

Focus of Policy Shifts from Boosting Fertility to Developing the Next Generation—The Socialization of Child-Raising

By Akio Doteuchi

Social Development Research Group

doteuchi@nli-research.co.jp

Introduction

A year ago, we discussed the decline in fertility and its causes, examined previous policies and their social implications, and considered the future direction of policies.¹

In June 2004, the cabinet passed a resolution entitled, “Framework of Measures to Cope with Declining Fertility Society.” This was followed in December 2004 by the New-New Angel Plan, which fleshed out key aspects of the framework. Then in March 2005, businesses confronted the deadline to formulate action plans under the Law for Measures to Support the Development of the Next Generation.

As these events show, policies to counter the declining fertility rate have reached a turning point in Japan. In this paper, we examine the significance and implications of the new policy approach.

1. Declining Fertility, Aging, and Secular Decrease in Population

According to the final revision released by the Ministry of Internal Affairs and Communications (MIC) in February 2005, Japan’s population stood at 127,687,000 as of October 1, 2004. The population increased by 67,000 from the previous year, marking a postwar low growth rate of 0.05%. The increase consists of a natural increase of 102,000 persons, and decrease of 35,000 due to international migration. By gender, the number of males declined for the first time by 9,000 persons.

Aging and declining fertility are clearly impacting the population structure—the 0~14 age segment shrank to 13.9%, while the 65+ segment rose to 19.5%, both record levels. The productive population (age 15~64) comprised just 66.6%, meaning that two workers support each child or

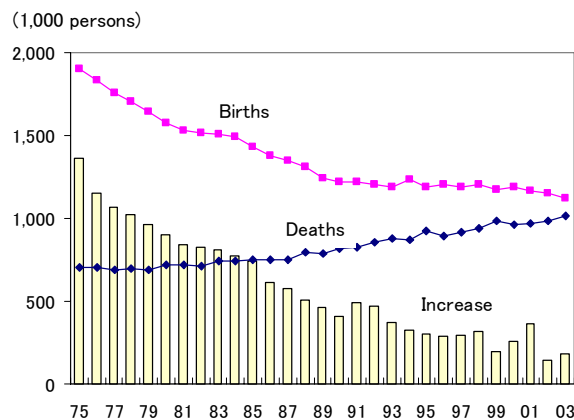
¹ See *NLI Research* no. 040421, “Toward a Prosperous Society with a Declining Birthrate—Enhancing the Social Environment for Childcare Support” (<http://www.nli-research.co.jp/eng/resea/life/li040421.html>). In Figure 1 of the paper, a label is incorrect: “Dependent population / Working population” should read, “Working population / Dependent population.”

elderly person.

In the past, Japan's population growth was largely attributed to natural population growth, with births continually decreasing but still outnumbering deaths. In the future, however, aging and increased longevity will cause deaths to significantly outnumber births, causing a natural population decrease.

The population's imminent downturn is an inevitable result of the secular trends of declining fertility and aging. Clearly, policies are needed to curb the birthrate's rapid decline while constructing a new economy and society compatible with the decreasing population. It is thus time for social policy to shift its focus from countering the declining fertility rate birthrate to offering a vision for a new society and economy premised on the decreasing population.

Figure 1 Number of Births & Deaths, and Population Increase



Note: Population increase is the sum of natural increase (births minus deaths) and increase due to migration.
Source: Ministry of Health, Labor and Welfare, *Summary of Vital Statistics*.

2. Previous Policies to Counter Declining Fertility

Declining fertility first rose to prominence with the “1.57 shock” of 1989, when the total fertility rate hit a postwar low of 1.57. As the birthrate continued to slide, the government implemented the Angel Plan in 1994, aimed at creating an environment conducive to childbirth and raising healthy children by enhancing child care services and child care leave programs.

This was followed by the New Angel Plan in 1999, which enhanced child care support services, and also sought to reconcile family and work life by creating a more favorable environment in both workplace and community. The focus of policy up to this time was on enhancing child care measures from the perspective of supporting child-raising and work life.

But in 2002, recognizing that policies were ineffective in boosting fertility, the government

announced the Measures to Cope with a Fewer Number of Children Plus One. The Plus One policy not only supported compatibility of child-raising and work life, but also reviewed all work styles including those of men, and supported community-based child care.

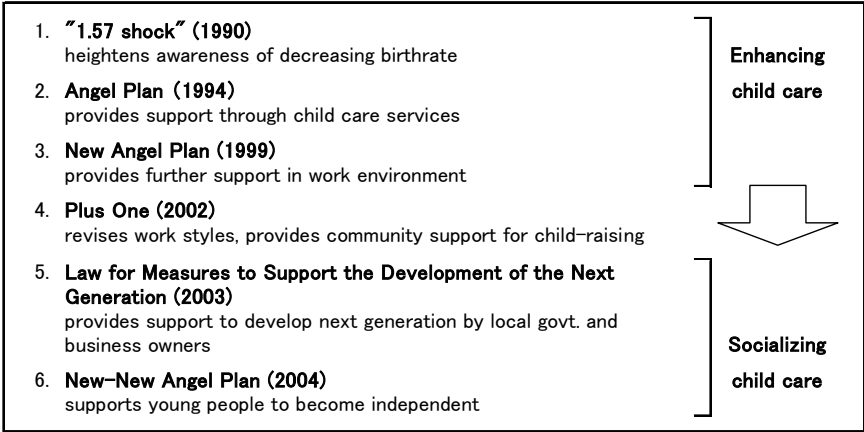
Instead of adapting policies to the existing sexual division of labor and work-centered lifestyles, the new policy sought to design a social system suited to the individual lifestyles of the public.

In 2003, two more laws were enacted: the Law for Basic Measures to Cope with Declining Fertility Society, and the Law for Measures to Support the Development of the Next Generation. The Next Generation Law recognizes the pervasive impact of declining fertility on the nation's economy and society, and mobilizes national and local governments and businesses to cooperate in supporting education for the next generation.

This development is important for two reasons. First, while previous policies had a quantitative goal of trying to raise the birthrate, the Next Generation Law addresses qualitative issues—how to better nurture the next generation and create a sustainable society. Second, whereas previous policy focused on measures for parents, the Next Generation Law directly targets children and members of society.

The Next Generation Law thus represents the beginning of a new era for Japan's social policy—the socialization of child-raising.

Figure 2 Previous Policies to Counter Declining Fertility



3. Next Generation Support at the Company Level

1. Outline of the New System

Under the Next Generation Law, which seeks to create a suitable environment for raising healthy children, local governments and business owners must formulate action plans that comply with national guidelines. Below we examine the action plans of business owners.

2. Action Plan of Business Owners

National guidelines for action plans of business owners emphasize four areas: (1) review of work styles including those of men, (2) community-based support for raising children, (3) next generation support from the social security system, and (4) enhancement of children's social growth and independence. The guidelines propose policies to serve three main groups: all working parents raising children, all other families raising children, and children who will become parents in the future.

Business owners must formulate a companywide action plan that considers their company's conditions, employees' needs, and the needs of society. Specifically, three areas must be addressed: (1) creating a work environment that reconciles work life and family life for workers raising children, (2) creating more diverse working conditions that encourage alternative work styles, and (3) supporting community-based child-raising.

Action plans must have an implementation period of two to five years, and provide measurable indicators of adoption and progress toward goals. Companies that achieve standards set by MHLW will become certified by the minister of health, allowing them to display a special seal for advertising and marketing purposes.²

3. Corporate Social Responsibility and Next Generation Support

Companies have diverse stakeholders such as customers, employees, shareholders, business partners, and the local community. The idea that companies must act responsibly toward these stakeholders is known as corporate social responsibility (CSR).

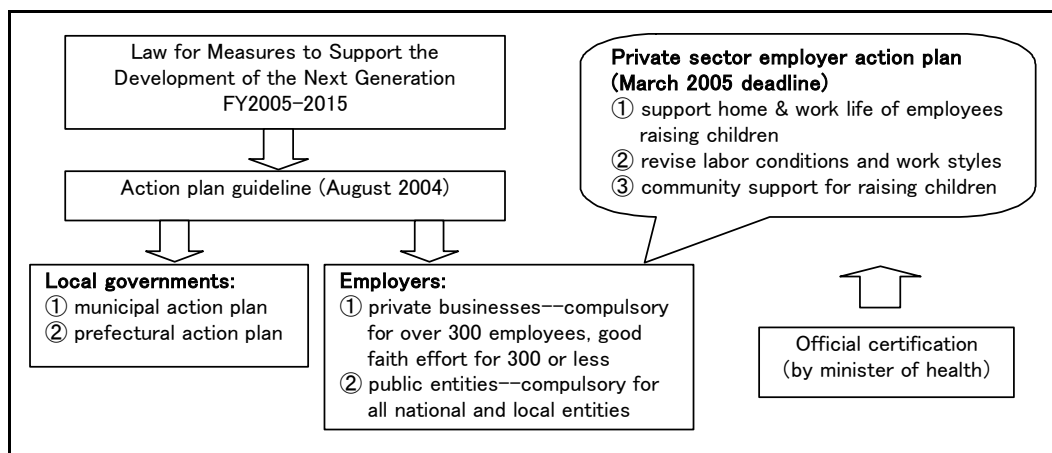
For companies with at least 301 employees, formulating an action plan is essential to CSR as a

² For certification, all of the following criteria apply: (1) action plan for work environment must be formulated, and must comply with guidelines, (2) action plan implementation period must be 2 to 5 years, (3) action plan must be implemented and goals achieved, (4) company must implement child care leave program or shortened work hour measures for workers with children age 3 to elementary school age, (5) during plan period, some men must take child care leave, and at least 70% of eligible women must do so, (6) company must implement either measures to reduce non-regular work hours, promote annual paid vacation, or to diversify work conditions that contribute to revision of work styles; and (7) there must be no major violations of relevant laws.

matter of legal compliance.

However, some aspects of the action plan's wide-ranging agenda may face difficulties in practice. Measures for family-work compatibility and revision of work styles are relatively easy to implement, since these directly relate to employment conditions. But from a CSR perspective, the most important aspect is to support community-based child-raising measures as a medium-term objective. The reason is clear—since companies cannot remain in existence without a sustainable society, they must help support the development of the next generation.

Figure 3 The Next Generation Law and Action Plan of Employers



4. New-New Angel Plan

1. Outline of Plan

Based on the Law for Basic Measures to Cope with Declining Fertility Society enacted in 2003, policymakers compiled the Framework for Coping with Declining Fertility Society in 2004. The framework emphasizes four areas: (1) promoting the independence of young persons and raising of lively children, (2) reconciling work and family life and revising work styles, (3) promote understanding of the value of human life and the family's role, and (4) promoting further collaboration and mutual support in child-raising.

To pursue these aims, specific measures and objectives for fiscal 2005-2009 were presented in the New-New Angel Plan released in December 2004. Unlike the focus on child care in the previous two Angel Plans, the latest plan focuses on the children themselves by addressing the independence of youths and raising lively children. The new emphasis comes in the wake of a new revelation regarding fertility factors in recent years.

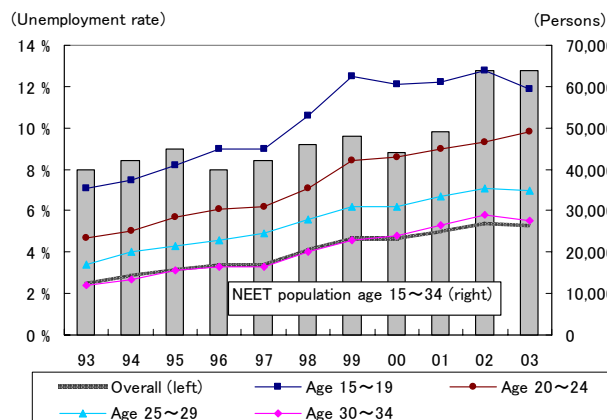
2. New Factor Affecting Fertility

In the past, declining fertility was attributed to the declining marriage rate. Marriage was thought to offer fewer psychological and financial benefits, and to represent a rising opportunity cost for women as more of them pursued an advanced education.

A new factor that has attracted attention is the deteriorating job environment for young persons. Unemployment among young persons is rising, while more are joining the ranks of the NEET (persons not in employment, education or training). In addition, companies are restructuring and reducing regular employment, and increasing non-regular and part-time employment of young persons.

As young persons face an increasingly unstable job environment and livelihood, their aspirations have diminished, causing them to think twice about marriage. This is thought to further aggravate the decrease in birthrate.

Figure 4 Unemployment Rate by Age, and Size of NEET Population



Source: MIC, Labour Force Survey.

3. Measures to Support Independence of Youth

To support the employment of young persons, the latest plan focuses on promoting the following in the childhood stage: (1) career education in elementary and junior high school, (2) career search programs, and (3) internships. The intention is to cultivate children's career awareness through school education and internships, thereby making them more psychologically and economically independent in the future.

At the adolescent stage, the plan proposes: (1) job cafes (one-stop service centers) for youths, (2) trial employment programs, and (3) Japan-style dual system (training on-the-job and at school) programs. These measures are intended to facilitate the transition from school to workplace. In the past, companies hired many new graduates and provided in-house training & development

programs. But with the changing business environment and diversifying work styles, outside support measures are increasingly needed.

4. Community and Business Involvement

Sponsored by the Ministry of Education, Culture, Science, Sports and Technology (MEXT), the National Federation of Kodomo-kai has undertaken a “vocational experience & on-site environmental training program,” and launched model programs in Aomori and Yamaguchi prefectures. Under the program, local companies cooperate in providing elementary and junior school students work experience while learning about the environment.

In addition, elementary and junior high schools use part of the general curriculum time allotment for workplace visits and work-study opportunities. However, schools do not offer enough work-study opportunities because the general curriculum is increasingly being directed toward boosting poor academic performance.

Unfortunately, vocational experience programs also have difficulty finding local companies willing to cooperate. But through corporate action plans under the Next Generation Law, businesses can offer vocational experience opportunities in schools and programs to encourage their own employees to participate.

As currently practiced at elementary and junior high schools, guidance counseling simply considers schooling options, and ignores life planning based on the child’s future career choices. Thus an important element of the Next Generation policy is to have communities and local businesses cooperate in giving children the experience of what working in society is actually like.

5. Toward the Socialization of Child-Raising

The shift in national policy toward declining fertility is apparent in several ways. First, the policy has acquired a new designation as support for the development of the next generation. Also, the policy debate has also shifted from a quantitative to qualitative orientation, while the focus of policy has expanded from measures for adults to measures for children and society as a whole.

Another major shift is that next generation support has expanded the scope of child-raising from childbirth and infant care, to supporting young persons to grow up and achieve independence. With social security benefits also under review, the socialization of child-raising has thus started in earnest.

We can draw parallels with the socialization of long-term care, which evolved from care performed

at home by the family, to facility-based care, and then to home-based social long-term care. The socialization of child-raising has begun in like fashion. Child-raising is shifting from being a private matter performed by the family to a concerted effort involving the national government, local government, local companies and the community, all working to develop the next generation and build a sustainable society.

In fiscal 2002, Japan's social security benefit outlays amounted to 83.6 trillion yen. Of this, the elderly accounted for 58.4 trillion yen (approximately 70%), while children and families received only 3.2 trillion (3.8%). This allocation needs to be greatly altered for child-raising to become socialized and society to foster the next generation.

In fact, in international comparisons of public outlays for families as a ratio to GDP, countries with a high ratio tend to have relatively high birthrates.

This issue is noted in the New-New Angel Plan: "On social security benefits, we must revise the large proportion of benefits paid to the elderly, and curb the growing burden on the young and future generations. At the same time, we must move ahead to develop the next generation unhindered by the social security framework."

However, funding will pose a major challenge in view of existing social security programs such as pension, health, and long-term care insurance. One proposal is to introduce a new child care insurance program and collect premiums from the general public. In any case, the important point is for society as a whole to participate, and for the national government to take an active stance. Socialization of child-raising does not mean leaving everything up to society, but for adult generations to contribute to fostering the next generation.

Conclusion

In May 2004, the Metropolitan Tokyo Child Welfare Council released an opinion paper, "Conversion to Urban-Type Child Care Services and Welfare Reform," which set the policy direction for new child care facilities. Recognizing that the conventional public child care facilities cannot grow fast enough to meet the diverse needs of the metropolitan area, the council advocates a less rigorous certification system under the metropolitan government. Not only public agencies and social welfare corporations, but private businesses and NPOs would be certifiable as operators, thereby expanding the child care alternatives for working parents.

However, the All Japan Prefectural and Municipal Workers Union (JICHIRO) opposes this move in its interim report, "Examination of Child Care Facilities Certified by the Tokyo Metropolitan Government" in October 2004: "The idea is that users are customers, and services would be

provided unsparingly to attract users. This is supposed to encourage competition among child care service providers and improve services. But since the service competition is aimed at parents, we question whether competition will improve the quality of child care.”

What will urban-type child care services ultimately look like in the metropolitan area, where declining fertility is most prominent? Working parents, who are the primary users of child care facilities, need diverse service options such as convenient location, late night operation and convalescent services. But skeptics doubt the wisdom of this approach. As a child care worker at a child-raising seminar said: “At the site level, various child care service operations such as twilight stay and convalescent services may not really be in the child’s best interest.”

Despite the importance of accommodating the diverse needs of parents, we must put priority on the quality of child care from the perspective of both the parents and the children themselves. This means the fertility policy debate must shift its focus from increasing the quantity of children to improving the quality of support for children. Moreover, a clear philosophy is needed to achieve the sustained social support necessary for developing the next generation.

Seal of Certification by MHLW

