

# New Moves to Fight Sagging Birthrate

## Aiming for Work/Life Balance

By *BANDO Kumiko*

### Rapid Birthrate Decline

Japan's birthrate is falling rapidly at present. The number of newborns and the total fertility rate (the average number of children a woman bears in her lifetime) have been declining for a long time, with the former totaling 1.06 million and the latter 1.26 in 2005. The number and percentage improved somewhat in 2006 – 1.09 million and 1.32 – as a result of economic recovery, among other factors (*Chart 1*). However, the number of newborns has been decreasing again since the start of this year, creating a situation that makes it hard to say Japan has put a check on the falling birthrate. The country's population also began to decrease after peaking in 2004. In a new population estimate released in December 2006, the government painted a gloomy outlook saying that the population will sink below 90 million 50 years later, with people aged 65 or

older accounting for 40% of the total. A further fall in the birthrate and continued aging/shrinkage of the population will lead to a decline in the country's labor force in the future and boost the burden on working generations. Such developments could critically affect Japan's sustainable development and maintenance of its socioeconomic vitality. Taking measures to counter the birthrate downtrend has become an urgent challenge for Japan.

### Measures to Fight Birthrate Fall: Track Record

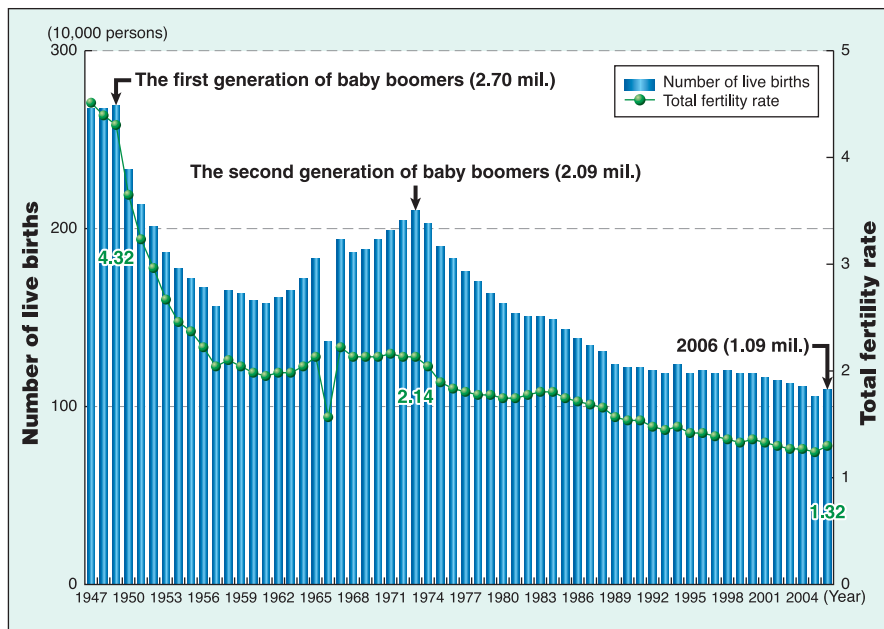
There is no denying that Japan lagged in taking action to reverse the birthrate decline as measures to deal with the population graying first caught the eye of policymakers. It was in the 1990s that the question of the birthrate was firmly recognized at long last in this country. The government began to

grapple with the issue finally, seeking to put the lid on the declining birthrate trend and respond to a variety of problems triggered by the sagging fertility rate. Measures that became important pillars in tackling the issue included improvements in the working environment to enable women to maintain their jobs and engage in childcare at the same time, the reinforcement of child-rearing support such as nursery service, and a reduction in the financial burden associated with childbirths and childcare. Traditionally, a graph depicting the percentage of Japan's working women by age shows the so-called "M curve" – a pattern of many women giving up work at the time of their marriage, childbirth or childcare, and returning to work after their children grow (*Chart 2*). This is partly due to the impact of the deeply rooted awareness in the country of stereotyped role-sharing by men and women. But it also demonstrates the difficult working/childcare environment that makes it hard for women to stay on the job while raising their children. Thus, support for working/homemaking compatibility constituted the core of the government's measures to handle the low birthrate.

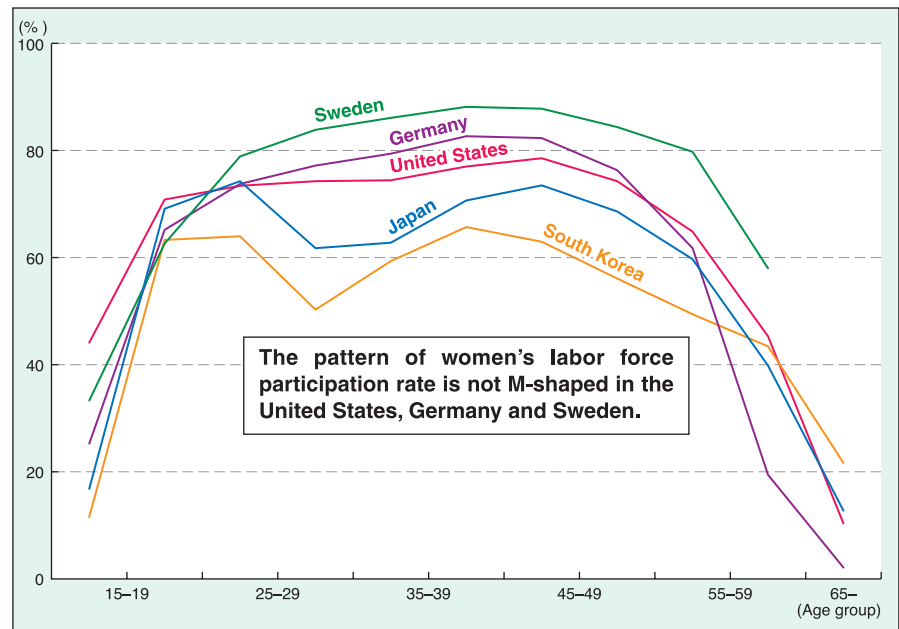
The government first enacted the Childcare Leave Law in 1991, introducing a system under which companies gave childcare leave to employees with children aged 1 or younger in response to their requests. The law was later revised to enhance the system. The government formulated in 1994 an "Angel Plan," the first five-year plan to wrestle with the birthrate decline, which was designed to promote such steps as nursery care service. In 1999 it drew up a "New Angel Plan" to further expand and reinforce birthrate-boosting measures other than those for better nursery care service, including steps to improve childcare support in regional areas.

After becoming prime minister in 2001, Koizumi Junichiro advocated

**Chart 1 Trends in live births and total fertility rate**



Source: Compiled from "Vital Statistics of Japan," Ministry of Health, Labor & Welfare

**Chart 2 Women's labor force participation rate by age bracket (2004)**

Source : Compiled from "Labor Force Survey (2004)," Ministry of Internal Affairs and Communications, for Japan; "LABORSTA," ILO, for the other countries

"Operation Zero Waiting Children" in an attempt to flesh out diversified nursery care service so that there would be no infants awaiting admission to nurseries. The "Basic Law on Measures for the Society with a Declining Birthrate" was enacted in 2003, prescribing obligations and fundamental measures of the national and local governments to promote fertility rate-boosting steps in a comprehensive manner from a long-term viewpoint. In the same year, the "Law for Measures to Support the Development of the Next Generation" was enacted so that various entities, including local governments and businesses, will press ahead with such measures. The law required these entities to draw up action plans for the creation of a childcare-friendly environment. In 2004, the government worked out guidelines based on the 2003 basic law, outlining measures to cope with a "society with a falling birthrate," and mapped out a "Childcare Support Plan," an action plan specifying the measures. The plan was not confined to childcare support alone but included initiatives put together from a broad range of viewpoints such as steps to assist young people to become independent.

In this way, the government has been forging ahead with a variety of measures to combat the birthrate downtrend for more than a dozen years but, unfortunately, it has not been able to stem the decline. The total fertility rate fell below 1.3 in 2004. Taking such a situation seriously, a Cabinet Office council set up to promote fertility-boosting policies hammered out "new measures against the birthrate decline" in June 2006 in a bid to enhance action battling the trend. Based on the concept all of society must support child-rearing households, the council worked out such policy goals as the realization of comprehensive and unceasing family support in accordance with the growth of children ranging from the period of pregnancy and birth to adulthood. Consequently, the government budget for fiscal 2007 calls for greater financial assistance to families involved in childbirth and

childcare and enhanced measures to take care of children in after-school hours.

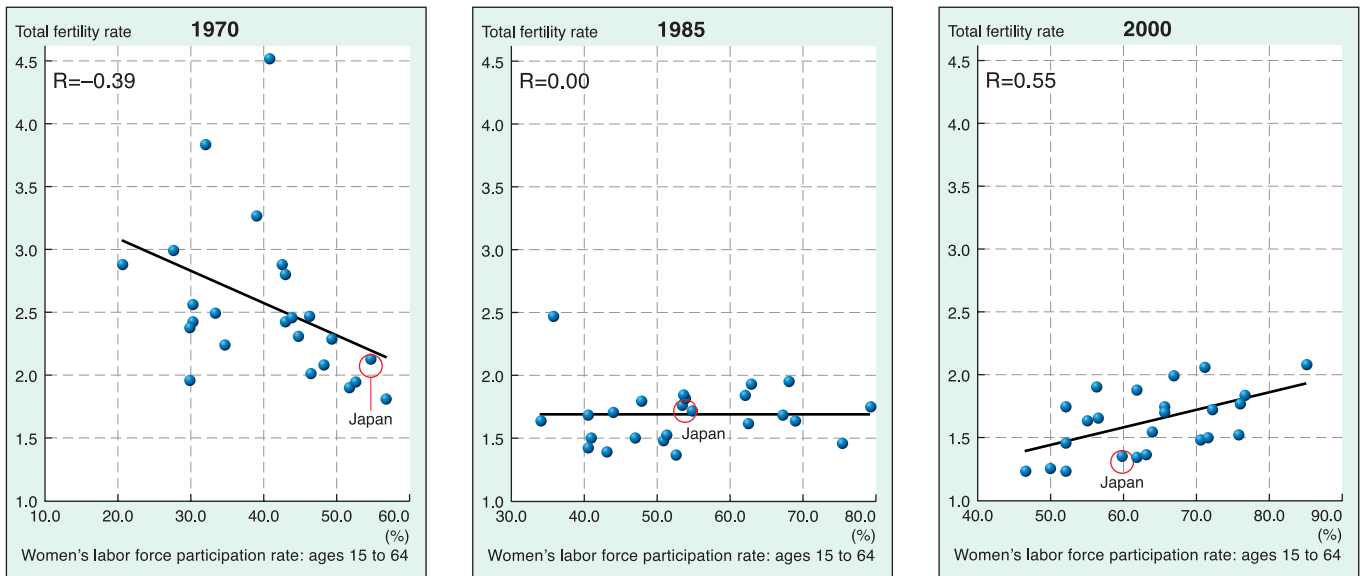
In January 2007, furthermore, then Prime Minister Abe Shinzo set up the Council for the Priority Strategy "A Japan That Supports Children and Families." Abe demonstrated his stance of actively addressing himself to the promotion of birthrate-boosting measures since he assumed office in September last year. The council is tasked to formulate a priority strategy on measures to deal with the decreasing birthrate before the end of 2007.

The strategy study council put together an interim report titled "Basic way of thinking directed to formulating a priority strategy" in June 2007 after examining causes of the rapid birthrate decline and problems associated with conventional fertility rate-boosting measures. The report pointed out that growing alienation between people's desire for marriage, childbirth and childcare and reality is a factor contributing to the decreasing trend in the birth of babies. It noted in this connection that in the background of the problem lies a social structure in which women are forced to choose between the two – continued work or marriage, childbirth and child-

care. Particularly, it singled out as serious challenges the unavailability of choices regarding working styles and problems over ways of work such as the growing number of non-regular workers and long working hours. As a top priority, the report cited the reform of ways of work geared to the realization of a balance between work and life. It also said childcare support measures should be restructured to suit various ways of work. Furthermore, it said the size of fiscal spending and its source of funding for effective birthrate-raising measures should be discussed as part of comprehensive studies of matters associated with reforms of the taxation and social security systems.

### Birthrate Decline & Gender Equality

Here, I would like to discuss the relationship between the declining birthrate and gender equality as an important point of view in considering the birthrate fall. On the one hand, calls are being made for the establishment of a social environment conducive to the compatibility of work and childcare as a means to deal with the low fertility rate.

**Chart 3-1 Women's labor force participation rates and birthrates in OECD countries***The higher the female labor force participation rate, the higher the birthrate tended to be in 2000.*

Source: "International Comparison of the Social Environments regarding Declining Birthrates and Gender Equality (2005)," Specialist Committee on the Declining Birthrate and Gender Equality, Council for Gender Equality

On the other hand, however, some people in this country express concerns the birthrate may decline further if employment of women is promoted. What relationship ever is there between a rise in the number of women moving into society as its full-fledged members and the birthrate decline? There may be a social environment having an impact on both, and problems common to them. The Specialist Committee on the Declining Birthrate and Gender Equality, established under the Council for Gender Equality, took up these issues and analyzed data of member nations of the Organization for Economic Cooperation and Development (OECD) and data of prefectures in Japan (a report was published on international comparison in September 2005 and on domestic analysis in September 2006). The council is designed to examine important matters concerning the promotion of gender equality.

As a result, it became apparent that the relationship between the proportion of women's participation in the workforce and the total fertility rate has not been fixed but rather changed with time. It also became clear that in recent years there has been a propensity to a high

birthrate in countries and prefectures where the percentage of women's labor participation is high and that an improved childcare and easy-to-work environment has resulted in a higher proportion of working women and a higher birthrate. And it was learned that there were disparities in working hours, flexibility in the mode of working and diversity in the choice of lifestyles, among others, between Japan and countries such as the United States and Norway where the ratio of working women has risen and the birthrate has recovered. This tendency was also seen in a comparison between Japanese prefectures with high proportions of working women and high birthrates and those with low rates, the latter typified by Tokyo (Chart 3). Consequently, it became evident that a review was necessary of ways of working in Japan, including men, and the special panel proposed in May 2006 that steps be taken to attain a balance between work and life for all men and women.

As such, it is necessary to organically and inseparably promote measures to combat the birthrate decline and step up gender equality as they have problems in common. It has thus become apparent that efforts must be made to review ways

of work and other issues for the realization of a work/life balance that is indispensable to both themes but has not been fully addressed in Japan in the past. The problem has been brought to the fore as an urgent task.

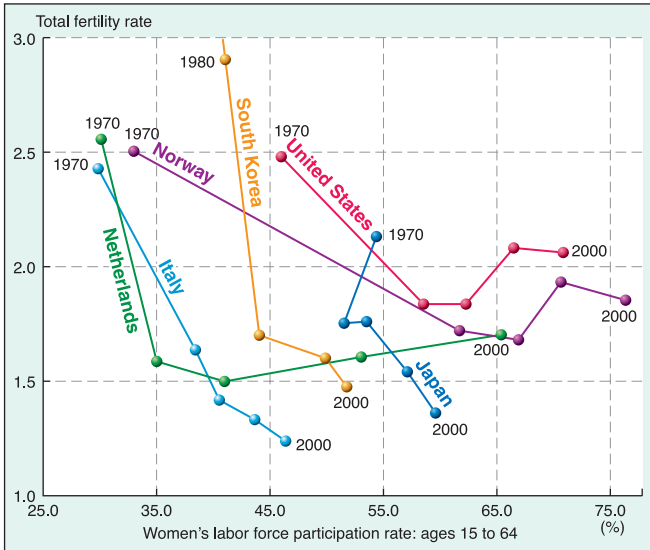
### Promotion of Work/Life Balance

A balance between work and life refers to the condition in which a person goes about in conducting various activities in work, family life, regional life and self-development in a balanced manner he or she desires. It is for the sake of all people, not only women in the midst of childcare but also men and women of all generations. Hitherto, individual economic organizations and labor unions have begun to wrestle with it, but their efforts seemed to have a strong tendency of achieving the work/home compatibility for child-rearing women. Presently, however, calls are being made within the government to promote a work/life balance pertaining not only to the falling birthrate but also to various other areas from a variety of angles.

A subcommittee on reform of the labor market belonging to the Council on Economic and Fiscal Policy, which discusses important economic and fiscal

**Chart 3-2 Women's labor force participation rates and birthrates in OECD countries**

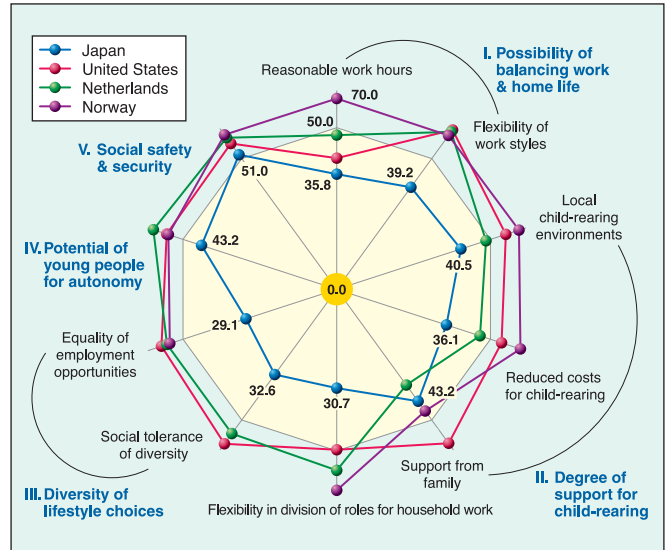
The female labor force participation rate and the birthrate are both high in the United States and European countries while the birthrate declined and the female labor rate showed only a small rise in Japan.



Source: "International Comparison of the Social Environments regarding Declining Birthrates and Gender Equality (2005)," Specialist Committee on the Declining Birthrate and Gender Equality, Council for Gender Equality

**Chart 3-3 Women's labor force participation rates and birthrates in OECD countries**

In countries like the United States, the Netherlands and Norway where both the female labor force participation rate and the birthrate have recovered, diversity of lifestyle choices and flexibility of work styles are secured in their social environments.



matters, issued its first report in March 2007, declaring that it is necessary to reform ways of working for the realization of a work/life balance so as to improve labor productivity of Japanese businesses and combat a reduction in the working population. It called for the formulation of a "work/life balance charter" to set a broad direction of national efforts for the realization of such a balance and for the promotion of the reform by entire society. The aforementioned strategy study council proposed in its interim report in June that "action guidelines" showing concrete policy directions be laid down in addition to the charter. Also, the Council for Gender Equality established the Special Committee on the Work/life Balance in February 2007 to study measures necessary for the promotion of balance. The committee drew up a report in July on a basic direction for its promotion. The report included specific proposals on the establishment of a mechanism for society as a whole to tackle the question of a work/life balance and on the promotion of management reform on the corporate side. The report emphasized that how to deal with the issue on the part of small and mid-size firms will become an important

challenge in particular. The importance of a work/life balance was cited at various other government conferences, such as those on rebuilding of the education system, innovation promotion and measures to counter suicides.

In the wake of these developments, the government's "Basic Policies 2007 for Macroeconomic Management" mapped out in June 2007 included a proposal that a charter and action guidelines for the promotion of a work/life balance be worked out within this year to create balance in the compatibility of work, home and regional life. To be included in the proposed charter and guidelines are numerical targets for improvement in the employment rate and reduction in working hours, policies for support measures and institutional reforms for the realization of a work/life balance, and policies for the promotion of a national campaign that will involve the business and labor communities. To formulate the charter and action guidelines, a "top government-private sector council for the promotion of a work/life balance" was established in July 2007 and discussions have been launched by its members – relevant cabinet ministers, business, labor and local government representatives, and intellectuals.

Thus, the charter and action guidelines are scheduled to be put into place before the end of this year and, based on them, various entities in the government and private sectors will push cooperation in full swing. New Prime Minister Fukuda Yasuo, who took over from Abe in September 2007, said in his inaugural policy speech in parliament that he will push ahead with reform of Japan's working style as an issue of society as a whole, including reduction in long work hours, and thus help promote the work/life balance.

The challenge of promoting a work/life balance was motivated by the question of the birthrate decline, but it will not be merely confined to the birthrate problem and will lead to major reforms embracing society as a whole. Because the task of grappling with a wide array of issues may not be possible from the standpoint of birthrate-boosting measures alone, the genuine promotion of a work/life balance from a wide range of viewpoints will become an important key to project the future of Japan. **JS**

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