The Effect of Population Aging on Politics: The Difficulty of Countering “Silver Power” in Japan

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Starting Point: Cross-national Comparison of Public Spending on Elderly and Non-Elderly Citizens

- **ENSR**: The elderly to non-elderly spending ratio (Lynch 2006)
- The ratio of government spending target to elderly and non-elderly citizens (e.g. old age pension vs. unemployment benefits, family allowance, and education and training expenditure)
Elderly/Non-Elderly Spending Ratio (ENSR) average 1985-2000 (Lynch 2006, Table 2.7 pp 30)

- Denmark: 5.8
- Sweden: 6.5
- Ireland: 7.1
- Belgium: 8.3
- Finland: 8.9
- Australia: 9.3
- Norway: 9.9
- Netherlands: 10.2
- UK: 10.4
- New Zealand: 11.4
- France: 12.9
- Canada: 14.0
- Spain: 15.7
- Germany: 16.0
- Austria: 17.4
- Portugal: 18.6
- Greece: 24.7
- Italy: 38.5
- USA: 42.3
- Japan: 42.3
Percent Change in ENSR, 1960-2000
(Lynch 2006, Table 3.1 pp 45)
Huge Budget Deficit

- The Japanese government is not a big spender in any sense (e.g. public spending/GDP).
- However, Japan does not have enough tax or social security revenue to support benefits (e.g. pensions and medical service for elderly citizens).
- As a result, Japan accumulates a large deficit each year to finance the current program, which will impose a heavy burden on future generations.
Question:

- politicians in Japan sometimes claim that we should raise taxes (e.g. consumption tax) in order “not to leave a debt to our children (子孫に借金を残すな)”
- at the same time, they rarely claim that we need benefit cuts (e.g. old-age pension) in order “not to leave a debt to our children.”
- Why? Because it is politically suicidal!
Five reasons that politicians in Japan should not make grandmas unhappy (1): Number 1) There are more elderly than younger voters.
- The median age of eligible voters in 2013 was 52 years (ref. US 2010 census: 45 years)

Median (52 years) is here
Five reasons that politicians should not make grandmas unhappy in Japan (2): Turnout

2) Elderly voters are much more likely to vote than the younger ones.

- Japanese now live long and healthier, and the elderly have thus become more politically active than they were 30 years ago.

- The median age of voters in the 2013 Upper House election was 57 years (ref. US 2010 midterm: 53 years)
Lower House Turnout after Electoral Reform
1996-2009
Five reasons that politicians should not make grandmas unhappy (3): Preference

3) Elderly voters have clear preferences on welfare issues.

- Old age pension spending is generally popular among both the elderly and the young, at least according to ISSP 2006 survey.

- There is a clear difference between voters aged more than 50 years and those less than 50 (over 60% support more spending vs. roughly 45%).
Please show whether you would like to see more or less government spending in OLD AGE PENSIONS (ISSP2006, Japan)
Five reasons that politicians should not make grandmas unhappy (4): Issue Salience

4) Elderly voters always care about “welfare” issues when they make voting decisions

- Since 1972, Meisui electoral survey has asked voters which issues they care about when they make voting decisions at every Lower House general election.
- The multiple-choice question means that we do not have to worry about other options.
- The wording was changed slightly between surveys.
“Welfare” Issue Saliency, 1972-2009
(updated from Umeda 2012 based on Meisui Electoral Survey)
Five reasons that politicians should not make grandmas unhappy (4): Issue Salience

4) Elderly voters always care about “welfare” issue when they make voting decisions

- Elderly voters have regularly chosen the welfare issue in the last 40 years while younger voters had have others priorities.

- This tendency is significant even after controlling for the relative political sophistication (i.e. overall issue attentiveness) of elderly voters.
Five reasons that politicians should not make grandmas unhappy (5): Institutions - 1

5) The electoral system gives additional power to elderly and/or more active voters

- A small “minimum winning coalition” under SMD with low turnout: 30% of district voters is enough to keep winning.
- As such, candidates tend to focus on small core and active group of voters while campaigning.
Five reasons that politicians should not make grandmas unhappy (5): Institutions - 2

5) The electoral system gives additional power to elderly and/or more active voters

- Malapportionment gives some additional voice to districts with older and more rural voters.

- Those of the Upper House SMD/MMD push the weighted up median age of the voters by one year.
Conclusion

- The combination of these five factors (i.e. numbers, turnout, preferences, issue saliency and institutions) makes any benefits cut for the elderly extremely difficult in Japan.
- We may need stronger political leadership and/or a crisis to override the elderly’s “silver power” in Japan’s democratic processes.
- It may happen in the US too…