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# Uphold basic living standards

**CHIKAKO  
NAKAYAMA**



In December, economist Paul Krugman's advice in his New York Times column to raise the minimum wage provoked lively discussions in the United States. President Barack Obama is attempting to raise the federal minimum wage. The discussions not only reflect a predictable divergence of views on recovery from the last economic crisis but also are related to the traditional issue of how to take a national "minimum level of civilized life" into consideration when trying to achieve economic growth.

It is difficult nowadays to think of social policy solely on the domestic level because the state tax system is malfunctioning as a result of deepening global economic interdependence: Governments, including the Abe administration, are encouraging companies to do business globally and are trying to attract foreign capital by lowering their corporate taxes. While the extremely wealthy can choose where to live to maximize their gains under this system, the poor and the middle class are driven into a corner.

In this vein, the revision of Japan's Livelihood Protection Act (the law on welfare payments provided to low-income people) deserves attention. On Dec. 6, a bill to revise the act was approved by the Diet in almost a stealthy manner around the same time as the Diet's approval of the controversial state secrets law. This was a sneaky strategy on the part of the government since the revision, which contains generally harsher measures for applicants and recipients of public livelihood assistance, had been much criticized throughout 2013.

Several laws concerning a national minimum of civilized life have been established in postwar Japan: the Labor Standards Act in 1947, the Livelihood Protection Act in 1950 and the Minimum Wage Act in 1959.

Previous temporary expedient laws

following the idea of Britain's Poor Law were integrated into the Livelihood Protection Act based on the ideal of the 1946 Constitution — especially "the right to maintain the minimum standards of wholesome and cultured living" as guaranteed by Article 25 — and the other laws were modeled upon the standards of the International Labor Organization.

As time passed, some parts of the Livelihood Protection Act were revised, added or deleted several times in accordance with the changing times, but now it seems appropriate to fundamentally consider Japan's welfare institution.

According to official data, the number of recipients of livelihood assistance in 1950, five years after the end of World War II, was about 2.04 million. At that time the population in Japan was about 92 million. It then decreased each year until 1995, when it was around 0.88 million and the population was 125.6 million.

But from then on, the number of recipients adversely increased almost every year, and by 2012 more than 2.15 million people were on welfare. Even considering the population increase to 127.5 million by then, it is surprising that the number of recipients surpassed the 1950 level. The expenditure for livelihood assistance grew correspondingly, exceeding ¥3 trillion.

The government used these statistics to justify the revision of the Livelihood Protection Act in an effort to reduce the budget. But slashing the number of recipients will not solve the nation's welfare problem because low-income people still need assistance to survive.

Why did the number of recipients start increasing after 1996? In 1995, "Japanese style business management" was reconsidered and labor and employment relationships drastically changed. More research is needed to determine if these changes led to an increase in the number of welfare recipients, but one thing is certain; more revisions were made after the 1990s than in preceding years. (By the way, why does the government require special IDs and payments to access information online on revisions implemented since 1996?)

Among the general public there prevails a stereotype that welfare recipients are enjoying comfortable lives and are wasting precious taxpayer funds. This belief must be eliminated. Some welfare recipients, who already feel stigmatized for being on the dole, may find it painful to disclose their personal experiences. Yet it will be important to show to the public that welfare assistance only guarantees an extremely modest standard of living, nearly to the point of deprivation. It is necessary for the public, government bureaucrats and lawmakers to know, in an unbiased way, the reality of welfare recipients' lives.

Attention should also be paid to the fact that more than 40 percent of the recipients are elderly. The percentages of single mothers and the disabled receiving welfare are much lower.

Perhaps welfare payments are serving as a supplement to the pension system for some elderly people. But in other cases, elderly people are using their pension benefits to repay housing loans so they need welfare payments to make ends meet.

Investments using pension funds must be protected as they serve as a final safety net for the elderly. And the government must crack down on moves by businesses to exploit welfare recipients, especially the elderly, who are most vulnerable.

To attain a national minimum living standard, some say it is necessary to introduce a basic income, i.e., a fixed sum of money for each citizen to replace social welfare — which covers only needy people. But to start such a scheme, a stable tax revenue is indispensable.

The first thing that must be changed is the *idée fixe* that the tax system and economic planning in general must first and foremost serve the interest of global companies. Policy planners like to believe that corporate profits eventually trickle down to households. But in fact they do not.

*Chikako Nakayama is a professor of economic thought at the Tokyo University of Foreign Studies.*

POPE CALLS FOR  
AN END TO THE  
TYRANNY OF  
UNFETTERED  
GLOBAL CAPITALISM-

