

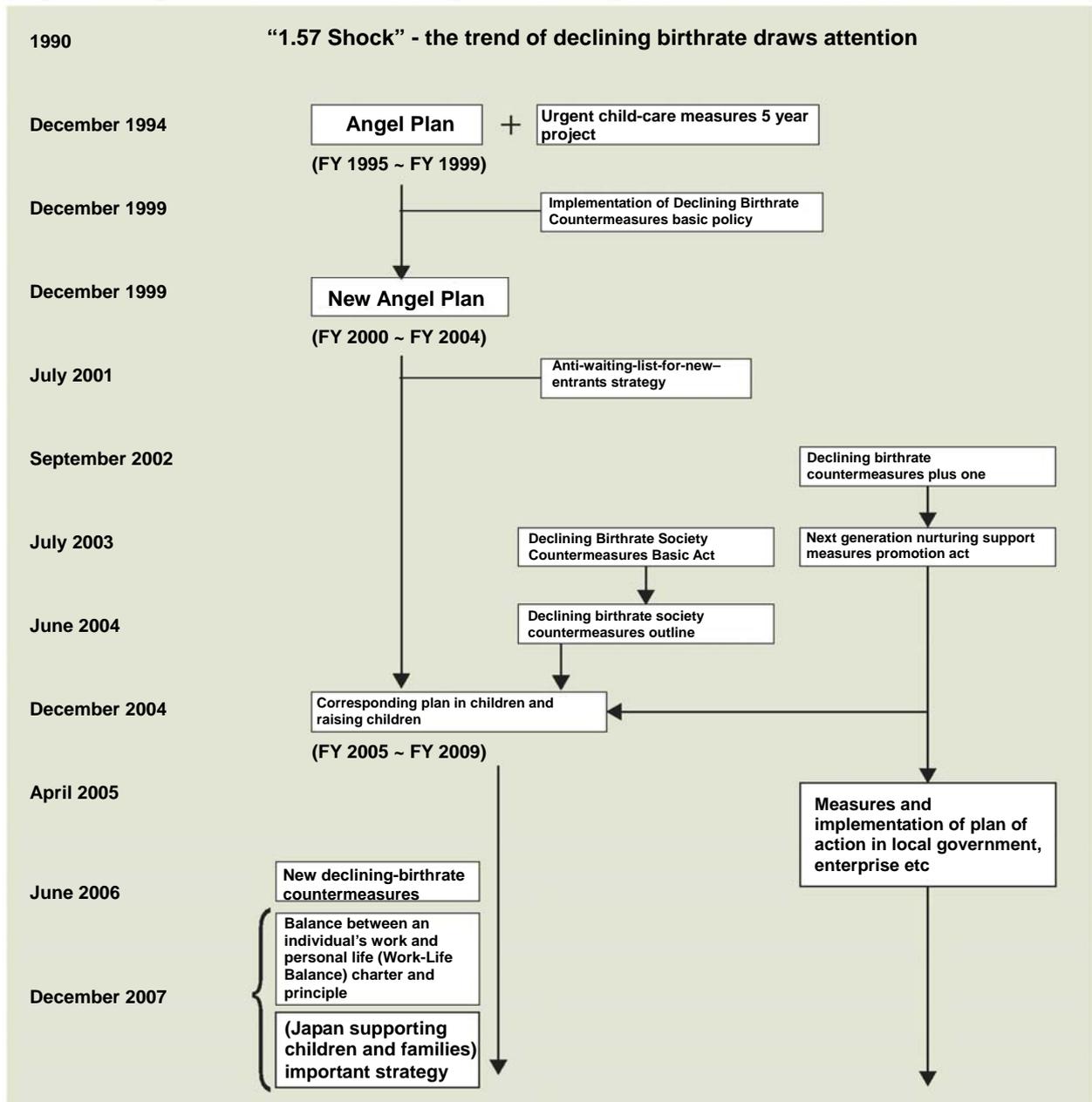
Chapter 2: Countermeasures against a Declining Birthrate

Section 1 Past countermeasures

1. From '1.57 Shock' to 'New Countermeasures Against Declining Birthrate'

○ In Japan, the “1.57 Shock” of 1990 led to serious consideration of the declining birthrate and the decreasing number of children as a “problem.” It also led to the review of countermeasures to be taken, such as support for maintaining a balance between working and parenting, in order to create an environment in which it is easier to raise children. The “Angel Plan” was devised in December 1994, and day-care services were enhanced, setting FY 1999 as the target year. The Angel Plan was revised in December 1999 to include not only day-care service related issues but also an approach to employment, mother and child health, consultation, education, etc and a “New Angel Plan” was formulated and was promoted from 2000 to 2004.

Diagram: Progress of countermeasures against declining birthrate



- Past efforts were made from the viewpoint of support for both holding a job and raising children, and centered around measures relating to day-care. But society as a whole was encouraged to promote comprehensive efforts from the viewpoint of supporting the entire family in raising children in the Declining Birthrate Countermeasure Plus One summarized by Ministry of Health, Labour and Welfare in September 2002. After that, in July 2003, the Next Generation Nurturing Support Measures Promotion Act was formulated, which required local authorities and business operators to set out and implement the plan of action to support next generation training and was implemented from April 2005.
- The Declining Birthrate Society Countermeasures Basic Act was established according to a member's bill in July 2003 and, based on the Declining Birthrate Society Countermeasures Basic Act, Outlined Declining Birthrate Society Countermeasures were formulated in June 2004 as a policy of implementation to deal with the declining birthrate. 28 concrete acts were proposed based on three opinions and four key issues in this outline, designating the cabinet to tackle those issues.
- The Raising Children/Child Assistance Plan was formulated in the Declining Birthrate Society Countermeasure Conference in December 2004. The support plan includes setting detailed implementation content and targets for five years from FY 2005 to FY 2009 according to the four key issues proposed in the outline of the Declining Birthrate Society Countermeasures. The number of items of the overall plan to be implemented is approximately 130. The point of view of citizens has also been considered and the image of a society that should be aimed at after roughly 10 years has been presented. The target was linked to the plan of action by municipalities nationwide, and supporting the promotion plan leads to the support of the plan of action of the municipalities.
- To deal with a greater-than-expected decline in the birthrate, and to plan drastic expansion, reinforcement, diversion of countermeasures against it, the New Countermeasures Against the Declining Birthrate were decided on in the Council of Declining Birthrate Society with the consent of the government in June 2006. The main two points were: 1. reforming the awareness of society as a whole, and, 2. enhancing the implementation of measures from the perspective of focusing on children and family. Forty detailed specific measures were proposed.

2. Analyses of the Difference between Citizens' Desires and the Realities of Marriage and Maternity

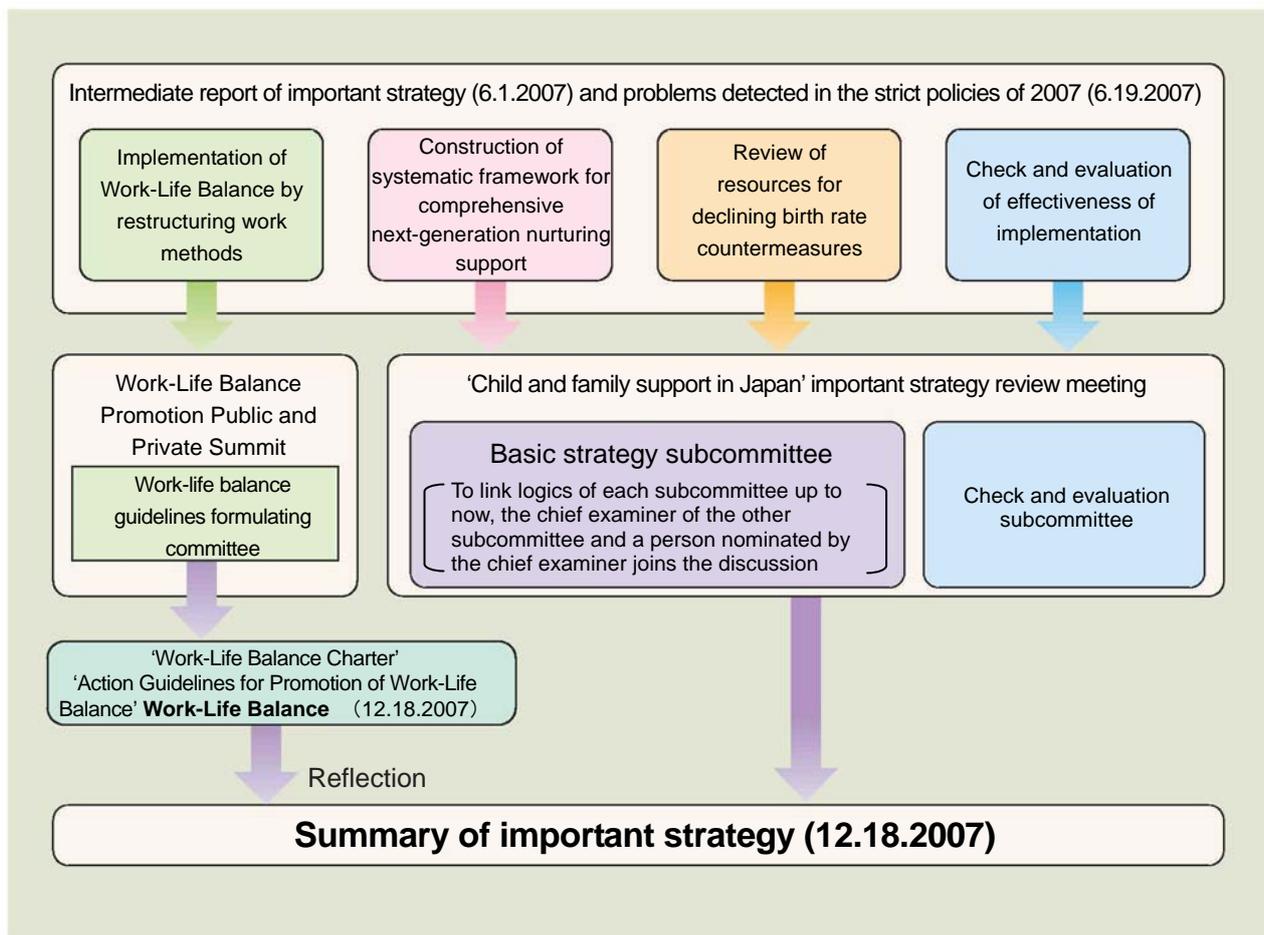
- The 'Population estimation reflecting people's desire to have children' has been published in the Society Welfare Council's Special Panel on Change of Population Structure (hereinafter, the 'Special Panel') of the Ministry of Health, Labour and Welfare. According to this, the total fertility rate is supposed to increase to 1.75 by 2040 in the case of all desires being met (the rate of people remaining single for all their life, less than 10%, and the average number of children for couples, 2.0 or more). It is considered that trends in the declining birthrate can be changed based on this result by eliminating the difference between citizens' desires and the realities of marriage, maternity and raising children.
- The Special Panel focused on the difference between citizens' desires and the realities of marriage, maternity and raising children and put in perspective the causes that create such a difference. According to it, regarding marriage, the causes rest on an economic foundation and the future prospects and stability of employment and career. On the other hand, regarding maternity, there are the problems of balancing the burden of raising children while at the same time continuing to work, and, especially after the birth of second child, sharing the burdens of house chores and raising children with their mate and the extent of anxieties about raising children. To remove such factors and to maintain a socio-economic environment where people can realize their desires are ineluctable policy challenges in our country.

Summary of Important Strategy “Child and Family Support in Japan”

1. Process of Reviewing Important Strategy

- The Child and Family Support in Japan important strategy review conference was established under the Conference for the Declining Birthrate Crisis in February 2007, given the even harsher estimate of declining birthrate and aging society, as shown by the estimate of future population in 2006, in combination with the discussions of Special Panel. The Child and Family Support in Japan important strategy (hereafter referred to as the “Important Strategy”) focused on the requirements for fulfilling the needs of the citizens. Thereafter, four subcommittees were established, and review was done. The review was summarized in the interim report of June 2007 and finalized in December 2007.
- In relation to the realization of a balance between individual work and personal life by reforming how people work was identified as the priority issue in the intermediate report. The Work-Life Balance Promotion Public and Private Summit (hereafter referred to as the “Public and Private Summit”) consisting of the Chief Cabinet Secretary as chairperson, related cabinet ministers, business and labour communities, local representatives and experts, decided on a Work-Life Balance Charter (hereinafter, the “Charter”) and Action Guidelines for Promotion of Work-Life Balance (hereafter, the “Principles”), and they have been reflected in the Important Strategy.

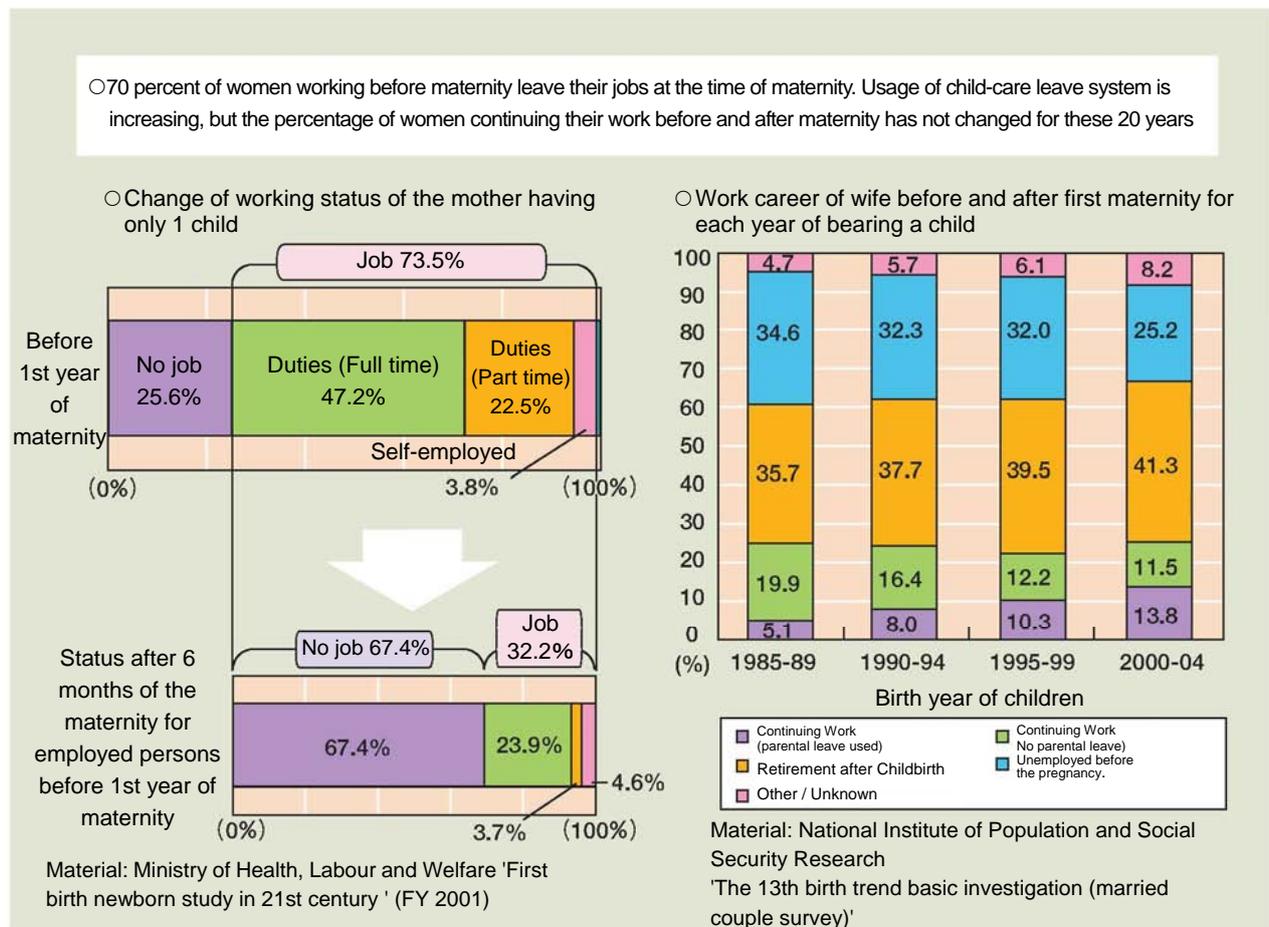
Diagram: Process of review and structure for formulating important strategy, charter and guidelines (Intermediate report onwards)



2. Aspects of Important Strategy Measures

- The prospects of a society with a negative population growth are shown in the future population estimation of 2006 and it may have a drastic impact on the social economy of Japan. If the participation of youths, women and senior citizens is not promoted in the labour market, and if the current labour force participation rate remains unchanged, the population of the labour force will decrease faster than the reduction in the total population.
- It is necessary to accomplish two tasks simultaneously in order for the socio-economy of Japan to continue to develop sustainably, which are: 1. to realize the participation of youths, women, and senior citizens in the labour market, and, 2. to realize citizens' desires regarding marriage, maternity and raising children as early as possible.
- However, 70 percent of working females leave their jobs upon getting pregnant or giving birth. The participation of all citizens with a desire to work, including women, in the work force should be implemented. It is necessary to change this structure with only two alternatives of either holding a job or raising a child, in order to increase the desire of citizens to marry and have children. It is very necessary to promote the Achievement of Balance of an Individual's Work and Personal Life (Work-Life Balance) by Revising the Working Method and its social base, the Framework Structure for Comprehensive Next Generation Training Support, simultaneously as the two main wheels.

Diagram: 'Choice between the two' - work or marriage/maternity/raising children



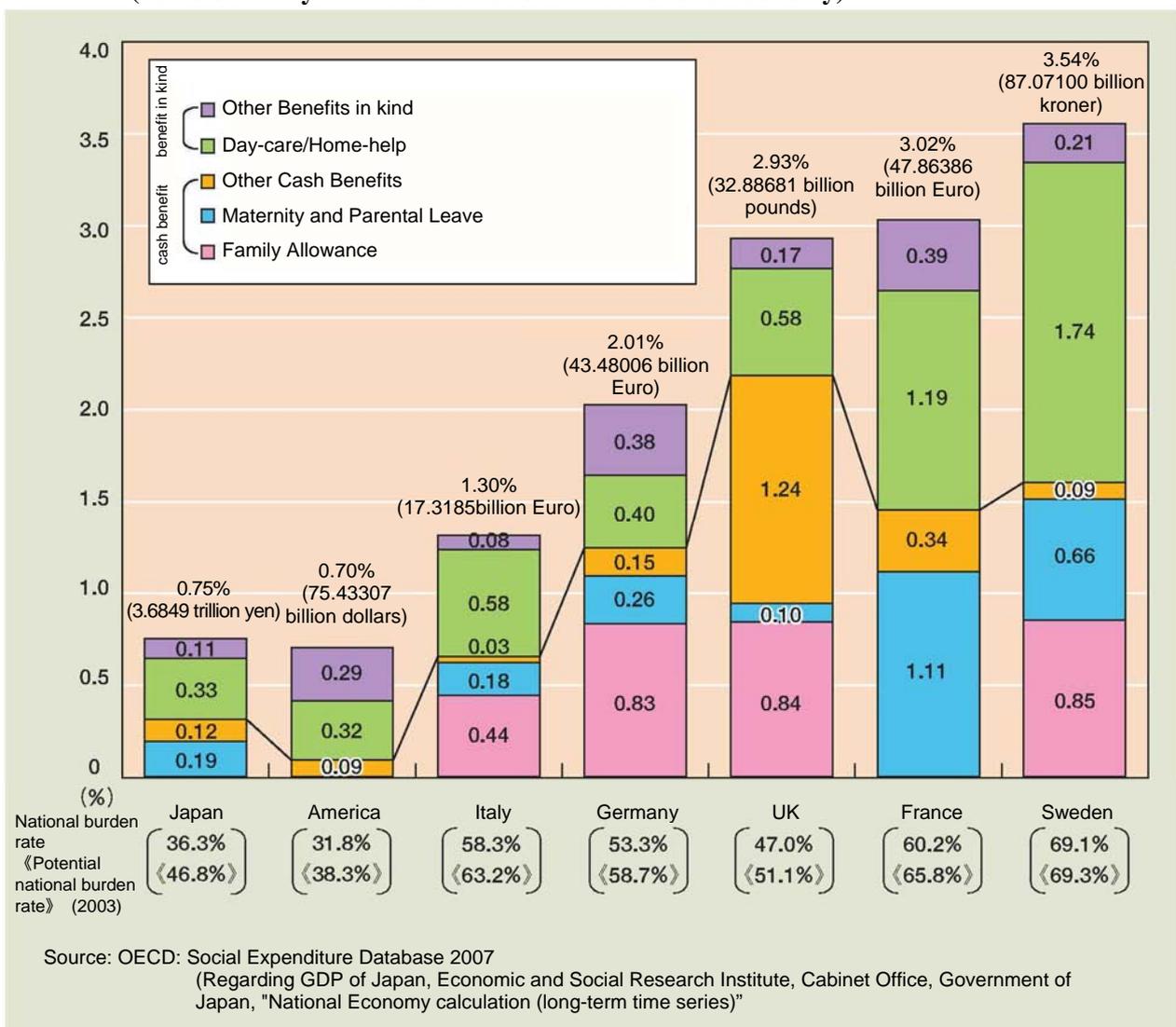
3. Promotion of Balance of an Individual's Work and Personal Life

- In relation to the promotion of balance of an individual's work and personal life, public and government are to promote united efforts for the implementation of balance of an individual's work and personal life based on the Charter and Principle set in the Public Private Top Meeting in December 2007.

4. Structure of Comprehensive Next Generation Nurturing Support Framework

○ In our country, the financial scale of entire family policy through cash benefits and benefits in kind is small compared to European countries. It is difficult to say if the defined national consensus is built with regard to the load sustained by family policy. If compared with the experience of European countries, improvement of family policies with the balance of cash benefits and benefits in kind is necessary; but, in particular, constructing a social base that enables planning for improvement in benefits in kind, labour market participation of all individuals, including women, having a desire to work, and marriage/maternity/raising children, has become a high priority task.

**Diagram: Comparison of GDP ratio of family related social expenses of each country (2003)
(Ratio of family-related benefits for entire national economy)**



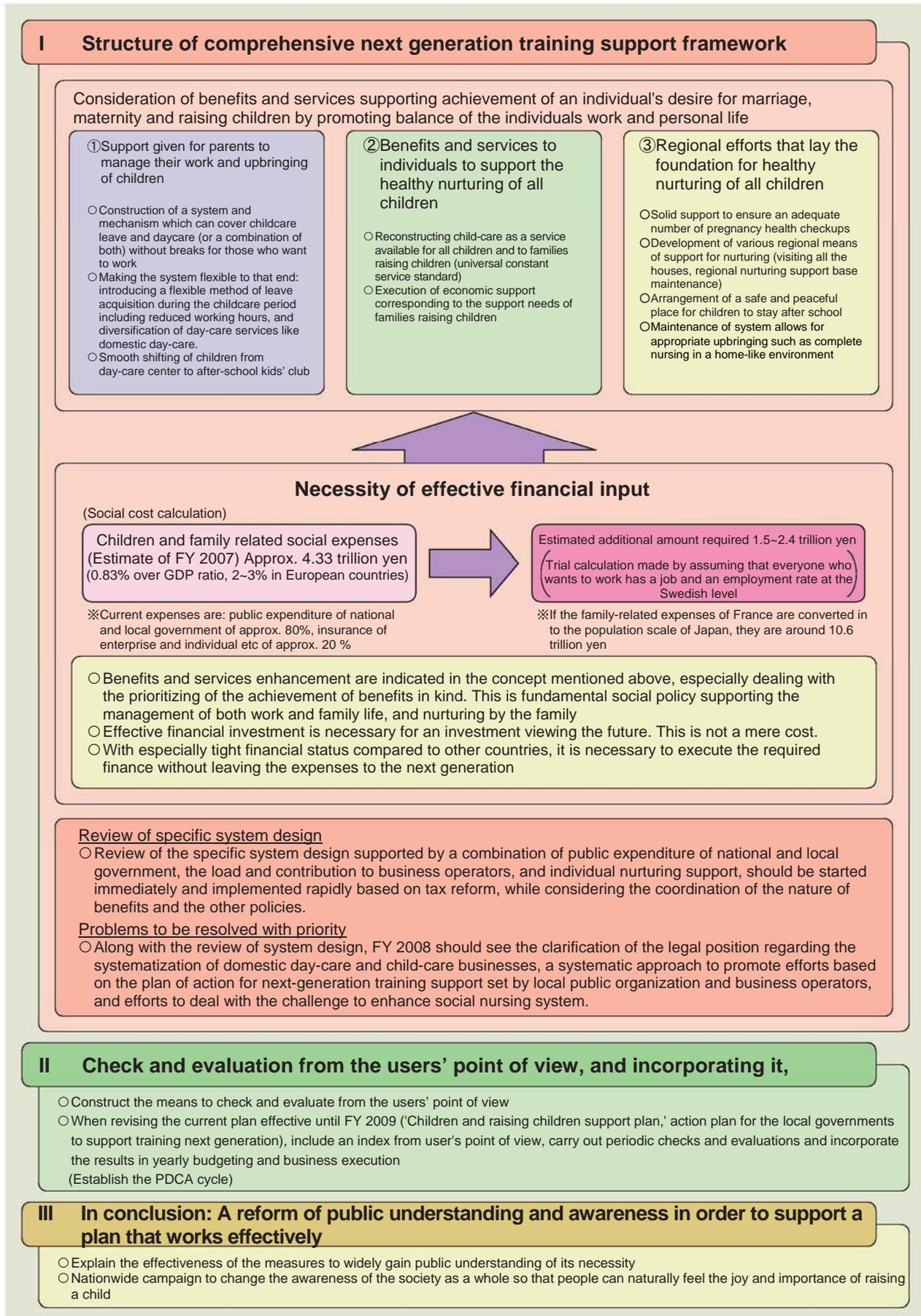
○ In order to promote balance between an individual's work and personal life, and to build a social basis to support citizens for marriage, maternity, and raising children, benefits and services have to be planned systematically in all regions across the country. Along with building a framework, which is universally provided for all children and families with children, it is also necessary to approach the benefit and services preparations actively based on the actual conditions of a region.

- At present, social expenses of children and family of the country are estimated, with the budget base of fiscal year FY 2007, to be around 4.33 trillion yen (corresponding to 0.83% of GDP). Basic Strategy Subcommittee Meeting of the Important Strategy Review Conference estimated the benefit service that supports individual's desired marriage and maternity, raising children and that promotes balance between individual's work and personal life, and its results show that the additional social cost would be around 1.5 to 2.4 trillion yen.
- Cost to the society for next generation training support should be recognized as an "investment for the future." It is very beneficial because it makes possible the participation of women in the labour force by enabling them to manage work, maternity and raising children, and it lessens the future reduction of the labour force by making possible the marriage, maternity and raising children that citizens desire.
- The Important Strategy states that benefits/services have to be provided systematically and universally to support the realization of balance between an individual's work and personal life, and the desired marriage, maternity and raising children. It also states that detailed planning has to be carried out immediately, which is supported by the combination of public expenditure of the country, local government, business operators and individuals' support for raising children, while keeping in consideration the nature of benefits, and the coordination of policies, without putting the burden of required expenses on the next generation.
- Important Strategy states that systematization of domestic day-care and clarification of legal positions of day-care businesses and regional raising children businesses have to be implemented in advance in the FY 2008, with possible review of the current "Children and Raising children Support Plan" and the action plan of local governments.

5. Check and Evaluation from User's Aspect and its Reflection

- Focusing on how much the people's desire of marriage, maternity and raising children is fulfilled, diversity of user, regional difference, mutual linking of support measures, evaluation of quality and quantity, publicity of support measures and how easy they are to use, constant and continuous check and evaluation based on the viewpoints of users should be executed to guarantee the effectiveness of the promotion of the countermeasures against the declining birthrate.
- It is important to introduce a new index that reflects users' points of view for the revision of the current plan. It is also important to incorporate an index that reflects users' points of view from the stage of setting the plan's target and to carry out periodic checks and evaluations, and reflect the results in the serial process of every year's budgeting, business execution, and midterm plan policy, and thus establish the PDCA cycle.
- In order for the various measures to be effective, it is necessary to have a nationwide campaign to change the awareness of the society as a whole so that the young generations that will raise children in the future and the children themselves will be aware of the importance of passing life onto the next generation, of family and of the power of community that supports families, and that they can naturally feel the joy and importance of raising children.

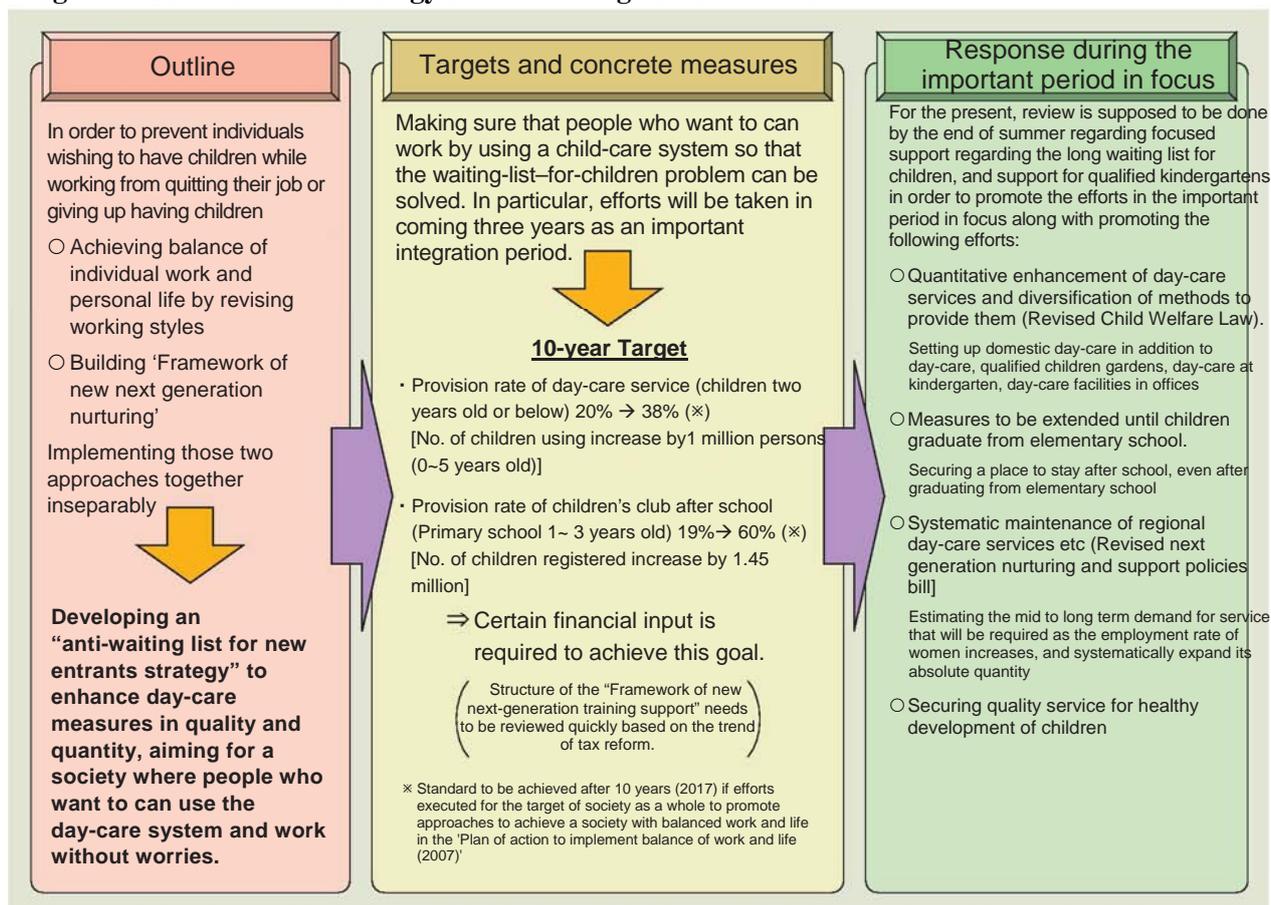
Diagram: Structure etc. of comprehensive next generation training support framework



6. Towards Realization of Priority Issues

- The government budget for FY 2008 reflects Charter and Action guidelines as well as the Important Strategy. It also includes an approach towards promotion of balance between individual work and personal life by reviewing the working styles, enhancement of support measures for raising children such as the day-care services that can deal with various styles of working, and also the enhancement of measures to ensure the obstetrics care that is an urgent challenge.
- In December 2007, with the participation of local public organizations and personnel from labour and management, the Ministry of Health, Labour and Welfare Social Security Council set up a special committee to deal with the declining birthrate. This committee is studying the detailed system planning, which was shown as an Important Strategy issue, and is studying the challenges to be met in the FY 2008 on priority such as the systematization of domestic daycare.
- To promote activities beyond the traditional framework of measures regarding the declining birthrate, such as promoting a reform in working styles on the basis of the Charter and the Action guidelines, it is necessary that each local government strengthen its tie up with other departments in areas such as health and welfare, education and commerce and industrial labour. Local governments should also promote comprehensive measures to tackle the declining birthrate along with the relevant organizations and companies of the region. Therefore, in January 2008, three government ministries, namely the Cabinet Office and Ministry of Internal Affairs, and the Ministry of Health, Labour and Welfare, jointly issued a notification to each local government and requested maintenance of the system by the prefectural office.
- In February 2008, the “anti-waiting-list-for-new-entrants strategy” was developed. The aims of this strategy are to attain a society in which everyone who wants to work can work peacefully, and enhance the quality and quantity of day-care policies to eliminate waiting lists for nurseries by working towards developing a society which helps healthy holistic nurturing of children.

Diagram: Outline of new strategy of anti-waiting list for children



- Fiscal and Economic Policy Council will form “a new employment strategy” in economic growth strategy. As one of the pillars of that, discussions are taking place regarding the enhancement of raising children services so that women don't need to choose between either a career or having and raising children.
- National Council on Social Security was formed with an aim to involve knowledgeable persons for discussion, so that citizens can clearly understand the format of social security, the role and responsibilities of the government, and how they share the load. The declining birthrate and balance between an individual's work and personal life are one aspect of the theme.