

## Chapter 2 Efforts to Deal with the Declining Birthrate

### Section 1 Past Efforts

#### **(Angel Plan and New Angel Plan)**

In the wake of the “1.57 Birthrate Shock” of 1990, the government started to review measures to develop an environment aimed to support work and childcare, and it formulated the “Basic Direction of Measures in Support of Future Child-Rearing” plan (Angel Plan) to create an infrastructure that supports working parents, including a support for balancing work and childcare (agreed to by the Minister of Education, Minister of Welfare, Minister of Labor, and Minister of Construction) and the “Specific Implementation Plan for Promoting Measures against the Falling Birthrate in a Focused Manner” (New Angel Plan) (agreed to by the Minister of Finance, Minister of Education, Minister of Welfare, Minister of Labor, Minister of Construction, and Minister of Home Affairs).

#### **(The Act on Advancement of Measures to Support Raising Next-Generation Children)**

In light of the decline in the capacity to rear children both at home and in communities, and in terms of supporting homes that bring up the children of the next generation in all communities, the “Act on Advancement of Measures to Support Raising Next-Generation Children” (Act No. 120 of 2003) was enacted in July, 2003, in order to help local governments and business operators promote the implementation of concerned and systematic initiatives for a ten-year period. The law aims to help local governments and business operators formulate and implement action plans to promote efforts to support the child-rearing of the next generation. The expiration date of this law was extended by further 10 years by the 2014-amendment, and the contents have been enriched by introducing a new qualification system.

#### **(Basic Act for Measures to Cope with Society with Declining Birthrate, Outline of Measures to Cope with Society with Declining Birthrate, and a Child-rearing Support Plan)**

In July, 2003, the “Basic Act for Measures to Cope with Society with Declining Birthrate” (Act No. 133 of 2003) was enacted, sponsored by lawmakers, and brought into effect in September of the same year. Based on the Act, the “Outline of Measures to Cope with Society with Declining Birthrate” (hereinafter, the “Outline”) was decided by the cabinet in June, 2004.

In December of the same year, the “Specific Implementation Plan based on the Outline of Measures to Cope with Society with Declining Birthrate” (Plan to support childcare and child-rearing) was adopted, and specific measures were presented for implementing the goals for the five years between FY 2005 and FY 2009 regarding items for which the government needs to tackle together with the local governments and companies in planned manner.

#### **(New Measures to Deal with the Declining Birthrate)**

In 2005, Japan registered its lowest total fertility rate ever, 1.26. In order to cope with the faster-than-expected regression of a declining birthrate, and in order to improve, strengthen and shift the countermeasures against the declining birthrate, “New Measures to Deal with the Declining Birthrate” were decided at the Council on Measures to Cope with Society with Declining Birthrate in June, 2006.

In addition to the promotion of a national movement designed to reconstruct family and community bonding and change overall social awareness by establishing “Family Day” and “Family Week,” the “New measures to Deal with the Declining Birthrate” list a range of support measures by age progression, from pregnancy and childbirth to the high school and university periods, and it focuses attention on the fact that the needs for childcare support vary according to the child’s growth.

#### **(Key Strategies: “Japan Supports Children and Families”)**

In December, 2007, the Key Strategies for “Japan Supports Children and Families” (hereinafter referred to

as the “Key Strategies”) were wrapped up at the Council on Measures to Cope with Society with Declining Birthrate.

The Key Strategies stress the importance of addressing the respective issues of the realization of “balancing work and life by changing work culture (realization of work-life balance),” “building a framework (social infrastructure) to comprehensively help parents balance work and child rearing and support families’ childcare” (compatibility of parents’ employment and child-rearing) and building a “system to comprehensively support “child-rearing at home” in a simultaneous and parallel manner.

With respect to the realization of the “Balancing of work and life by changing the work style” act, the “Work-Life Balance Charter” and the “Action Policy for Promoting Work-Life Balance” were decided at a high-level, public-private council for the promotion of work-life balance, made up of representatives of the government, labor and management in December, 2007.

### **(Formulation of a Broad Outline Based on the Basic Act for Measures to Cope with Society with Declining Birthrate (A Vision for Children and Child-rearing))**

Following the “Principles for the Preparation of the New measures to Deal with the Declining Birthrate” (decided at the Council on Measures to Cope with Society with Declining Birthrate in December, 2008), the Cabinet Office established the “Project Team to Deal with the Declining Birthrate from Scratch” in January, 2009 and wrapped up its recommendation (Countermeasures against the Declining Birthrate of “Everybody”) in June, 2009.

Thereafter, in October 2009, the “Childcare and child-rearing Vision (provisional name) Review Working Team” made up of the ministerial members (Minister, vice-minister and ministerial aid) in charge of measures to deal with the declining birthrate of the Cabinet Office was set up in October, 2009 to discuss, and the “Childcare and child-rearing Vision” was formulated via the Council on Measures to Cope with Society with Declining Birthrate on January 29, 2010.

### **(Comprehensive Support System for Children and Child-rearing)**

Pursuant to the Outline of Measures to Cope with Society with Declining Birthrate (“the Vision for Children and Childrearing” decided by the Cabinet meeting in January 2010), “The Comprehensive Support System for Children and Child-rearing Reviewing Meeting” has been initiated under the Measures to Cope with Society with Declining Birthrate Meeting to discuss a new childrearing support system. In March 2012, “The New Basic Support System for Children and Childrearing” was decided in the Measures to Cope with Society with Declining Birthrate Meeting. Based on this decision, the government submitted 3 bills, including the Children and Childrearing Support Law, to the ordinary session of the Diet in 2012 (the 180th Session of the National Diet) as an integrated reform of the social security and tax systems bill. Under the Children and Childrearing Support Law enacted in the Diet through revisions, the government proceeded with preparation toward full-scale enforcement of Comprehensive Support System for Children and Child-rearing; in 2014, the “program for emergent securement of childcare services” was carried out in municipalities, where there were many wait-listed children, by utilizing the financial resources from the consumption tax raised from 5% to 8%; and the new system has been enacted since April 1, 2015.

### **(Efforts for Reducing Wait-listed Children)**

To accelerate a pressing issue of elimination of wait-listed children, the government formulated “the plan for accelerated elimination of wait-listed children” in April 2013, and has been supporting since FY 2015 the municipalities which are tackling reducing wait-listed children, without waiting for the enactment of Comprehensive Support System for Children and Child-rearing. As a result, about 200,000 children are expected to receive day care during FY 2013 and FY 2014 (“the period for urgent, intensive efforts” toward Reducing Wait-listed children). By designating the period from FY 2015 to FY 2017 as “a period for accelerating efforts” aimed at reducing wait-listed children, about further 200,000 children, including those with potential care needs, will be able to receive day care.

### **(Urgent Countermeasures to Break through the Fertility Crisis)**

In March 2013, “the declining birth rate crisis relief taskforce” was established under the Minister of State for Special Missions (countermeasures to the falling birth rate), and in May 2013, “proposal for ‘the declining birth rate crisis relief’” was summarized. In June 2015, based on the proposal, “Urgent measures for the declining birth rate crisis relief” (hereinafter referred to as “Urgent measures”) were decided in the Measures to Cope with Society with Declining Birthrate Meeting.

In the Urgent countermeasures, besides the further improvements to “support child-rearing” and “working style reform” that have been addressed as Countermeasures to the declining birthrate, “Support on marriage, pregnancy and child birth” became new pillars for these measures, and these three pillars shall be promoted as “Three arrows.” With the “Three arrows” of Countermeasures to the declining birthrate, it was decided to aim for the enhancement and improvement of a comprehensive policy for the “seamless support” of marriage, pregnancy and child birth.

The content of Urgent countermeasures was incorporated into the “Basic Policy of Economic and fiscal operation and reform - pulling out of deflation, economic recovery” (the Cabinet decision on June 14<sup>th</sup>, 2013) and the “Japan Reconstruction Strategy---JAPAN is BACK” (the Cabinet decision on June 14<sup>th</sup>, 2013), and the entire government shall address Countermeasures to the declining birthrate.

To steadily implement the “urgent measures,” “the declining birth rate crisis relief task force (the second term)” (hereinafter referred to as “task force”) was established in August 2013 under the Minister of State for Special Missions (countermeasures to the falling birthrate). Based on “the urgent proposal for declining birth rate crisis relief” (November 2013) by the task force policy promotion team (the second term), the importance of the seamless support for marriage, pregnancy, child birth, and childrearing consistent with regional conditions was focused as urgent measures; and based on the strong request from the nationwide association of prefectural governors, “enhancement of regional measures against the declining birth rate” was incorporated into “the economic measures for realization of a virtuous cycle”(Cabinet decision on December 2013); and “Grant for enhancement of regional measures against the declining birth rate”(3.01 billion yen) was allocated in the FY 2013 supplementary budget. By utilizing the grant, local governments are pioneering in seamless supports of marriage, pregnancy, child birth, and childrearing consistent with regional conditions (see Column “Efforts by utilizing the grant for enhancement of regional measures against the declining birth rate”). The same amount of grant was allocated in the FY 2014 supplementary budget.

The major contents summarized in May 2014 by the task force (the second term) have been incorporated in “the 2014 basic policies for economic and fiscal management and reform: from deflation to expansion of a virtuous cycle” (cabinet decision of June 2014) (hereinafter referred to as “Basic Policies 2014”), and became an entire government policy.

### **(“Committee for Japan’s Future” and “Basic Policies 2014”)**

Because a declining population, low birth rate and longevity greatly affect an entire economic society, a “Committee for Japan’s Future” was set up in January 2014 under the Council on Economic and Fiscal Policy to discuss the issues seriously, and an interim summary was compiled in May 2014. In addition, the Basic Policies 2014 decided by the cabinet meeting addressed the issue of “a rapidly declining population and super-graying society” as one of the major challenges in the future Japanese economy, and focused on “the measures against the declining birth rate” as a top priority as well, for which policies to be addressed were indicated. The “Committee for Japan’s Future” continued to discuss the issues and compiled a report in November 2014.

### **(Formulation of Comprehensive Plan for After-school Children)**

Parents, who leave their children with a day-care center in order to work, will face a problem of securing an after-school facility for children to stay safely, when they enter a primary school. To break “the barrier against primary-school first-grade children,” it is necessary to improve places where children stay safely after school. Also, in terms of human resources who will bear the next generation, not only children of the

households in which both partners work but also every child should be given safe places after school so that they can do various activities and experiences there. Hence it is important to take comprehensive measures for an after-school facility for all children.

Therefore, MEXT and MHLW collaborated to discuss the issues and formulated “an after-school plan for children” in July 2014. Based on the plan, children’s after-school clubs holding about 300,000 children will be newly improved by the end of 2019, and all primary school districts will operate the children’s after-school clubs and children’s after-school classrooms collectively or coordinately, and such clubs and classrooms will be provided in more than 10,000 places.

### **(Efforts for Regional Revitalization)**

To address Japan’s major issue of declining population and super-aging, it is necessary to make local regions attractive on the basis of three basic visions: 1) correcting “overconcentration in Tokyo”, 2) realizing youth hopes for employment, marriage, and childrearing, and 3) solving regional issues in accordance with regional characteristics. For these purposes, the reorganized second Abe cabinet started on September 3, 2014 newly appointed the Minister in Charge of Regional Revitalization, and established “Headquarter for Overcoming Population Decline and Vitalizing Local Economy.” In November 2014, “Act for Overcoming Population Decline and Vitalizing Local Economy” was enacted, and on December 27, two decisions were made in the cabinet meeting: “Long-Term Vision for Overcoming Population Decline and Vitalizing Local Economy,” which shows Japan’s mid- and long-term perspective of population and economy, and “Comprehensive Strategy for Overcoming Population Decline and Vitalizing Local Economy,” which summarizes future 5-year objectives, basic direction of policies, and specific policies. In light of these formulations, local governments are supposed to establish Regional comprehensive strategies.

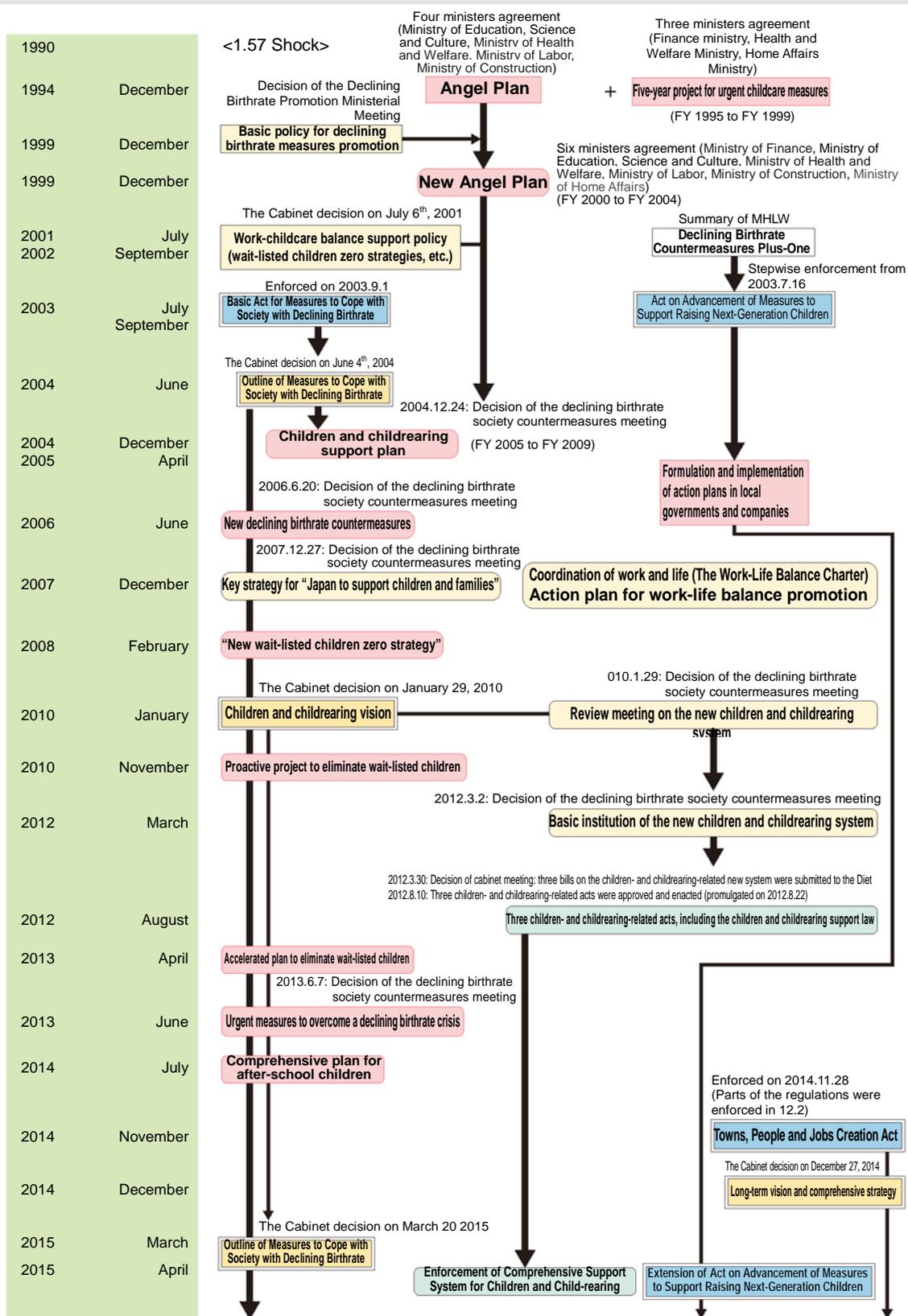
### **(Formulation of New Outline of Measures to Cope with Society with Declining Birthrate)**

Pursuant to the decision of the Basic Policies 2014 stipulating that a New Outline of Measures to Cope with Society with Declining Birthrate shall be formulated within FY 2014, “a review meeting for formulating a New Outline of Measures to Cope with Society with Declining Birthrate” consisting of experts was established in November 2014 under the Minister of State for Special Missions (measures against the declining birth rate), and discussion was started there. Proposals summarized in March 2015 by the review meeting were taken seriously and examined by the government, and decided on March 20, 2015 in the cabinet meeting as a New Outline of Measures to Cope with Society with Declining Birthrate.

### **(Installation of Children and Child-rearing Administration)**

Along with the enactment of Comprehensive Support System for Children and Child-rearing on April 2015, a new organization called Children and Child-rearing Administration has been installed in the Cabinet Office, by appointing the Minister of State for Special Missions (in charge of measures against the declining birth rate) as Director-General, in order to make general plans and coordination for the measures against the falling birthrate; children and childrearing support; promotion of the New Outline of Measures to Cope with Society with Declining Birthrate; and implementation of Comprehensive Support System for Children and Child-rearing.

**Fig. 1-2-1 Chronological history of activities**



Source: Cabinet Office

## Section 2 Commencement of “Comprehensive Support System for Children and Child-rearing” [Special Edition]

Comprehensive Support System for Children and Child-rearing (hereinafter referred to as “New System”) has been enforced since April 2015. This was established based on the children- and childcare-related three acts enacted in August 2012, and is executed by getting financial resources from the raised consumption tax, as an item of the integrated reform of the social security and tax systems.

### **(Background of Review and Main Points of New System)**

Recently, a dwindling number of children due to the low birth rate have been progressing in our country. In a trend of nuclear families and fading cooperation among communities, children and childrearing are facing a severe environment, and not a few households feel a sense of anxiety and isolation in nurturing children. Some problems have arisen, such as, even if parents want to utilize nursery schools, they are occupied, with many wait-listed children; the environment enabling to balance work and childcare is not improved enough for people to fulfil their hope to have children.

Not to mention, child education and nursing are important for building the foundation for lifetime character formation, and so, providing children with comprehensive high-quality education and nursing according to communities’ needs is important.

To cope with these issues, to fulfill the wish of parents who want to have children, and to make a society where child care is easy, new support mechanisms should be constructed to support children and families with nation- and community-wide efforts.

Because each community has different problems: in urban areas, eliminating wait-listed children, and in local regions with declining birth rates, maintaining education and nursing functions, hence it is required to improve childcare support consistent with regional conditions.

There are three main points in the new system as below:

Fig. 1-2-2

## Intent and main points of the three acts related to children and childcare (Enacted in August, 2012)

◆ Intent of the acts

Following the agreement between the Liberal Democratic Party, the Komeito Party, and the Democratic Party, the support for early childhood education and daycare, as well as for children and childcare in local communities will be promoted in a comprehensive manner, as based on the basic understanding that parents are primarily responsible for rearing their children.



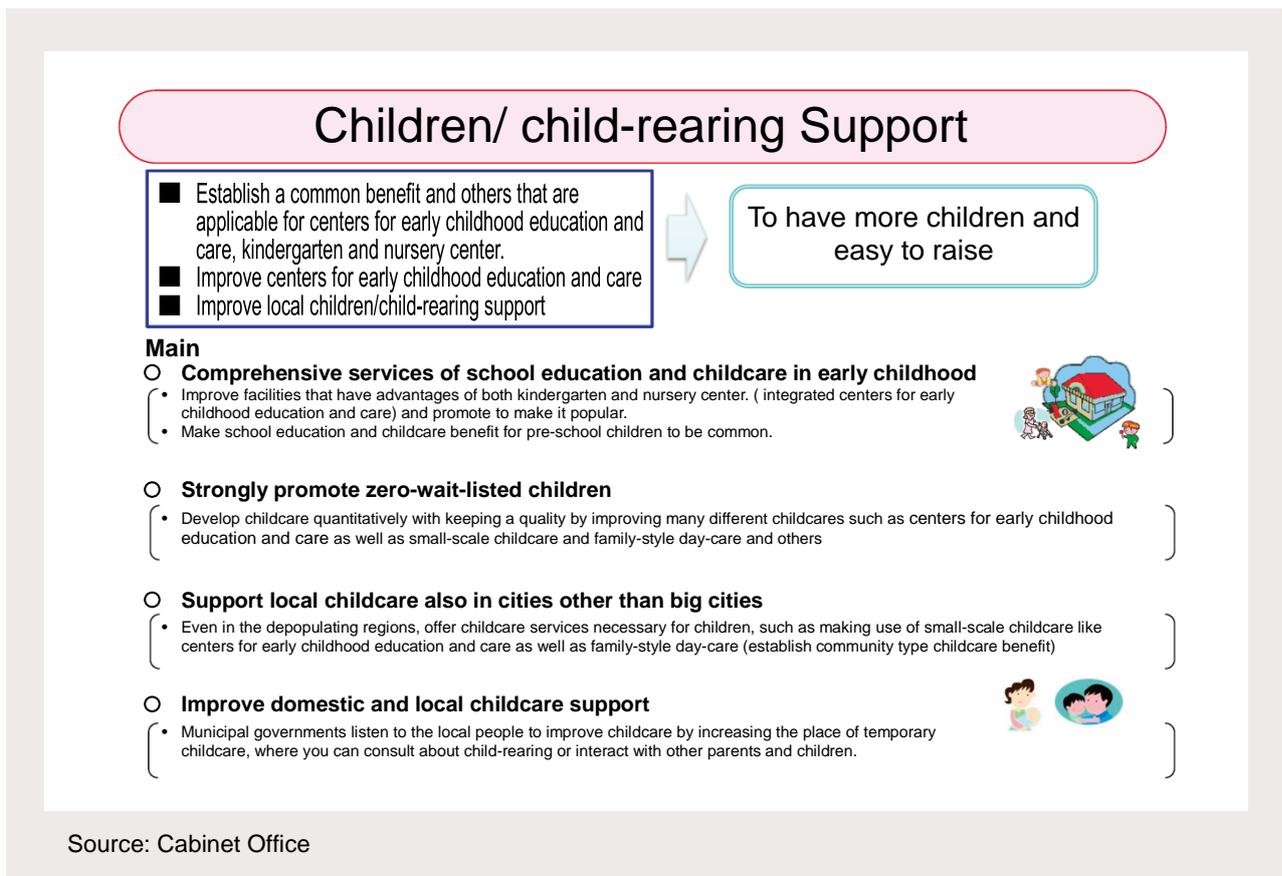
◆ Main points

- Creation of “Facility-Based Benefits” which are commonly provided to centers for early childhood education and care, kindergartens and nursery centers and the “Community-Based Childcare Benefits” which are provided to small-scale childcare and family-style day-care and others.
  - \* The “Facility-Based Benefits” serve not only for reducing wait-listed children, but also for ensuring daycare services in communities with a decreasing trend in the number of children.
- Improvement of centers for early childhood education and care (improvement of integrated centers for early childhood education and care, and others)
  - Integration of certification and instruction/supervision and legal definition as school and child welfare facility.
  - It is not compulsory for existing kindergartens and nursery center to move to the new system and the system will be promoted politically.
  - Implementing bodies of the centers for early childhood education and care are the central government, local governments, educational corporations and social welfare corporations.
  - Centers for early childhood education and care are incorporated into the “Facility-Based Benefits” in an integrated mann
- Enhancement of the “Community Child and Childcare Support Program” tailored to the needs of the communities including child and childcare support in communities, user support, community childcare support centers, after school children’s clubs and others.



Source: Cabinet Office

**Fig. 1-2-3 Children/child-rearing Support**



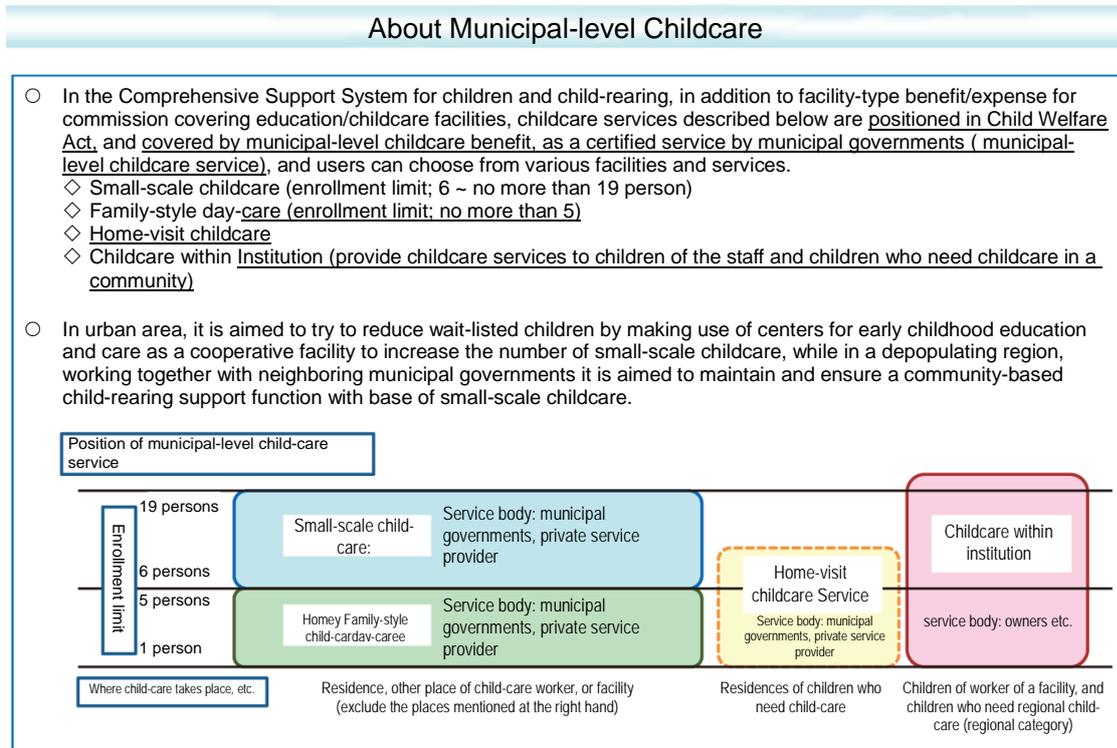
The first point is the creation of the “Facility-Based Benefits,” which are commonly provided to centers for early childhood education and care, kindergartens and nursery centers, and the “Community-Based Childcare Benefits,” which are provided to Small-scale childcare services, family-style day-cares and others.

In the past, fiscal measures for kindergartens and nursery centers have been taken separately, the former as school education system, and the latter as a welfare system. In the new system, however, the “Facility-Based Benefits” which are commonly provided to centers for early childhood education and care, kindergartens and nursery centers have been created and the financial support has been integrated.

In addition, “Community-Based Childcare Benefits” have been created to provide financial support to the four types of operations consisting of “Small-scale childcare services” which takes care of 6 to 19 children, “family-style day-care” which takes care of up to 5 children, “home-visit childcare services” which takes care of children in their own homes, and “Childcare within institution services” which takes care of employee’s children as well as other children in the community.

The creation of the “Community-Based Childcare Benefits” aimed at providing financial support to various types of daycare allows for a quantitative expansion of daycares in urban areas where it is difficult to secure a place for the installation of new facilities, in communities where it is difficult to maintain facilities due to the dwindling number of children, and in communities where it is difficult for users to get access because of the distance to the facilities.

**Fig. 1-2-4 Municipal-level Childcare**



Source: Cabinet Office

Furthermore, along with the creation of benefits, the new system improves the certification system for nursery centers and when a nursery center meets the necessary requirements, it is given certification in principle, except in cases where there are disqualifying factors and when it is necessary to meet the demand and supply balance. Thus, the new system has heightened transparency and tries to be flexible in dealing with the increase in the demand for daycare, especially in the urban areas of large cities. The municipal governments will provide benefits to certified facilities and businesses by “checking” the facilities for capacity and other requirements.

The second point is the improvement of centers for early childhood education and care. The centers for early childhood education and care have the combined function of both a kindergarten and nursery center. Regardless of the employment situation of the parents, it accommodates children according to their needs and provides early childhood education and daycare in an integrated manner. In addition, these facilities are expected to play a role in providing childcare support in communities by providing counseling on childcare and serving as a meeting place for parents and children. The centers for early childhood education and care were created in 2006. While they are highly appreciated by the users, there had been a problem of overlapping administration concerning certification, instruction and supervision based on the two different systems, that of kindergartens as based on the School Education Act and that of nursery centers as based on the Child Welfare Act.

The present reformed system defines the “integrated center for early childhood education and care” which is a certified facility which has the legal status of both a school and a child welfare facility, and integrates certification, instruction and supervision in order to eliminate the problem of double administration and to promote the establishment of such facilities based on the needs for childhood education and nursing along with the intention of the businesses in each local community. In terms of financial measures, all four types including the “kindergarten type,” the “nursery center type,” the community discretion type,” as well as the