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Re-employment of Older Adults in Japan Within the Silver Economy: Motivations, Challenges, and Government Responses

WU Xinshen, GUO Li
University of Shanghai for Science and Technology, Shanghai, China

As China has entered a moderately aged society, the silver economy, including the re-employment of older adults, has attracted increasing policy attention. Japan, which has the highest level of population ageing in the world, reported that individuals aged 65 and above accounted for 29.5% of its total population in 2025. Its experience in promoting the re-employment of older adults within the framework of the silver economy therefore offers valuable insights for China. This study systematically examines the current state and underlying motivations of older adults' re-employment in Japan, analyzes the major challenges they face, including physical decline and difficulties adapting to digital technologies, and explores the policy measures adopted by the Japanese government, particularly lifelong learning programs and the establishment of Silver Human Resource Centers (SHRCs). The findings indicate that the number of employed individuals aged 65 and above in Japan reached 9.43 million, marking the twentieth consecutive year of growth, while 84% of older adults expressed a willingness to continue working. Drawing on Japan's experience and considering China's national conditions, this paper proposes several policy recommendations, including strengthening institutional support for older workers, developing diversified vocational training systems, and establishing specialized employment service platforms. These measures may contribute to the development of China's silver economy and enhance its capacity to address the challenges of population ageing.

Keywords: silver economy, re-employment of older adults, Japanese experience, population ageing

Introduction

In recent years, population ageing has become a defining demographic characteristic of China. According to data released by the National Bureau of Statistics, individuals aged 60 and above accounted for 21.1% of the total population in 2023, indicating that China has entered a moderately aged society. In response to this demographic transformation, the General Office of the State Council issued the *Opinions on Developing the Silver Economy and Enhancing the Well-Being of Older Adults* in 2024 (General Office of the State Council of the People's Republic of China, 2024a). As the first national policy document specifically dedicated to the development of the silver economy, it was also designated as the State Council General Office's first publicly released policy

WU Xinshen, undergraduate student, College of Foreign Languages, University of Shanghai for Science and Technology, Shanghai, China.
GUO Li (correspondence author), Lecturer, M.A., College of Foreign Languages, University of Shanghai for Science and Technology, Shanghai, China.

document of that year. The document defines the silver economy as "the aggregate of economic activities that provide products and services for older adults and prepare individuals for later stages of life" (General Office of the State Council of the People's Republic of China, 2024b).

Japan has the highest level of population ageing in the world, and this trend is expected to continue in the foreseeable future. Consequently, the country has accumulated extensive experience in addressing ageing-related challenges. As neighboring countries within the East Asian cultural sphere, China and Japan share certain demographic, social, and cultural characteristics, and both have experienced rapid population ageing. Japan's development of the silver economy therefore provides important lessons for China in responding to demographic ageing. Zhang Shixin, Deputy Secretary-General of the National Development and Reform Commission, noted at a State Council policy briefing that the development of the silver economy is conducive to accommodating the transition in older adults' needs from basic survival to developmental and quality-of-life demands. Against this backdrop, this paper focuses on how Japan has promoted the re-employment of older adults as part of its broader silver economy strategy.

Population Ageing in Japan: Current Situation

Internationally, individuals aged 65 years and above are generally classified as older adults. A country or region is considered to have entered an ageing society when either the proportion of the population aged 60 and above exceeds 10% or the proportion aged 65 and above reaches 7%.

As of November 1, 2025, Japan's total population stood at 122.86 million, of whom 36.22 million were aged 65 years or older. This corresponds to an ageing rate of 29.5%, representing an increase of 0.06 percentage points compared with the previous month and setting a new historical record. The population aged 75 and above reached 21.52 million.

Among the G7 countries, Japan also enjoys the highest life expectancy. In 1990, average life expectancy was 75.92 years for men and 81.90 years for women. By 2024, these figures had risen to 81.09 and 87.13 years, respectively, ranking among the highest globally. The gender gap in life expectancy narrowed to 6.03 years, a reduction of 0.01 years compared with 2023. Over the past three decades, average life expectancy in Japan has increased by more than five years. Projections suggest that by 2070 life expectancy will reach 85.89 years for men and 91.94 years for women.

The continuous extension of life expectancy reflects the deepening of population ageing in Japan. In response, the Japanese government has increasingly emphasized policies targeting older adults' needs. As the size of the older population expands, their economic influence has grown correspondingly. Stimulating demand among older consumers is now regarded as a crucial factor in expanding domestic demand and maintaining stable economic growth in Japan (National Institute of Population and Social Security Research, 2025).

The Current State of Re-employment Among Older Adults in Japan

According to statistics reported in the 2025 White Paper of Japan's Ministry of Health, Labour and Welfare, the number of employed older adults reached 9.43 million in 2025, marking the 20th consecutive year of growth. Older workers have become an increasingly important component of Japan's labor force amid ongoing demographic ageing and labor shortages. At present, individuals aged 65 and above account for approximately 34.5% of the country's employed population.

The willingness of older adults to remain economically active is also notably high. A survey conducted by the Cabinet Office in 2019 revealed that as many as 84% of older respondents expressed a desire to continue working beyond the conventional retirement age. This strong employment intention has translated into relatively high labor force participation rates among older adults. In 2024, the employment rate of men aged 60-64 reached 84.0%, while that of men aged 65-69 stood at 62.8%. Among women, the corresponding employment rates were 65.0% for those aged 60-64 and 44.7% for those aged 65-69. These figures indicate that a substantial proportion of older Japanese adults continue to participate in the labor market after reaching retirement age.

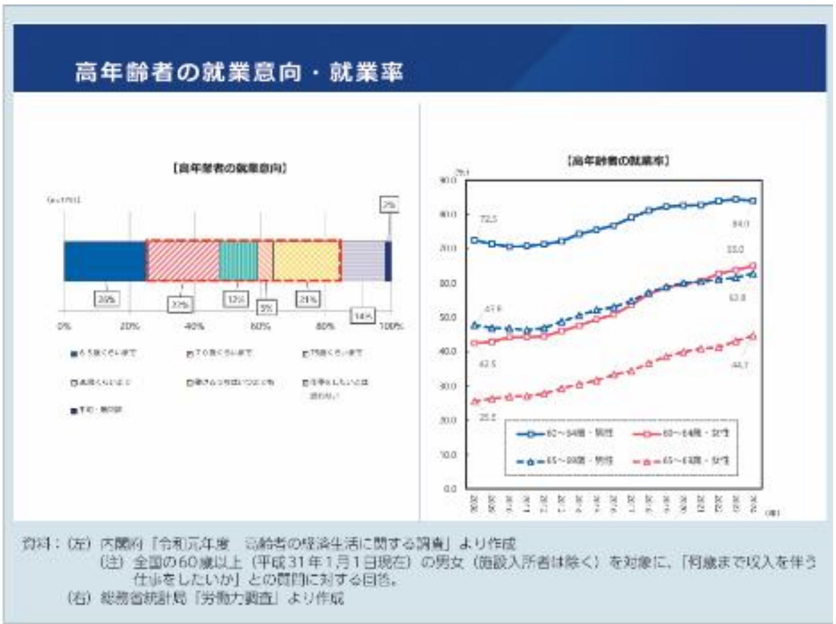

Figure 1. Employment Intentions and Employment Rates of Elderly People in Japan.

Motivations for Re-employment Among Older Adults in Japan

Promoting the re-employment of older adults and making full use of senior labor resources constitute important components of the silver economy. Re-employment not only enables older individuals to supplement their income but also provides opportunities for continued social participation, personal development, and the realization of self-worth. These benefits contribute to both individual well-being and the broader development of the silver economy (Lu & Meng, 2025).

Financial Necessity and Economic Pressure

Economic considerations remain one of the primary drivers of re-employment among older adults in Japan. According to a government survey conducted in 2023, retired couples in Japan received an average monthly pension of approximately 210,000 yen, while their average monthly expenditures reached 250,000 yen (Yao, 2025). As a result, many households faced a monthly budget deficit of around 40,000 yen.

This financial burden has been further exacerbated by the prolonged depreciation of the Japanese yen and the steady rise in domestic prices in recent years. The costs of food, energy, and other daily necessities have increased significantly, placing growing pressure on older households whose pension income is often insufficient to meet living expenses. Under such circumstances, an increasing number of older adults are no longer willing or able to rely solely on pension benefits for financial support. Instead, they seek to re-enter the labor market in order to generate additional income and bridge the gap between pension payments and actual living costs.

The growing participation of older adults in employment therefore reflects not only demographic and labor market changes but also a pragmatic response to mounting economic pressures. For many older individuals, continued employment has become an important strategy for maintaining financial security and sustaining an acceptable standard of living in later life.

Pursuit of Self-fulfillment and Active Ageing

Beyond financial considerations, many older adults in Japan choose to remain employed in pursuit of personal fulfillment and meaningful social engagement. In recent years, perceptions of retirement have undergone a notable transformation. Rather than viewing retirement as a period of complete withdrawal from social and economic activities, many older individuals increasingly regard continued employment as a means of maintaining social connections, pursuing lifelong learning, and achieving a sense of purpose in later life. Consequently, it has become increasingly common to observe healthy and active older adults working across a wide range of occupations, including taxi drivers, convenience store clerks, restaurant employees, and apartment managers (Zhu, 2025).

For these older workers, continued engagement in work helps reduce feelings of social isolation, strengthens connections with the broader community, and provides opportunities for regular interpersonal interaction. Moreover, the ongoing use of professional skills and cognitive abilities may help delay physical and psychological decline associated with ageing. Through these mechanisms, re-employment contributes to improved quality of life, enhanced life satisfaction, and a stronger sense of self-worth among older adults.

Challenges Affecting the Re-employment of Older Adults in Japan

A range of policies have been introduced by the Japanese government to encourage firms to hire older workers, aiming to create employment opportunities and capitalize on the experience and skills of the elderly population. Nevertheless, statistics indicate that the unemployment rate among older adults in Japan reached 1.9% in 2025, representing an increase of 0.2% from the previous year (****). This suggests that significant challenges to the re-employment of older adults persist. In general, the principal factors affecting the re-employment of older adults in Japan can be summarized as follows:

Age-Related Physical Decline (Ding & Zhao, 2021)

From a physiological perspective, ageing is an irreversible biological process. As individuals grow older, age-related declines in physical functioning may limit their ability to sustain prolonged periods of intensive work, thereby affecting both work continuity and productivity. Older workers may also exhibit slower responses when confronted with unexpected situations or tasks requiring rapid decision-making, increasing the likelihood of work-related errors. However, employers often impose the same performance expectations on older and younger employees. When required to meet workloads equivalent to those of younger workers, older employees may struggle to do so and consequently be compelled to work beyond their physical capacity. Prolonged exposure to such conditions can lead to a range of health problems, substantially reducing quality of life and, in some cases, resulting in an inability to continue working for health-related reasons.

From the perspective of job performance, declines in physical functioning can directly affect the work efficiency of older adults. Older workers may require more time to complete tasks, and both the efficiency and quality of their work may be adversely affected. These limitations can, in turn, influence overall organizational performance and economic outcomes.

The Digital Divide and Difficulties in Technological Adaptation

In the current era of rapid digital transformation, digital technologies have become deeply embedded in virtually all aspects of business operations. However, many older workers continue to rely on traditional working methods. Acquiring and adapting to digital tools and digitalized work practices often requires considerable time and effort for older adults and may present substantial challenges. This issue has become particularly pronounced since the COVID-19 pandemic, after which digital forms of work have been adopted rapidly across Japanese enterprises. Traditional work practices are increasingly unable to keep pace with the demands of modern workplaces, placing older workers at a disadvantage in the labour market. As a result, a digital divide has emerged between older and younger employees, which may hinder workplace communication and collaboration and, in some cases, negatively affect the efficiency of work processes.

Government Measures to Promote the Re-employment of Older Adults in Japan

Promoting Lifelong Learning and Skills Development

Many retired workers possess limited capacity to adapt to an increasingly digitalized society, resulting in a mismatch between their skills and the demands of contemporary social and economic development. This has become a significant barrier to the re-employment of older adults. In response, Japan has established a diversified employment training system, developed targeted vocational guidance programs, and provided personalized training schemes for older workers. As population ageing intensifies, the importance of lifelong learning support has become increasingly evident. According to the "Outline of Measures for an Ageing Society" (2016), older adults are expected not only to enrich their spiritual lives and achieve personal fulfilment through learning, but also to acquire new knowledge and skills in order to adapt to social change and extend their working lives.

Within this context, universities for older adults have played an important role. These institutions provide opportunities for social interaction, particularly for older people living alone, thereby helping to alleviate social isolation. They also offer courses in areas such as health management, psychological well-being, and arts and culture, enabling older adults to participate more actively in community governance, cultural transmission, and volunteer activities while enhancing their social engagement and sense of value. For example, the Senior College of Tokyo Metropolitan University offers a one-year structured learning program for individuals aged 50 and above, covering subjects such as the history of Edo and Tokyo and urban development. Similarly, the Senior College of Waseda University provides courses in social issues, personal development, and knowledge transmission, helping older learners better understand social developments, strengthen communication skills, and acquire competence in the use of modern media tools.

Establishing Silver Human Resource Centers (SHRCs)

The Japanese government has established Silver Human Resource Centers to provide employment opportunities for older adults, with the objectives of enhancing their sense of purpose, maintaining economic stability, promoting local community development, and supporting the working-age population. By 2023, a total of 1,341 Silver Human Resource Centers had been established across Japan, with 676,756 registered older job seekers (Zhu, 2025). These centers coordinate with employers, community organizations, households, and older individuals to negotiate and conclude employment contracts. Through this process, they gain a comprehensive understanding of employers' labor requirements as well as older workers' employment preferences and skill profiles. Based on these assessments, staff members match suitable members to available positions by taking into account factors such as job characteristics, working hours, and workload, while also developing appropriate training programs to facilitate successful job placement (H. Y. Wang & Q. Wang, 2025).

In addition, the Japanese government has established lifelong employment support service centers specifically for individuals aged 60 and above. These centers provide free employment assistance, including career counseling, job placement services, and specialized seminars.

Implications for China and Policy Recommendations

Research findings indicate that the strong willingness of older adults in Japan to remain in or return to the labour market is closely associated with the country's well-developed and comprehensive re-employment support system (Lu & Meng, 2025). Although China has also begun to implement policies aimed at gradually raising the retirement age, institutional gaps and insufficient policy support remain, limiting the effectiveness of measures designed to encourage labour force participation among older adults. In this regard, Japan's efforts to promote the re-employment of older people within the framework of the silver economy offer valuable insights for China.

Furthermore, to facilitate the continued employment of older adults, Japan has established institutions such as universities for older adults and Silver Human Resource Centers, which provide opportunities for lifelong learning as well as employment and job-matching services. These initiatives have played an important role in enhancing older adults' employability and labour market participation and may serve as useful references for the development of related policies and programs in China.

Conclusion

Population ageing presents significant challenges to economic and social development, but it also creates new opportunities for the expansion of the silver economy. Japan's experience demonstrates that the re-employment of older adults can serve as an effective strategy for addressing labour shortages, enhancing older adults' quality of life, and promoting active ageing. Through policy measures such as lifelong learning initiatives, Silver Human Resource Centers, and employment system reforms, Japan has established a relatively comprehensive framework for supporting older adults' participation in the labor market.

For China, promoting the re-employment of older adults should become an important component of its silver economy strategy. By strengthening institutional support, expanding vocational training opportunities, establishing specialized employment service platforms, and fostering age-friendly labor market environments, China can better mobilize senior human resources and transform demographic ageing into a source of social and economic vitality.

Ultimately, the development of the silver economy should not be viewed solely as a response to ageing but also as an opportunity to promote inclusive growth and sustainable development. Enabling older adults to remain active, productive, and socially engaged will contribute not only to individual well-being but also to the long-term resilience and prosperity of society as a whole.

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