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Is the eldest son different? The residential choice of siblings in Japan☆

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ABSTRACT

In this paper, we analyze the determinants of the living arrangements (coresidence behavior) of elderly parents and their children (whether elderly parents live with their children, and if so, with which child) in Japan using micro-data from a household survey. Our results provide support for all four explanations of coresidence behavior but especially for the life cycle and dynasty models (both of which assume selfishly motivated parents) and social norms and traditions: the fact that parents who were self-employed before retirement are more likely to live with their children, the fact that parents are less likely to live with sons who adopt their wife's surname, and the fact that parents are more likely to live with daughters whose husbands adopt their surname constitute evidence in favor of the dynasty model. The fact that parents who were (relatively wealthy) executives before retirement and parents who are homeowners are more likely to live with their children and the fact that parents are more likely to live with less educated children constitute evidence in favor of the selfish life cycle model (or the altruism model). And the fact that parental attitudes toward their children affect their coresidence behavior, the fact that parents are more likely to live with their eldest child if their eldest child is a son, and the fact that parents are most likely to live with their eldest son even if he is not the eldest child constitute evidence in favor of social norms and traditions.

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1. Introduction

Children, especially eldest sons, are much more likely to live with their elderly parents in Japan than in the West. Why is that? What motivates elderly parents and their children to live with each other in Japan? Which child tends to live with the parents in Japan and why? Is it possible to explain the living arrangements (coresidence behavior) of elderly parents and their children in Japan using existing theoretical models of household behavior or do we have to resort to social norms and traditions? The social norm in Japan has been for the eldest son to live with his elderly parents, to take care of them, to carry on the family line, and to receive the parents' entire bequest including the family home, and it is possible that the eldest son lives with his elderly parents not because it is economically rational for him to do so but simply because he is adhering to the aforementioned social norm.

In this paper, we analyze the determinants of the living arrangements (coresidence behavior) of elderly parents and their children (whether elderly parents live with their children, and if so, with which child) in Japan using micro-data from the 1998 "National Family Survey (in Japanese, *Kazoku ni tsuiteno Zenkoku Chousa*)," which was conducted in January 1999 and provided by National Family Research of Japan and the Information Center for Social Science Research on Japan, Institute of Social Science, University of Tokyo (SSJ Data Archive). In doing so, we try to shed light on which theoretical model of household behavior (the dynasty model, the selfish life cycle model, or the altruism model) applies in Japan and the extent to which Japanese households adhere to social norms and traditions.

There have been a number of studies of the determinants of the living arrangements of elderly parents and their children in Japan. One such study is Horioka et al. (2000), which analyzes data from the 1996 "U.S.-Japan Comparison Survey of Saving *(Chochiku ni kansuru Nichibei Hikaku Chousa)*," conducted by the Institute of Posts and Telecommunications Policy of the former Ministry of Posts and Telecommunications of the Government of Japan, and finds that elderly parents are more likely to live with their children if they are planning to leave a bequest to their children, whereas such a relationship is not observed in the United States. Similarly, Ohtake (1991) and Ohtake and Horioka (1994) analyze data from the 1986 "National Livelihood Survey (*Kokumin Seikatsu Kiso Chousa*)," conducted by the Ministry of Health, Labor and Welfare of the Government of Japan, and find that the likelihood of coresidence increases as the bequeathable wealth (housing assets) of elderly parents increases.[1] Iwamoto and Fukui (2001) analyze data from the 1986 and 1995 administrations of the same survey used by Ohtake (1991) and Ohtake and Horioka (1994) and find that elderly parents living in the ten largest cities (the value of whose land holdings is much higher than those living in other areas) are more likely to live with their children than those living elsewhere. Horioka (2008) analyzes data from a survey conducted in 2006 by the Institute for Research on Household Economics and finds that children are more likely to live with their elderly parents if their parents are planning to leave a bequest to them. Finally, Kureishi and Wakabayashi (2008) analyze data from the "Japanese Panel Survey of Consumers *(Shouhi Seikatsu ni kansuru Paneru Chousa)*," conducted since 1993 by the Institute for Research on Household Economics, and find that expected bequests from parents increase the probability that children live with their parents and that expected bequests from parents-in-law *decrease* the probability that children live with their parents. All of these results suggest that the Japanese are selfishly motivated, with elderly parents using bequests to induce their children to live with them, and children living with their elderly parents in order to receive a bequest from their parents.

Yamada (2006) analyzes data from the "Survey on Life Planning in the Age of Long Life (*Chouju Jidai no Seikatsu Sekkei*)," conducted by the Japan Institute of Life Insurance in 1992, and finds that children are more likely to live with their parents if they expect to inherit their parents' home, if both the husband and wife work, and if they have pre-nursery school age children. These results suggest that children are selfishly motivated in Japan and that they live with their parents in order to inherit their parents' home and/or in order to elicit childcare services from their parents. In a related vein, Kureishi and Wakabayashi (2007) analyze data from the 2003 "National Family Survey (in Japanese, *Kazoku ni tsuiteno Zenkoku Chousa*)," the same data source used in this paper, and find that children's desire to live with their parents is motivated by a desire to receive child care services from their parents. All of the foregoing results imply that both parents and children are selfish in Japan and that their coresidence behavior is selfishly motivated.

By contrast, Ando et al. (1986) find that children who are self-employed are more likely to live with their elderly parents, and Iwamoto and Fukui (2001) find that elderly parents who are farmers are more likely to live with their children. To the extent that Japanese children who live with their elderly parents are more likely to inherit and carry on the family business or the family farm, these findings suggest that the dynasty model applies to at least some extent in Japan.

Finally, Martin and Tsuya (1991) and Tsuya and Martin (1992) find that the coresidence behavior of parents and children in Japan is determined in part by social norms, with sons living in small towns or rural areas and sons in arranged marriages (both of whom are more likely to hold traditional views), eldest sons, and daughters married to men other than eldest sons being more likely to live with their parents. However, Martin and Tsuya (1991) also find that social norms have weakened over time, with the elderly relying less on sons and daughters-in-law and more on spouses and daughters for assistance.

Thus, previous studies of the living arrangements (coresidence behavior) of elderly parents and their children in Japan suggest that the selfish life cycle model, the dynasty model, and social norms all hold in Japan to some extent and can partly explain the coresidence behavior of parents and children in Japan, but they suffer from a number of drawbacks such as their failure to take account of siblings (multiple children).[2]

The contributions of this paper are as follows: first, our paper is the first to analyze the living arrangements (coresidence behavior) of elderly parents and their children focusing on the number of children and the composition of children's siblings in Japan. We believe that it is important to take account of information on the number of children and on the composition of children's siblings when analyzing the living arrangements of parents and their children because many hypotheses regarding living arrangements

[1] By contrast, Ando et al. (1986) and Hayashi (1997) find that parental assets lower the probability of coresidence. The conflicting results are presumably due to the presence of two conflicting effects: to the extent that parents value their privacy, they will want to live apart from their children if they can afford to do so, and thus parental wealth will have a negative impact on the probability of coresidence. By contrast, to the extent that greater parental wealth will induce their children to live with them, parental wealth will have a positive impact on the probability of coresidence. The net effect of parental wealth will thus depend on the relative strengths of these two effects.

[2] There are some studies for countries other than Japan that analyze living arrangements and caregiving in the case of multiple children (e.g., Hoerger et al., 1996; Hiedemann and Stern, 1999; Checkovich and Stern, 2002; Engers and Stern, 2002; Konrad et al., 2002). For example, Konrad et al. (2002) analyze the residential location decisions of children in Germany and find evidence that German children are altruistic toward their parents but that the first-born child exploits his or her first-mover advantage by locating far from his or her parents in order to shift the burden of caring for them to his or her younger siblings.