

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

Presented at “Is Japan a Silver Democracy? Demographics, Politics,
and Policy Choices for the 21st Century”

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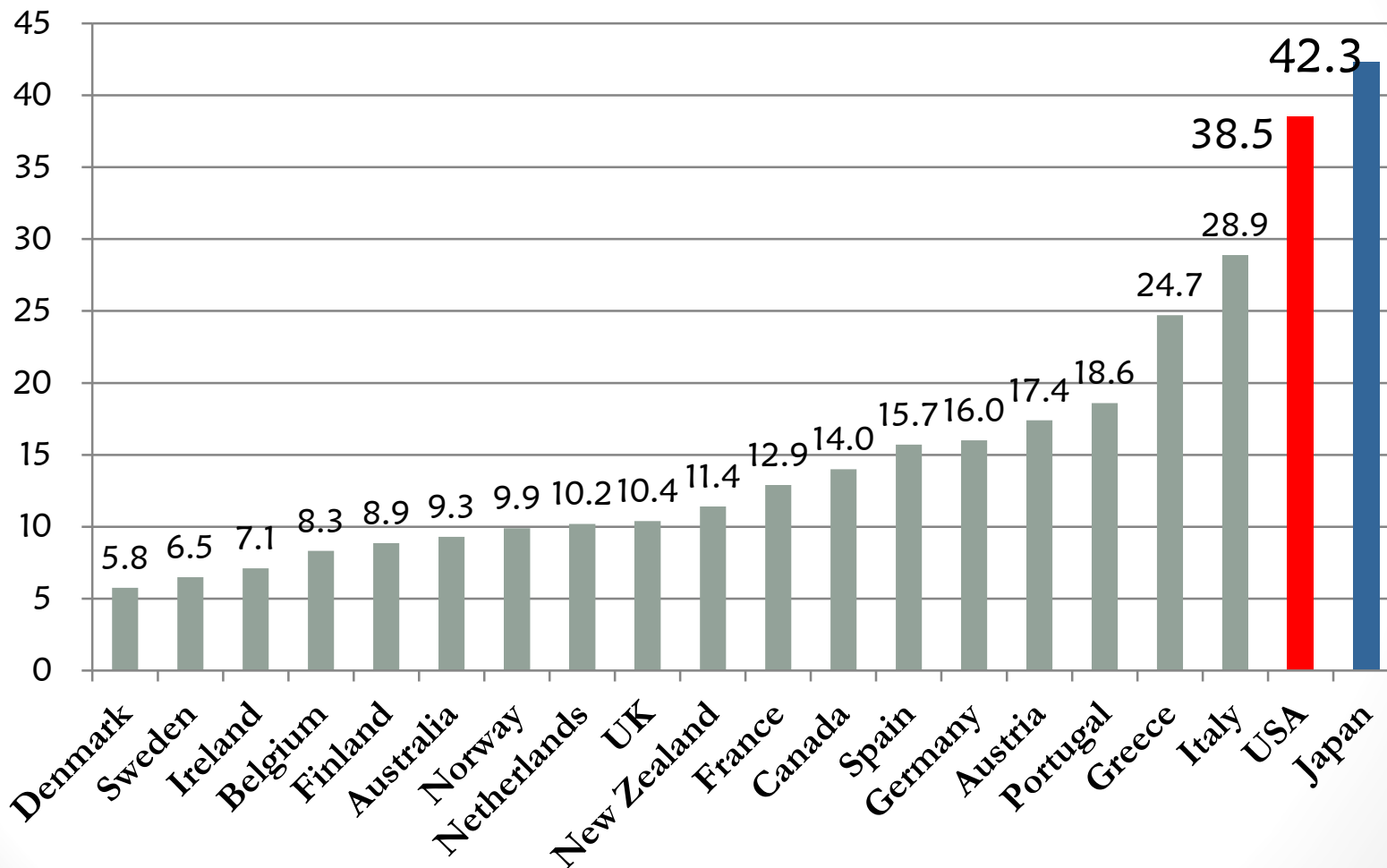
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Starting Point: Cross-national Comparison of Public Spending on Elderly and Non-Elderly Citizens

- 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)

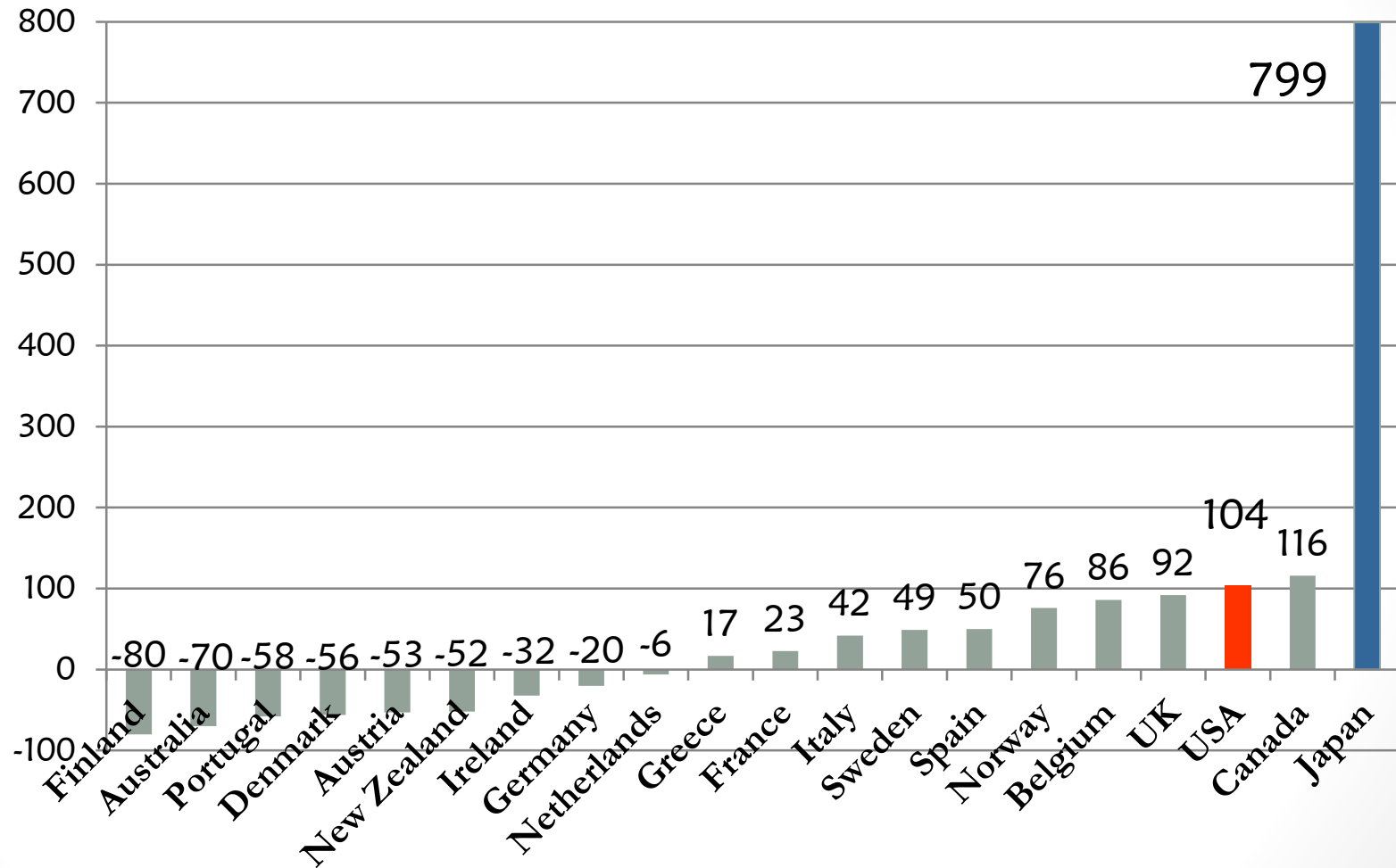
Elderly/Non-Elderly Spending Ratio (ENSR)

average 1985-2000 (Lynch 2006, Table 2.7 pp 30)



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.

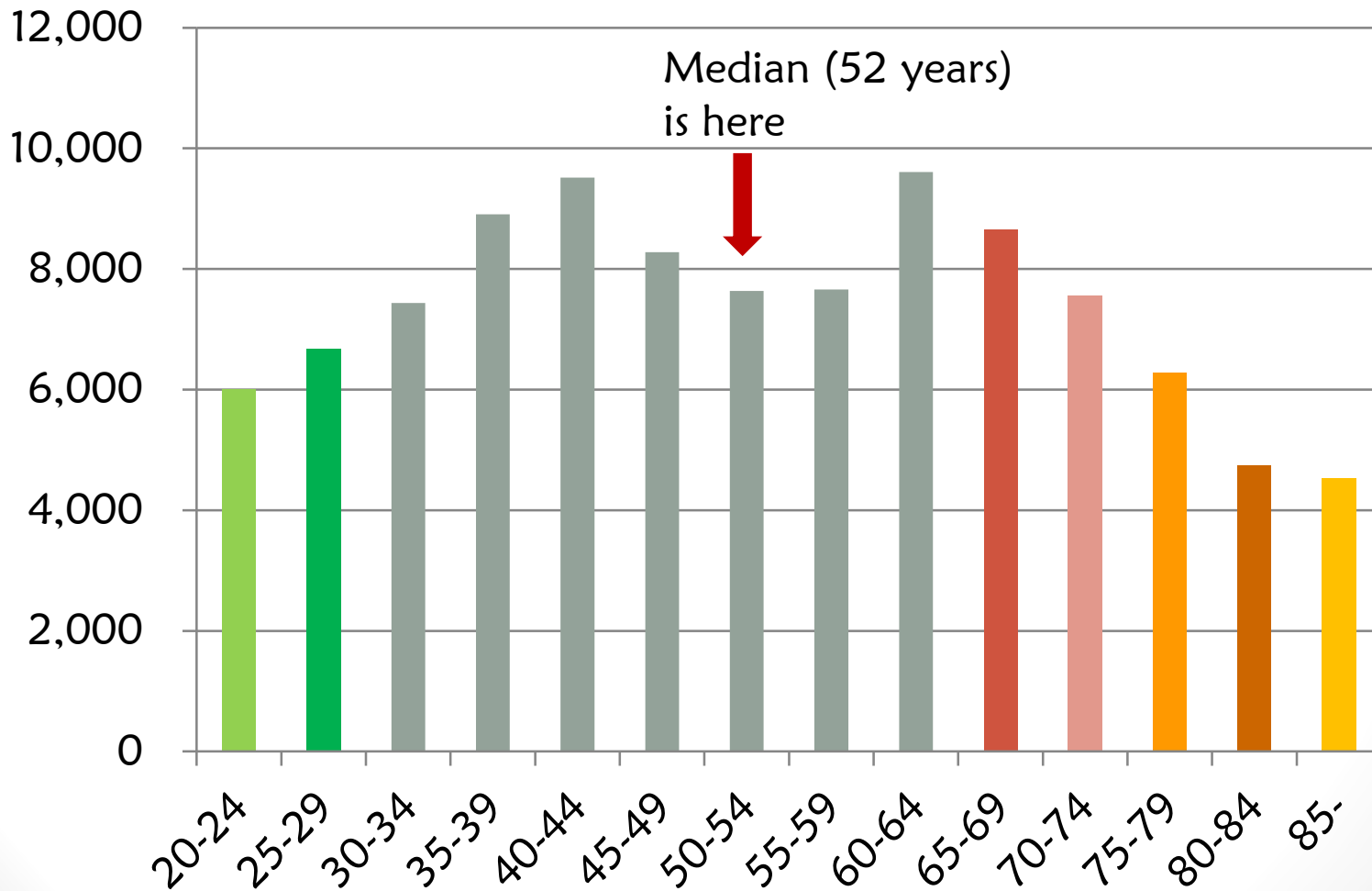
Question :

- 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)

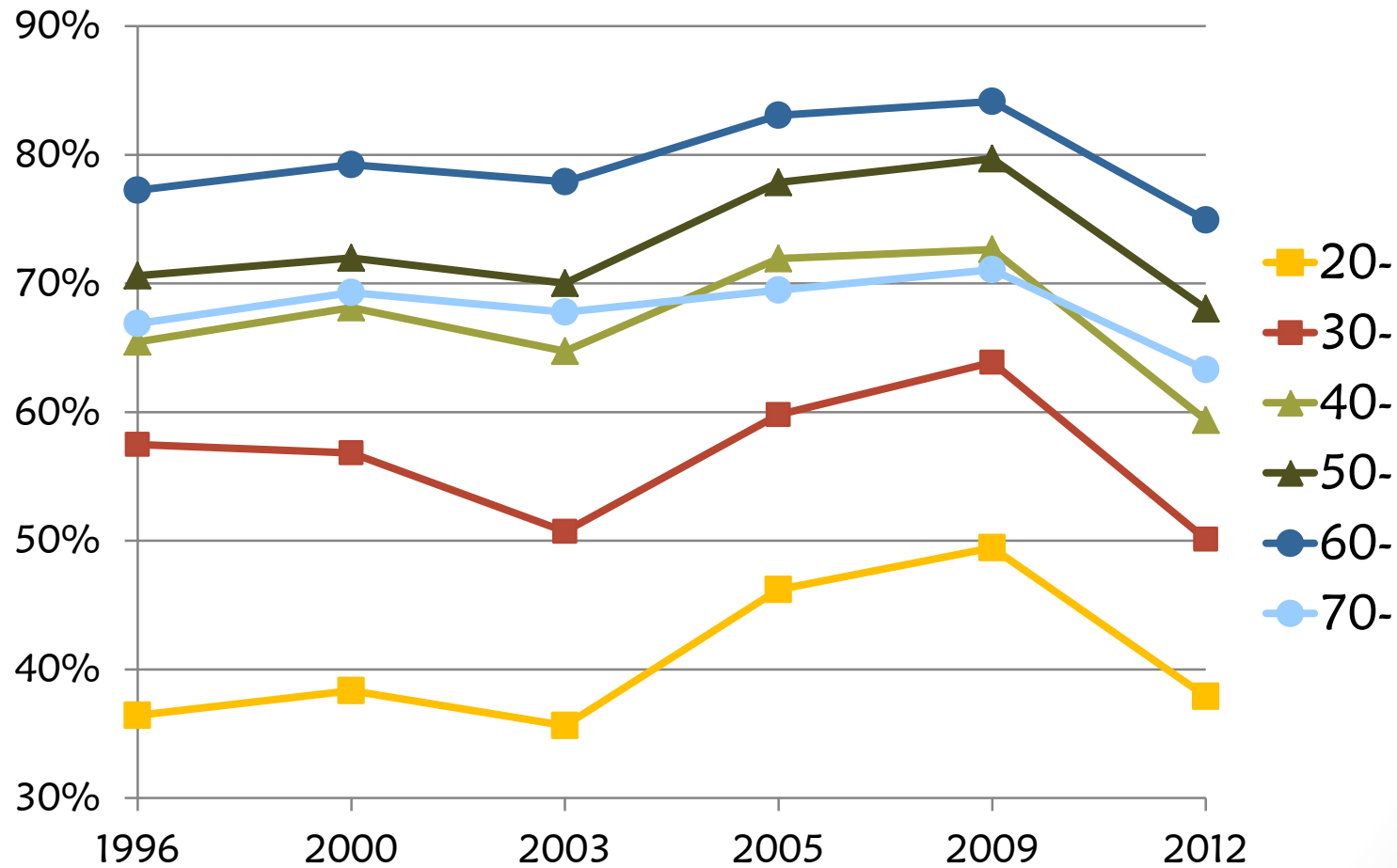
Japanese Population Structure of Eligible Voters as of Oct 2013



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)

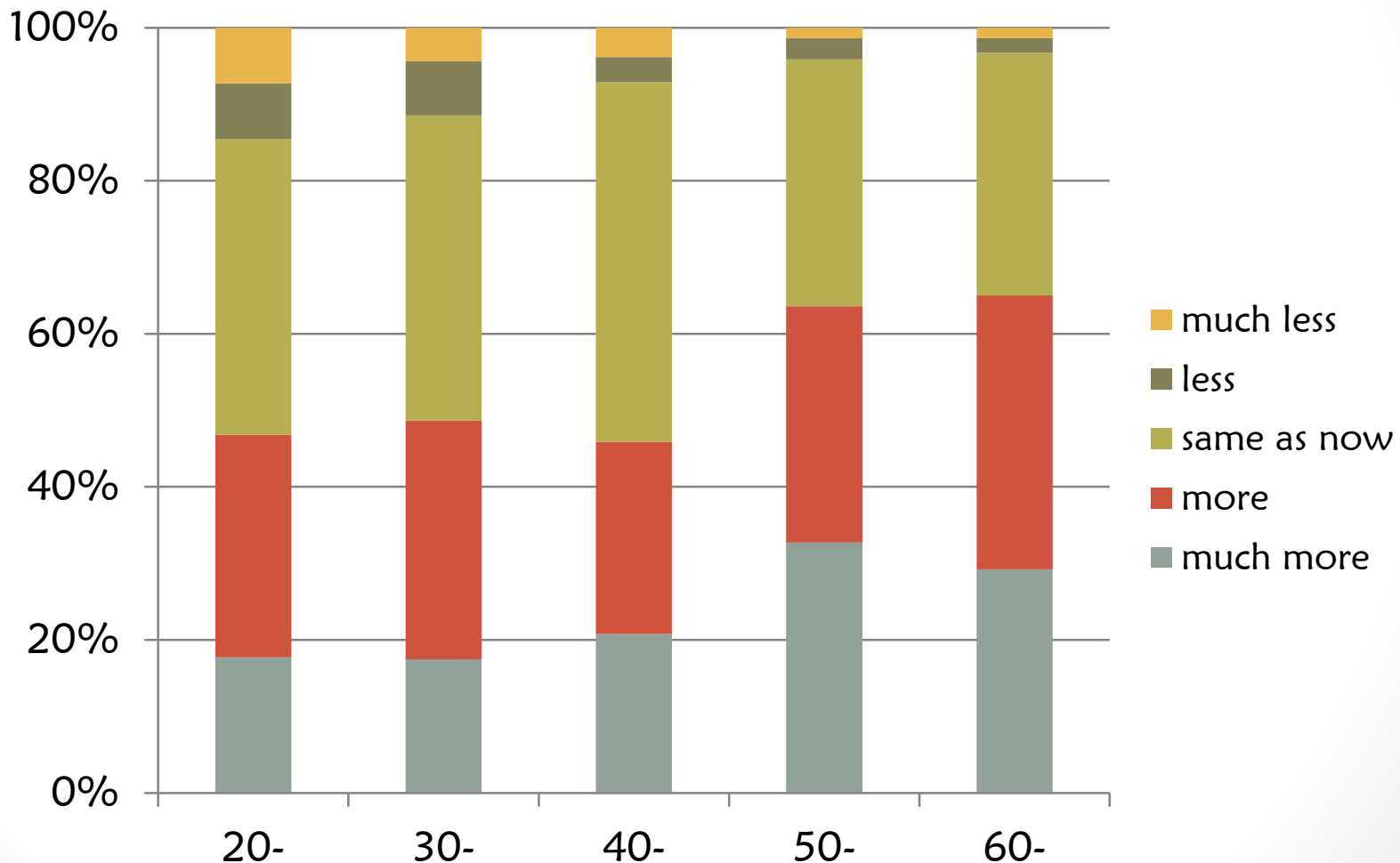
Lower House Turnout after Electoral Reform 1996-2009



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)

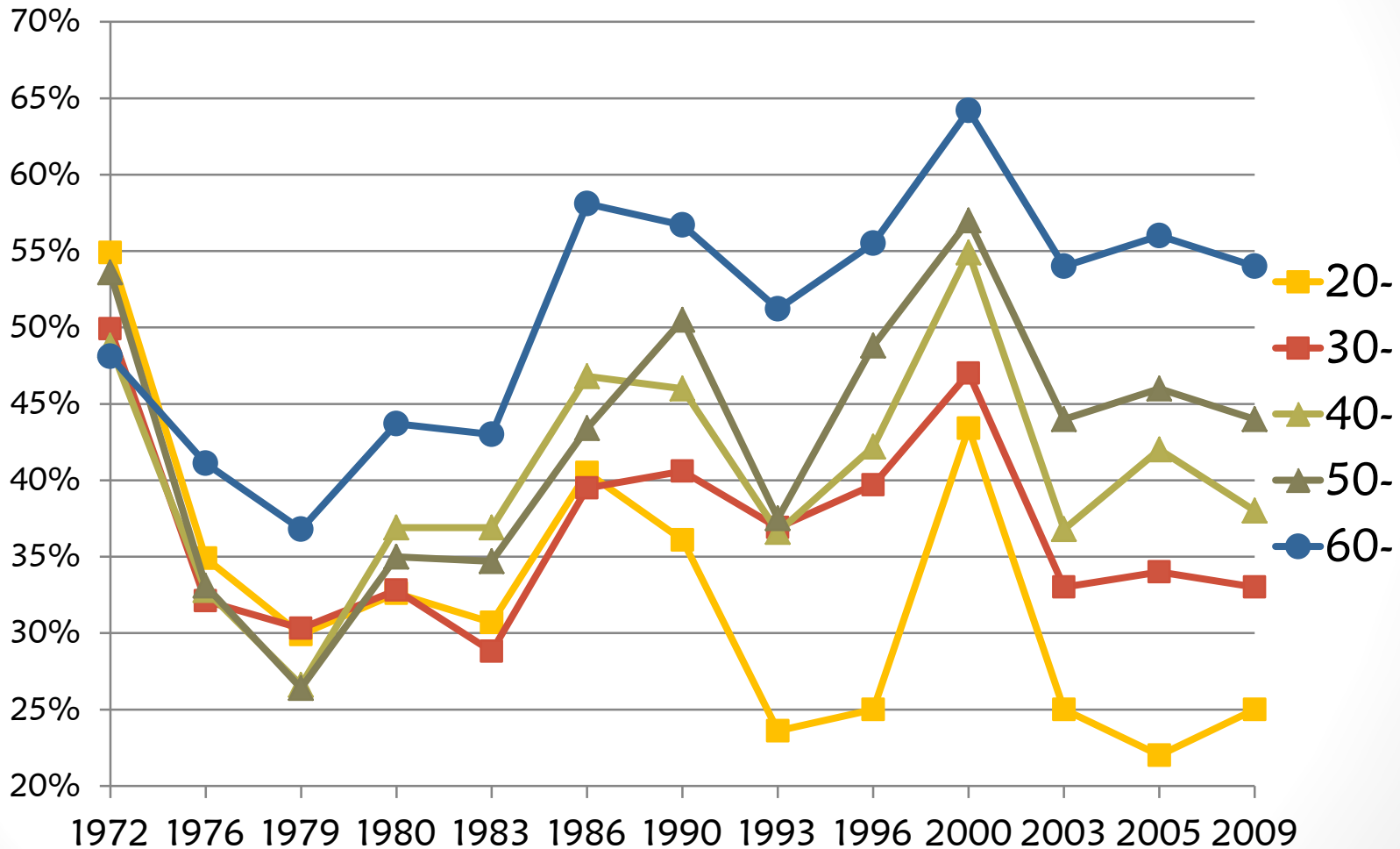


Five reasons that politicians should not make grandmas unhappy (4): Issue Saliience

- 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 Saliience

- 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...