

Fertility Decline & Work/Life Balance

By *YAMAGUCHI Kazuo*

Quality of Policy Measures to Mitigate Fertility Decline

With the advent of decreasing population, policy efforts to increase the fertility rate are becoming increasingly important in Japan. Developing such policies requires a clear vision of what kind of society is being sought, in addition to determining what specific measures are effective in raising the fertility rate. For instance, one way to address the problem would be to develop policies towards forming a society where children grow up healthy and realize their potential to the fullest. This implies questioning the “quality” of policy responses to the dwindling fertility rate. I have been advocating the attainment of a better work/life balance as a key to providing such quality. Better work/life balance requires both a change in employment policies and the workplace environment, and a change in family life for couples to attain greater satisfaction and fulfillment from living with children. My objective is to provide reliable empirical evidence to link these changes in social and family conditions with policy measures to mitigate the fertility rate decline.

Historical Change in Relationship between Female Labor-Force Participation Rate & Fertility Rate

One instance of empirical research I conducted with the support of the Research Institute of Economy, Trade and Industry (RIETI) in Japan was my study on the relationship between the female labor participation rate (FLPR) and the total fertility rate (TFR) based on the analysis of Organization for Economic Cooperation and Development

(OECD) countries that have faced the problem of a fertility decline to the below-replacement level. In the 1970s, the TFR declined in almost all developed countries, but the subsequent trend in the fertility rate was quite different among the OECD countries. Particularly well-known is the reversal in the correlation between the FLPR and the TFR. Before 1980, countries with a higher FLPR tended to have a lower TFR. This relationship was reversed in the 1980s, and the prevailing tendency from 1990 onward has been for countries with a higher FLPR to also have a higher TFR. A causal mechanism that brought about such a historical change has not been well known, however.

We can identify three distinct groups of countries in regards to the pattern of fertility rate trends since 1980. The first consists of Scandinavian countries such as Sweden and Denmark. These countries promoted female employment before 1980 and already had a greater than 80% labor-force participation rate for women aged 25-34 by 1980. While subsequently maintaining this FLPR, the TFR of these countries, which had fallen to a relatively low level by 1980, has either recovered (Denmark) or been maintained (Sweden). Consequently, Scandinavian countries today generally have a high TFR relative to other OECD countries.

The Netherlands and English-speaking countries such as the United States, Britain and Australia constitute the second group. In these countries, the FLPR continued to rise after 1980, while the TFR either increased (the Netherlands and the United States) or decreased only modestly (Britain and Australia).

The third group includes Japan

and southern European countries (Italy, Spain, Portugal and Greece), in which the TFR fell consistently with an increase in the FLPR. Fertility rates in these countries, once relatively high, are now anchored at a low level relative to other OECD countries.

Work/Life Balance as a Modifier of FLPR/TFR Relationship

The differences in TFR trends among these three groups of countries are thought to stem from variation in the degree to which the work/life balance has been attained. The work/life balance can be achieved socially in two distinct ways. One is through the realization of flexible employment and workplace environments, such as the introduction of jobs with flextime, jobs that can be performed via telecommuting, and “high-quality” part-time jobs (equivalent to regular short-time employment in Japan). The Netherlands and English-speaking countries have achieved a high degree of success in this area. The other way of attaining the work/life balance is through support programs designed to help working parents resolve conflicts between work and family roles. This includes a statutory parental childcare leave system with income compensation and extended childcare coverage, with the Scandinavian countries excelling in this aspect. However, Japan and southern European countries lag behind in both methods.

Based on indices available from the 2001 OECD Employment Outlook, I rated 18 OECD countries regarding these two aspects of the work/life balance, and examined how the extent of the work/life balance achievement affects the rela-

relationship between FLPR changes and TFR changes in these countries. This was done by following an analytical strategy by Dr. Tomas Kögel of the Max-Planck Institute, who employed a statistical method that assumes unobserved determinants to exist on each country's TFR level, and thus only uses information on how changes in the FLPR affect changes in the TFR. The following facts were found in my analysis.

First, a rise in the FLPR leads to a decrease in the TFR, on average, but this is not the case in societies with high employment and workplace flexibility. This finding provides an explanation for the difference in TFR trends from 1980 onward between the second group of countries (the Netherlands, the United States, Britain and Australia) and the third (Japan and southern European countries).

Secondly, support programs designed to help working parents resolve conflicts between work and child-rearing roles have helped restore or maintain the TFR in countries with a relatively high FLPR. This finding is a statistical confirmation of facts known primarily in the achievement of Scandinavian countries.

Thirdly, workplace/employment flexibility is statistically twice as

effective as support measures in changing the fertility rate. The Japanese government has been acting to mitigate fertility decline by expanding the statutory parental leave system as a policy measure, and extending economic support for parents through an increase in childcare allowances and the number of public daycare centers. However, my findings indicate that Japan needs a more fundamental change in employment and workplace institutions that enable workers to work with more flexibility.

Marital Satisfaction as Major Correlate of Birth Desire

Another empirical research I conducted is a study of the relationship between married women's birth desire and the quality of their family lives. Based on an analysis of a panel survey of women in Japan, I have found first that birth desire and birth behavior are strongly associated among married women aged 24-34 in the first wave of the survey. The percentage of women who actually had a child within five years of the time after their birth desire was surveyed was 68% for those who stated they "wish to have a(nother) child" and 42% for those who stated that they "may wish, depending on con-

ditions," but only 8% for those who stated that they "do not wish to have a(nother) child." Additionally, marital satisfaction is found to be a major correlate of birth desire. The higher the level of marital satisfaction, the greater the desire is to give birth to a first and second child, although no such tendency is observed among those who already have two children.

Work/Life Balance as Major Determinant of Marital Satisfaction

Given these empirical findings, I then investigated what factors are affecting the marital satisfaction of wives, and what roles are played there by the characteristics of the work/life balance within the family. I employed a statistical method of analysis for panel survey data that only uses information on how actual changes in family conditions affect changes in marital satisfaction. The following nine factors are found to be significant determinants of wives' marital satisfaction.

Four italicized factors in the table below are those related to the work/life balance. The "major life activities" refer to the three holiday activities of 1) relaxation, 2) household and child-rearing tasks, and 3) hobbies, recreations or sports, plus

Rank	Factors that affect wife's marital satisfaction	Direction of influence
1	<i>Number of shared major life activities</i>	↑
2	Number of years in marriage	↓
3	Birth of a first child	↓
4	<i>Number of hours husband and wife talk to each other on a weekday</i>	↑
5	<i>Number of hours husband and wife spend together on a holiday</i>	↑
6	Unemployment of husband	↓
7	<i>Proportion of husband's share in child-rearing</i>	↑
8	Aggregate amount of household savings and securities	↑
9	Husband's income	↑

the two weekday activities of dining and relaxation. These activities have been evaluated based on whether wives consider them to be valuable time spent with their husbands. As shown in the table, work/life balance factors have a significant impact on the level of marital satisfaction. This finding implies that the way husbands and wives spend time at home strongly affects marital satisfaction. In particular, the results indicate that it is important to enhance the “quality” of time the husband and wife spend together. Quality here implies the couple sharing certain weekday and holiday activities regularly, and increasing their hours of conversation.

First Childbirth as Crisis of Wife's Marital Satisfaction

It is also noteworthy that wives' marital satisfaction falls sharply after giving birth to a first child, but no such decline is observed with the birth of a second or third child. This negative effect is stronger for wives who are full-time homemakers than for employed wives. There is no doubt that an inability to adapt to a life with a child causes considerable stress. Wives in nuclear families with work-centered husbands in Japan must alone bear the psychological burden of child-rearing, a role which they have had no prior experience in if the child is their first. This is particularly stressful when they are not employed and thus have little social interaction other than with their family. It is mistaken to presume that a mother can handle child-rearing alone because women are naturally suited to the task. It is necessary to further examine the problem and consider how society should respond. An important initial step, however, is to promote paternal childcare leave and to reduce overtime work hours for husbands, so as to enable them to sufficiently share with their wives in child-rearing, particularly for a first

child. This will help create a family environment in which the husband and wife can attain a better work/life balance.

Reconsidering Work Sharing to Enhance Work/Life Balance

In order to enable married couples to attain a desirable family life, work schedules must also change, particularly for men. According to a study by Professor Nagai Akiko of the Japan Women's University, only about 20% of husbands in Tokyo typically return home by 7 p.m., compared to about 80% in Stockholm, about 60% in Hamburg, and about 50% in Paris. Another report, published by the Benesse Institute of the Child Sciences, Parenting and Aging, also shows that in 25.2% of families with a child aged 3 to 6 in Tokyo, fathers typically return home after 11 p.m. Compared to 9.9% in Seoul, 2.0% in Beijing, 2.1% in Shanghai and 5.0% in Taipei, it is evident that the men's excessively long hours away from home in Japan hinder a proper work/life balance.

Why then do Japanese men get home later than men in other countries? A greater workload per employee among regular employees is believed to be the root cause. A potential solution to this problem is the introduction of work sharing. The idea of work sharing was introduced in Japan in the 1990s when labor demand was shrinking amid a stagnating economy. The term has since been used to refer to a strategy in corporate restructuring in which employees' work hours and salaries are reduced rather than the number of employees. Thus, there has been little discussion of work sharing since the economy began its resurgence.

However, work sharing is not limited to the initiatives designed to minimize displacement of workers during economic recession. It also refers to a method of employment adjustment adopted during a period of growth, in

which a company meets growing demand for labor by increasing hiring so as to keep the number of work hours per employee at a suitable level. This is thought to enable employed people to have sufficient time for personal and family life while distributing job opportunities over a greater number of workers, particularly for women and young people who are relatively underemployed in Japan today. Both the government and companies are being urged to achieve a society with a better work/life balance through reexamination of the notion of work sharing. Another subject of change is the traditional practice of Japanese firms in which labor demand is adjusted for primarily by changing the work hours of regular employees, which leads to chronic overwork during the period of high labor demand.

Work/Life Balance as Key Policy Measure to Counter Fertility Decline

What sort of quality Japan should pursue in policy measures to raise fertility remains an open question. However, empirical findings from my research underscore the importance of realizing a social environment in which people enjoy more freedom of choice regarding their lives and thereby attain a better work/life balance. Although this may seem to be roundabout compared with prenatal family policies, the attainment of such a society seems to be the most effective method of addressing the issue of a low fertility rate. Needless to say, a better work/life balance is also valuable for its own sake. **JS**

Yamaguchi Kazuo is Hanna Holborn Gray professor of sociology at the University of Chicago. After obtaining a Ph.D. in Sociology from the university, he taught at Columbia University and UCLA before taking the present position. The Institute of Scientific Information named him in 2002 among the most cited scholars in the Social Sciences.