“Silver Hair Market in Japan? Good Quality of (Whose) Life with Silver-to-Black Consumption?”

PROFESSOR, GRADUATE SCHOOL OF POLICY STUDIES, Kwansei Gakuin University, Japan

PROF. ON-KWOK LAI

1. Japanese Society (Silver Market?): Exceptionalism in Socio-Economic Sense?

What You See is Not What it is in Japan! This question was my Japanese colleagues and informants confronting me, and I concur with them as I completing this brief.... Perhaps this synopsis could help to realize the limited understanding of we have on another Asia society (despite frequent travels and information exchange in the mobile-Internet age), particularly the enigma about Japanese society’s traditionalism embedded into its supra-modernization trajectories of socio-economic development since 1868!

Compared with the Euro zone crisis (led by Greek’s problematic state finance, followed by Spain of the PIGS), juxtaposing the success of China (+9% GDP growth) economic development since its Open Door Policy in late 1970s and Hong Kong’s incredible public finance conditions (say the least: having billions of foreign reserved and frequent public budgetary surplus), Japan is not a “functional” economy in neoliberal economic terms: after its economic bubble burst in 1990s, it has been in some form of recession after recession with some limited (GDP 1-2%) growth throughout the last three decades. Perhaps more problematic is the public financing of Japanese national (much worse even for 34 regional and over a thousand municipalities) government: in 2012, its national debts are more than 200% of GDP! For the 2012-13 national government budget: 30% of its expenditure is for debts interest repayments and over 30% of the government revenue is debt-funding.

Hong Kong is a neoliberal economic paradise! Men live longer (life expectancy of age 80) than Japanese counterparts (79.5) – top the global survival rate! Women rank second (85) after the Japanese age 85.6! Hong Kong’s superb economic power and dynamics have been praised not just by the late Nobel Laureate Milton Friedman, but ranks top frequently say, the IMD’s World Competitiveness Rankings (2011-12) but Japan is at 25+ position. Furthermore, it’s civil society is vibrant with daily protests and NGOs (or NPOs) or the newly fashionable social enterprises) per capita is definitely more active in Hong Kong than Japan.... Isn’t Hong Kong better than ageing-aged Japanese society? And the question is If Japan is such a weak position in both neoliberal economic and public finance terms (measured against Hong Kong and China bench-marking of success), why should we still study this problematic debt-funding, aged (silver) society’s market activities? Or, anything we can (un-)learn from these enigmatic islands-society with such a seemingly high quality of life as seen from outside – the reason so many middle class people from Hong Kong choose Japan as the admirable destination for overseas travel?

This short paper (analytical than the presentation which is more about elderly lifestyle) attempts to reveal part of the enigma and myths, with a specification of the contradictory dynamics in the socialized (the partially de-commodified) “market” and specific reference to the aged (or ageing) cohorts – our observation so far is that Japanese “silver market” is more social than (neoliberal) economic sense and business financing per se. In particular, the Japanese terms for “economics” embraces socio-economic benefits for common good: 經世濟民. Historically, the term “economics” is derived from Greek oikonomia, managing a household, but the term in Chinese is borrowed from Japanese Kanji, 会計, at the end of 19th Century; the term was originally from traditional Chinese classic text (ca. 317 A.D) yet was exported to Japan thousand years ago exported. Will our discussion on silver consumption (use money, time and other resources during aged life course) enshrine the essence of such cross-cultural learning?

The socio-cultural foundation of the economics of ageing society in Japan should be stressed here, which is very different, if not the anti-thesis, of the one prescribed by neoliberal economics on supply, demand and price with a dynamic equilibrium occurs at the market per se. The unique developmental trajectories of Japanese (exceptionalism) society since Meiji Restoration (1868- onwards) and post WWII has been instrumental in defining socio-economic and policy response to ageing society. An indicative but not exclusive snapshot of the uniqueness is as follows:

Evolutionary Social (In-)Security System (Insider-Outsider Difference):

- Universal pension (PAYG) system, universal health insurance, and long term care insurance (LTCI) within a wider framework of occupational welfare model (say, family wage!).
- Post WWII new model for gender division of labours for a job-place-time differentiation with “salaryman” at work place and housewife’s home caring tasks.
- Slow ageing process throughout 40 years with planned policy evolutionary changes within a closed population system; contrasting other East Asia’s hyper-modernization-driven ageing.
- Evolutionary detailed and sophisticated supply to meet articulated needs for silver (niche) consumption provided by civic, public and market forces.
- Public and institutional sponsored regime of (grey and silver but not black) procurement for, and elderly’s needs and necessity-based, consumption of health (nursing) care product and services.
- Silver consumption is (once) phenomenal at the historical conjuncture for one cohort (surviving 1950s cohort) of ageing; future ageing cohorts (1970s) are unlikely to be so positive.
- Paradise for whom (Outsider vs. Insider of the Occupational Welfare) between “heaven for users” versus “hell for suppliers” (insecurity vs. security).

Individual and Family Adoption to Ageing:

- Well developed, experienced and smart consumption embedded in detailed family budgeting- accounting
(family account book-keeping) and socio-familial reciprocities (exchange-registration) system — these are the basic tasks for house-keeping by housewife!

- Living is expensive and life is hard for many Japanese: hard working of men at work and housewife at family; but sense of security is ensured when you are employed — Occupational Welfare Model (for insiders vs. outsiders; permanent tenure vs. temporary PT contract).

- Life is even harder for those not fit into either work (NEET) or family (as housewife, son or daughter) protection.

- Change of lifestyle: silver consumption is mostly driven by ageing needs and necessities.

- Sophisticated consumption (function+beauty+timing) as a result of planned-budgetary calculation.

- Spending spree follow socio-family timing: university students (forever!) and newly retirees!

- Budgeting of all kinds, though somewhat relaxing at certain period, 1-5 years after good retirement = but the budgeting exercise continues as “austerity” measure given.

- Differential stratification within a high cost-high quality of lifestyle society without much choice within the given socio-economic strata or within a particular locality or network...

- Middle-class driven consumption: the missing of under-priced or low-quality (even 2nd hand) goods and services

- High costing of living for ageing-aged group; in spite over-supplies of good but shortage of services.

- Full commercialization and industrialization of traditionalism of rituals during and post-EOL; funeral and faith-related familial rituals is questionably non-debatable (not many interested) in Japan! For instance, one key Taiwanese business magazine (using Nikkei information) claimed that, thanks to accumulated wealth and more leisure time for the aged, there has been, and will be continuing, booming of the silver market... isn't it ironic, another joke or economic bubble? My Japanese colleague questioned when I show her (working professional but also housewife) the news-clippings...

Structural relationship with clientele and socio-cultural embeddings of doing Business:

- Derived from locality-based SME business ethos, business relationship is more social than financial.

- Products and (User-)Services are mostly structurally packaged and loop-cycled by Suppliers

- Precautionary measure to achieve no-complaint or flaw; and post-defect astronomical remedies

- High intensity and deep embeddedness of Clientele Relationship (not just CRM per se).

- B2B and B2C relationship are structurally coupled and bound with long term relationship, for good and bad economic time.

- Labour process has been corporatist but more moving towards “free market” recently; but still the ethos for good employment is the norm (Wage [Price] is the least to consider).

- Silver consumption is a highly differentiated (sometime fragmented) with niches of specifications (supplier-customer relationship is more or less one-to-one or one-to-few) beyond outsider’s comprehension.

Unresolved Social Problems for Ageing in Hyper-Urbanized Spaces

- Prolong (2-decade) economic recession — still surviving but for how long (another decade)?

- Lost of socio-familial contacts for solo redundant aged workers in metropolitan areas

- Lost of (permanent) job loses everything: disciplined homeless (with no place to return) in cities

- High costing burden for some elderly out-of-the-occupations for unemployed and homeless.

- Pre-retirement (50s and 60s) suicide (national total: over 30,000 p.a.) is not uncommon

- Solo death (though uncommon dying process) is more obviously these days.

- All testing the Limits of municipality administrative-framed social security observatory

Obviously, there has been, and still, euphoria from outside (more than the insiders) about Japanese ageing-aged society, the business-oriented worldview on the energetic “silver market” — embracing, grey (ageing), silver and gold (those rich ageing-aged consumers) and black market (funeral and faith-related familial rituals) is unquestionably non-debatable (not many interested) in Japan! For instance, one key Taiwanese business magazine (using Nikkei information) claimed that, thanks to accumulated wealth and more leisure time for the aged, there has been, and will be continuing, booming of the silver market... isn’t it ironic, another joke or economic bubble? My Japanese colleague questioned when I show her (working professional but also housewife) the news-clippings...

Along the same line of sanguinity, visitors in Japan must by surprised by not just the scale, scope and volume of nursing care product and services for the ageing-aged, but also by the detailed sophistication, tailor-made services in the silver consumption. All these are a representation of Japanese socio-cultural differential specification on lifestyle, integrating function and beauty with specific timing — it is almost common to other age cohorts and locally produced goods and services.

Catalogues of elderly care products and services are not uncommonly with over 150 pages; with introductory chapter on policy brief for nursing care, health insurance, LTCI and consumers’ rights... the purchase of anything is usually come after detail-lengthy consultations with users, their family members and the LTCI nursing care manager. But all these fancy and well-prepared information have been partially blinding our visions and exploration to the dynamics and under-current of Japanese aged (still ageing) society with 23% of its total population is aged 65 or above — it is just the beginning of the supra-aged society; silver consumption will prevail for long but socio-economic conditions are changing as well....

2. Silver Consumption as Extended (or Alternative) Lifestyle in Family Life-Course

Japan is not a neoliberal economic paradise for the fact that there are less than 2,000 imported labours for nursing care!
Not as “liberalized” and “free” for foreign labours to serve as domestic or nursing care worker or home helper as the case in Hong Kong (ca. 280,000), Taiwan (ca. 180,000) and Singapore (ca. 170,000). A Japanese silver market is totally failed in neoliberal economic bench-marking) for flexible labour market! Its human power for aged society is by its underdeveloped labour volume, greying, ageing and aged local (mostly part-time female) workforce. Experimental pilot scheme for importing foreigners to cope with aged population is absolutely non-minimal: through Free Trade Agreements with Indonesia, Thailand and the Philippine, there are now less than 1500 foreign trained nursing (trainee-)workers undergoing another four-year on-job training to meet Japanese qualification by state examination. In this year, less than 30% of the first cohort has passed the state (professional and Japanese cultural linguistic) examination; the scheme is more or less fail totally by design: the scale of imported foreign labours has, and will have, no contribution to the overall human resources shortage of (estimated 200,000 for) nursing care workers and home helper (estimated 500,000) in the coming decade! In this regards, Hong Kong and other nursing care worker importing societies should be thankful for those guest-worker working 7-24 to solve the family’s time-bomb of the urbanization-modernization driven demand for caring the aged (mostly by women again!)

Without foreign (lady) workers for domestic and nursing care, Japanese elderly care is somewhat as a normal (traditional) society which female members, mostly daughter-in-law, have to take an expected gender role to caring for the aged and children, as well as the breadwinner – but this has strong ramifications when the salaryman completed his mission and retiring back home after 60+ age. How to settle the “veteran” has been a critical problem (say, retirement-triggered marital/familial stress, ending up with divorce) for baby-boomers’ retirement. Without this settlement problem resolved, it is unlikely any good ageing for the family system as a whole.

Indeed, surviving one’s life for ageing must continue…. There are four major distinct but inter-related arenas (as some form of classification scheme to understand silver consumption) where old people focus on their socio-economic activities, with respect to social and policy differentiation of silver consumption in Japanese ageing-aged society:

- New free (leisure) time and availability of pension for the pursuit of new, experimental lifestyle at the beginning of (the preparation for) retirement.
- The policy-driven, but needs assessment-based, products and services availability.
- Re-engaging breadwinners back into family life and retiring couples’ community participation.
- Socio-cultural defined rituals for ageing, aged and the end-of-life (EOL) process.

What we have observed so far is that there is a trilogy of, the adaptation phases to, retirement life for solo and coupled family alike: stress upon retirement, followed by re-learning process with spending spree and subsequently family re-union (or de facto separated autonomy or divorce) with community participation.

2.1. New Free Time and Spare Money for Experience New Lifestyle (for a while!)

The offering of more free time is a new gift; offered by retire-ment benefits of pension, for most salaryman. Obvious, this is more or less like a paradise for the wealth-off, who have spent over three decades to accumulate the wealth (though a significant portion has been spent on younger generation’s education and upbringing) - and it is now the time to be free with spending spree.

Given the deferred (30 something years) gratification-calling (endured by both the retiree and her/his spouse), the newly available free time and some extra spare money are obviously exploited by business enterprises, with the provision of all kinds of new, sometime exotic, consumption experience with new products and services. But the spending spree is based upon a somewhat resolved crisis on the prolonged gender-divided life for the spouses, to be re-union under the same roof again.

In actuality, the most visible part of the so-called Silver Market is the new wave of consumerism and its temptation, targeting to those salarymen (and their housewives) who are from occupational (domestic) imprisonment serving for the societal good with Japanese puritan ethics in both work and family arena!

For instance, we have all kinds of age 50+, 55+, 60+, 65+ and 70+ discounts and benefits from all kinds of suppliers of goods and services – obviously there is an ecstatic optimism for ageing-aged population to kick-up the recessionary-prone Japanese economy. But how are it/can it go is now certain yet; different empirical studies have contradictory findings.

Free from work-and-family constraints, some retirees and their spouses have been the driving forces for alternative, green and eco-friendly activities in community: new ideas for sustainability hence become part of the Silver Market. Green consumption and the related procurements have been mooted as future lifestyle for health and sustainable (LOHAS) for saving the Earth and becoming global movement – perhaps this “back-tracking” from mass consumerism is new for new cohorts of ageing retirees now and for future. But if conservation and Reduce+Reuse+Recycle become the norms for now and future cohorts of ageing-aged group, the neo-classical optimism for spending-spree driven demand for the market will be evaporated sooner than expected!

In addition to Japanese ageing society’s moving toward smart green consumption, there is rejuvenation for the development of non-market (governmental and NGOs, public, societal and community and civic) alternatives for consumption based upon social reciprocities, like some local exchange experimental projects for revitalizing neighborhood, and community patrols for security of school kids...

2.2. Policy-driven, need-(necessarily)-based new production and consumption for Aged Society

Health services re-orientation towards aged population is obvious more and more of private medical clinics and hospitals to long term care rehabilitation centres or hub – this trend becomes a permanent institutional framework within LTCI community care. Yet, it should be stressed that the new development is still within the state sponsored universal health insurance and LTCI, which enable elderly to use the services within the accredited (2+5) levels of coverage for goods, services and small scale house renovation for universal designs, though most of these services are not very generous and somewhat for maintenance of the existing quality of life.

Historically, public and private sectors in Japan take a long
term and engaging perspective for ageing society (e.g., new privately funded projects for health and welfare professional training in the midst of recessions). Corporate, governmental and communal bodies have been embracing ageing population with many initiatives for promoting the needs and necessity-based new products and services – e.g., railway companies extend their services from transportation to the logistics for long term care services (day and "shuttle" care alike).

Policy-driven and socialized silver market with traditions and needs-based consumption (say, assistive device for tatami -ridden frail aged and mobile "ofuro" お風呂 spa bath), within a specific established or newly invested network of supplies chain. New initiatives are taken up also by those non-age group specific enterprises, like railway companies: Hankyu and Hanshin alike are now developing LTC nursing care services for those within their catchment, taking advantages of their logistics support and the location-advantage of railway (and department store) networks. Obviously, more and more suppliers are born due to a positive, supportive and stable policy environment.

"Silver procurement" has vital important for sustainable development of the Silver Market: the upgrading (in Japanese: the "reforming") of public and private spaces towards universal designs, barrier-free access and participation. These initiatives have been consolidated and formalized in both policy (regulations, laws and service standards) and actual practices (of goods and service providers); and the quality enhancement therefore is a natural organic outcome of the policy framework.

In other words, the Silver procurement regime for expansionary nursing care services and productions is instrumental for better consumption options. Thanks to the revitalization of public and social care within LTCI initiatives, the new regulatory framework promotes supply-side dynamism. Hence, the two most important factors for an extension of offering, from ageing to aged society, are the long term policy perspective and social consensus to promote new products and services (usually with financial loss at the beginning and medium phases of such initiative). Given a mature market operation, evolution for elderly specific goods and services has been taking a stable course of development with new ideas driven, and feedback-based, innovations.

2.3. Re-Engaging back into Family and Community Life

Compared to other sphere of silver consumption, this arena is the most uncertain and contesting one, particularly the breadwinner’s re-union with the spouse (housewife) and to spend time as a permanent family member in presence!

Due to the decades-long functional "exit" from familial time and spaces, the return of salaryman has been a headache for most, if not all, housewives who have been preoccupied by all domestic affairs by default. Misunderstanding and conflicts over trivial domestic matters are not uncommon during the first phase of the retiree’s return, as the following notes are representative for many housewives.

"My salaryman husband knows nothing about life other than his company work for long…. not even knowing their own size for clothing and shoe…. I have to educate him (too old to learn anything new at home!) everything how to live again in my home! I have done this for twenty something years for my kid now grown up, but from now on, I have to repeat the same again to bring-up an aged salaryman… it makes me very tired…. If possible I would like to spend the time outside my home to enjoy life [for travelling and visits], at least I don’t have to teach him everything… just follow somebody’s (tour) guiding …" (quoted from a case interview).

Given the difficulty to re-union new, normal, family life after retirement at the very beginning and the euphoria for retirement life, going-out for spending spree therefore is not uncommon to sort out the re-adjustment process….

Relatively speaking, it is easier for ex-breadwinners to be outside family and find something engaging outside familial sphere as if they were still employed and go-out for work hour. Or some men join community group and back to their own community – this certainly fits, or just continues, their 30-year habits for working life (work for money or not is not their major concern anymore) outside the home ("bed-place") where they have been not-belonging for decades.

Retirement is a new career for life course, having more (free) time to be engaging in different ways of social and community participation is the norms in Japan – this is somewhat an extension of the (not-in-labour market) women specific “free time”: as an experienced users of public and private services, they are just extending, and sometime instrumental helping their retired spouses, to re-engaging in individual (hobbies) and community group activities.

Activating community participation is a social consensus facilitating retirees’ active participation in community is one of the active ageing policy initiatives in Japan; say the Silver Human Resource movement (シルバー人材センター - http://www.szc.or.jp/), aiming to have one million members to engage in community-level labour market, and for community development as well. For this, municipalities in Japan have been actively to providing public spaces for their community-retumees (retirees) and mobilize them work part-time with the existing or re-trained skills.

Having extra time and spare resources are the basic conditions for re-engaging back into community life. Group activities (self-help and mutual help in particular) in Japan are more or less self-financing and self-sufficient, subsidise from (mostly local) government are more or less in terms of spatial (venues) and kind (within a larger framework of festival and events promotion) within the municipality. This is juxtaposing the blosson of NGO’s (NPOs as called in Japan) activities, which have been belatedly developing in Japan, mostly after the Hanshin-Awaji Earthquake on 17 January 1995. Since then, NPOs movement has gain more momentum with more recognition and repercussions - NPOs become a major arena, juxtaposing various community groups, for experimenting new social re-engagements of Japanese; women and the retired (men) are key activists for liberalization of public sphere.

Overall speaking, the retirees’ emphasis is non-profit, or the less-than-profit-maximization, targeting for community and business engagement, as many of the retirees have been secured by pension and universal insurances of health and long term care. Thanks to the new bloods of those ageing-aged, there is a booming of alternative community life experimental projects, like time-bank and local exchange trading system for inter-generational dynamics promotion, within the movement of self-help and mutual-help community activities. The seemingly meaningful social participation of the ageing and aged population, in variety ways, is attributed to the fundamentals of any society, sense of security and
consensus derived from pension system and universal health (including long term care) insurance. Perhaps this socio-economic contribution of silver consumption - smartly for greater benefits of the commons, is undervalued by predominant neoliberal economic discourse on/for the Silver Market!

2.4. Socio-Cultural-Economic Differentiation of the Ending-of-Life (EOL) in Advanced Capitalism

Social rituals perform only functional continuation of human society at large, shaping the vitality and resilience of socio-family system in particular. Among all rituals, those attached to funeral and ancestor worship are the most instrumental one, as they provide both epistemological and ontological anchorage and linkage for inter-generational succession: past, present and future! Compared to any ritual in Japan, the EOL is the most imperative and precious one (for social values and monetary terms) which deserve our special attention. Obviously, a demonstrative part of it should show the extent of the sophistication of the Silver-turned-Black market.

The most important market for aged business is the so-called “black” (not the romantic and positive silver or golden aged) business of funeral rituals and post-EOL (Buddhist variations of longevity and for eternity, with memorial services after decades)… All these are related to funeral industry and the faith-related business for the after human life. Funeral business has been industrialized for long, and more recently funeral supplies have been extended with more funeral home set up by transportation provider. For instance, more funeral homes are sited near railway station or transport transits, e.g. the “TEARS” (http://www.tear.co.jp/) has one of its funeral home locates next to the Nankai Line station in Kishiwada.

Obviously, their business logistics sense to cater the needs of the EOL and those surviving is more than business as usual!

In Japan, to respect and high value someone’s death is a norm with many possible rituals - and the industrializing of funeral (and its follow up faith-based activities. For its superb ontological appeal (for Asian belief that life can be in existence though in different form, but it is still life after one’s life so to speak), Buddhist practice of rituals for one’s death is always preferred: funeral activities and the follow up faith-based practices. But it is highly competitive (market?) with high price for these ritual-practices in Japan: each item of the funeral is counted and priced; more even so for those post-funeral prayers and worships follow-up the funeral and the decade-long worshiping contribution....

Not like Christianity naming of the newly born with Christian name, in Japan, to differentiate and make a distinction between the life-and-death, the posthumous name of the deceased is normally changed to a new one by (quasi-) religious agent of a faith-based organization, according to one’s affiliation to the branch/school of Buddhism. For instance, the fee for (Buddhist) posthumous (after-life) name (Kaimyo; 法名/法名), given to a dead person as recognition by Buddhist-sect monk that the deceased become a disciple of Buddha, for famous a four-decade Showa Period (1925-1989) enka queen-singer Misora Hibari (美空ひばり) is 慈唱院美空日和清大姉… is obviously high-priced (estimated over $500,000. contribution 布施) having such an ordination by Buddhist agency for new identity after-life. ...

The contribution-cost 布施 (ranging from ¥120,000 to ¥1,000,000.) for Kaimyo is becoming at issue (not normally raised in the public arena) that whether Kaimyo should be given out for free. Accordingly, The Asahi-Shimbun (27 Jul 2011) interviewed some chief Buddhist priests in disasters region and discovered that though some chief priests gave out Kaimyo for the death free, some also had secured financing for the Buddhist temple:

“In these two months, I have earned amounts that are equivalent to what I obtained in the past three or four years,” one chief priest said.

But there are different, if not opposite, views on the pricing of Kaimyo:

“...It is a matter of course to lower Kaimyo fees in affected areas…But temples are supported by offerings from parishioners. If the move of giving Kaimyo free of charge spreads, some temples could not survive. It is important to establish trusts with parishioners and convey the meanings of Kaimyo and funerals to them properly.”

Funeral (much like wedding) practice in Japan is limited participants, unless you are so wealth-off to accept any unsolicited / not-invited guest: the number of participants determines how much the funeral cost (the per-head costing is a norm for accounting-budgeting purpose – it is somewhat a business like, but the choreography for EOL is more than business, as the surviving ones have to taken into account of the family register (socio-familial reciprocity account-book) for who is in ,or out of the invited list.

Recently, there are controversies around the standardization of the cost for funeral, and its follow up memorial services which can last for several decades-long with specific rituals practice. One of the conflicts is the standard funeral cost agreed by the Aeon (credit) card, in May 2010, had made agreement with 600 temples from eight major Buddhist branches, with a standard cost for its members. But it attracted protests against the standard cost, particularly from those non-involving faith-based groups which alleged this agreement as intrusion against faith-based (religious autonomy) activities by commercial interests. After some unsuccessful negotiations, the agreement was cancelled in September 2010. Nowadays, the funeral market is free to price again!

The EOL process is indicative for silver-to-black consumption in Japan as a whole; there are two competing forces in operation, shaping the course of the development of the Silver Market (as business sector understands), socio-economic dynamics and their dynamism for social security versus the competitive war-of-position to secure business and financial gain.

One last question for conference participant: isn’t funeral costing a part of the so-called silver market logics-driven business and financing, and if yes, how should it be price? Hence, the obvious challenge for us is how achieve a better ageing and aged life and the after-aged life (for the surviving and deceased alike), given the socio-economic differentiation of socio-cultural virtues, customs and rituals-driven social practice – in advanced capitalism uneasily coupling with the for-profit business (and financial leverage of the social) operation from the silver-to-black consumption?