

Summaries

Low-Income Household Attributes and Government Income Adjustments in Japan

Masumi Kawade

This study analyzes the monetary exchanges between low-income households and the government in connection with public burdens, such as income tax and social security payments, and public transfers, such as public assistance, using the Japan Household Panel Survey (JHPS). The 11-year datasets of households covering the years 2009 to 2019 from the JHPS, as well as actual public burden schedules and public transfer schemes in Japan, are used. Household income fluctuations, attribute assessments, and government funding adjustments are also investigated.

The study finds that the probability of low-income households exceeding their income level one year above the average income level for the next three years generally exceeds 50% in income fluctuations. Employment income is the primary source of income, even if the household head is self-employed or unemployed. The number of children tends to increase with income, and the number of low-income families with many children has declined in recent years. Welfare benefits do not cover all living expenses.

**Income inequality, higher education, and
marriage behavior in Japan**

Naomi Kodama

We examine the relationship between income inequality among men, higher education among women, and the propensity to remain unmarried among women. We found a negative relationship between income inequality among men and the propensity for marriage among women. Thus, the widening income gap between men reduces the willingness of women to become married. This effect is more pronounced in the younger generation. Our analysis also reveals that highly educated women are less likely to marry, but this effect disappears with age. The marriage propensity of highly educated women is about the same as that of less-educated women by the time they reach their 40s.

**An analysis of time use by couples with children,
with unpaid work taken into account**

Rieko Nagamachi

This study presents an analysis of time use and trends in unpaid work by household attribute (age group of head of household and household type). This paper used micro data from the Ministry of Internal Affairs and Communications' Survey on Time Use and Leisure Activities. In particular, it confirmed the burden of paid and unpaid work over the course of a regular day by looking at (1) the division of housework and childcare responsibilities between husbands and wives and (2) the total time spent on paid and unpaid work.

As a result, the total hours of unpaid work for households decreased for all age groups of heads of households in the period of analysis from 1996 to 2016. Second, when broken down by household type, the time that households with a couple and children spent on unpaid work such as childcare was seen to increase. Third, if we look at the total time spent on paid and unpaid work, by husbands and wives, respectively, the amount of time husbands spent on paid work did not decrease, and it is possible that housework and childcare became a time burden for the husbands to the extent that they participated in them. Although in-kind benefits for childcare have increased in recent years, they are considered to be largely complementary to, rather than substitutive for, childcare time.

Re-examination of the Generational Accounting in Japan
—A Perspective of Lifetime Consumption
Inequality among Generations

Saeko Maeda

This study reexamines the results of generational accounting, which shows that the net benefits of social security become more negative in later generations, impairing intergenerational equity. Under certain economic assumptions, we calculated present discounted values of final consumption expenditure and actual final consumption including benefits in kind such as education, medical and long-term care, for three generations born in 1950, 1980, and 2010.

The results, unlike those of generational accounting, show that later generations are expected to enjoy a higher lifetime consumption level than the generation born in 1950. In addition, consumption levels of the two later generations may not differ significantly, depending largely on various assumptions, especially on the future macroeconomic environment. These results urge us to reconsider the concept of intergenerational inequality.

**Declining Labor Share and Increasing Retained
Earnings in Japan**

Naohiko Ijiri

A steady decline in labor share over the last two decades in developed countries—the US, Germany, Japan, etc.—has been suggested by a large number of studies, despite labor share having been considered a stable phenomenon in the early twentieth century. Recently in Japan, labor share has declined, whereas retained earnings of companies have increased. This study highlights the possibility that Japanese companies overestimate the risks of globalization, especially offshoring, and thus, accumulate vast internal reserves.

**Relationship between labor share and location in the value chain:
Upstreamness and Downstreamness**

Kenji Sugauma

In this paper, we examine the relationship between labor share and the position of the manufacturing industry in the value chain, using upstreamness and downstreamness. The relationship between upstreamness (or downstreamness) and labor share is convex, suggesting “smile curve.” However, it is not necessarily statistically significant, mainly due to some data limitation. Using markup rate instead of labor share shows stronger relationship with upstreamness.

