



Economics for Inclusion!:
An introduction to
Research on Economy And Disability
(*READ*)

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Harnessing financial resources against poverty and social exclusion
presented at the World Congress of Inclusion International

What is economics about?

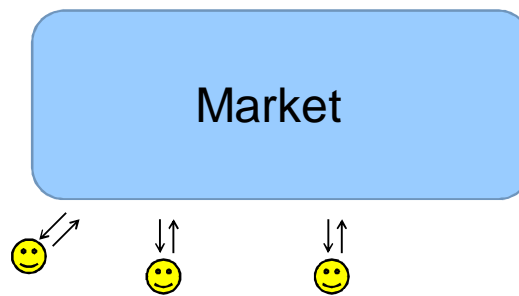
- Economics is a discipline that analyzes society, market in particular, and well-being of people therein.
- Not much talking about human rights, which are usually given in economics.
But can analyze and compare different societies with different levels of human rights.

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Traditional economics vs modern economics

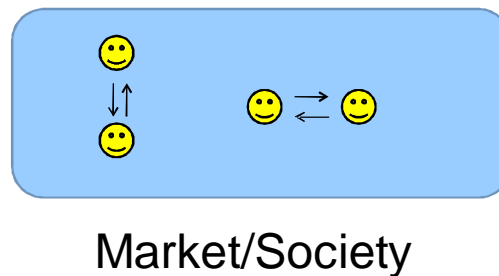
- Traditional economics (Market theory)



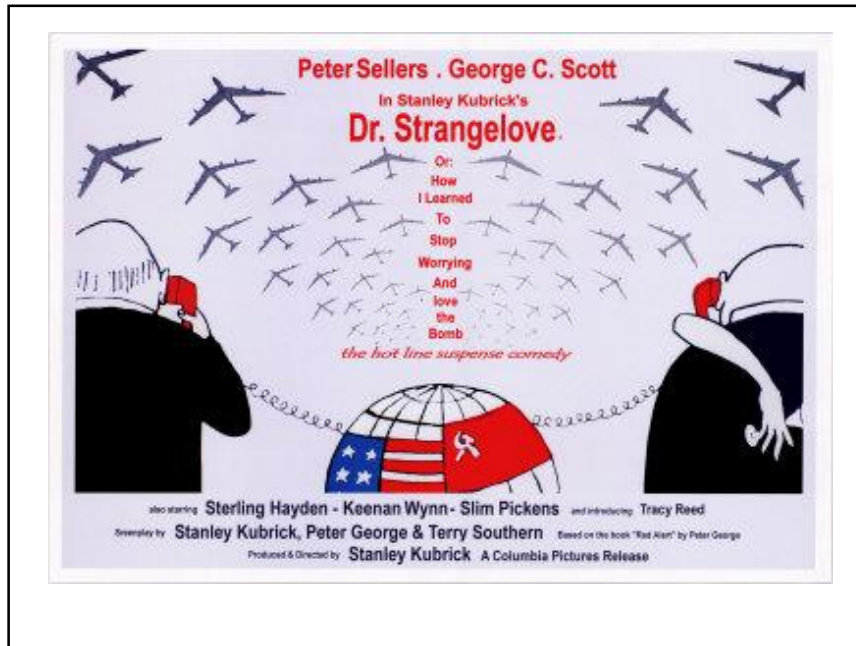
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Traditional economics vs modern economics

- Modern economics (Game theory)



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John von Neumann

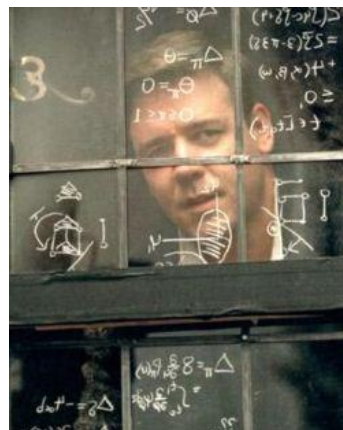
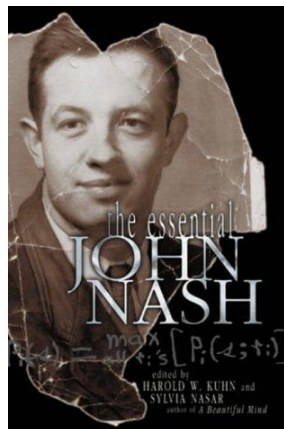




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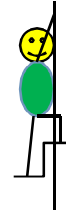
John F. Nash





What game theory can show is that society is designed for the “normal”

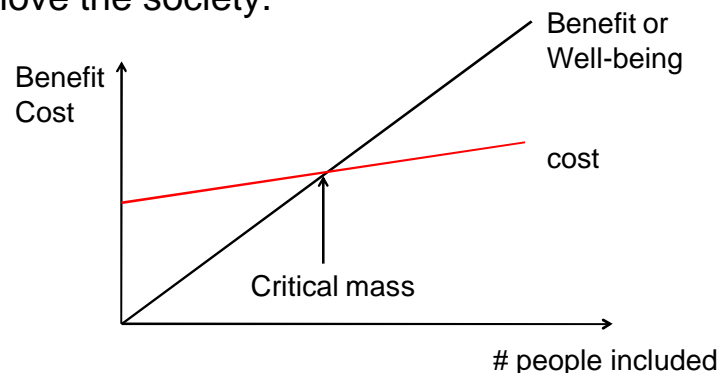
- “normal” is a concept relative to the society.—self-reference
- E.g., height of steps is determined to accommodate “normal” people.
- Indeed, if many people were like athletes in gymnasium, then we wouldn’t have stairs but only a pole to go to “upstairs”.
- In such a society, people like me would be called people with disability (PwD)



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Logic behind the necessity of Social Inclusion 1

- We need a critical mass in public arena to move the society.



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Logic behind the necessity of social inclusion 2

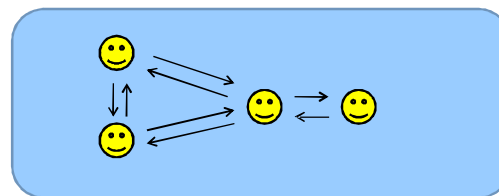
Poor economic conditions and segregation policy of PwD may induce prejudices, which in turn prevents the society from including some people.

Inductive game theory (Kaneko and Matsui, 1999) showed:

“If people who do not know the real structure of society, then segregation leads to prejudices.”

Logic behind the necessity of social inclusion 2

They are doing OK...



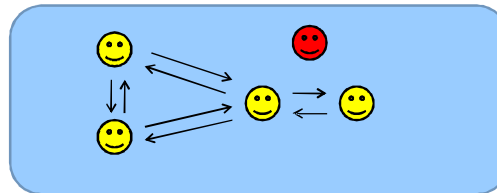
Society

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Logic behind the necessity of social inclusion 2

One day, a different type of person comes.



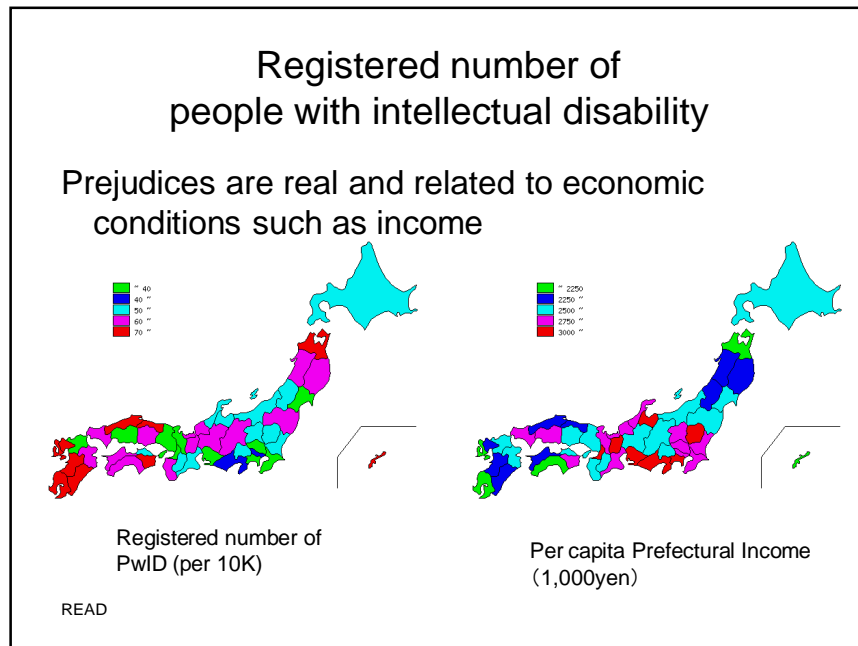
Without preparation and experiences, 😊 don't know what to do. 😊 may justify their not including 😞: "Well, 😞 must be useless (or harmful)." Unfortunately, this happens even if 😞 is useful (or harmless). => Prejudices emerge.

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Registration system for "PwD" in Japan

Limit the number of recipients of benefits.
Registration system as device to divide people between "normal" and "PwD".
"PwD" are separated as a group.
Prejudices are induced against some.

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Hypotheses

(1) Actual # of PwID and economic conditions
Economic conditions \uparrow \Rightarrow IQ \uparrow
 \Rightarrow Actual # PwID \downarrow \Rightarrow Registered # PwID \downarrow

(2) Registered # of PwID and economic
conditions
Economic conditions \uparrow
 \Rightarrow Cost from prejudices $>$ Benefits from registration
 \Rightarrow Registered # PwID \downarrow

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Registered number of people with intellectual
disability
(per ten thousand)

	Severe		Mild	
	coefficient	t-value	coefficient	t-value
Per capita prefectural income (in thousand yen)	-0.0033	-0.80	-0.013	-2.73**
Fraction 65 and over (%)	1.05	2.43*	1.36	2.65*
Avg no. people per household	0.80	0.18	15.17	2.92**
Net social increase rate (%)	-6.57	-1.06	17.20	2.34*
Rate of continuation on to colleges (%)	-0.11	-0.63	-0.42	-2.07*
Constant	13.09	0.78	18.73	0.94

** 1% significance
*5% significance

$R^2=0.54$

$R^2=0.57$

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Conclusion

- Modern economics (game theory) are concerned with people and their interaction.
- Society is designed for the “normal”.
- System designed for “non-normal” induces prejudices, which is real and can be related to economic factors such as income.
- Economics can and should contribute to the understanding of such a situation and the empowerment of PwD by theoretical and statistical analysis.

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**Team: *Research on Economy And
Disability (READ)***

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Thank you!

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- The rest are backup slides.

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Japan a country of uniformity

- Minority
Ainu: 24,000 (0.02% of the total pop)
- Immigrants
Migrant stock (UN, 2006)
1.6% or 28th of 30 OECD countries
(cf. UK: 9.1% or 14th)

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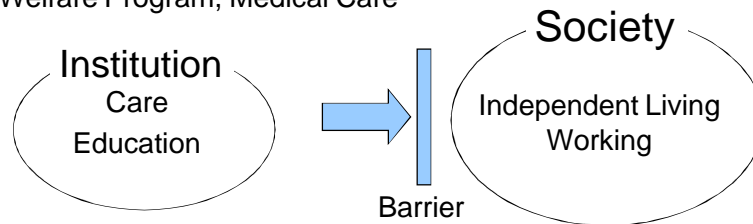


System designed for “non-normal”

There are always people who are not “normal”

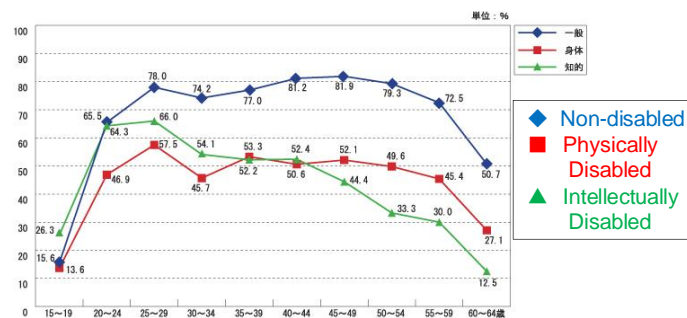
People with disability
Children in Nursing Institutions

Welfare Program, Medical Care



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Working Rate by Age

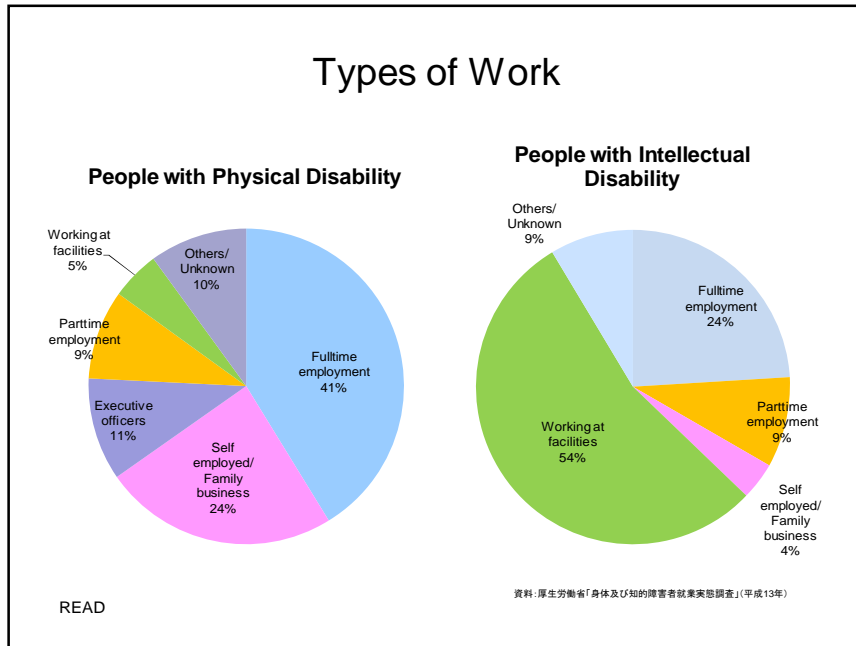


資料:厚生労働省「身体及び知的障害者就業実態調査」(平成13年)
:総務省「労働力調査年報」(平成13年)

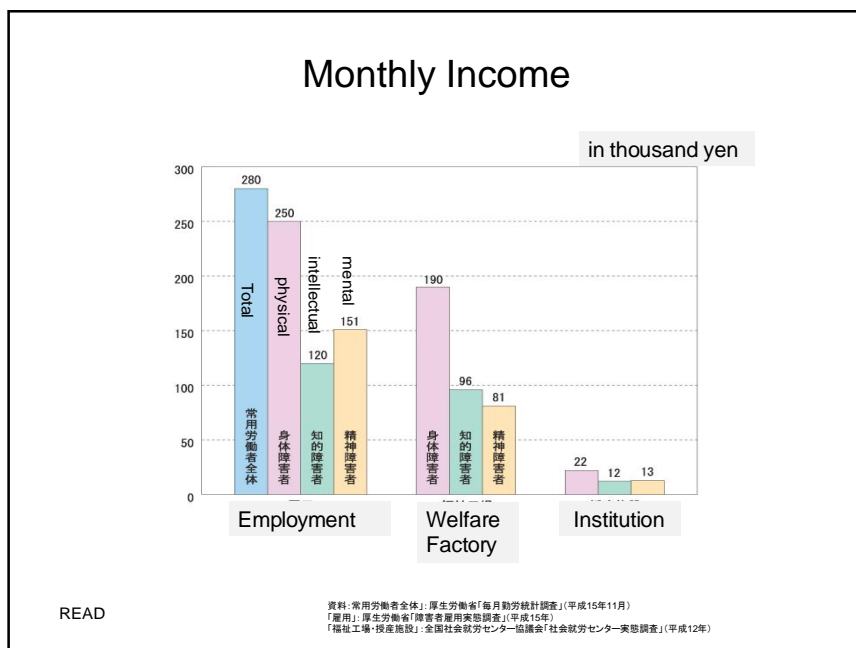
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Types of Work

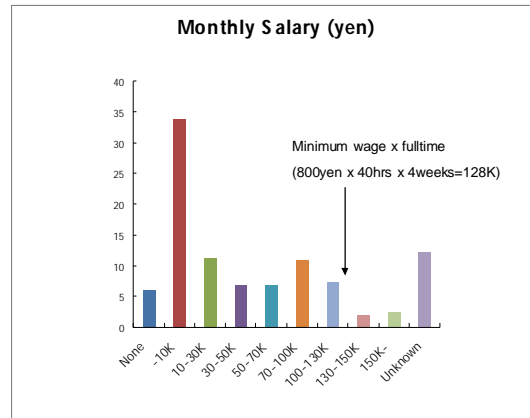


Monthly Income





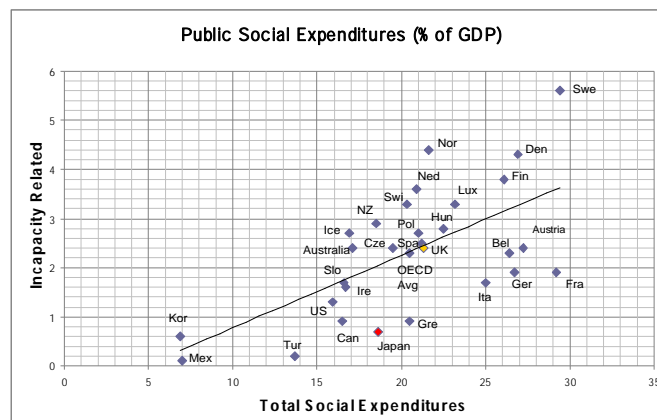
Monthly Salary of P w Intellectual Disability



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資料:厚生労働省「知的障害児(者)基礎調査」(平成12年)

Social Security (OECD, 2007)





What can and should economics
do to reduce stigma and empower
PwD?

E.g., Some people say Basic Income helps
to reduce stigma since it's universal.

But, so far only ideas without theory nor
simulation, and therefore cannot tell
whether it's feasible and effective or not.

Economics can offer a theory and do
statistical analysis as well as simulations.

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