

MISSION PERMANENTE DU JAPON

AUPRÈS DES ORGANISATIONS INTERNATIONALES
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The Permanent Mission of Japan to the International Organizations in Geneva presents its compliments to the Office of the High Commissioner for Human Rights and, with reference to the Note Verbal ref: AL JPN 1/2018, dated 24 April 2018, has the honour to transmit herewith the reply of the Government of Japan to the Joint Communication sent by Ms. Catalina DEVANDAS-AGUILAR, Special Rapporteur on the rights of persons with Disabilities, Ms. Rosa KORNFELD-MATTE, Independent Expert on the enjoyment of all human rights by older persons, Mr. Juan Pablo BOHOSLAVSKY, Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights and Mr. Philip ALSTON, Special Rapporteur on extreme poverty and human rights.

The Permanent Mission of Japan to the International Organizations in Geneva avails itself of this opportunity to renew to the Office of the High Commissioner for Human Rights the assurances of its highest consideration.

Geneva, 22 June 2018

Enclosure mentioned



Reply of the Government of Japan to the Joint Communication from Special Procedures (AL JPN 1/2018)

1 Public Assistance Program

*The following information addresses questions relating to Japan's Public Assistance Program in a comprehensive manner.

Background

Public Assistance Program, also known as "Livelihood Protection Program" guarantees a minimum standard of living for all citizens who live in poverty. Article 3 of Public Assistance Act, hereinafter referred to as "the Act", provides that the minimum standard of living should be at a level where one can maintain a "wholesome and cultured standard of living." Such a standard is decided by the Minister of Health, Labour and Welfare as provided by Article 8 of the Act.

Public Assistance Act :

(Minimum Standard of Living)

Article 3 The minimum standard of living guaranteed by this Act shall be where a person is able to maintain a wholesome and cultured standard of living.

(Principle of Standard and Extent)

Article 8 (1) Public assistance shall be provided, based on the level of the demand of a person requiring public assistance, which has been measured according to the standard specified by the Minister of Health, Labour and Welfare, to the extent that makes up the shortfall thereof that cannot be satisfied by the money or goods possessed by said person.

(2) The standard set forth in the preceding paragraph shall be one that sufficiently satisfies but shall not exceed the demand pertaining to a minimum standard of living, taking into consideration the age, sex, household composition and location of the person requiring public assistance and any other necessary circumstances according to the type of public assistance.

This program provides recipient households with comprehensive and various benefits that meet the households' needs, both in cash (livelihood

assistance, education assistance, housing assistance, occupational assistance, maternity assistance and funeral assistance) and in kind (medical assistance and long-term care assistance). As it is the last resort for the poor, a recipient who is eligible to other public program benefits, including public medical insurance benefits, pensions, or care for persons with disabilities, should receive those benefits in advance of Livelihood Protection. The Livelihood Protection fills in the remaining gaps complementally.

A recipient household's minimum standard of living is calculated in combination of recipients' age, the number of family members and the location where the family lives. Eligibility requires that the household's total income (wages, pensions, cash benefits from other programs, etc.) is below the standard, and that each member of household is utilizing all of their ability and assets to support their living.

Livelihood Assistance is a major cash benefit that covers recipients' daily needs including food, clothes, fuel, and energy.

To set the minimum standard of Livelihood Assistance, the Government of Japan has been employing a method which aims to balance the minimum standard with the consumption level of general low income citizens (hereinafter referred to as the Balanced Standard Method) since 1984.

The Committee on the Public Assistance Standard, which is a sub-committee of the Minister's Advisory Council of Social Security, periodically examines whether the minimum standards have been at an adequate level since 2004. Its mandate is to technically examine and evaluate the Public Assistance standards in an evenhanded fashion by using specially aggregated data sets of National Survey of Family Income and Expenditure, which is conducted in every five years. The Committee consists of 8 members, who are experts of poverty reduction policy and economics. The Committee is open to public and all of its documents and minutes are available on MHLW's website (<http://www.mhlw.go.jp/stf/shingi/shingi-hosho.html?tid=126702>). In addition, the MHLW often holds meetings with civil society groups to hear opinions from them.

Public Assistance Program is not “one of the main targets for budget reduction.”

The revision of Livelihood Assistance standard in 2013 was part of an effort for the Government of Japan to maintain the standard in consistent with the consumption expenditure of general low income households in the changing economic situation. Therefore, the Public Assistance Program did not become “one of the main targets for budget reduction”, contrary to the description in the Joint Communication.

The points of the 2013 revision were:

1. Adjustment of the standards according to the consumer price index (CPI).
2. Adjustment of the balance among the standards

1. Adjustment of the standards according to the CPI

The Government of Japan considers that the standards of Public Assistance benefits should continue to be reviewed in light of the Article 25 of the Constitution and of the Government’s accountability to its tax payers. The Livelihood Assistance standards had not been changed since its revision in 2008, while the CPI for goods and services covered by Livelihood Assistance had declined by 4.78 percentage points from 2008 to 2011. Taking the economic situation into account, the Government decided to gradually adjust the standards according to the change in the CPI, and introduced the new standards, while taking the three-year time frame from 2013 to 2015, so as to avoid a sudden impact on recipients’ lives.

2. Adjustment of the balance among the standards

Another point of the 2013 revision was to balance the Livelihood Assistance standards among recipient families.

The Livelihood Assistance benefit consists of Expense I and Expense II. Expense I is a benefit to cover each family member’s expenditure for clothes, food and other commodities. It is differentiated by age groups and where they live. Also, the total amount of Expense I for a household is gradually decreased as the family size becomes larger because larger families would be advantageous due to the economies of scale. Expense II covers household

expenditure such as household appliances, energy and water supply, which is determined in accordance with the family size and their location.

The Committee had already pointed out in its 2007 report that the standards did not match the balance among the real consumption expenditures of general households. Given this observation, the committee closely reexamined the standards in time of the revision in 2013 using the consumption expense data set of various age groups, family size and the location in terms of the lowest 10 percent household of the income distribution. The committee found that the standards of Expense I and II were not consistent with the actual consumption expenditure trends. For instance, some age groups' Expense I were underestimated in comparison with other age groups, and the gap in spending for different family sizes was smaller in actual consumption expenditure than in the Expense I standards. As a result, the Government decided to adjust the Livelihood Assistance standards to reflect the gap with the actual consumption expenditure balance to the half extent, so as to avoid drastic change.

The housing assistance revision in 2015 lowered the standards of 0.6million recipient households, 86 percent of which were not actually affected.

The housing assistance is one of the cash benefits of Public Assistance Program. Its standards were reviewed in 2015 by the Committee on the Public Assistance Standards, not as part of Comprehensive Reform of Social Security and Tax as mentioned in the Joint Communication.

The housing assistance standards are the upper limit of the benefit, and recipient families receive the actual amount of their rent and other housing expenses to the extent of each family's upper limit set by the place of residence and family sizes. The housing assistance standards had not been revised for a long time. There were signs where its standards might be higher than the rents of the general low-income households, and that so called "poverty business" owners were receiving expensive accommodation fees from Public Assistance recipients.

As such, the 2015 revision of housing assistance standards was aiming to set the standards at a reasonable level, which would cover certain quality of housings.

The Government estimated that the standards of approx. 0.6 million households among 1.4 million housing assistance recipients would decrease. However, in reality, 86 percent of the entire households were not affected. According to the Government's follow-up research, as of October 2016, 336,979 households (55.5 percent) were not affected because in fact their rents were lower than the upper limits. Also, the rents of 28,946 households (5 percent) were reduced by their landlords. 155,450 households (26 percent) were applied with old standards because the Government allowed local authorities to do so as a transitional measure under certain conditions (when it deems appropriate from the perspective of helping the recipients to continue independent lives in their communities).

This transitional measure is taken in such a situation where a recipient is regularly going to hospital or other care facilities, or when she/he is an elderly person or a person with disabilities, and it is problematic for her/him to move out to a new residence for maintaining their independent lives in the community. The Government considers that local welfare offices are implementing these measures appropriately.

It was not the reason for the 2018 revision that “the current base amount of livelihood assistance exceeds the minimum living cost”

During the periodical reexamination of the current standards from 2016 to 2017, the Committee mainly discussed on two themes:

1. The difference between the current Livelihood Assistance standards and consumption expenditure of general low income households.
 2. Adjustment the balance of the standards
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1. The difference between the current Livelihood Assistance standards and consumption expenditure of general low income households.

As noted above, the Government of Japan has been employing the Balanced Standard Method to set the Livelihood Assistance standard. This

method is based on the idea to regard the standard as a relative threshold to general low-income families' consumption expenditure, not an absolute one. Using this method, the Committee has occasionally compared the standard with low-income households' expenditure since 1984.

In its 2007 session, the committee analyzed the standard level using two model households which were households with two parents and one child, and single-person household, and found that the Livelihood Assistance benefit level was rather higher than consumption expenditure of the lowest 10 percent families of income distribution. The Government, however, decided not to change the standards level in the 2008 revision considering the increasing price of goods including the oil price. In its 2011-2012 sessions, the Committee mainly discussed how to keep among the balance of the standards in consistent with the actual consumption expenditure, and the comparative analysis of the level of the standard itself was not on the agenda until the session of 2016.

The Committee started the discussion on the comparative analysis in the sessions of 2016. In the same year, it included the agenda of whether the lowest 10 percent household is an appropriate comparison group to measure the minimum standard of living. The Committee analyzed how the model household (a couple of parents and a child) expenditure changes as its income decreases, and statistically observed that the amount of the expenditure significantly drops at a certain point of the income distribution. This inflection point is considered the threshold that a model family becomes unable to afford their essential needs.

The Committee also analyzed how the ratio of fixed and variable expenses change as the expenditures of model households decrease, and identified a point where the share of the fixed expense in the expenditure significantly increases.

Given that the amount of consumption expenditures at those two inflection points and the average consumption expenditure of the first decile of income distribution are at more or less the same level, it is considered that the consumption expenditure level of the lowest 10 percent households would be able to cover minimum needs of daily lives and also afford a certain variable costs including social activity expenses. Thus, the Committee selected the

lowest 10 percent household as an appropriate target for the comparison with the minimum standard of living. Finally, the Committee observed that the amount of the current standard of Livelihood Assistance benefit for model households is generally equal to the lowest 10 percent household expenditure for the same items covered by Livelihood Assistance.

Based on the Committee's report, the Government considers the current Livelihood Assistance standard of model households is at an appropriate level to guarantee minimum standard of living which can maintain "wholesome and cultured" life. As a result, the Government does not have such a plan that decreases the standard level as a whole.

2. Adjustment the balance of the standards

In the 2018 revision, the Committee also analyzed the differences among the standards set by age groups, family sizes and their location, by using the similar method of the 2013 revision. The result showed that the current standards do not necessarily correspond to the real consumption expenditure balance of general low income household.

For instance, concerning the difference of the actual consumption expenditure among age groups, the current Expense I standards for children less than 12 years old were relatively low compared with other age groups. Also, the household expenditure by family sizes did not increase as much as the Expense I standards does, which indicated that household economy of scale works well for the goods covered by the Expense I.

Based on the Committee's review, the Government plans to introduce new standards with three steps from fall of 2018 to 2020, which will gradually adjust the balance of the Livelihood Assistance standards to be more consistent with the actual consumption expenditure. It is estimated that the amount of Livelihood Assistance benefits will be raised for the 26 percent of all recipient households and decreased for the 67 percent of the recipients. Considering its impact on the recipients' lives, the Government decided to cap the reduction up to 5 percent of each household's benefit.

The Government does not know about the source of the information that “it is estimated that in large cities, a couple with two children (consisting of a primary school student and a middle school student) will receive a monthly assistance of ¥194,000, which is 11 percent less than the current level at ¥219,000. Similarly, the monthly livelihood assistance for a single adult above 65 years old will be reduced by 8 percent, from ¥80,000 to ¥73,000”, it is probably based on a misconceived understanding.

For the 57 percent of the recipient families with children and the 61 percent of the single parent families, the benefits will be raised. In addition, there is a tendency that standards will be decreased in urban areas and for large households. For example, for a couple parents with two children (elementary school and junior high school students), it will be decreased by 4.5 percent (from approx. 205,000 yen to approx. 196,000 yen) in city area, and by 3.4 percent (from approx. 164,000 yen to approx. 159,000 yen) in rural area. The monthly Livelihood Assistance benefit for a single parent family with one child will be raised by 0.9 percent (from approx. 147,000 yen to approx. 149,000 yen) in city area including the center of Tokyo, and by 7 percent (from approx. 122,000 yen to approx. 131,000 yen) in rural area. For a single parent family with two children (junior high school and high school students), it will be increased by 0.7 percent (from approx. 197,000 yen to approx. 199,000 yen) in city area, and by 5.8 percent (from approx. 158,000 yen to approx. 168,000 yen) in rural area.

Besides, on top of the Livelihood Assistance benefit, housing and education assistance benefits are provided in cash. Round figures of total monthly cash benefits in urban areas are approx. 218,000 yen for a single parent family with one child, approx. 292,000 yen for a single parent family with two children, and approx. 281,000 yen for a family with couple parents and two children (elementary school and junior high school students). This benefit level would be comparable to benefits in other developed countries, though the difference in social assistance targets makes simple comparison difficult.

The estimated ratio of the Livelihood Protection recipients in low-income household under the minimum standard of living has large variation from 87% to 44%, which are difficult to evaluate.

Furthermore, it is pointed out that “only less than 20 per cent of those eligible for social assistance actually receive such assistance” in the Joint Communication. The Government of Japan does not have the background data to support that claim. However, the ratio of the recipient families to low-income households that are under the standard is estimated to be 87 percent based on National Survey of Family Income and Expenditure, and 44 percent on Comprehensive Survey of Living Conditions. Also, those data sets do not take into account information of assets including immovable properties and jewels. Therefore, the Government views that it is difficult to evaluate the coverage rate of Livelihood Protection based on such diverse results.

2 The social security system except for Public Assistance Program

[About 1]

The fifth paragraph of page 1 in the Joint Communication says “In 2012, the Government introduced its Basic Policy on Economic and Fiscal Management and Reform aimed at relieving Japan’s debt burden”. Nevertheless, the Government of Japan did not issue “Basic Policy on Economic and Fiscal Management and Reform” from 2010 to 2012.

The budget for welfare service for persons with disabilities amounts to 1,381 billion yen in FY2018, more than doubled over the past decade. This budget includes appropriation for community life support projects to be implemented by local public entities and commensurate with regional characteristics and the circumstances of users, as well as appropriation necessary to allow persons with disabilities to receive in-home nursing care and rehabilitation service to live a life in their community or in a place familiar to them. Accordingly, we think multiple comments, including the statement that the disability and welfare-related budget has been continuing to decline, are incorrect.

The second paragraph of page 3 in the Joint Communication says “According to a survey conducted by the MHLW in 2015, over 50 percent of single parent households were living in relative poverty, and 82.7 percent of them responded that the life was difficult.” Concerning the underlined part, the source survey by the MHLW covers the poverty rate of “active households with

child(ren)” based on the OECD standard. This, in fact, is a combination of households with “children of 17 years or younger” and “householder of 18 years or older and younger than 65 years”. Single parent households such as mother-children households and father-children households account for the majority of the survey but it also includes, for example, households with grandmother and grandchildren, so the survey is not limited to “single parent households”.

[About 2]

As mentioned above, the budget for welfare service for persons with disabilities has been increasing, and we are reducing the self-pay expenses incurred when they use welfare services, etc., as well as improving the way welfare services are provided.

[About 3]

As mentioned above, the budget for welfare service for persons with disabilities has been increasing.

[About 4]

As mentioned above, the budget for welfare service for persons with disabilities has been increasing, so we think the comment that public expenditure on measures for persons with disabilities has declined is incorrect.

Public pension systems in Japan have introduced a framework for pension finance to avoid an excessive burden on the working generation , which fixes the upper limit of the contributions and adjusts the levels of benefits automatically (“Automatic Modified Indexation Linked to Population”) to keep the balance between pension finance and its budget over the next 100 years.

Consequently, pension benefits, including those for disability basic pension, are balanced and distributed within the revenue of a 100 year span. On the other hand, we are planning to provide “Pensioners’ benefit”, a benefit for low income pensioners, at the time of the prospected 10% consumption tax raise. For Disability basic pension beneficiaries, additional benefit will be paid according to the level of disability stipulated by law (this will be financed by revenue from consumption tax raise (to 10%)).

Ministry of Land, Infrastructure, Transport and Tourism requires the budget necessary for housing measures for disabilities every fiscal year, considering requests from local governments, etc.

[About 6]

As mentioned above, the budget for welfare service for persons with disabilities has been increasing, and we are reducing the self-pay expenses incurred when they use welfare services, etc., as well as improving the way welfare services are provided.

[About 5 and 7]

These matters have already been replied in the above "1 Public Assistance Program".

[About 8]

According to the "Survey of Social Welfare Institutions in FY2015," there were 73,000 physically disabled persons and 120,000 intellectually disabled persons living in social welfare institutions, etc. as of October 2015. Also, according to the "Patient Survey in FY2014," there were a total of 289,000 patients in psychiatric hospitals as of October 2014.

[About 9]

Pursuant to the Act on Comprehensive Support for Persons with Disabilities, we are improving the system for providing various services so that persons with disabilities can receive the assistance they need, such as nursing care for bathing, discharging and meals at home, as well as nursing care while they go out.

To encourage the transition from support centers for persons with disabilities and psychiatric hospitals, etc. to community life, we provide experimental use of welfare services and support to secure housing after the transition for persons with disabilities currently in centers/hospitals.

For community life support projects based on the Act on Comprehensive Support for Persons with Disabilities, local public entities

spearhead efforts to implement various projects flexibly and commensurate with regional features and users' circumstances, such as support for communication and smooth movement. The national government subsidizes up to half the expenses required to implement such projects.

The Government of Japan established New Housing Safety Net Policy which contains registration systems for rental housing. This housing is intended for the promotion of smooth move-in for persons requiring housing support such as those with disabilities, by using vacant rooms of private rental housing and vacant houses. The Government of Japan promotes smooth move-in for persons requiring housing support to private sector rental housing by providing supports about housing renovation, reduction of burden on residents, and the housing support activities of Housing Support Council.

[About 10]

There is no statistics on the suicide rate among persons with disabilities.

[About 11]

The Basic Act for Persons with Disabilities stipulates that the national government and local public entities shall listen to the opinions of persons with disabilities and other stakeholders and strive to respect their opinions when taking measures to support their self-reliance and social participation. Accordingly, in revising the Act on Comprehensive Support for Persons with Disabilities or remuneration for welfare service for persons with disabilities, etc., we discuss at the Social Security Council's Subcommittee on the Persons with Disabilities, including representatives of persons with disabilities and their support groups as subcommittee members, to engage in deliberations based on the results of the discussions.

[About 12]

The Act on the Prevention of Abuse of Persons with Disabilities stipulates that any person who finds out that a person with disabilities is likely to have been subjected to abuse must promptly report details to municipalities, etc. while persons with disabilities suffering such abuse can also report to municipalities, etc. whereupon the municipalities having received such reports or

notifications are supposed to take appropriate measures such as confirming the facts and protecting the persons with disabilities. Under the act, the Government is, striving to identify and prevent the abuse of persons with disabilities from an early stage.

In addition, to promote the use of the adult guardianship system for intellectually-handicapped persons with insufficient judgment ability, we subsidize application fees, etc.

The Act on Mental Health and Welfare for the Mentally Disabled stipulates that an inpatient in a psychiatric hospital or a family member thereof can order a prefectural governor, etc. to have the inpatient leave the hospital, or can ask a prefectural governor, etc. to order the psychiatric hospital administrator to have the inpatient leave hospital or take necessary measures to improve his/her treatment.

The prefectural governor, etc., having received the relevant request, shall request the Psychiatric Review Board, a third party organization located in each prefecture, etc., to assess the need for hospitalization or the suitability of treatment and, based on that result, shall order the psychiatric hospital to have the inpatient leave hospital or take the necessary measures to improve treatment.

Furthermore, since an involuntary hospitalization pursuant to the Act on Mental Health and Welfare for the Mentally Disabled is an administrative action by a prefectural governor, etc., it is possible to file a formal objection in accordance with the Administrative Complaint Review Act.