

Ageing and Innovation in Japan: Fact Sheet

Demographic Transformation

- Today, roughly 12% of the total global population is age 60 or older. By 2050, the over-60 population will reach 2 billion, accounting for 21% of the global population.¹
- At 27.6%, Japan is currently the only country with more than 25% of its population over 65.² This figure is estimated to approach 40% by 2060.
- Japan has one of the highest life expectancies in the world at 91.35 years for females and 84.95 years for males.³
- At the same time, Japan's overall fertility rate was 1.45 in 2015,⁴ well below the replacement level.⁵

Ageing and Areas in Need of Innovation

Health Innovation Needed in Age-Related NCDs, Dementia/Alzheimer's

- In 2014, 79% of all Japanese deaths were related to NCDs. Amongst these, 30% of deaths were caused by cancers, 29% caused by cardiovascular diseases, and 12% by other NCDs.⁶
- The main causes of DALYs (Disability-Adjusted Life Years) lost due to disability include cancer, cardiovascular diseases, diabetes, neuro-psychiatric conditions, other NCDs, musculoskeletal disorders, injuries, and respiratory diseases and infections.⁷
- Population ageing is the main factor influencing trends in diabetes prevalence in the Japanese adult population, with the overall prevalence expected to rise from 7.9% (8.3 million) in 2010 to 9.8% (9.7 million) in 2030.⁸
- The number of Japanese patients with heart failure was 979,000 in 2005 and is predicted to increase as the population ages to 1.3 million by 2030.⁹
- 65% of lung cancer morbidity cases were attributed to elderly individuals aged 70 or older in 2012. About half (52%, 222 billion yen) of the annual national costs for tracheal, bronchus, and lung cancers are attributed to elderly individuals 70 and older.¹⁰
- There are 4.62 million people living with dementia in Japan (as of 2012), accounting for 15% of the total Japanese population age 65 and older. The number of people living with dementia is forecasted to increase to 7 million (20% of the total Japanese population age 65 and older) by 2025.^{11 12}

Care Innovations Needed to Fill Shortages and Bend Cost Curves

- Japan spends 10.9% of its GDP on healthcare, placing it above the OECD average and in the top tier internationally. By 2035, health care's share of Japanese GDP will roughly double.¹³
- Relative to its population, Japan has 1/3 fewer doctors than the developed-world average.¹⁴
- Japan had a shortage of 40,000 caregivers in 2015. This shortage is expected to grow to 790,000 by 2035.¹⁵
- Costs associated with long-term care insurance in Japan are predicted to double between 2012 and 2025.¹⁶

Innovation Needed for Ageing Workforces and Retirement

- Japan's workforce has shrunk by about 2 million since the late 1990s and, according to the government, could collapse to 42 million by 2050.¹⁷

- The IMF calculated that the ageing population and shrinking labor force could drag down Japan's average annual GDP growth by 1 percentage point over the next three decades.¹⁸

Opportunities for Innovation

Patient-Centric and Value-Based Health Systems Policy

- 2014 introduced the Integrated Community-based Care Plan, which envisions a network of community services that help the elderly live as they choose. The plan promoted value-based care, home health care, and measures to address physician and nurse shortages.¹⁹
- The Health Care System Reform Law of 2015, going into effect in 2018, moves NHI oversight from the municipal level to the prefectural level in pursuit of better-tailored care delivery and financing policy.²⁰
- In June 2015, young Japanese health leaders proposed *Japan Vision: Health Care 2035*, proposing three main pillars of reform: lean healthcare (implement sustainable and value-based healthcare), life design (empower society and support personal choice), and global health leader (lead and contribute to global health and medical innovation).²¹

Longer Working Lives

- In Japan, roughly 6.1 million people 65 and over worked in 2016 – at 22.8%, this was the highest proportion of people 65 and older in the workforce among G7 nations.²²
- In a Japanese Ministry of Internal Affairs and Communications survey, 66% of respondents over 60 expressed an interest in continuing to work beyond 65. (11% of this group said they would be willing to work in nursing care.)²³
- As of July 2017, more than half of Japanese companies were planning to raise their retirement age.²⁴

Tech and Robotics Revolutions in Care

- Some 5,000 nursing-care institutions in Japan are now testing robots.²⁵
- According to an estimate by the Ministry of Economy, Trade, and Industry, Japan's market for nursing-care robots is estimated to grow 20-fold between 2015 and 2025.²⁶

Forward-thinking Urban Planning and Design

- Since 2006, Japan's Ministry of Health, Welfare and Labour has included urban planning components as part of its long-term care policymaking, especially in dementia care. By 2025, it aims to include Daily Activities Areas (DAAs) where older adults would conduct their activities of daily living, and Comprehensive Community Support Centres (CCSCs) in 20 major Japanese cities.²⁷
- From 2006-2014, the City of Toyama designed and implemented the "compact city" strategy to rebuild social infrastructure, focusing public investment on building dense city centers with transportation connectivity to improve accessibility and keep older adults mobile.²⁸
- A 2011 International Longevity Centre report featured a university of Tokyo project on the Toyoshikidai housing estate in Kashiwa aims to redesign the community and building in light of "ageing in place," incorporating not only housing and age-friendly workplace redevelopments,

but also alternative means of transport and the application of ICT (internet shopping, emergency call systems).²⁹

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