Japanese Retirement Migration in Chiang Mai, Thailand

Miwa Shibuya

Critical Perspectives on Regional Integration 05
Thailand in Transition

Series Foreword

The monographs that comprise the Critical Perspectives on Regional Integration series have emerged from dissertations based on original primary field research, and written as a major part of the requirements for the Master of Social Science (Development Studies) program of the Regional Center for Social Science and Sustainable Development (RCSD), in the Faculty of Social Sciences, Chiang Mai University.

As Senior Editorial Adviser, I was engaged by the Center to conduct an overview of the dissertations—dating back to 2001 and now well over 100 pieces of work—and select which of them would best illustrate the quality of graduate student research. This was by no means an easy task, but it was decided to choose primarily those written in the past few years, given that empirical research in social science tends to date rapidly. Another consideration was that the monographs should give expression to the main theme of the series of Critical Perspectives on Regional Integration.

As the selection and editorial work proceeded it was then decided to organize the publications into sub-series focused on different parts of mainland Southeast Asia. The first several volumes focus on Myanmar, covering such subjects as livelihood strategies, changing ethnic identities, borders and boundary-crossing, and the commoditization of culture within the context of ethnic tourism. Following volumes are devoted to Thailand, Lao PDR, Vietnam, and Cambodia.

The series also illustrates the concern to bring together social science and natural science knowledge in order to further the understanding of sustainable development issues. Over some 20 years Chiang Mai University has developed considerable research expertise in such fields as resource management, environmental impact assessment, upland agricultural systems and indigenous knowledge, health, and ethnic and gender relations. Teaching and research in development issues also deploys social science concepts within the development field to address decision-making, policy and practice, and the responses and adaptations of local populations.

This current monograph series also focuses on the processes of social, cultural, economic, political and environmental change among populations and territories undergoing rapid transformations within the Greater Mekong Subregion (GMS) and the ASEAN Economic Community (AEC).

Victor T. King
Senior Editorial Adviser, Critical Perspectives on Regional Integration Series

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Miwa Shibuya, a Japanese student of sustainable development has conducted fascinating research providing insight into the lives of Japanese retirees in Chiang Mai; what motivates them to spend their old age in a foreign country; why Thailand, and why Chiang Mai? What do they enjoy about it, what they don't enjoy, and what are their worries for the future—especially about the provision of care.

By way of background, the book looks at Japanese demography—Japan has the world's highest percentage of elderly—Japanese social security and pension legislation, Japanese social conformism, and the changing generational relationships in Japan.

ISBN 978-616-398-243-8
350 Baht

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Chiang Mai University Press
RCSD Chiang Mai University

Chapter 1

Japanese Retirement Migration in Chiang Mai, Thailand

Background of the Study

This study contributes to research on retirement migration by focusing on Japanese seniors in Thailand. My subjects for this research were both Japanese expatriates and sojourners who either came to Thailand to live permanently or who moved between Japan and Thailand and will eventually return to Japan. I investigated their migration life and experiences through their subjective lens. My interests covered three main focuses. The first main theme was motivation and migration experiences: what drove them to migrate at a late stage in life? what challenges did they encounter and how did they respond to the difficulties? and in what way has their life changed through migration? Secondly, I shall shed light on the interrelationships between people's interactions and migration: what sort of dynamism has arisen between the numerous Japanese retirees making Chiang Mai their home and how has migration altered relationships between the seniors and relations in Japan. Lastly, I would like to shift my attention to the migratory retirees' perceptions of Japan and Thailand. Understanding the phenomenon of Japanese late-life migration, which develops from a confluence of economic, cultural, political and social causes, will help us comprehend how present day Japanese elderly people deal with achieving their retirement aspirations, and also how contemporary migration becomes enmeshed in retirees' lives during the period of globalization.

Japanese Migration and Emergence of Retirement Migration

In 2011, according to the Japan National Tourism Organization, approximately 17 million Japanese went overseas, more than four times the number of people who went out of the country in 1980. Regarding Japanese temporary (non-travelers) or permanent residents in other countries, the number has also skyrocketed. In 2011, the Ministry of Foreign Affairs of Japan estimated that there were about 1.18 million Japanese nationals living abroad. The population of Japanese expatriates has grown by more than 300,000 people over the past decade and is increasing by about 40,000 a year. This number is composed of two categories: permanent residents, and those who stay longer than three months. The latter group represents about 66 percent of all expatriates. The proportion of long term residents has slightly risen in two decades. Most of these "long-staying residents" are believed to be employees of private firms, or students and researchers (Yamashita, 2008).

This means that transnational migration to resettle has become a more ordinary circumstance for the Japanese compared to the 1980s and early 1990s, when transnational migration was perceived as a luxury available for only a limited number of people. As migratory flows became more and more common, the reasons for the exodus of Japanese overseas have become more complicated since 2000 (Kaneto, 2009). Rather than work-oriented migration, their chief motive is portrayed as something different. Japanese youth cross borders to escape from the hectic life of Japan (Nagatomo, 2008), to enjoy modernity in a global city (Hasegawa, 2007), or to seek an exciting life which would not be achieved in Japan. This is regardless of the greater marginality in the resettled society (Minamikawa, 2005). Gender elements are significant factors in Japanese migration. Some scholars brought to light that Japanese business women today disperse into other countries to escape from the male-dominated Japanese society in pursuit of their autonomy (Thang, MacLachlan and Goda, 2006a; 2006b). This unique form of Japanese exodus is described as lifestyle migration, which puts more emphasis on better quality of life than on economic rationality. Since the Japanese outbound flows are predominantly lifestyle migration,

migrants are not all young people. Quite a few Japanese retirees[1] also enjoy the transnational flow in spite of the prevalent assumption that international migration is for the young and healthy (Toyota et al, 2006). Today Japanese people with various social attributes go abroad, from the young to the elderly, the healthy to the frail, the single to the married, the poor to the well-off, and male and female. In this study, my focus was on the Japanese elderly. The outbound migration of Japanese seniors is usually referred to as *rongusutei* (longstay) in the Japanese language. The *Rongusutei* is commonly acknowledged in Japan. Actors of longstay are usually considered retirees and in Japan, longstay tourism is usually transnational, to stay in another country for certain periods of time to seek a better quality of life. Retirees, or in Japanese taishokusha, who have quit work, usually live on their assets and national pension. It would be safe to say that almost all of the longstayers in host countries are pensioners.

Rongusutei or longstay tourism in English is classified as International Retirement Migration (IRM), which has been popular in the West, particularly, in the European Union. IRM emerged in the early 20th century (Warnes, 2009) but the scale of intra-Europe retirement mobility became significant in the 1960s (Williams et al, 2000). This phenomenon was induced by mass tourism within Europe (Gustafson, 2008). Retirement migration was further facilitated by the Maastricht Treaty which granted passport-free movement within the EU. This made it possible for EU citizens to move across borders, and live, work and reside freely in another country. Predominantly, Northern Europeans and Scandinavians move to rural or urban Mediterranean destinations for the sun and relatively cheap costs of living. Compared to Europe, Asian countries are relative new comers, both as senders and receivers.

Concerning Japan, longstay tourism can be traced back to as early as 1986. Before then there had already been some concern about the rapidly ageing society and the capacity of the welfare system to sustain a growing population of elderly people. In response to demographic change, the Ministry of International Trade and Industry (MITI) (now the Ministry of Economy, Trade and Industry) operated the "Silver Colombia Plan" which was, in short, a plan

1 According to the Oxford dictionary, 7th edition, the definition of retiree is "a person who has stopped working because of their age." This definition may exclude homemakers who engage in domestic work. In light of this, I broaden my definition of retirees this time as "those who do not engage in any economic activities due to their age or economic sufficiency; people who survive on their pension or stored financial resources."

to construct retirement homes for elderly Japanese in several countries. The program received much criticism both domestically and internationally. Other countries thought that Japan was attempting to dump its elderly onto them. Moreover, Japanese seniors were not willing to resettle in foreign countries as permanent residents (Miyazaki, 2008). Subsequently, in 1992, the Long Stay Foundation (Rongusutei Zaidan) was established as a public interest corporation authorized by MITI to encourage longstay tourism. As I noted already, the word *Rongusutei* is familiar with Japanese nationals, but *Rongusutei* is actually a commercial word that is a registered trademark of the Long Stay Foundation. The definition of longstay tourism usually abides by that of the Long Stay Foundation (2010) as follows:

staying for a relatively long period (more than two weeks) in one place abroad, not only enjoying leisure life, but also promoting international goodwill through learning about the local culture and contributing to the local economy by virtue of receiving income from Japan. And basically carrying out this plan on their own.

The Long Stay Foundation estimates that the number of Japanese long stayers in their sixties will increase four times in the mid-2000s to 700,000 people by 2011. This shows how longstay life is a common phenomenon for Japanese seniors nowadays.

As you can see, the definition of longstay is broad, and covers many types of tourists and tourism. Longstaytourism can be differentiated from the predominant international tourism of which the principal purpose is sightseeing and visiting various tourist attractions in a limited time. By contrast, "longstay" tourism shifts its goal from sightseeing into staying for a long duration and having a good life, experiencing a new environment and culture. This type of tourism is closer to migration. But longstayers are not supposed to resettle in a host society permanently; there is a distinction between longstayers and migrants. Longstay tourism blurs the demarcation between tourism/tourists and migration/migrants (Toyota et al, 2006; Ono, 2008).

Longstay Tourism in Thailand from Developed Countries

I will go on to explain the "pull" factors of Thailand where so many Japanese seniors are attracted to spend their retirement. But first I would point

out that the phenomenon of longstay tourism is part of today's global tourism industry. The world tourism market seeks to develop tourism for seniors in the light of the demographic structure of industrialized countries. This is a significant strategic change - the elderly used to be a non-lucrative target segment and not focused on by practitioners in the industry. But the view has been altering. The slice of the pie of the "silver market" will be growing. It has been argued recently that senior travelers have more discretionary time and money for travel than the younger generation, as most seniors are free from working life and family care-taking responsibilities. Once senior travelers were discovered as an ideal target, staying for long periods and contributing more to local economies, the elderly became a prime target of global tourism.

In Southeast Asia, niche market tourism was triggered by the 1997 Asian Financial Crisis (Asher and Bali, 2010). As one of the measures to help recover from the severe recession, the states in the region introduced "retirement visas" to lure middle-income retirees.

Malaysia issues a special retirement visa to expatriates under the "Malaysia My Second Home" plan of the Ministry of Tourism. The Philippine Retirement Authority offers a retirement visa called 'Special Resident Retiree's Visa'. Other Southeast Asian countries such as Indonesia and Singapore also compete to attract pensioners. A main attraction for longstay tourists in Southeast Asia is the low cost of living. The sales pitch is an affluent lifestyle for foreign middle class elderly, unattainable by the ordinary locals. Shirai (2012) describes Japanese seniors as being attracted to this "hedonistic consumption" oriented lifestyle in the region. In this sense, I would like to assert that the quintessential concept of longstay tourism in the Southeast Asian region goes well with the needs of the baby boomer generation (born between 1947 and 1949) and onwards in Japan. According to Miura (2007), the baby boomers were born and raised during a period of significantly high economic growth, and when they reached adolescence Japanese society had turned into a "mass consumption society". Many products and commodities were marketed to cater to the baby boomers with their large disposable incomes. Therefore, the baby boomer generation became more likely to embrace a consumption-oriented lifestyle in contrast to the pre-baby boomer generation which tended to prefer a frugal one, bearing in mind the war and their destitute war-torn life (ibid.). Since 2007, the baby boomer generation has gradually begun to retire from work and enter retirement. Many have sought locations outside Japan,

judging from a survey by the Long Stay Foundation. Since 2006, the desirable destinations in the West, such as Hawaii, Australia etc., have been overtaken by Southeast Asia. The change in preferred destinations almost coincides with the first retirement year of the baby boomer generation. The Japanese elderly, having grown up in a mass consumption society and being accustomed to commodities, were probably fascinated by the prospect of a retirement life of spending in Southeast Asia rather than a modest life in Japan.

For Thailand, tourism is a key foreign exchange earning industry. Thailand received a record-breaking 22.3 million foreign visitors in 2012, when the tourism and travel sector contributed 7.3% to Thailand's GDP. If indirect and induced impacts on the economy are also taken into account, the industry is valued at 16.7% of GDP for 2012 (The Authority on World Travel and Tourism, 2013).

Recently, the Thai government has shifted its strategic tourism policy from mass budget tourism to value-added tourism, ie with more spending per tourist (Manat, 2006). The Tourism Authority of Thailand (TAT) has been responsible for marketing and facilitating tourism since 1960. TAT is in charge of developing marketing strategies to boost the country's multifaceted types of tourism. In the framework of expanding the silver market, TAT also regards foreign senior travelers as a strategic growth segment to increase foreign revenues (Aswin, 2008). Thailand proactively launched a niche market meeting the special needs and demands of old age for graying tourists. In 1998 the government began to offer people aged 50 years and older a "retirement visa" under certain conditions, to be explained in chapter III.

The promotion of the longstay program is ongoing alongside one facilitating medical tourism. These two types of tourism go hand in hand; foreign retirees coming to receive health care services have the potential to turn into longstayers, and vice versa (see Cohen, 2008).

In this context, Japanese pensioners are potentially one of the most lucrative segments for Thailand tourism. According to Prathurng (2006a), TAT has chosen to focus on Japanese senior tourists for three reasons. Firstly, Japanese seniors have high potential in developing longstay tourism due to an increasing ageing segment in Japanese society. Secondly, Japanese pensioners are attractive customers because they have a steady income provided by their government. Thirdly, Thailand can offer resources to satisfy the seniors'

demands ranging from environmental, cultural, and dietary to medical resources. In a competing environment TAT is keen to support various tourism sectors to attract a variety of overseas tourists. Thus the niche market strategy can promise substantial growth in Thailand (ibid.59). A survey by TAT illustrates that of senior visitors aged 55 years and above from 2001 to 2005 the Japanese accounted for the largest population, followed by Malaysia and the U.S.A, (quoted in Aswin, 2008) (see table 1.1).

The Northern Province of Chiang Mai is one of the most attractive Thai destinations for the Japanese elderly (see figure 1.1). This city has been assigned as a pilot area for the longstay tourism project in Thailand, along with four other areas, namely Sukhothai, Prachuabkirikhan, Kanchanaburi and Nongkhai (Prathurng, 2006b).

	Japan	Malaysia	USA
2000	232,776	160,277	111,686
2001	223,331	170,774	115,750
2002	259,051	211,965	125,532
2003	234,655	223,182	113,220
2004	274,551	220,495	139,811
2005	288,001	232,494	144,565

Table 1.1 Number of oversease tourists aged 55 years and above visiting Thailand between 2000 and 2005 *Source: Tourism Authority of Thailand (2006) quoted in Aswin (2008)*

The Japanese media also present Chiang Mai as an attractive receiving society, for five main reasons: the climate, a moderate urbanized atmosphere, convenience of life for Japanese, lower price of commodities, and the character of the locals. Chiang Mai has a pleasant climate for Japanese. The city is located in the north; therefore, the temperature is cooler than one would expect in a tropical country. It is entertaining to observe slight changes in nature according to seasons – not possible in the southern part of Thailand. Also, retirees are able to experience urban and rural lifestyles in Chiang Mai, which I will explain in detail in chapter III. The city has a distinctive culture and historic scenery derived from its former status as the Lanna capital. Though Chiang Mai has been developing rapidly, the city still remains smaller and quieter than Bangkok.

Retirees are able to have a peaceful life. Simultaneously, this 'small town' essence harmoniously coexists with the urbanized sphere. People have the convenience of modern life and a variety of activities within a small area. Lastly, plenty of media point out the positive traits of the locals in Chiang Mai, being described as nice, warm, kind, friendly and generous.

For these reasons, Chiang Mai is not only a longstay destination but also a site of mass tourism. The locals are already used to foreign tourists and most of the Thais engaged in foreign attractions are good at speaking English. Therefore, it is not difficult for non-Thai speakers including Japanese seniors to perform daily routines as long as they stay in the city. I myself know little about the Thai language, but I have encountered few problems for years in Chiang Mai speaking English and Japanese.

Another representative city in Thailand for longstay tourism for Japanese seniors is Bangkok. Compared with Bangkok, Chiang Mai is much less expensive. Japanese senior citizens who wish to stay longstay in Thailand but are concerned about budget tend to settle down in Chiang Mai (Kawahara, 2010; Kuramata, 2003). But at the same time, Chiang Mai also accommodates a wealthy Japanese group which was attracted to a lifestyle oriented towards hedonistic consumption (Shirai, 2012). In short, middle/lower class Japanese sojourners and affluent Japanese seniors coexist in Chiang Mai. Therefore, significant differences in economic strata with a different primary motivation appear amongst Japanese retirees in this city (Toyota, 2006).

As regards the numbers of Japanese seniors in Chiang Mai, it is very difficult to say. One reason is the nature of the longstayer. As I noted, longstayers are located in the gray area between migrants and sojourners. Many of them actively come and go all year round. Who should be counted as a longstayer depends on the definition. Having said this, one expatriate club, the Japanese Association in Chiang Mai, estimates that about 3,000 Japanese nationals registered with the Japanese consulate stay in Chiang Mai province today. Among them, 2,000 were longstayers. In winter time in Japan from November to March, the number of Japanese stayers in Chiang Mai rose to 4~5,000 (personal interview January, 2013)

Figure 1.1 Map of Central, Northern, and Northeastern Thailand
Source: www.maps-thailand.com

Among the longstayers, gender disproportion can be observed (Miyazaki, 2008; Toyota, 2006). Male retirees appear to outnumber females by a large margin. For instance, one of the largest expatriate organizations in Chiang Mai is Chiang Mai Longstay Life Club (CLL Club). The club consisted of 45 females and 106 males in September, 2012. Miyazaki (2008: 146) points out that, "there are considerable numbers of single males among" the longstayers in Thailand. Regarding retirees' age, the average age of the members of the CLL Club was around 68 to 70 in August, 2012. From my interviews with Japanese retirees, I gleaned that the average age of Japanese retirees in Chiang Mai seems to be concentrated in the mid-60s and early 70s, as with the CLL Club. For instance, some Japanese retirees in their 50s and 60s told me about their "youngness"

in the Japanese community; "Here, many of the longstayers are in their 70s, so I don't have many topics to talk with them about" (58-year-old Mr. Yamada, Jan. 2013) or, "Here,.. even 61 years old is young among the Japanese people" (61-year-old Mrs. Ohe, Nov. 2012). In 2003, Kuramata (2003) researched Japanese retirees in Chiang Mai. Back then, most of the longstayers were in their 50s and 60s. A decade has passed since his survey, so it appears that the community of Japanese longstayers has aged as time has gone by.

As Chiang Mai has become home to a growing number of Japanese longstayers and expatriates, Japanese cultural facilities such as Japanese restaurants, karaoke clubs, apartments, and golf clubs catering to Japanese seniors, are more and more conspicuous. Added to the business aspect, as several websites on Japanese longstay tourism[2] have already pointed out, Japanese retirees are inclined to congregate amongst themselves without much interaction with other nationals, creating an ethnic boundary in the host society. In the center of Chiang Mai, Japanese retirees form a loose community where many Japanese commercial institutions have been set up and where many seniors prefer to live.

Ageing Population and Social Security Issues

The increment in migratory Japanese seniors is partially explained by demographic change in Japan. The population is ageing at an unprecedented rate. Today the country confronts a so-called "super-aged society" (see table 1.2). According to the Ministry of Internal Affairs and Communications, people aged 65 and over comprised 25% of all Japanese nationals in 2013 (the Asahi Shimbun, Sep. 16, 2013). The proportion of the population aged 65 and over is the highest in the world. In addition to ageing, the total population of Japan has been shrinking after having reached a peak of 128 million in 2004, and is expected to fall to 86.74 million by 2060, based on the calculation of the middle-fertility assumption (National Institute of Population and Social Security Research 2012).

2 For instance, one Japanese long-stay agent in Hawaii comments that there is no problem with language for long-stay since, "it is common that Japanese retirees are more likely to make relationships with other Japanese than the locals". (http://www.hawaii-stay.com/ accessed 9 Nov., 2012, author's translation from Japanese)