

【Grant-in-Aid for Specially Promoted Research】
Humanities and Social Sciences



**Title of Project : Economic Analysis of Intergenerational Issues:
Searching for Further Development**

Noriyuki Takayama
(Hitotsubashi University, Institute of Economic Research,
Adjunct Professor)

Research Area : Social Science, Economics

Keyword : Intergenerational, Equity, Pension, Employment, Health Care, Child Raising

【Purpose and Background of the Research】

Intergenerational issues have become one of the most immediate and important social concerns over recent periods. Tensions between generations are felt especially keenly in Japan where low fertility and high life expectancy make it one of the first countries to deal with such issues. Japan's successes and/or failures will provide examples for many other countries that follow. Nevertheless, the topic is still understudied and in most cases policy-makers are struggling to solve intergenerational issues on a makeshift basis. Senior citizens who hold large political powers are more likely to receive excess redistribution of income. Some concern possible adverse effects of this redistribution on resource allocation. Intergenerational issues must be further tackled both theoretically and empirically in a deep and intellectually rigorous way. Among others, establishing the relevant datasets is crucial for empirical work and policy design. However, a large-scale, comprehensive panel for studying education, labor force participation, household formation and child-raising of younger and middle-aged individuals is still missing and must be constructed.

【Research Methods】

This project makes both theoretical and empirical analyses of intergenerational issues from an economic point of view. It addresses pension, health care, employment, household formation, child-raising, fiscal deficits, global warming, and technological innovation problems in the context of population aging/decline. It clarifies current and future intergenerational situations of economic well-being, examines cohort-by-cohort motivations to reduce intergenerational conflicts, deepens conceptual understanding of intergenerational equity, and provides solid policy recommendations.

【Expected Research Achievements and Scientific Significance】

N. Takayama continues to examine pension issues on system design, coverage and implementation from an international perspective. He will host several international meetings on pensions. Prof. K. Suzumura advances welfare

economics of intergenerational equity, accommodating sensibly the malleability of future generations to tackle the problem of global warming and surrogate mother. Prof. Y. Genda investigates the cohort effect and substitution effect in the labor market, focusing on job creation, skill development and transformation. Genda also examines the reproduction of poverty through the labor market in Japan. Prof. T. Oshio is in charge of establishing a new panel of the *Longitudinal Survey on Employment and Fertility* in Japan. Oshio also examines factors determining child poverty and discusses alternative policy measures to support child-raising using micro simulations. Prof. T. Doi incorporates the political aspect in analyzing intergenerational effects of fiscal deficits. Prof. S. Ogura continues to examine healthcare and long-term care issues, considering the medical cost risks, cost effectiveness of preventive care, and incidence of employers' contributions. Prof. R. Aoki further deepens her study on organizational economics of technological innovation. She also discusses new voting rules for an ageing society.

【Publications Relevant to the Project】

- Genda, Y., Kondo, A. and Ohta, S., "Long-term Effects of a Recession at Labor Market Entry in Japan and the United States," *Journal of Human Resources*, forthcoming, 2010 winter.
- Holzmann, R., Robalino, D. and Takayama, N. eds., *Closing the Coverage Gap: the Role of Social Pensions*, World Bank, 2009.
- Aoki, R. and Spiegel, Y., "Pre-Grant Patent Publication and Cumulative Innovation," *International Journal of Industrial Organization*, 27(3), 2009, pp. 333-345.
- Roemer, J. and Suzumura, K. eds., *Intergenerational Equity and Sustainability*, Amsterdam: Palgrave, 2007, 256p.

【Term of Project】 FY2010-2014

【Budget Allocation】 459,500 Thousand Yen

【Homepage Address and Other Contact Information】

<http://www.ier.hit-u.ac.jp/pie/stage2/English/index.htm>