

Philippe Debroux\*

## Elderly workers in Japan: The need for a new deal\*\*

This discussion draws on current literature and data from five case studies in order to highlight main explicative factors of the peculiarities in terms of how elderly workers continue to be employed in Japan. It assesses the direction followed by public authorities and private organisations to keep elderly people at work in acceptable social and economic conditions. Evidence suggests that Japan has been successful in social and economic terms in the management of older workers. Historically, policy-makers in Japan tend to encourage the unemployed or inactive back into jobs or urge those in employment to delay retiring in order to avoid a long disconnection from the labour market. As a result, older employees tend to stay in the labour market in larger numbers and for longer time than in most European countries. However, this discussion demonstrates how such policy outcomes come with complications, even paradoxes. For example, it could be argued that mandatory retirement age at 60 combined with *de facto* acceptance of age discrimination, and large differential of treatment between regular and non-regular employment have largely contributed to explain the higher labour force participation rates for older workers. Overall, this discussion concludes that traditional policies and practices of Japanese human resource management in relation to employing older workers are now unsustainable under the impact of demographics, the socio-cultural context, the regulatory environment and the subsequent need for changes in the social security system. Overall, the argument is developed that, in relation to the employment of elderly workers in Japan, there is a need for a new deal.

Key words: **retirement, retirement policies, pension eligibility, social security system, Japan, new deal** (JEL: J14, J21, M12, M52, M54)

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\* Philippe Debroux, Soka University, Japan, 1-236 Tangimachi, Hachioji, Tokyo, 192-8577 Japan. E-mail: debroux@soka.ac.jp.

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