

# Care and inheritance: Japanese and English perspectives on the ‘generational contract’

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## **ABSTRACT**

This article explores the changing nature and patterns of the ‘generational contract’, with particular reference to the exchange of nursing care and housing assets between older parents and their adult children. Inheritance practices and attitudes are used to examine the ways in which socio-economic, demographic and policy changes have recently altered the conventional arrangements in Japanese society. The previously defined ‘generational contract’ is now ambiguous, and the expectations and obligations of different family members are fragmented. This article also discusses whether such practices in Japan are unique and the ways in which they differ from the English situation. Family obligations and inheritance have been more explicitly connected in the Japanese social and legal systems, while in England there is neither legal obligation to support older parents nor any constraint on inheritance. This article elucidates the similarities and differences in the patterns of inheritance and thus the exchange models between care and inheritance in the two societies.

**KEY WORDS** – inheritance, generational contract, family reciprocity, home ownership, nursing care, Japan.

## **Introduction**

In Japan, until the traditional form of the family system was abolished by constitutional reform after the Second World War, eldest-son succession was the norm reflecting the patrilineal stem-family system. The eldest son looked after his parents through co-residence and, in return, inherited the family wealth (although practical care was often provided by his wife). Co-residence certainly provided a perfect structural context for such an exchange to take place. In a society where the family has the central responsibility to care for their older members, and where high rates of home ownership exist, this exchange has continued to form the generational contract. The reciprocal

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pattern of family support between parents and their children may be more demanding and explicit in Japan than in many western societies. In Britain, with its well-established welfare systems and the widespread preference for independent living, by contrast, the provision of such care and inheritance do not necessarily go together.

The aims of this article are twofold: first, to explore the changing nature and pattern of the generational contract in Japan, by examining the transformation in inheritance practices and attitudes in post-war Japanese society; and second, to examine both whether Japanese practices are unique and the differences with the English equivalents. The comparative element has been useful in two ways. Firstly, more studies of inheritance practice have been conducted in Britain, and their findings provide valuable evidence against which to analyse the Japanese situation. Secondly, both societies have a high rate of home ownership, and the different responses in the two countries is of great interest in the context of their different cultures, laws and welfare systems.

Although data for Great Britain are occasionally referred to in this paper, most of the interpretative comparisons are with England. This is because the different parts of Britain have, to a varying extent, separate legal traditions and policies. Also, in the context of a multi-cultural society, it is difficult to reflect the diversity of family traditions and kinship now found in the British Isles. The discussion is therefore particular to the kinship forms in the 'white' English population.

### **Family obligations and welfare systems**

It is important to understand the context within which the generational contract has been formed and reinforced. Family dependency and the strong role of the corporate sector through occupational welfare characterised the post-war Japanese welfare state (Goodman and Peng 1996; Rose and Shiratori 1986). This contrasts with the founding ideology of the welfare 'state' in post-war Britain. The role of the family as a welfare producer is more explicitly defined in Japan, and thus the Japanese family provides more financial and practical assistance than in most western welfare states. For instance, Japanese parents often fully support their children's higher education, and adult children provide nursing care for their co-resident parents. Moreover, the income of extended family members rather than individuals can be assessed when a person applies for public assistance.

While the strong familial obligations have deep historical and cultural roots, they have been powerfully reinforced by legal and

economic reforms (Peng 2000). Even though the traditional form of the family system was abolished by the constitutional reform after the Second World War, the revised *1950 National Assistance Act* stated that public assistance was supplementary to assistance offered by relatives, who should be the primary supporters. In this case, the legally stipulated family extends vertically across three generations and horizontally to spouses and siblings. It was not until the 1970s, at the end of a period of rapid economic growth, that Japanese social welfare legislation ended the family's legal obligation to provide social welfare. Despite the legal change, however, Japanese families still feel obliged to provide welfare for their immediate members. Given the characteristics of the family role and their implicit obligations, a remarkable imbalance has developed in welfare state services and benefits. Apart from two major areas of public expenditure, pension schemes (52 per cent of total expenditure in 1997) and national health insurance (37 per cent), other forms of welfare such as social service provision (11 per cent) and public assistance are under-developed.

In England, in contrast, there is no legal obligation to support relatives, with the exception of dependent spouses and under-age children. Historically, while a partial codification of family responsibility existed under the Poor Law, it governed a particular section of society, and even children of the poor were not expected to support their parents (Thomson 1991, quoted in Twigg and Grand 1998: 139. See also Thomson 1986). Compared with Japan, dependent family members are defined narrowly in English law, and kinship structure has traditionally been regarded as weak (Finch 1997). A high degree of independence among family members is also apparent in their household structure, with the nuclear family being the predominant form of English household. Policy debates on these issues in modern Britain are often based on the assumption that family care has been taken over by formal welfare services. Some argue that the rise of the welfare state has contributed to the weakening of the family as a caring group. Many studies have however demonstrated that kin relationship is still a significant source of assistance for many people (Finch and Mason 1993), and that family support for older people is 'alive and well' (Qureshi and Walker 1989).

### **Home ownership and inheritance**

#### *Why inheritance matters?*

Why is inheritance important or relevant in the context of family relations? The first and foremost reason is that in capitalist societies

such as Japan and Britain, inheritance can contribute to the accumulation of family wealth over generations and thus may contribute to family solidarity. As Finch (1997) described in the context of kinship, inheritance is only of significance if there is 'something valuable' to pass on from one generation to another, which often means land and property rather than savings, since ownership of land and housing usually forms the largest share of an individual's or the household assets.

Given the concentration of land ownership in both Britain and Japan before the industrial era, inheritance used to be of importance only among the bourgeois classes in England (Finch *et al.* 1996) and among an equivalent class in feudal Japan. The creation of a new bourgeoisie in nineteenth century England, whose wealth was based on industrial capital rather than land, expanded the number of families for whom inheritance became a relevant issue (Finch 1997). In Japan, a dramatic increase in home ownership occurred when post-war economic growth effectively made the whole nation 'middle class'. Nowadays, home ownership rates are high in both societies, at 60 per cent in Japan in 1998 and 67 per cent in England in 1994, indicating the expanded potential of inheritance for trans-generational wealth accumulation.

#### *Level of inheritance and its potential*

There is little evidence about the patterns of bequests and their contribution to inter-generational transfers. In Japan, a 1996 survey of 'Bequest behaviour and the motives of households' found that the proportion of respondents who had received bequests was 22 per cent, and 22 per cent also expected to receive them in the future (Horioka *et al.* 1998; 2000). Another approach to measure levels of inheritance is to examine the means by which households obtain their dwellings. According to a 1995 survey, 25 per cent of respondents occupied an inherited property, while 56 per cent had built their own house (Management and Coordination Agency 1995). The same survey also revealed that a significantly higher proportion of families in rural areas inherited property compared with those in large and medium-size cities.

The levels of inheritance appear to be higher among the younger cohorts, reflecting perhaps a general increase in home ownership among their parents' generation and the decrease in fertility rates. Japanese commentators suggest that levels of inheritance can be expected to increase, as urbanisation has approached saturation, and as

the cohorts with high home ownership rates have begun to reach old age. Indeed, the current home ownership rate among 'households with related members aged 65 years and older' is high at 85 per cent (Management and Coordination Agency 1998). Extended family households in 1993 had an even higher rate (91 per cent), although we should note that the property could be owned by either generation. Among elderly-only households, home ownership rates were lower: 85 per cent of elderly-couple households and 65 per cent of single older person households owned their home in 1998.

In Britain, Inland Revenue statistics are available on the number, value and asset composition of 'estates passing at death' (Hamnett 1995). A study by Morgan Grenfell (1987, quoted in Munro 1988: 418) estimated that the value of housing inheritance would grow markedly from £6.8 billion in 1987 to £24.3 billion by 2000. This increase was anticipated because of both rising levels of home ownership among older people and the rapid house price inflation during the 1970s and 1980s (Hamnett 1995).

Since older people in both societies are more likely to own their house outright, the younger generation often inherit these assets without debts. There are, however, some older people who enter home ownership reasonably late and still have mortgaged home equity. For example, as a result of purchases under the 'Right to Buy' scheme in England, the proportion of older people not owning their home outright increased during the 1990s (Leather 1999). Becoming a homeowner in later life is also possible in Japan, since financial institutions do not usually discriminate against borrowers by age, and 'loan inheritance schemes' have become more widely available. Such schemes enable two generations to purchase a house with a longer repayment period, which serves the needs of extended family living.

Although housing wealth appears to be increasing among the older cohorts, individuals who have received or expect to receive real estate assets are still in the minority in both societies. While a relatively small proportion of Japanese respondents have received bequests, the average bequest is significantly higher than in Britain at £300,000 (£1 = ¥180), or 9.6 times the average annual household disposable income. By contrast, the average value of residential property in estates passing at death was £60,000 in Britain (Inland Revenue 1991). The difference reflects the comparative housing and land values in the two societies, but also arises because the Japanese figure includes household savings and other assets. Differences in the ways in which long-term nursing care is provided and funded in the respective countries may also help to explain the disparity.

The value of the equity that is available for inheritance is more likely to be reduced if the national welfare system expects older people to use their real estate assets to fund care in their old age. In England, to fund residential or nursing home care, both the capital and income resources of an individual are assessed, so that unless older homeowners have passed on their houses to their children, they often need to sell their property to meet the care costs that are not met by the state (Hamnett 1995). On the other hand, in Japan, where co-resident family members are predominantly responsible for the provision of nursing care, it is less likely for older parents to exhaust their wealth before death. Only income (flow assets) was subject to means-testing for public assistance prior to the introduction of 'public insurance for long-term care' in April 2000. There may therefore have been cases in which 'asset-rich and cash-poor' older people received public nursing care services with substantially reduced user fees while keeping their property (stock assets). Despite their different policies and practices, in both societies many argue that the current approach is unfair and jeopardises the social contract by which the allocation of rights and responsibilities as between the state and family members is maintained.

#### *Timing of inheritance*

Demographic factors such as increased longevity influence the timing of inheritance. Japanese people in 1997 enjoyed the world's highest life expectancy: 83.8 years for females and 77.2 years for males. Such extended longevity means that two generations in the family exist, often independently, for long periods, which delays the transfer of wealth between succeeding generations. Further delays are caused in modern Japan, because unlike the practice under the pre-war patriarchal succession system, the transfer of assets does not usually skip widowed wives.

The timing of inheritance conditions the advantage it offers to the younger generation, as for entering owner occupation. In Japan, there has recently been a marked increase in the level of home ownership among those aged over 35 years, which indicates a later entry of households into the sector as compared with Britain (Forrest, Izuhara and Kennett, 2000). According to the survey conducted by the Tokyo Women's Foundation (1997), however, the sharpest increase in inheritance receipt was around the age of 50 years: among the 45–50 years age group, 18 per cent had inherited, while among the 51–55 years age group, 26 per cent had inherited; and 18 per cent and 7 per cent expected bequests in the respective age groups. Given the decline

in co-residence in recent years, a growing proportion of adult children are likely to have an established household with a mortgaged property by the time they inherit a housing asset.

*Changing household structure and inheritance*

The shift away from extended family living arrangements is also altering conventional inheritance practice. This is predominantly an issue for Japanese families, since the nuclear family has been the normal arrangement in Britain (excepting minority ethnic groups) (Leather 1989; Tinker 1997). The vast majority of the Japanese used to spend their entire life living with extended family members, and approximately one half of older people still live with their adult children today (Ministry of Health and Welfare 2000). In contrast, in England only 5 per cent of older people live with a son or daughter (OPCS 1996); and only 2 per cent live in households with children aged less than 16 years (Leather 1999). The largest group of older people (48 per cent) lives with one other older person as a couple; and 30 per cent live alone (Leather 1999). In Japan, despite the tradition of co-residence, the numbers of older people living as a couple or alone have gradually increased for the last three decades. Both single-elderly and elderly-couple households increased between 1983 and 1998 (from 11.3 per cent to 17.5 per cent, and from 16.7 per cent to 25.2 per cent respectively) (Management and Coordination Agency 1998). It has been argued in Japan that decline of co-residence reflects a new life course pattern, whereby older parents and adult children live independently but only until life-course events such as retirement, widowhood or illness occur (Hashimoto 1993). If so, within individual families, inter-generational co-residence is postponed but not entirely avoided. Other evidence suggests, however, that some older people have come to value independent living, or alternatively express a preference for living proximate to their children, especially their daughters, without sharing their accommodation (Izuhara 2000).

Living together may have been a mode of survival, since older people who live independently are generally wealthier in both societies (Hayashi, Ando and Ferris 1988; Qureshi and Walker 1989). However, co-residence provides the perfect structural setting for informal exchanges of family support, reinforces the responsibilities between generations, and facilitates asset transfer between the generations. Co-resident children are more likely to inherit family wealth than those who formed a separate household. The government also views the traditional household patterns as a unique asset, and thus its policies

promote inter-generational living. Apart from the loan inheritance scheme, a new type of dwelling for ‘five-person three-generation family’ households (with 4 bedrooms, 2 living rooms, a dining-kitchen and a bathroom) has been introduced to public housing. A new tax credit for families living with their parents was also introduced in 1984, along with significant tax concessions for families who are purchasing houses for three-generation co-residence or undertaking home renovations for the purpose of accommodating older family members (Peng 2000).

#### *Inequalities between beneficiaries*

Who are the likely beneficiaries among family members? What determines their share of bequests? The answers to these questions illuminate some of the most significant differences in inheritance between the two societies. The Japanese civil law based inheritance codes are clearly based upon the principle that certain family members, especially spouses and children, had the right to an equitable share of the family assets. Spouses are legally entitled to receive half of the deceased’s assets, while the other half is equally divided among children. A variation to include extended family members only occurs if such immediate members are absent. For example, if a child has died, his or her share can be passed onto his or her children (grandchildren to the deceased). If a deceased child was married but without children, but his or her siblings or surviving parents exist, they are entitled to a (relatively small) share of the assets. Since the traditional family system used to determine the ways in which family wealth was passed on, people have not been accustomed to making wills. Even if assets were willed, the immediate family members could legally claim half of the total assets. Thus, it was unlikely that the entire wealth would pass to a third party.

By contrast, the dominant principle under the English system is testamentary freedom. In its pure form, individuals are free to leave their assets without consideration of rights or obligations towards their families, although a series of modifications (in 1938, 1966 and 1975) have been made to protect dependent family members of the deceased (Finch 1997; Twigg and Grand 1998). This system may allow more variations in the disposal of assets, since more kin categories, such as siblings, grandchildren, nephews and nieces, are often beneficiaries. In reality, only a minority in England leave a will – approximately 30 per cent who die aged over 18 years leave a will admitted to probate (Finch *et al.* 1996). When a person dies without a will, a similar principle to



the Japanese system is in fact applied to English cases. In such circumstances, a surviving spouse has the strongest claim, but she or he is not entitled to the whole estate. If the deceased had children, they are entitled to claim a share. If the deceased had no children but siblings or surviving parents exist, they also are entitled to a share (Finch 1989). In reality, therefore, despite the defined freedom, most inheritance is passed onto spouses and children (Finch and Wallis 1994, quoted in Twigg and Grand 1998).

It is worthwhile examining how assets are divided among adult children in practice. In England, the principle of equal shares among children is strongly held, with no preference according to gender, birth order, closeness to parents, or involvement in care-giving (Finch *et al.* 1996; Munro 1988; Twigg and Grand 1998). In Japan, however, 'which adult children inherit what' by gender and birth order remains a crucial question, reflecting the traditional patrilineal succession system. Although the new civil code defines children's equal rights on inheritance regardless of their gender and birth order, they do not necessarily inherit family wealth equally. Even in post-war Japan, the larger the family size, the lower the chance that every child inherits equally. Sons, especially the eldest son, are still in a strongest position to inherit the family property intact, and the typical beneficiaries are still most likely to include co-resident and married children, and sons more than daughters. According to a recent survey, 26 per cent of the respondents wanted to leave their property to the eldest son, 25 per cent equally among their children, and 16 per cent to a co-resident child (Noguchi *et al.* 1988). Geographic proximity between the generations also makes a difference to the type and amount of bequests that children receive. Those who have been less geographically mobile are also more likely to inherit.

Furthermore, there are gender differences in the types of assets that children receive in Japan. Women were excluded from inheritance as well as asset formation under the pre-war civil code, and such gender discrimination has been perpetuated. Consequently, sons are still more likely to inherit property, and daughters to receive cash gifts, sometimes at and sometimes shortly after their marriage, thereby substituting for inheritance. Family symbols such as graves and Buddhist altars also tend to be passed to sons. Of female respondents aged 61–65 years, 24 per cent inherited property and 29 per cent graves or Buddhist altars from their husband's parents, while 19 per cent inherited savings, stock and shares from their own parents (Tokyo Women's Foundation 1997). The disadvantaged position of Japanese women in asset formation reflects their economic position in the family and the labour market.

Compared with Britain, where joint tenancy is chosen by the majority of couples, *e.g.* 81 per cent of childless couples and 72 per cent of couples with children (Finch *et al.* 1996), in Japan household assets including home ownership are often held under the sole ownership of the husband, the principal breadwinner of the household. The Tokyo Women's Foundation survey also found that 23.6 per cent of wife respondents owned property either solely or jointly, compared with 62 per cent of husband respondents.

An imbalance in the division of inheritance among adult children may be inevitable given the indivisible nature of property. In England, bequeathing practices are more diverse and can include many people – as practised by the new middle classes who have been much more likely than the aristocracy to divide property between all their children, and also to leave some control in the hands of widows (Davidoff and Hall 1987, quoted in Finch 1997: 132). Testators either pass on a home intact as a specific item, or treat it as a non-specific part of the total or residuary estate (Finch and Hayes 1994). The majority appear to do the latter. In Japan, sole inheritance is preferred, consistent with a continuing belief in the crucial role of home ownership in maintaining 'family continuity' (Izuhara 2000). According to some Japanese commentators, the strong attachment of the Japanese to their family residence, especially in rural farming communities, means that property is often considered as a 'family asset', and does not 'belong' to a particular individual. These views lead in many cases to informal arrangements, which override the legal prescription of equal inheritance among children. Thus, many adult children give up, if often reluctantly, their legal share in the favour of a 'successor' sibling: according to the 1988 survey, more than 40 per cent of the respondents who gave up their share mentioned this reason (Noguchi *et al.* 1988).

### **Changing patterns of the generational contract**

#### *Expectations for and patterns of exchange*

The generational contract does not always manifest in a straightforward exchange of goods and services between two individuals of succeeding generations. It is possible for the exchange to be one way over a long period before the other party reciprocates. In recent years, particularly, prolonged dependency among Japanese youths has become more common as a result of declining marriage rates, rising unemployment, and increasing numbers in higher education. The

exchange of different kinds of resources, whether money, practical help, nursing care or housing assets, is also quite common among Japanese families (Akiyama, Antonucci and Campbell 1997). Moreover, the Japanese exchange practice can be a 'joint contract' among several parties in the extended family. Gender fragmentation and imbalance in the exchange certainly persists, since sons are more likely beneficiaries of property, and care provision tends to be the duty of wives, daughters and daughters-in-law. In many cases, however, a wife provides care for her parents-in-law according to the custom, and her husband inherits the family wealth. For the *couple*, rights and responsibilities are reciprocated across successive generations, but women as *individuals* are still likely to be disadvantaged by the trans-generational process of family asset growth.

The fact that co-resident children are still likely to inherit a large share of their parents' assets indicates the strong existence of the generational contract among Japanese families. Despite the law defining children's equal rights of inheritance, such 'contracts' (although unwritten) have helped develop the particular rules of exchange among family members. Conventional arrangements can therefore be jeopardised if all the children insist upon their legal rights of equal inheritance. In contemporary Japan, conflicting expectations among the children may derive from the different perspectives of the past and the present: those who had looked after older parents would most tend to expect the reward stipulated by the traditional arrangement. Daughters, especially care-giving daughters, may however insist upon their proper share in modern society. Furthermore, non care-giving siblings would also expect their share according to their legal rights, since the financial and practical burden of family care may have been lessened with the increasing financial independence of older people and the greater availability of social services. Currently Japanese law undermines the contribution of family carers towards the accumulation and maintenance of the family wealth – unlike the inheritance of family businesses where those involved are entitled to receive proportions of the bequeathed estate which best maintain its efficient working. The provision of long-term nursing care is, on the other hand, not legally recognised as 'earning' extra entitlement. In the policy context, family care has and still is treated as unpaid domestic labour.

In England, no evidence has been found of the use of differential inheritance to reward or compensate for family carers, even if social security compensation from the state is sought. Indeed, treating children equally regardless of gender or involvement in care giving

appears to be prevalent (Finch *et al.* 1996). Moreover, it is not clear that care-giving sons and daughters expect a larger share of the inheritance, since the dominant cultural norm is that children should not expect inheritance at all (Twigg and Grand 1998).

#### *Exploring alternatives by older parents*

Home ownership can be used to accumulate family wealth over successive generations, or alternatively to finance the costs of care in old age. In recent years, a minority of Japanese people have made the pragmatic decision to use their wealth to purchase support services or to move to supported housing in their old age. This trend is both encouraged and evinced by the multiplication of care options in the market, with the increasing development over the last thirty years of residential and nursing homes provided by various sectors. In Japan, such group homes for older people used to be only provided by the state for low-income people (Izuhara 2000). For the last two decades, however, both publicly-funded and privately-sponsored supported housing has been operating. Apart from some pilot schemes provided by local authorities, these projects currently serve only affluent older people, since they usually require a large initial lump sum to purchase the 'life-estate' (the right to occupy a property for the period of one's natural life, after which it reverts to the project owner). Many older people who take this option break the generational contract, since it commonly involves the sale of their property. 'Trading down' a property to release equity is another strategy that older people can take to fund care. These strategies are quite common in Britain, but Japanese older people are more constrained. The housing market is less developed, and most have strong attachments to the 'family home' (Izuhara 2000).

Indeed, given the powerful meanings that attach to the Japanese 'family home', the housing asset is less likely to be utilised to generate income for old age. People's attitude towards their resources in old age is often 'spend money but keep property'. According to a 1993 survey by the Daiichi Life Design Research Center, older respondents were willing to leave property to their children (78 per cent), but wished to consume financial assets such as savings (65 per cent) (*Kyoto Shinbun*, 28 March 1993). If people are reluctant to move to supported housing or to trade down their property, reverse mortgage schemes may be attractive (Economic Policy Research Institute 1995; Mikami 1991). In Britain over the past few decades, financial institutions have offered an increasing number and variety of equity release schemes, such as

mortgage annuities and investment bonds (Hamnett 1995; Mullings and Hamnett 1992). In Japan, only 15 local authorities currently operate a reverse mortgage scheme, most in association with financial institutions, but the take-up rates are insignificant. For example, there were only 18 users in 1998 in Musashino City, Tokyo, the pioneer local authority with the longest established scheme. Many restrictions apply to older home-owners, such as low borrowing limits, *e.g.* given the likely devaluation of the property, a maximum of 50 per cent of the market value is available to condominium owners, and for most purpose-specific monthly payment limits apply. The majority of re-mortgagors do not have children. At their death, their beneficiaries are more likely to pay off the mortgage debts from their own savings or loans, rather than by raising funds from the sale of the inherited house. The continuing importance of family wealth accumulation and inter-generational transfer is indicated by the fact that a guarantor, often a child, is a condition before an older home-owner is offered a scheme. Such institutional constraints help families to maintain the customary generational contract.

Increased levels of financial independence by older people through savings and social security also influence the nature and pattern of the generational contract. Indeed, the majority of Japanese people today plan to support themselves in their old age with their own resources. Savings, retirement allowances and insurance premiums are after pensions the most commonly mentioned sources of income in old age. This balance is probably changing, with the increasing precariousness of both public and occupational welfare in the 'post-bubble' economy. On the other hand, to mention children as an income source in old age is rare (according to the 1988 Noguchi *et al.* survey, only 7 per cent). The younger generation also would prefer their parents to consume their wealth for themselves, not leave it to their adult children (Tokyo Women's Foundation 1998). Even though older people have become more independent financially, the sources of support for required nursing care can be a separate issue and largely remains a family responsibility.

Reflecting these attitudinal changes, some Japanese parents in recent years have adopted strategic motives in their bequests, as with plans to leave their assets specifically in exchange for nursing care from their children. Despite the real if sometimes romanticised inter-generational family values in Japan, Horioka *et al.* (1998; 2000) claimed that the 'selfish life-cycle model' dominates household saving behaviour in Japan, in that people save primarily for retirement and other events in their own life course. Only 26 per cent of the respondents wanted to

leave a bequest to their children. In fact, the majority of individuals either did not plan to leave any bequest, or planned to leave a bequest only if their children looked after them in their old age. Any other bequests were either accidental or unintended. Although leaving a bequest equally among children was in principle the most preferred option among the respondents (49 per cent), 32 per cent also mentioned that 'most or all of their assets would be willed to the child or children who looked after them'. Another survey also revealed strong strategic motives behind Japanese older people's bequests: 56 per cent of respondents were planning to leave their assets in exchange for old-age care from their children; and 75 per cent would be willing to leave more assets to children who look after them in old age (*Kyoto Shinbun*, 28 March 1993).

Japanese people appear then to save partly in order to negotiate family support with their adult children. In this context, the exchange of goods and services between the generations may become more explicitly 'contractual' in the 'post-bubble' welfare state. Indeed, providing long-term nursing care may no longer be considered to be the duty of children, in recognition of their competing commitments to child rearing, paid work and other costs. Family support may no longer be 'taken for granted' by older parents, as they recognise that pensions, savings and housing assets give them increasing financial independence. Nonetheless, there have recently been increasing reports of difficulties and disputes about the provision of family support and disappointed inheritance expectations, and some lawyers now advise older people to make explicit, written legal contracts with their children (*Yomiuri Shinbun*, 11 January 1996). This change in Japan, towards older parents making nursing care an explicit condition of inheritance, contrasts sharply with the egalitarian practice of English inheritance.

### Conclusion

Family obligations and inheritance are explicitly connected in the Japanese but not the English socio-legal system. Japanese families are obliged to provide care for older relatives, and inheritance within the family is legally protected. In contrast, there is no such legal obligation to support older parents in England, nor similar constraints on inheritance. Despite these differences, in both nations spouses and children are the major beneficiaries of estates; and despite the contrasting availability of residential care and state financial support, in both Japan and England nursing care is most often provided by

family members. A significant difference is however found in the actual division of equity among children. Despite the Japanese laws that prescribe equal rights for all children, it is sons, especially co-resident sons, who are most likely to inherit the family wealth intact. In England, bequests are much more egalitarian, and gender plays little role in determining a child's share. Maybe the cultural principle of 'independence' has inhibited the English from 'expecting' family support, but for whatever reason explicit exchange rules have not developed.

The traditional inter-generational contract has been transformed in post-war Japan. On the one hand, the younger generation's potential to inherit has increased, with the increased rate of home ownership and the growth of household assets among older people. While these increases have paralleled the country's rapid economic growth, the relatively high value of the assets held by older people, when compared with those of their British counterparts, may be a by-product of the different welfare systems. The family obligation to care for older parents is still strongly asserted in Japan, and older people have not been accustomed to finance their nursing care.

But the breakdown of the customary arrangements has begun, under the influence of several factors. Co-residence is now in decline, and the increasing number of married women in employment also suggests that the pool of family carers is shrinking. At the same time, older people are becoming more independent and individualistic, as they adjust to the increased wealth that has accumulated through savings, social security and home ownership. Maintaining the generational contract and relying on family support is therefore no longer their only or the most desirable option. Some people now pragmatically decide that in their old age they will draw on their personal wealth to purchase support services or to move to supported housing. Others have started to adopt strategic bequest motives, such as planning to leave their assets to a specified child in exchange for nursing care. The generational contract is becoming ambiguous and fragmented, and new and in some cases incompatible expectations and felt-obligations are becoming evident among different family members.

### **Acknowledgements**

This article draws on research on 'The generational contract between care and inheritance: Anglo-Japanese perspectives' that was supported by a grant from *The Nuffield Foundation* in 2000.

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Accepted 4 January 2002

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