Part One

General Reports
1.1 Brief Outline of the Project

Intergenerational issues have become one of the most immediate and important social concerns over recent periods. This project makes both theoretical and empirical analyses of intergenerational issues from an economic point of view. It addresses pension, health care and employment problems in the context of the population aging/decline. It clarifies current and future intergenerational situations of economic well-being, examines cohort-by-cohort motivations to mitigate intergenerational conflicts, deepens conceptual understanding of intergenerational equity, and provides a new analytical framework to overcome a dilemma between equity and efficiency of intertemporal resource allocation. It also conducts several surveys including the Japanese version of Health and Retirement Studies. It will provide solid measures to achieve intergenerational cooperation, as well.

The special website:
http://www.ier.hit-u.ac.jp/pie/stage2/English/

1.2 Background

The Project on Intergenerational Equity (PIE) is one of top-priority research projects sponsored by Ministry of Education, Culture, Sports, Science and Technology, Japan. The project was launched in October 2000, and has proceeded to Stage 2 since July 2006 which will continue until March 2011 (grant number: 18002001). The Center for Intergenerational Studies (CIS) was set up for the place of excellence to carry out the PIE.

1.3 Main Theme at Stage 2

Economic Analysis of Intergenerational Issues

1.4 Scope and Objectives

Intergenerational issues have become one of the most immediate and important social concerns over recent years not only in Japan but also around the world. Especially in pension and healthcare programs where income is transferred among different generations, a rapid population aging/decline of the society may intensify intergenerational conflicts. Countries are struggling to solve these intergenerational issues, in most cases on a makeshift basis. Senior citizens have growing political powers, and they are more likely to receive excess redistribution of income. Some concern possible adverse effects of this redistribution on resource allocation.
Furthermore, employment opportunities for young and elderly people is a serious and pressing issue in developed countries, as the unemployment rate among the youth rises while the pressure for more employment for the elderly increases. At the same time, the number of NEET (not in employment, education of training) workers and permanent part-time workers increases, whereas diversified work-style becomes increasingly prominent especially among women.

This project makes both theoretical and empirical analyses of intergenerational issues from an economic point of view. It addresses pension, health care and employment problems in the context of the population aging/decline. It clarifies current and future intergenerational situations of economic well-being, examines cohort-by-cohort motivations to mitigate intergenerational conflicts, deepens conceptual understanding of intergenerational equity, and provides a new analytical framework to overcome a dilemma between equity and efficiency of intertemporal resource allocation. It also provides solid policy recommendations.

### 1.5 Research Members

1) **Prof. Noriyuki Takayama**, Director and CEO of the Project, Center for Intergenerational Studies, Hitotsubashi University  
   Field of Study: pensions

2) **Prof. Kotaro Suzumura**, program leader, School of Political Science and Economics, Waseda University  
   Field of Study: social choice theory and welfare economics

3) **Prof. Yuji Genda**, program leader, Institute of Social Science, University of Tokyo  
   Field of Study: employment and economics of “Hope”

4) **Dr. Satoshi Shimizutani**, program leader, Consulting Fellow, Research Institute of Economy, Trade and Industry  
   Field of Study: panel data analysis

5) **Prof. Seiritsu Ogura**, program leader, Faculty of Economics, Hosei University  
   Field of Study: healthcare and long-term care

6) **Prof. Chiaki Hara**, Institute of Economic Research, Kyoto University  
   Field of Study: mathematical economics

7) **Prof. Reiko Aoki**, Center for Intergenerational Studies, Hitotsubashi University
Field of Study: declining fertility and technological innovation policy

1.6 **International Meetings organized by the Project**

1) Special Seminar  
Date: 24-25 Aug. 2006  
Theme: Retirement Benefits and Occupational Pensions  
Venue: The Center for Advancement of Working Women, Tokyo, Japan

2) International Conference  
Date: 14-15 Dec. 2006  
Theme: Declining Fertility in East and Southeast Asian Countries  
Venue: Hitotsubashi Collaboration Center, Tokyo, Japan

3) Special Seminar  
Date: 6-7 Sept. 2007  
Theme: Retirement Benefits and Occupational Pensions  
Venue: The Center for Advancement of Working Women, Tokyo, Japan

4) International Conference co-organized by the CESifo  
Date: 1-2 Feb. 2008  
Theme: Fertility and Public Policy  
Venue: CESifo Conference Center, Munich

5) International Conference  
Date: 18 Feb. 2008  
Theme: Competition Policy Roundtable  
Venue: Josui Kaikan, Tokyo, Fuji Room

6) International Symposium  
Date: 18 Feb. 2008
Theme: Law and Economics of Intellectual Property
Venue: Josui Kaikan, Tokyo, Star Hall

7) International Workshop co-organized by the World Bank
Date: 20-22 Feb. 2008
Theme: Closing the Coverage Gap: The Role of Social Pensions
Venue: Mita Kaigisho, Tokyo, Japan

8) Special Seminar
Date: 4-5 Sept. 2008
Theme: Retirement Benefits and Occupational Pensions
Venue: The Center for Advancement of Working Women, Tokyo, Japan

9) International Conference
Date: 9-10 Sept. 2008
Theme: Choice, Rationality and Intergenerational Equity
Venue: Waseda University, Bldg. 1, Room 401

10) International Conference co-organized by Science Council of Japan
Date: 12-13 Sept. 2008
Theme: In Search of Sustainable Well-Being
Venue: Tokyo Station Conference, Sapia Hall, Tokyo, Japan

11) International Conference co-organized by Hosei Institute on Aging
Date: 14-15 Jan. 2008
Theme: Policies and Regulations of Health and Long-Term Care Costs of the Elderly
Venue: National Institute of Population and Social Security Research, Tokyo, Japan

12) International Conference
Date: 29-30 Jan. 2009
Theme: Annuities Markets: Structure, Trends and Innovations
Venue: Hitotsubashi Collaboration Center, Tokyo, Japan

See the following website for more info:
http://www.ier.hit-u.ac.jp/pie/stage2/English/seminar/index.html

1.7 PIE/CIS Discussion Paper Series

1) Year 2006

289. Yip, P. “An Analysis of the Lowest Total Fertility Rate in Hong Kong SAR” December 2006
293. Straughan, P. “Stork & Cupid Out to Lunch? A Sociological Appreciation of Late Marriage and Low Fertility on Singapore Society” December 2006

2) Year 2007


327. Aoki, R. “Innovation and Incentives in Japan: Focus on pre-Meiji” March 2007
329. Stewart, F. “Pension Fund Protection Schemes” August 2007
340. Matsumoto, K. “Begutachtung der Pflegebedürftigkeit in der japanischen Pflegeversicherung im Vergleich zu Deutschland ” (in German) November 2007

3) Year 2008
361 Aoki, R. & Schiff, A. “Intellectual Property Clearinghouses and Investment in R&D” March 2008
366. Ohori, K. “The Significance of Green Tourism in the City of Kamaishi” March 2008
368. Hara, C. “Effects of Background Risks on Cautiousness with an Application to a Portfolio Choice Problem” March 2008
381. Asher, M.G. & Vasudevan, D. “Lessons for Asian Countries from Pension Reforms in Chile” June 2008
2008


388. Takayama, N. “Pension Coverage in Japan” August 2008


396. Hara, C. “Heterogeneous Impatience in a Continuous-time Model” August 2008


400. Uesugi, I., Sakai, K. & Yamashiro, G. M. ”The Effectiveness of Public Credit Guarantees in the Japanese Loan Market” September 2008


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4) Year 2009


425. Hara, C. “Heterogeneous Impatience in a Continuous-Time Model” March 2009


Each paper can be downloaded from the website below:

http://www.ier.hit-u.ac.jp/pie/stage2/English/d_p/index.html

1.8 Presentations at Seminars/Workshops/Conferences


16. Schneider, U., "Changing Long-Term Care Needs in Aging Societies: Austria's Policy Responses" International Conference on the Policies and Regulations of Health and Long-Term Care Costs of


25. Chen, M.S., "National Health Insurance and Elderly Care in Taiwan" International Conference on the Policies and Regulations of Health and Long-Term Care Costs of the Elderly, National Institute


42. Aoki, R., “Intellectual Property Clearinghouses and Investment in R&D,” Kumamoto Gakuen University, 7th June 2008.


86. Hara, C. "Heterogeneous Impatience in a Continuous-time Model" The Workshop by the Research Center of Mathematical Economics, Keio University, Tokyo, October 2007.


90. Senoh, W., “Factors Determining Children's Demand for Medical Care: The Case of Japan” International Health Economic Association, 6th World Congress, Copenhagen, July 2007.


95. Shimizutani, S., “Bonus Payments and Expenditure Patterns of Government Employees in Japan:


Remark: This list excludes 12 presentations made in Japanese.

1.9 Articles in Academic Journals and in Research Monographs

(The mark * indicates the refereed Journal)


30. Noguchi H., Shimizutani, S. and Masuda, Y., “Regional Variations in Medical Expenditure and


Remark: This list excludes 37 articles published in Japanese.

### 1.10 Book Publications