rag collectors making around 40,000 yen a month. The Ministry explains their reduction by an improvement in the employment situation due to the economic recovery, and as a consequence of self-support assistance.

4. Single-parent Households

Within single-mother households, roughly 9.4% are receiving public assistance, reflecting the economic vulnerability of such families. According to the Survey on National Consumption conducted by the MHLW, there are around one million single-mother households in Japan. The Survey on Single-mother Households by the same ministry shows that 83% of single mothers are working. Japan’s wage gap between genders and types of employment is still significant; the average wage of a woman is around 65.7% that of a man’s, and a part-timer’s wage is 51.5% that of a permanent employee. Roughly 70% of part time workers (in Japan, “part-timers” is commonly used to designate a form of irregular workers, usually women, who are not always “real” part-time workers, but rather temporary workers. Here I am referring to “real” part-time workers) are women, and 40% of women are working part-time. Most single mothers have become so by divorce (74.4%).¹⁸ Their types of employment also reflect their vulnerability. Only 24.4% have permanent contracts, 40.9% work under instable “part-timers” contracts (usually fixed-term, temporary contracts). Their average monthly income, even including childcare benefits, is around 2.3 million yen a year (in Osaka), one third of the average one-child household at 7 million yen.¹⁹ Around 80% of single mothers feel that their daily life is a hardship, and they have strong child-rearing related stress.

The majority of single-mother households are generally in a difficult situation, although only 10% receive public assistance in Osaka, and even less nationally. In fact, adding to the stigma of public assistance, social pressure towards single mothers is very strong. Welfare offices are inclined to evaluate their capacity to work rigorously, compared to households with an elderly person or a person

¹⁸ Hiroshi Ujihisa, “Boshi Katei no Hinkon to Seikatsu Hogo: Jido Sodanjo kara Mita Boshikatei no Seikatsu to Kuno,” *Chingin to Shakai Hosho* 1409-1410 (2006): 39ff.

¹⁹ *Ibid.*, 40.

with disability, subjecting single mothers to strict work guidance. This strong social stigma is an important cause of the very low take-up of public assistance. In addition, in 2003 the social welfare policy directed towards single-mother households shifted from providing economic assistance to employment assistance, subsequently reducing the special childcare benefit reserved for single parents that is crucial to the household's income. A survey conducted in 2004 on 181 households in Kushiro (a portal city in Hokkaido), revealed a pattern of marriage at a young age, ending in divorce within six or seven years, leaving the single mother with a relatively low level of education and little or no work experience. When claiming public assistance, these young mothers are subjected to stringent employment assistance, despite the shortage of work opportunities. Employment assistance will be further discussed below.

5. Multiple Debts

There are businesses seeking to exploit the weaknesses of people already in difficulty. Sometimes called “poverty businesses,” they provide consumer money loans targeting people with financial difficulties.²⁰ For those people, it is almost impossible to obtain low interest bank loans, and so consumer lenders, though imposing very high interest rates, are their only way for immediate cash. However, these businesses operate extremely tough collection means when terms are not respected, pushing the debtors to flee and become homeless. Professionals dealing with these situations, such as lawyers, need to be careful not to overlook that these businesses specifically target people already in financial difficulties, and to avoid viewing it as a mere consequence of weak will on the part of the debtor.

III. Policies Aimed at Combating Poverty

1. Unemployment Benefits

Unemployment benefits as social security insurance act as the first immediate safety net in the occurrence of job loss. As it is a social security system, there are certain requirements to fulfil in order to benefit from the allowances. For example, six months of previous employment is required; therefore, this system does not apply to newly graduated recruits. It also does not apply to workers

²⁰ Yuasa, “Kakusa de ha Naku Hinkon no Giron wo”, 20.

with less than 20 working hours a week.

Similar to most countries, the period of unemployment benefits is fixed by law according to certain conditions (currently ranging from 90 to 330 days). If the person has not found new employment within this period, there is no other system to ensure a minimum income, prior to public assistance. Long-term unemployment is therefore not covered under the current system, whereas public assistance, as mentioned above, is restricted to people of working age. Some other countries either apply longer unemployment benefit periods, or provide a transitory system of income security financed by the State.²¹ Japan is starting to experience longer-term unemployment and therefore might need to adapt its current income security systems. A system of minimum income combined with job search and job training services have been proposed by some experts.²² The case of a long-term unemployed person, who has been denied his rights to public assistance after the expiry of his unemployment benefits, has been brought to Court.

The Hayashi case is an example where the condition of the “full use of one’s capacity to work” has been questioned. Plaintiff Hayashi had been a construction worker for more than ten years when, in his fifties, he started to have health problems and difficulties finding work. He applied for public assistance but was only admitted one day of medical assistance, while income and housing assistance were refused because of his “capacity to work.” The first instance municipal Court, in a judgement of October 30, 1996, stated that whether the condition of Article 4 (full use by the claimant of his “capacity to work”) was fulfilled should be judged with regard to concrete factual elements. In this case it should be considered whether the claimant could actually find work in his current situation, and concluded that in this case Hayashi, with regard to his state of health, was not capable to carry on the heavy duties required in construction sites that he had been doing before; therefore, the municipality’s decision of refusal to allocate public assistance was illegal and as such had to be cancelled.

The Appeal Court adopted the same position on the way Article 4 had to be interpreted with regard to concrete elements and job availabilities in the region

²¹ Yoshimi Kikuchi, “Saitei Seikatsu Hoshō no Arikata to Koteki Fujo no Yakuwari: Shutoshite Shotoku Hoshō no Sokumen kara,” *Shukan Shakai Hoshō* 2195 (2002): 2.

²² Ibid.

in question for the person concerned. However, it took another conclusion that considering the economic situation in Nagoya at that time and the job availabilities there, the possibility for Hayashi to have found employment could not be denied. In its decision of August 8, 1997, the Appeal Court ruled against the Municipal Court's decision. The case then reached the Supreme Court but was dropped as a result of Hayashi's death. On the matter of private compensation for damages, the Supreme Court sustained the Court of Appeal's decision and dismissed the appeal.

In spite of Hayashi's loss, this is an important decision as it clarifies that the "homeless", who in spite of real and actual job searching, cannot find employment and are thus entitled, as any other citizen, to claim and receive public assistance allowances; it has also influenced the administration of subsequent public assistance.²³ Following this decision, the Ministry of Health, Labour and Welfare, made clear that the lack of a fixed domicile or the capacity to work are not valid reasons to reject a person's application for public assistance, and that the situation of such persons should be judged in a concrete manner. I will further elaborate below on the system of public assistance, together with measures to assist the "homeless" in their job seeking efforts.

2. The Public Assistance System

The aim of the public assistance system is to guarantee a "healthy and cultural" minimum standard of living to citizens in need on the one hand, and to assist them in seeking an independent living. What exactly is an "independent" living has been subject to a great deal of discussion; however, overall the concept relies on self-reliance through work, mental, and social independence. The Japanese system's weakness lies in the fact that it has been placing too much emphasis on the first objective of securing a minimum standard of living, whereas the second aspect has been somewhat neglected. The current system strictly restricts the scope of people actually meeting the stated requirements, while work incentives such as work income exemption are not sufficient. This has the effect of letting the recipients fall deep into the assistance trap.²⁴

²³ Hiroki Bito, "Homeless Saiban to Koteki Fujo no Kadai," in Homeless Shisaku to Shakai Hoken no Gendaiteki Kadai, *Shakai Hoshō Ho* 21 (2006): 19.

²⁴ Toshihiro Ihori, "Tokushu: Zaisei Kaikaku no Torikumi no Riron to Hyōka," *Financial Review* (February 2001): 2; Koichi Koyama, "Obei Shokoku ni okeru Shakai Hoshō Seido Kaikaku no Saikento," *Financial Review* (February 2001): 40.

The capacity to work condition, as explained above, has had, as a consequence, claimants under the age of 65 very often being rejected by welfare offices, excluding single mothers, the long-term unemployed and the “homeless” from receiving allowances, or limiting the assistance provided to very short periods while at the same time imposing stringent controls on job searching. The Hayashi case referred to above has initiated some changes in this operation, including instructing welfare workers to avoid rejecting the demands of applicants without a concrete examination of their efforts towards seeking employment.²⁵

In addition, the MHLW has been considering the future of the public assistance system through an experts working group since August 2003; a report was issued in December 2004 giving recommendations for the revision of the system. The report suggests that in order to respond to social and economic changes and changes in family structures it is necessary to reconsider the ways the minimum standard of living is fixed and the system is managed, along with how support for independence is conceived and conducted. To that end, the MHLW has requested public assistance institutions to draw up and introduce an “independence support program.” The fiscal measures to allow local entities to develop and expand their efforts for the application of the public assistance system and the independence support programs, are put under their own direct competence and general budget, which is pointed out as being in fact insufficient.²⁶ Takeda points out that in the future, the independence support projects should be specifically enshrined in the law on public assistance, and where local governments are to possess sufficient discretion over its management, State financial aid should also be secured in order to avoid under-provision. In effect, we can observe that in reality, local entities already tend to have a certain reluctance to engage resources in self-reliance assistance. Takeda warns that there is a tendency to regard the strengthening of independence through work policy as a cost saving, pushing recipients out of the allowances without ensuring that they have really found their way to genuine independence, which has the effect of burying the issues of poverty and eventually increasing future social costs.²⁷

²⁵ Hiroki Bito, Kiyoshi Matsuzaki, and Jun Yoshinaga, *Korega Seikatsu Hogo da: Fukushi Saizensen kara no Kensho* (Kyoto: Takasuga Shuppan, 2006), 101.

²⁶ Takeda, “Seikatsu Hogo to Jiritsu Shien wo Meguru Zaisei Mondai,” 18.

²⁷ *Ibid.*, 17.

Two interesting examples illustrate the importance of assistance for self-support in public assistance systems. Tokyo is the first example: it has seen rapid population aging and a sharp increase of households with elderly members, an increase of working age unemployed and “homeless” persons, alcohol and drug addicts, and multiple debtors. As a combined effect, this has resulted in the doubling of the protected population to 170,000 (14‰ of the population; particularly in the Shinjuku district, which has reached a level of protection of 22.8‰). In July 2004, a proposal “to improve the public assistance system” was submitted to the central government based on strengthening the assistance towards self-reliance.²⁸ Since 2005, Tokyo has replaced previous monetary compensation with a project for the promotion of the recipients’ independence. Specifically, the project supports financially the efforts of the recipients themselves for ensuring their self-reliance. This includes employment assistance, living and participating in community life, health enhancement, etc. Assistance for employment and community life is classified as a “basic project”; there is another category called “other projects considered necessary,” and in each category the costs for which financial assistance is provided are detailed. The main feature of this project is that it does not only focus on employment assistance, but on a range of other factors that need to be addressed to attain a true and lasting independent life.

The second example is another survey conducted amongst single mothers that reveals the need to provide assistance that goes beyond mere job access counselling.²⁹ In the coastal city of Kushiro in Hokkaido, as mentioned above, there is a pattern of generating young unskilled single mothers. The survey shows a series of severe challenges faced by these mothers in every day life that need to be addressed before conceiving any sort of employment assistance. The survey shows that in this city, around 40% of single mother recipients are already working, while they are faced with difficulties such as childcare (lack of public childcare services), health problems, low level of education, and little or no job experience; this confines them to part-time, low-paid manual work that makes them become “working poor” and public assistance recipients. For

²⁸ Yoshikazu, Tanaka, “NPO wo Katsuyo Shita Kihonteki Seikatsu Shukan Kakuritsu no Tame no Shien: Shinjuku-ku Fukushi Jimusho ni okeru ‘Hihogosha Jiritsu Sokushin Jigyo’ he no Torikumi,” *Chingin to Shakai Hoshō* 1425 (2006): 4ff.

²⁹ Kiriyo Nakazono, “Seikatsu Hogo Jukyu Boshi Setai to ‘jiritsu’ Shien: Kushiro-shi (chosa) wo Jirei to Shite,” *Chingin to Shakai Hoshō* 1426 (2006): 11.

the mothers who married at a very young age with no work experience, there is often a need for guidance in health management and in managing social relationships. The participation in such guidance classes given by non-profit organizations on home-care work, cooking, office computing and so on, have sometimes triggered their inherent work motivation, acquiring qualifications, and finally finding employment in the best of cases. This may provide good examples for future assistance projects.³⁰

3. The Self-support Assistance to the “Homeless”

The above-mentioned August 2002 Law on Special Measures to Assist Self-support of the Homeless announced for the first time the State’s obligation to assist the rehabilitation of the homeless through securing stable employment, training, housing, and medical care. A second law was then adopted in 2004, strengthening the rehabilitation assistance objective. The Shinjuku district in Tokyo had been providing such assistance even before the adoption of the 2002 Law, and since 2006 has been providing area counselling through welfare offices within the framework of an action plan to promote the rehabilitation of the homeless.³¹

The national budget contributes to 50% of the financing of these rehabilitation projects; 11 prefectures have already drawn up such action plans depending on the number of homeless living in their territory, 9 are considering it and the remaining 27 have no such plans, or have not answered to the survey.³²

The 2002 Law has roughly the following content: Article 1 states the objective of the Law, as referred to above, and that in addressing the issue of the homeless, the local community will provide its understanding and cooperation. Article 2 states a definition of the homeless, also as referred above. Article 3 explains the meaning of “independent life”, as conceived in this Law, as securing stable employment opportunities, and seeking stable employment through training, housing; as a means to attain these objectives are providing shelters as temporary housing, the provision of goods necessary for every day life, public assistance allowances, and the protection of the human rights of the homeless

³⁰ Ibid., 33.

³¹ Tanaka, “NPO wo Katsuyo Shita Kihonteki Seikatsu Shukan Kakuritsu no Tame no Shien: Shinjuku-ku Fukushi Jimusho ni okeru ‘Hihogosha Jiritsu Sokushin Jigyo’ he no Torikumi,” 6.

³² Hibino, “Homeless Shisaku to Koteki Fujo Jissen no Kadai: Kyotaku Hogo,” 31.

through awareness-raising campaigns.

Articles 4 to 7 outline the duties and obligations of the homeless, the State, local entities and citizens, in seeking to realise the independence of the homeless.

Article 8 details the State's obligation to establish a basic outline of its future policy on the homeless (completed by July 2003), while Article 9 states the duties of the local entities to devise an action plan for the homeless according to the current local situation.

Article 10 indicates the State's "duty to effort" to secure fiscal measures to assist local entities and private initiatives in their actions for their rehabilitation, conducted in districts with a high density of homeless persons. Article 11 states that entities which manage public spaces, such as parks, cooperate in the application of rehabilitation action plans and ensure the adequate use of these public spaces. Article 12 and 13 emphasize the importance of private initiatives in this field, and promotes their full use as well as cooperation between the State and local entities. Finally, Article 14 requires the government to conduct a comprehensive national survey on the reality of the homeless, which was done in January and February of 2003. Every prefecture in the country conducted its own survey, counting and interviewing the homeless according to a standard format. The result was 25,296 homeless were counted throughout the country in 581 local districts.

Before the 2002 Law was adopted, eight centers for the rehabilitation of the homeless had been created under the 2000 fiscal year budget, each with a capacity of 1,300 people. The first center opened in Osaka in October, and the second one in Tokyo in November. By May 2005, seven more centers had been set up all over the country, as well as twelve shelters serving as temporary housing facilities.

At the 47th Social Security Law Conference in May 2005, Prof. Hirohito Fujita of the Aichi Prefectural University introduced the rehabilitation programs conducted by the city of Nagoya, which has the third highest number of homeless after Tokyo and Osaka. Since October 2002, two shelters and two rehabilitation centers have been built, which also provide training. Professor Fujita pointed out that although those persons with seemingly the highest motivation and capacity to work were selected for training, the results were not necessarily satisfactory for around 30% of the trainees. The city of Nagoya also conducts follow-up services after a job has been secured (such as routine counselling for community life), which has proved efficient in maintaining the

recipient's self-supported life.³³ The homeless have often experienced long term unemployment and have been living in the streets for a relatively long time, and therefore tend to be of an older age (57.5 years old on average, according to a MHLW survey of April 2007; a 1.6 year increase compared to the 2003 survey). They often have health problems or are physically weakened, which makes the continuity of their work a challenge in itself. The follow-up counselling has revealed that this depends heavily on the wage, working conditions, and the degree of willingness on the person's part not to return to being a homeless person anymore.

Fujita emphasized that securing employment was not enough as a way to realize self-support, and that it is crucial to adopt a vision of how community life is carried out and through follow-up services, help the person maintain his or her will for self-reliance. Such an observation is also made by Akira Tanaka,³⁴ who points out that such services are not only efficient as after-care to recipients after they have left the centers, but also as a way to reach out to the in-home recipients, who tend to be isolated in the community. The Takatsuki shelter managed by Tanaka is an institution as stated in Article 38 al. 2 of the law on public assistance, whose purpose is to provide assistance to people with severe physical or mental disabilities that make every day life difficult. The center currently shelters 200 men and women in their 30s to 90s. Tanaka says that the homeless are in the scope of the shelter as people with a social disability.³⁵ He further presented two types of action that the shelter provides in order to integrate the users, including the former homeless, into community life.

- (i) Residence training for independent life, which is a new programme created by the State in 2004 that provides training for independent life within the institution along with practical training in residences built in the institution, as a transitory step before really starting a life outside the institution. The training period is six months and targets three to five people at a time. The Takatsuki shelter has rebuilt staff residences within the institution to training residences, and has trained four people there. The training covers daily

³³ Fujita, "Homeless Shisaku no Genjo to Kadai: Chiho Jichitai ni okeru Jiritsu Shien Jigyo no Tenkai," 47-50.

³⁴ Akira Tanaka, "Kyugo Shisetsu ni okeru Jiritsu Shien Jigyo no Jissen to Kadai: Homelesu Mondai to Kyugo Shisetsu," in Homelesu Shisaku to Shakai Hoken no Gendaiteki Kadai, *Shakai Hosho Ho* 21 (2006): 51.

³⁵ *Ibid.*, 53.

tasks as well as adaptability to social life, and three out of the four trainees have moved out to living in the community after completing the six months training period. According to Tanaka, this training period of six months is, too short for the trainees, who have before then experienced extreme situations of physical and mental exhaustion before reaching the level of receiving public assistance.

- (ii) The second program provides “ambulatory care” to former users after they have left the shelter. Either the user comes to the shelter, or the staff visit them provide assistance in their every day life, allowing for continuous care while encouraging them to leave the institution for an independent life, and at the same time making beneficial use of the institution’s capacity. Tanaka values this service as being efficient, and in combination with (i), providing a secure way for users to move on from living in an institution to life in the community.³⁶ Tanaka estimates that many of the homeless are in urgent need of care, and that the services currently provided by the public assistance system is the most appropriate response, providing them with the right institutional services and enhancing their reintegration into society.³⁷

4. The Minimum Wage

The minimum wage needs to function as a basic supporting safety net to low-wage workers. Discussions about the minimum wage often refer to the level of the minimum standard of living guaranteed by public assistance. In some countries like France, the minimum income guaranteed as public assistance is determined directly with relation to the minimum wage. In Japan, it has often been questioned that performing the legal working hours at the minimum wage provides an income that is lower than the minimum standard of living. In fact, in Japan there is no direct relation between the minimum wage and the minimum standard of living, the level of which is determined by household and according to the family structure, as well as the region. We cannot deny, however, that the minimum wage in Japan, which is revised every year on a prefectural basis, is in fact very low. This raises considerations about the capacity to pay of very small businesses compared to the living needs of workers, and therefore suggests that the role of the minimum wage as a safety net is being

³⁶ *Ibid.*, 57.

³⁷ *Ibid.*, 60.

overlooked. This factor along with the increase of irregular types of employment are undoubtedly contributing to the emergence and increase of the “working poor.” The Law on Minimum Wage was officially amended in 2007 in response to the lack of efficiency of the legal minimum wage as a safety net. The amendments have taken effect on July 1, 2008, and have added a specific reference to the minimum standard of living in the law (Article 9, al. 3 of the Law on Minimum Wage), stating that the fixing of the minimum wage has to be “coherent” with the minimum standard of living (the meaning of this reference is rather vague). The amendment has also increased the fine on contravening employers, from 20,000 yen to 500,000 yen (300,000 yen in the case of minimum wage by industry). Whether the amendments will impact on the future levels of minimum wages, and to what extent, remains to be seen.³⁸

IV. Conclusion

Poverty in Japan is often said to be “invisible”. Unlike in many European cities, there are no beggars in the streets, passers-by look clean and happy, and there are no obviously poorer neighbourhoods in the cities (except for the famous homeless areas). The “homeless” are the rare visible poor; however, they tend to confine themselves to certain areas and parks. This might be the reason why poverty, though steadily increasing since the late nineties, has so far attracted only little attention. This is starting to change, as statistics and estimations by economists are showing that not only is poverty increasing and affecting “normal” citizens, including the young, by way of unemployment, but also that existing safety nets may in fact not provide the protection that one should expect from a modern and economically developed country like Japan. There were also shocking news of families who starved as they could not receive public assistance. The number of households receiving public assistance has reached one million in 2004, representing 1.3 million people, while the ratio of needy low-income households who actually receive that protection is in reality no more than 20% even in the highest estimations.

Youth unemployment is on the rise and employment is becoming more

³⁸ For an interesting study of the minimum wage system in Japan and its impact on the work motivation of low-skilled workers, see Yukiko Abe, and Keiko Tamada, “On the Regional Differences in Minimum Wages and Welfare Benefits in Japan,” *The Japanese Journal of Labour Studies* 49, no. 6: 31ff.

unstable, as is precarious employment. Social security is also facing various challenges, particularly as the demographic structure and the aging of the population are placing stresses on social security finance. The latent elements of poverty are all present.

Under these circumstances, however, the government appears reluctant to recognize poverty as being a serious issue in Japan, even willing to minimize its importance. As referred to in the introduction, the government has not established an official poverty line to measure its importance, and has not conducted a comprehensive survey or study on the subject. So far, it has limited itself to addressing specifically the issue of the homeless.

The government's reluctance is also seen in the way it governs the public assistance system. For example, overly restricting the recipients of benefits would have the effect of not only fulfilling the objective of controlling its budget, but to minimize the very existence and problems of the socially vulnerable. Additionally, placing too much emphasis on the necessity to work, or imposing overly severe job search requirements by placing the primary responsibility of the state of need on the negligence or faults of the needy leads to obstructing the search for factors of poverty in the social and economical structure.

The measures put in place to assist public assistance recipients and the homeless to reach social and economic independence are as such efficient and appropriate policy measures. However, they do not go beyond a paternalistic approach that is simply aimed at putting those currently unable to live "independently" back on the right track. This enables us to then overlook the underlying causes of poverty that may lie elsewhere.

In its current statements, the State gives the impression that it underestimates the issue of poverty and fails to fully acknowledge it. It is now not only desirable but also its duty for the State to acknowledge the issue of poverty upfront, seek to assess its gravity and its social and economical factors, and consider necessary policies to address it.