

## 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 Labour, 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 Labour, Minister of Construction, and Minister of Home Affairs).

#### **(The Act for Measures to Support the Development of the 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 for Measures to Support the Development of the Next-Generation Children” (Law 120 of 2003) was enacted in July, 2003, in order to help local governments and businesses 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.

#### **(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” (Law 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.

#### **(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 for a Society with a Decreasing 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, 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 for a Society with a Decreasing 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 of Countermeasures to the Falling 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 for Society with Decreasing Birthrate in December, 2008), the Cabinet Office established the “Project Team to Deal with the Declining Birthrate from Scratch” and wrapped up its recommendation (Countermeasures against the Declining Birthrate of “Everybody”).

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, and the “Childcare and child-rearing Vision” was formulated at the Council on Measures for Society with Decreasing Birthrate was formulated on January 29, 2010.

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

Aimed at reducing wait-listed children, the “Acceleration Plan for Reducing Wait-listed Children” was formulated in April, 2013, and the government will provide an overall support to local governments that are actively engaged in dealing with reducing wait-listed children before the enforcement of the Comprehensive Support System for Children and Child-rearing which is scheduled for FY 2015.

This plan defines FY 2013 and FY 2014 as the “Period Requiring Urgent and Focused Efforts” and plans to ensure capacity for about 200,000 children in the two years between FY 2015, when the Comprehensive Support System for Children and Child-rearing is planned to be started, and FY 2017. The “Period Requiring Accelerated Efforts” will expand the capacity of nursery centers to allow for an additional 200,000 children by FY 2017, when nursery needs will peak, including the potential needs for nurseries to reduce wait-listed children.

## **Section 2 Efforts to Implement a “The Comprehensive Support System for Children and Child-rearing” [Special Feature]**

“Three Bills Relevant to Children and Child-rearing”, which the government submitted to an ordinary diet session in FY2012 (the 180<sup>th</sup> session) in March, 2012, have been amended through Diet deliberation and others, and they become law on the 10<sup>th</sup> of August in the same year and were issued on 22<sup>nd</sup> August. The Comprehensive Support System for Children and Child-rearing” (hereinafter referred to the “New system”) is a system that is based on the three bills and implemented with a part of the revenue resources gained by an increase in the consumption tax, which was a part of unified social security and tax reform, and will be fully implemented beginning in FY 2015.

Described below is the background and history of the discussions about the New System, and an outline of

the system and how the government is working to implement it.

### **(Background of discussions about the New System)**

Currently, the number of children is decreasing in our country due to the declining birth rate.

The environment surrounding child-rearing and childcare is very difficult, and it is not only a few households that feel uneasy and isolated in rearing children due to the trend toward nuclear family and fewer social connections in communities. Even if a household wants to leave a child in the care of a nursery center, it happens that the desired nursery center is full and many children are on waiting lists. In the end, the environment for balancing work and raising children is not necessarily satisfactory and, in light of such a situation, many people cannot turn their hopes and dreams into a reality that allows them to bear and raise children.

Primarily, infant education and childcare play an important role in building the base for lifelong character formation. Thus, it is important that every young child is provided with quality early childhood education in a comprehensive manner, and in accordance with community needs.

In order to deal with this challenge and to enable people to achieve their hopes to bear and raise children and to create a better society for children, it is necessary for the government and communities to act in a concerted effort and build a new system to support children and households.

### **(Background of the discussions and legislation of three acts relevant to children and child-rearing)**

Upon this request, the government had been making a study on the new system of supporting child-rearing, including the unification of nursery center and kindergarten, and under the conference on countermeasures to the falling birth rate, it decided on the “Basic institution relating to the new children and child-rearing system” and other acts at a conference in March, 2012.

Based on this, the government submitted three bills: the “Bill for the Act on Child and Childcare Support ,” the “Bill for the Act on Centers for early childhood education and care,” and the “Bill for the Act for the Development of Relevant Laws as a result of the Enforcement of the Act on Child and Childcare Support and the Act on Centers for early childhood education and care.” These bills were for the integrated reform of the social insurance and tax systems in the FY 2012 Ordinary Diet (180<sup>th</sup> Diet).

Based on deliberation in the House of Representatives, and “Memorandum relating to social security/tax unified reform”, which was summarized in a working-level meeting on June 15<sup>th</sup> concerning unified social security and tax reform (part of social security) by the Liberal Democratic Party, the Komeito and the Democratic Party ,congressional revised statutes against “Bill for the Act on Child and childcare support” and a “Bill for the Act for the Development of Relevant Laws as a result of the Enforcement of the Act on Child and Childcare Support and the Act on Centers for early childhood education and care ” have been submitted, in addition to a “Bill for revising a part of the law concerning the promotion of comprehensively providing education and childcare for pre-school children,” which was submitted as new legislation.

Three bills were passed at the House of Representatives on June 26, 2012, and then, on August 22 of the same year, they were passed and approved at the House of Councilors to be promulgated under the following names: (1) the “Act on Child and Childcare Support,” (2) the “Act for an Amendment Concerning the Establishment of Relevant Laws and Regulations with the Implementation of the Act on Child and Childcare Support, and the Comprehensive Pre-school Act,” and (3) the “Act Concerning the Enhancement of Relevant Laws and Regulations According to the Enforcement of the Act on Child and Childcare Support, and the Act for an Amendment Concerning the Establishment of Relevant Laws and Regulations with the Implementation of the Act on Child and Childcare Support and the Comprehensive Pre-school Act.”

### **(Main Points of the New System)**

The main points of the new system are as follows:

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.

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. In terms of financial measures, all four types including the “kindergarten type,” the “nursery center type,” the community discretion type,” as well as the “integrated type” are subject to these “Facility-Based Benefits.”

The third point is to enrich support for children and child-rearing in local communities. In order to enrich the various kinds of supports that satisfy the needs of the community not only for households with children who need childcare, but also for all households, each municipal government implements user support services that provide relevant information, advice and other supports so that parents (guardians) can efficiently use services related to education, childcare and child-rearing. Other services, like a community child care support centers which gives advice about child-rearing so parents can interact with each other, temporary custody, an after-school children’s clubs and others, are also in the new system. These are regarded legally as “Regional child and childcare support services,” and are provided with financial support

to strengthen these services.

The new system aims toward realizing a society that provides comprehensive, high-quality early childhood education and childcare so as to improve local child-rearing support services, so every child can grow up in good health.

### **(Implementing Bodies of the New System)**

The new system has a multilevel structure in which municipal governments, as a responsible organization, implements provide benefits such as “facility-type benefits” and “Regional child and childcare support services” according to a plan, and which are supported by local governments and the national government.

Hence, municipal governments are conducting a series of surveys in order to understand the needs of early childhood education and childcare and childcare support within a region, and they are working on the formulation of a service plan to establish how to provide what kind of childcare support based upon need (“Municipal Plan for Children and Child-rearing Support”). Local governments will formulate a “Prefectural Plan for Children and Child-rearing support” in which a prospect of the needs, the measures needed to secure it and other issues of each fiscal year are described, according to the data compiled by the Municipal Plan for Children and Child-rearing Support.

In the Act on Child and Childcare Support, municipal and local governments shall be encouraged to establish councils or other consultative bodies to investigate and deliberate about the implementation of the new system. Local governments and many municipal governments are working on a preparation for implementing the new system: holding a so-called “Local children and Child-rearing Council,” in which many people take part in planning and analyzing the research and discussing the service plan.

### **(Procedures to Use Facilities and Services, and the Role of Municipal Governments)**

In the new system, prior to using centers for early childhood education and care, kindergartens and nursery centers which are eligible for the “facility-type benefit,” and prior to receiving services, like small-scale childcare service which is eligible for the “Regional type childcare benefit”, parents (guardians) should apply to the municipal governments to receive certification that a child falls into the proper age classification (over or under three years of age) and once the necessity of childcare is determined, the parent will receive the certification.

When the municipal government receives an application, along with determining the types of certification of a child, if it determines that the child needs childcare, it will determine childcare requirements (the amount of childcare that is provided by the facility-type benefit) and it will issue the certificate that describes such types of certification and the childcare requirement.

The parents who have been given certification will then choose a facility/service provider and make a contract under the guidance of the municipal governments. As the municipal governments are responsible for providing daycare at nursery centers under the new system as well, and are also responsible for securing daycare services at places other than nursery centers (centers for early childhood education and care , Small-scale childcare services , etc.), for the time being, they will take care of a range of arrangements for children certified as “in need of daycare,” including facility use adjustment, the introduction of available facilities and service providers, and a request for their children to use facilities. Incidentally, when a parent uses a private nursery center, the parent and the municipal government make a contract.

### **(Cost Burden)**

The new system forms a part of the integrated reform of the social insurance and tax systems. So far, the consumption tax revenues corresponding to the national government have been allocated to the three expenditures for the elderly (basic pension, elderly medical care and nursery care) and now they will be expanded to the four expenditures of social security, including the childcare field (pension, medical care, nursery care and measures against the declining birthrate) by securing financial resources.

Specifically, of the 2.7 trillion yen which will be allocated to the enhancement of social security due to the rise in the consumption tax rate to 10% to be implemented in October 2015, about 0.7 trillion will be allocated to the new system so as to enhance both the quality and quantity of childcare and others.

In addition, the “Confirmation Note on the Integrated Reform of the Social Insurance and Tax Systems” as well as in the additional resolution to the three acts related to children and childcare points out that about 1 trillion yen is needed in order to enhance both the quality and quantity of early childhood education, childcare and childcare support and require the government to make a maximum effort to secure another 0.3 trillion yen, apart from 0.7 trillion yen secured by a rise in the consumption tax.

### **(Discussion of the Council on Children and Child-rearing)**

In the new system, experts, local governments, those who are child-rearing, those who are involved in child-rearing support and others can participate in policymaking due to the creation of a “Children and Child-rearing Council” established by the national government. The Council was created by the Cabinet Office in April, 2013, and it has discussed a “Basic policy” based on the Act on Child and Childcare Support and various standards regarding facilities and services.

As for the basic guideline formulating the meaning of supporting children and child-rearing and items to be described in project plans created by local governments and municipal governments, the Council summarized a rough draft and made it public in August 2013. The draft of Basic guideline requires the “potential amount” that is to be set up based on the present usage status of facilities and services in municipal governments and the potential applicants, and “The details of facilities and services to ensure and implement” to be included in the Municipal Plan for Children and Child-rearing Support. As mentioned earlier, each municipal government is working on the formulation of the plan.

The Council reviewed and summarized the basic concept on certification standards for the “Necessity of childcare” based on the Act on Child and Childcare Support. The basic concept states that all working styles shall be included, both part-time work and full time work, so that approval rates are greater than ever before. Furthermore, the childcare requirement is divided into two classes: the “Standard Time Childcare” (up to 11 hours a day) and the “Short Time Childcare” (up to eight hours a day).

A Standard Task Force was established under the Child and Child-rearing Council, and the Task Force has discussed various standards for facilities and services, a calculation standard of benefits and other issues.

As for the certification standards for integrated centers for early childhood education and care, in December, 2013, the Council summarized basic concepts by reviewing cases of newly built facilities and cases of transferring existing facilities to new ones. As for the certification standards for municipal-level childcare services that were supposed to be new services certified by municipal governments, the Council summarized basic concepts for small-scale childcare services in August 2013, and for Family-style day-care services, Childcare within institution services and Home-visit childcare services in December of the same year. Moreover, operation standards of facilities and services for “checking” by municipal governments, rules of disclosure of information and others were also discussed in the Child and Child-rearing Council and Standard Task Force, and summarized in December of the same year.

Based on these various reports, the government formulated ordinances of the competent ministry concerning the operation standards of facilities and services and others in April 2014. Local governments will then formulate the necessary regulations and other measures as based on the ordinances.

Furthermore, within the Child and Child-rearing Council, Standard Task Force has been leading the discussion on the official price of facilities and services, and draft of framework of official prices was decided in March 2014.

### **(Future Plans)**

The new system is scheduled to be fully implemented by April 2015 as mentioned earlier.

Prior to full implementation, municipal governments that have a long waiting list implements “Urgent Child-rearing project” in FY 2014 when the consumption tax was raised to 8%. In addition to the promotion of an “Acceleration Plan for Reducing Wait-listed Children” such as Small-scale childcare services and the support of extended-hour day-care offered by kindergarten, measures were taken to lead the efforts to enhance community child care support centers so as to improve the community childcare support center services and after-school children’s clubs, all of which are expected to result in a smooth transfer to the new system.

Meanwhile, in the new system, the Cabinet Office is to manage centers for early childhood education and care system as well as managing all planning and implementation in accordance with the Act on Child and Childcare Support in an integrated fashion. In order to support this, a “Supporting Children and Child-rearing Task Force” will be created in the Cabinet Office in order to develop an integrated operation system to manage the new system. On the other hand, from the standpoint of ensuring consistency with other legal systems in the School Education Act and Child Welfare Act, all work should be done in cooperation with the Ministry of Education, Culture, Sports, Science and Technology and the Ministry of Health, Labour and Welfare. Therefore, the government has decided to build a system to manage these new systems.

Fig. 1-2-1

## 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)

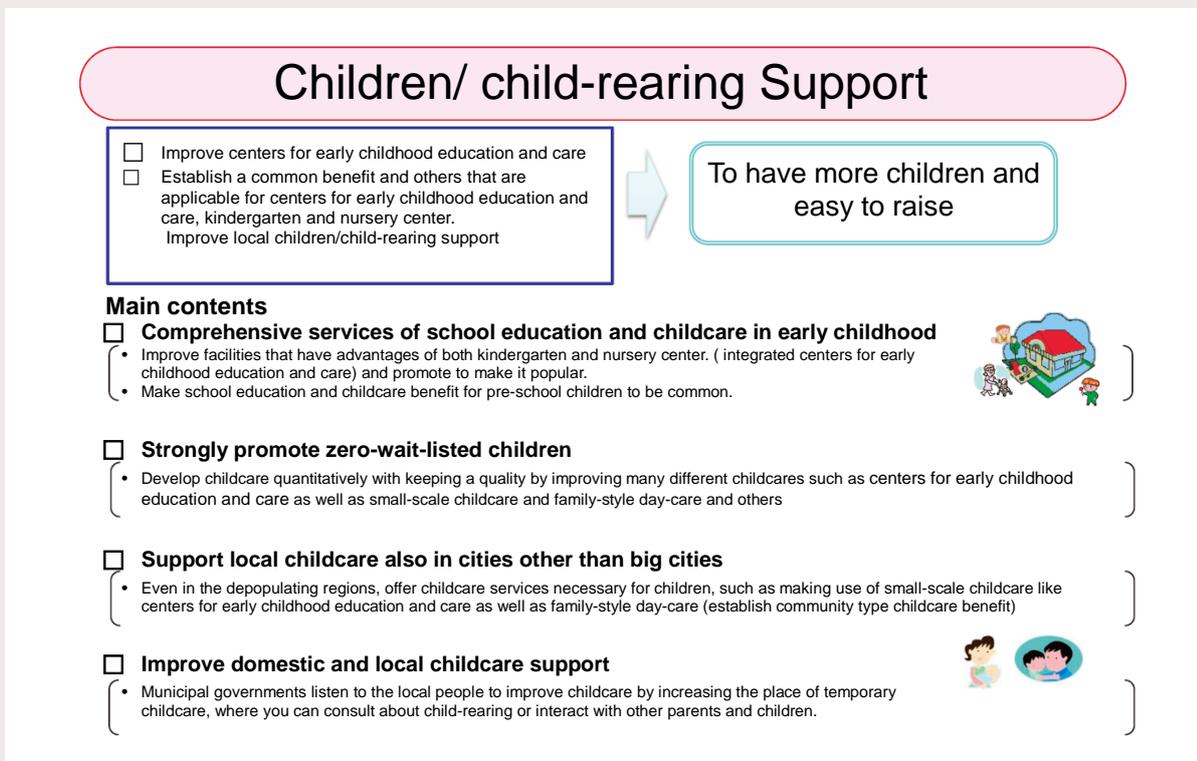
- Integration of certification and instruction/supervision and legal definition as school and child welfare facility.
- It is not compulsory for existing kindergartens and nursery center to move to the new system and the system will be promoted politically.
- Implementing bodies of the centers for early 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.



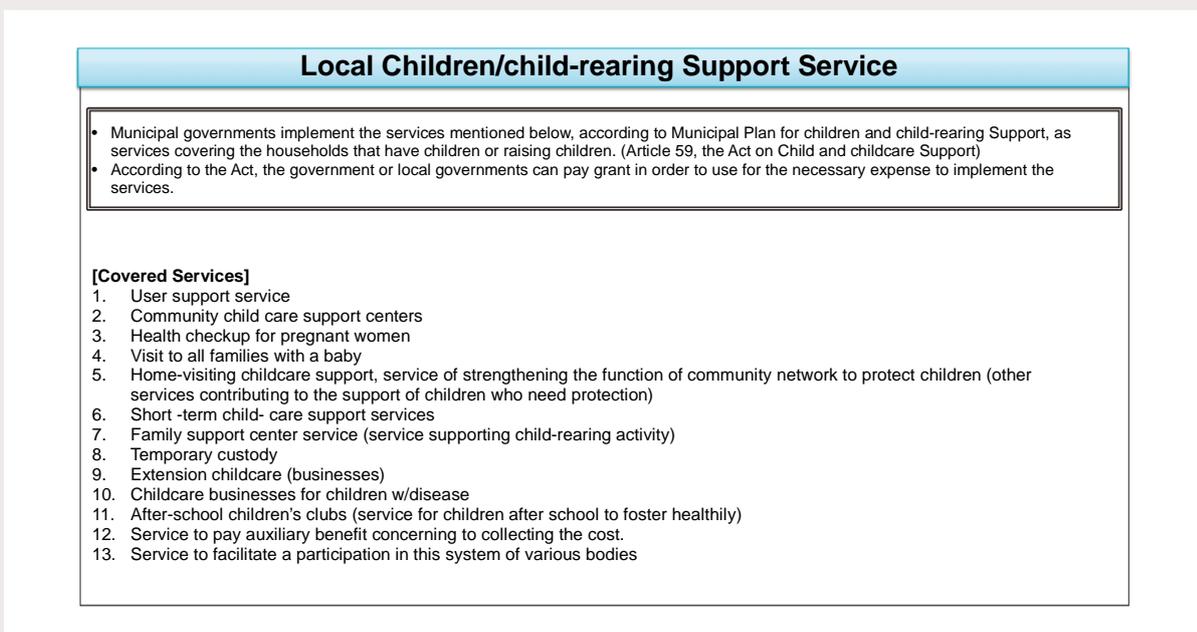
Source: Cabinet Office

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



Source: Cabinet Office

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



Source: Cabinet Office