Beyond Shoshika: Serious Effects of Low Fertility and Promotion of New Policies

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Introduction

Along with intensifying globalization of economy, the trend of *shoshika* or declining fertility rate and subsequent reduction of the number of children in the family, community and society has become rapidly and exceedingly apparent in Japan. Unless appropriate countermeasures are taken, this tendency will possibly bring the country from decline to fall. Now is the time to review government policies and measures for shoshika from its foundation, to break the vicious cycle of shoshika and to undertake the realization of society where people can enjoy child-raising in relaxed surroundings and share joy and importance of bringing up children. For this purpose it is necessary to clearly set forth the numerical target of departure from the shoshika trend and to implement drastic countermeasures including financial support.

1. Japan on the brink of collapse

The shoshika trend in Japan has become exceedingly and rapidly in progress since the 1990’s. The total fertility rate or the number of children borne by a woman over her lifetime reached 1.26 in 2006. Assuming that the same lowering trend continues, the population of Japan is estimated to decrease to 90 million, 70% of the present level in 50 years, and to 45 million, that of 35% in 100 years. The population ratio under 15 years of age or so-called child population will be no more than 9%, whereas the aged population of 65 years or over will reach to 40%.1

In the high economic growth period of between 1960’s and 70’s, the working population of 15 to 64 years old increased by 1% per year and the ratio of dependents including children and the aged to the working population, or the dependent population ratio, deceased. In other words, it was the age of “population bonus.” Today the shoshika trend is in progress and the situation is completely opposite. The working population decreases, dependent population ratio increases and change in demographic structure has become burden to the society. That is called the age of “population onus.” (“Onus” stands for “burden.”)

Population decrease and aging of population structure may not directly lead to decline of economic society. However there is no doubt that change in population and demographic structure that comprises the foundation of economic society will gradually give effects to Japan. For a short term, the
impact may not look as obvious and shocking as the one that derives from the recent global economic and financial crisis triggered by the subprime issues, but it will surely and eventually bring fierce impacts to the physical structure of the Japanese economic society.

2. Expansion of global economy and shoshika

The shoshika trend has been spurred by globalization of economy without appropriate rules and corporate management with no sufficient consideration to the employed.

Rapid development of information and communication technologies has promoted positive exchange of people, goods, services and information, and has been thus making the earth, which was once believed to be boundless, smaller and smaller. Economic resources such as raw materials, intermediate goods and products are exchanged freely and consumption goods produced in low labor cost areas are penetrating the global market. Companies have focused on cost reduction in labor, in particular, in order to compete positively in the international cost race. Under these circumstances flexible employment won support, regular employment was suppressed and was increasingly replaced by non-regular employment. The average wage level of non-regular workers is less than half of that of regular workers and employment status of the former is unstable with threat of dismissal whenever the contract period is over.

Increase in low income and unstable employment under the global competition has suppressed or delayed the chance of marriage from financial reasons, which led to lower ratio of marriage and childbirth, if it may have contributed to curbing labor cost on the part of the companies. Marital ratio of non-regular workers is less than half of that of regular workers, which may explain change of income and employment status is one of the important causes of shoshika.

Here a question arises. Does globalization of economy inevitably bring about increase of non-regular workers and subsequently create the shoshika trend? In the Western and Northern Europe, with exception of Germany and Italy, there is no evidence that shoshika extended in the 1990’s and onwards, when globalization developed distinctively in Japan. Instead, total fertility rate improved there in the late 1990’s.

With global competition becoming increasingly intensified, an illusion or misperception developed in Japan that any means are permitted with corporate management if it may not care the employed. On the other hand, regular employment was regarded as foundation of the economic society in France, UK or Northern Europe to meet with globalization. Instead of maintaining employment at the sacrifice of non-regular workforce by regarding their labor as tools of production, those measures that guarantee the same wage to the same work as well as work sharing were adopted in the Netherlands.

Further, in order to stop shoshika and recover fertility rate, series of supportive packages have been intensified in the Western and Northern Europe such as provision of substantial child allowance and childcare leave, topics of which will be discussed in the following of this paper. In short, the politics focuses on intensification of childcare function at home and sustainable development of economic society.

Presumably there is a consensus by and large in a community on what to sustain with particular care
and attention even though competition is fierce. Japanese companies have assumed to take pride in their corporate management that cares workforce without seeking for immediate short gain. In fact however, globalization in progress has dimmed their determination. No reduction of regular workers and compulsory contribution of social insurance to the non-regular workers are indispensable practice of the employers, and still they neglected their responsibility in favor of winning international competition. Maintaining employment and income of the employed will reduce risks of their life and eventually lead to the benefit of companies in the long run, but the employers lost such long-term view and chose to look to short gains rather than sustainable corporate growth.

3. Failure of supposition to encourage shoshika

In 1992 “Whitepaper on National Life” released by the then Economic Planning Agency (present Cabinet Office) discussed the issues on decline of fertility rate and the subsequent reduction of the number of children in the family, community and society for the first time in the major government documents with “shoshika” as a keyword. The paper depicted influences and raised issues to tackle. Henceforth, shoshika has been closely picked up and discussed as an important current econo-social issue that Japan faces.

The shoshika trend gives influences to varied aspects including maintenance of living standard, continual existence of local community, family affiliation, sustainable growth of economy, succession and development of culture and art, execution of national vigor and existence. If the trend goes on at an extreme pace, its adverse effects are immeasurable. The foundation of people’s life will totally collapse.

As was indicated in a public opinion poll conducted by the Cabinet Office, majority of people have addressed this issue squarely. However some critics, experts and economists known as intellectuals have taken different slants.

The first view advocates non commitment to the shoshika issue saying that childbirth is a totally personal matter where no public sector should interfere. They say that the trend of total fertility rate that represents the number of children borne by a woman in her lifetime should be accepted as a result of personal decision made by couples. This idea may reveal the fact that up until the early 1990’s there has been deep-rooted repercussion against the pre-war government policy that overtly encouraged childbirth.

The second view welcomes shoshika. Assuming the per capita income will not decrease, they assert that people will be free from the present small living space in Japan and enable to secure abundant living environment under reduced population. Others favor the idea that the present world population level is excessive in comparison to the earth volume and Japan should cooperate with its suppression by largely slashing the present Japanese population of 127 million. In fact under the shoshika trend it is inevitable for Japan to develop economy steadily in order to materialize rich living environment with enlarged per capita usable space. Still the reality does not stimulate economy to grow thus far. Looking from the perspective of relaxation of population increase pressure worldwide, contribution of the shoshika trend in Japan is extremely limited. It is more important that efforts should be made in
Africa or Southern Asia where fertility rate is extremely high.

The third argument upholds the view not to fear the shoshika trend saying that problems exist within the manageable range. They advocate that Japan will overcome the shoshika issue by enhancing economic competitiveness through extension of restructuring and improvement of productivity, by filling the labor shortage with employment of women and the aged (with supply of foreign workforce, if necessary) and advancing structural reforms of pension, medical services and nursing care. However in reality, the working population decreases at 1\% per year on average if the present shoshika trend continues, and maintaining high productivity to supplement the decrease is extremely difficult. Under the shoshika trend, social security system will not last long unless allowance level largely decreases and burden share largely increases. Without taking these concerns into consideration this view will remain as simple wishful thinking.

These optimistic views that I have introduced above kept substantial influence by years around 2002. It is true that many books questioning the shoshika trend were published such as “Cho Shoshika—Kiki ni Tatsu Nippon (Ultra-shoshika: Japanese Society on the Verge of Crisis)” written by Rieko Suzuki, 2000, on the other hand it was distinct to see influx of books that advocate the shoshika trend including “Uerukamu Jinko Gensho Shakai (Welcome to the Population Decreasing Society)” written by Iwao Fujimasa and Toshiyuki Furukawa, 2000 and “Jinko Gensho no Keizaigaku—Shoshi Koreika Shakai ga Nippon o Sukuu—(Economics of Population Decrease: Low Fertility and Aging Society will Save Japan)” written by Yutaka Harada, 2001. However it is noteworthy that such optimistic arguments cease to exist recently as many people come to realize specific and serious nature of the issue and understand the fact that arguments to advocate welcoming shoshika or pretending the issue as no threat are not persuasive.

The latest debates do not forcibly focus on disadvantages of shoshika. Rather, debaters prefer issues such as international comparison and effective countermeasures discussed in books like “Shoshika to Nihon no Keizai Shakai (Shoshika and the Japanese Economy and Society)” written and edit by Yoshio Higuchi, 2006 and “Shoshika Kokufuku e no Saishu Shohosen (The Last Prescription to Overcome Shoshika)” written by Haruo Shimada and Yuki Atsumi, 2007.

Incidentally some argue against necessity for the shoshika countermeasures in contrast to the majority of proponents. Pension, medical services, nursing care and welfare services are the fields where the opponents prefer to place priority over shoshika. They assert that countermeasures will take too long for new-born babies to actualize social benefits production. Social benefits are brought only after having given childcare and education as long as 20 years, which is excessively cost-consuming and too late in the aged society. The preceding view extended by Professor Yukio Noguchi is lamentable. In fact in the economy like Japan today where lack of future demands is foreseeable, we should not overlook the fact that childbirth, child care and education are the source of creating most effective demands fit for investments, rather than the source of temporary economic burden.
4. Countermeasures for shoshika in Japan

4.1 Recent government policies

Causes of shoshika are diverse. Whether it derives from delayed marriage or staying single, it is necessary to implement proactive countermeasures based on clear targets in consideration of degree of importance, cost-benefit performance and socio-economic elements of causes.

Basic Law defining Countermeasures for Low Fertility Society was enacted in July 2003, and subsequently Outline of Countermeasures for Low Fertility Society was approved in a Cabinet Meeting in June 2004. Full implementation of countermeasures for shoshika started in this manner. The Outline presented four focal tasks: 1) Independence of youth and cultivation of their vigorous mind 2) Support for balancing work and life and revision of way of working 3) Awareness for importance of life and roles of a family 4) Creation of new system of cooperation and solidarity for child-raising. In order to address the above mentioned tasks, twenty-eight action targets are set forth including fulfillment of scholarship, childcare leave system, women's continual working, frequent contacts with babies, raising and education of pre-school children, after-school programs, fulfillment of perinatal and pediatric medical system and child abuse prevention law. Varied and inclusive contents cover a number of items related to shoshika, however the method of implementation of policies to improve total fertility rate is not clear. Determination to implement related policies is stated, still little is predictable on their effects to stop and reverse the current of shoshika.

In December 2004 “Plan for Supporting Children and Child-raising” was formed based on the Outline with particular mention of targets to each item such as reduction of job-hopping part-timers (or so-called “freeters”), childcare leave acquisition ratio and no-waiting-list childcare facilities. In June 2006 “New Shoshika Policy” was decided for reversing the trend on the occasion that the total fertility rate hit the lowest record of 1.26. It proposed to divide growth period of children in four stages, called for intensification of shoshika countermeasures and promotion of national campaign. Under these circumstances increase of child allowance from 5000 yen to 10,000 yen for children equal to or younger than three years and raising of childcare leave allowance from 40% of the previous wage to 50% were implemented.

In line with the above-mentioned policies, focal strategies such as “Work and Life Balance Charter”, “Action Guideline” and “Japan Supports Children and Family” were decided and implemented in December 2007. “Action Guideline for Work and Life Balance” presented specific targets of promotion: improving work engagement ratio for women and the aged, decreasing the ratio of staff with long overtime work, complete acquisition of annual paid holidays, improving the work continuation ratio after the first childbirth from the present 38% to 55% in ten years, improving childcare leave acquisition ratio from 72.3 to 80% for women and from 0.5% to 10% for men and increasing men’s participation in childcare and housekeeping from 1 hour to 2.5 hours for those with a child of younger than six years old.

Posting these specific targets is nothing harmful but some targets appeared to have been prepared with unreasonable foundations and excessive consideration of gender equality. For example, raising
childcare leave acquisition ratio to 10% for men looks unfeasible for a long period. The equivalent ratio practiced in France, where childcare scheme is more advanced, is 5%. Division of childcare roles between men and women should follow natural law.

In addressing the shoshika trend, it is important to give due attention to work and child-raising balance in addition to simply harmonizing work and life. In other words, securing sufficient time for parents, mothers in particular, to raise babies is important in consideration that work is not limited to the one practiced outside of home. Needless to say, it is necessary for men to participate in housekeeping and child-raising more positively across the conventional division of gender roles. Provision of childcare leave with enough financial and time allocation is more important than achievement of increase in continual employment ratio after childbirth. It is worth noting that housewives equally need to be provided with circumstances where they can commit to childcare with confidence.

The Guideline shows numerical targets for specific policies while it does not describe the target of total fertility rate which is one of the main targets of the shoshika policies. It is only recent that the government documents mention the target values on the shoshika policies. Council of Fiscal and Economic Policy Special Committee filed a report in August 2008 with a notion that “the total fertility rate is expected to arrive at least at the level of 1.7 to 1.8.” However this is a report issued by the Special Committee and not the decision made by the government. Without having a fixed target value, policy evaluation and launching of effective policies are difficult.

4.2 Slant to provision of nurseries

Basic recognition of the government policy lies in balancing work and life. They assume that women work outside of home generally in the advanced countries, and that is desirable for self-realization of women and for filling the forecasted labor shortage in the future. Therefore the shoshika policy focuses on achieving the balance of work at home and outside of home, and on removing restrictions that prevent its realization. Providing nurseries for working mothers to secure childcare is more focused than securing sufficient time for childbirth and child-raising.

The number of children aged between zero and five is 6,660,000 (in 2006) while the capacity of nursery is 2,120,000 and more than 20,000 children are on the waiting list as of April 1, 2008. The new no-waiting-list nursery campaign set forth by the government in February 2008 aims at raising nursery using ratio from 20% to 38% for children younger than three years and from 40% to 56% for children from three to five years old.

For this purpose provision of nurseries and subvention of childcare fee has become focal point of policies. In practice, those families with children going to public nurseries can enjoy sufficient support and double-income of parents, which in fact accentuates big financial imbalance with those families with children not going to public nurseries. It is necessary to appropriately reflect establishment and management cost of nurseries to fee depending on income level of users.

The present policy downgrades the fact that more than half women leave their workplace on the occasion of marriage or childbirth and commit themselves to child-raising at home as a stage of lifetime.
The fertility rate of exclusive housewives who care family and child-raising is high. Most of women who have the third child are exclusive housewives. For addressing shoshika issues, the function of those families needs to draw more attention. However today policy looks excessively to working women with a notion that it is normal for women to work outside in gender free society and working outside is essential for self-realization. Such slant tends to discourage pride and confidence of exclusive housewives who keep the house and care children at home.

4.3 Lean financial support

In Japan financial support to the aged is relatively generous in medicine, nursing care and pension. It accounts for 3% of GDP and equals to the European level. In contrast financial support to child-raising is 4 trillion yen or 0.8% of GDP and there is a big gap with support to the aged.

It is not abnormal to spend 1 million yen per year for medical care of an aged. For example, a doctor’s visit once a week for regular check cost a patient 5000 yen a month. With self-pay of 10%, the total medical cost amounts to more than 50,000 yen a month, which equals to 600,000 yen a year. Added with medicine, the total cost can exceed 1 million yen. A policy to provide gentle care to the aged is desirable in itself, but there is a distinct imbalance with support to child-raising families who have limited financial source.

Allowance paid to babies and children or so-called child allowance is functional to reduce economic burden of the households that receive allowance. The amount, however, was extremely limited due to financial reasons; 10,000 yen per month for all children younger than 3 years old, 5,000 yen per month for first and second child and 10,000 yen for the third child of equal to or older than 3 years old.

The general election of August 30, 2009 drew manifestos from political parties. The Liberal Democratic Party posted free education for pre-school children and allowance-based scholarship, while the Democratic Party posted monthly child allowance of 26,000 yen. The level of child allowance practiced in UK, France and Germany is around 20,000 yen per month. The more the number of children the more amount of allowance is provided in countries such as France and Sweden. Obviously constant provision of child allowance at European level requires to clear challenges such as securing financial sources, but it is significant that the Japanese political manifestos directly dealt with financial support measures for the child-raising bracket.

The Democratic administration that won a major victory in the general election started to provide child allowance of 13,000 yen per month to parents of children equal to or younger than junior high school students since June, 2010. The amount is expected to be raised to 20,000 yen for children younger than three years since 2011. The total implementation of manifesto, or provision of 26,000 yen per child, however, is not assumed to be practiced due to lack of financial background.

On the other hand, some advocate that massive financial support requires enormous budget and families without children suffer disadvantage. It is true that securing financial source needs prior consensus, but this debate of financial support does not appear unreasonable in the long run. The Japanese average lifetime income is 200 to 300 million yen. Excluding the estimated lifelong financial burden on family, state and local government budget of 50 million yen on food, education and others per
person, lifetime income is assumed around 200 million yen. In the society where population diminishes the value of socioeconomic activity by adults is large. New public burden accompanied by provision of child allowance of 300 thousand yen per child per year or 5.4 million yen per child up to eighteen years old sounds large, however in reality it is not very heavy in consideration of social benefits the child brings in the future. Assuming 15% of the lifetime income turns to tax revenue, it will total 30 million yen. Taking into account of time lag and public burden, the account is sufficiently beneficial. Obviously there are controversial issues on how to procure necessary financial sources, appropriateness of provision to high-income family, anxiety of dispense for purposes other than child-raising and others. Use of vouchers may function to limit spending purposes.

Financial factor accounts for major cause of shoshika, if not the only. According to the survey conducted by the Ministry of Health, Labor and Welfare, 80% of the families in the child-raising bracket answers that the reason why they cannot have children as they wish is that child-raising and education is too costly. When we look at the practice in France where families with one child can receive 300 thousands yen and those with three children can receive more than 1 million yen per year as financial support, the fertility rate has risen by 0.4 since 1995 and reached to 2.02 in 2008, being close to the replacement-level fertility of 2.07 to 2.08 where the population level is assumed to stay stable.

Japan faces critical situation today and cannot keep standing at the brink any more, otherwise it will take a path of self-destruction. Considering high degree of emergency and cost-benefit, intensification of financial support to the child-raising bracket will definitely be beneficial for the future Japan.

5. Departure from excessive shoshika

The total fertility rate of Japan hit the bottom in 2005 and saw improvement for the subsequent three years since then. That is, the total fertility rate of 2005 was 1.26 and it turned to 1.32 in 2006, 1.34 in 2007, 1.37 in 2008 and 1.37 in 2009. Incidentally 2008 was a leap year and to be exact, it should be reduced by 0.01%, i.e., deducting 0.3% (equals to 1 divided by 366) of 1.37. Noteworthy feature is definite improvement in rate. According to demography, the total fertility rate equal to or below 1.3 is defined as “very low fertility”. In my view 1.37 is already excessively low. I personally use the expression of “excessively low fertility” to the rate below 1.5 in consideration of rapid change of total population and demographic structure. Important matter here is to focus on encouraging the steady growth of recent improvement trend.

Immediate priority should be placed on watching how aggravation of economy since the Lehman’s fall in autumn 2008 comes to give effects after 2009. Generally increase of unemployment rate of youth in marriage and child-raising period, increase of non-regular employee rate, pay decrease and long and deep recession are factors to lower fertility rate. On the other hand provision of employment policies and shoshika countermeasures, and change of mind and behavior to value human relationship and lifestyle are positive factors. The future trend will certainly emerge from confrontation of these positive and negative factors.

The global economic crisis of 2008 discloses the shortcomings of financial capitalism without control,
and calls for review of the econo-social system in which financial investments are excessively valued rather than productive ones. At the same time individualism of narrow sense that seeks solely an individual self-realization is faced with reconsideration. People cannot live without relationship with others. Lifestyle that pays due consideration to liaison and solidarity with both vertical relationship such as family and horizontal relationship such as community and society is needed.

Recently a coined word “konkatsu” or spouse hunting has become trendy. It may sound too sequential if it follows immediately after “shukatsu” or job hunting. However if a trendy word stimulates younger generation to think about marriage and child-raising more positively it will certainly bring favorable results. The baby boomers were more or less accustomed to occasions of meeting their spouse-to-be set by parents or acquaintances in their youth. Today the situation is different. Those youth who are passive in marriage and remain dependent on their parents or cocooning to their own small world are increasing. It is pleasing if “konkatsu” introduces new and positive lifestyle among youth and ultimately contributes to upturn from shoshika.

6. Realization of having desirable number of children

If the measures and policies that I described above take effects, excessive shoshika will turn to moderate nature. Assuming that total fertility rate is recovered to 1.55 as was predicted by the National Institute of Population and Social Security Research in 2006 in high level estimation, the total population of Japan in 2105 will be 62 million (45 million by medium level estimation) which is half of the present level, of which child population ratio accounting for 11.4% (Id., 8.4%) and aged population ratio, 35.0% (Id., 40.5%). Improvement is substantially remarkable.

In fact the situation has not sufficiently overcome shoshika yet. The ideal situation is that the size of population is sustained at constant level. The level sustaining the size of population in constant situation is called replacement-level fertility. It takes effects when the total fertility rate is maintained between 2.07 to 2.08. The reason why it is not 2.0 is male population being 5% larger than that of female at birth and in consideration of female survival rate by maturity for childbirth.

It is impossible to achieve this level by force because the foremost importance should be placed to willingness of people who wish to have and raise children. According to “Basic Survey of Birth Trend” filed by the National Institute of Population and Social Security Research, 90% of unmarried people wish to get married in the future and the desirable number of children of both married and unmarried candidates is equal to or more than two. In reality the total fertility rate had dropped until 2005 and there is a widening gap between willingness and reality. If the willingness of people for their marriage and childbirth comes true, the total fertility rate is expected to grow around 1.75.

Assuming the total fertility rate recovers to achieve this level, the Japanese total population in 2055 becomes 104 million (equals to 80% of 2005 level), of which child population accounts for 13%, production age population 52% and aged population 35%. Under this scheme population decrease and change of population composition are relatively moderate, and it is predictable to form sustainable and stable society. Realization to have desired numbered children is favorable to both individuals and
In contrast, if the vicious cycle of shoshika continues, the desired number of children may fall. Delay of medical system reform spurs workload and estimated decrease of new-born babies has caused to decline the number of obstetricians and pediatricians. These circumstances incur and deepen fear of childbirth and child-raising. Shoshika triggers difficulty of child-raising and cause to produce new wave of shoshika.

Inversely, if the chain of a vicious cycle is cut and a virtuous cycle is created with common understanding of joy and importance of child-raising, the desired number of children is expected to grow. Thus the total fertility rate reflecting the desired number of children will approach to replacement-level fertility.

Conclusion—Beyond shoshika

The economic system focusing on pursuit of short-term benefits has been intensifying shoshika. The recent economic crisis triggered by subprime loan issues has presented us a good opportunity to think over how the future economy and society should be formed. Have we not forgotten to pay regard to anything valuable such as global environment, ecological system, life cycle, rhythm of nature and metabolism, succession of knowledge and wisdom to the next generation and respect to something great in the universe that surpasses the economic activities?

Shoshika policies need to take these points into due consideration and make continual efforts without despair. A sort of defeatism appeared to prevail for a while but varied proactive actions have taken place recently. A strong wave is rising to review fundamentals of policies beyond financial restrictions.

Here I would like to summarize and particularly emphasize the following three points as countermeasures for shoshika in the future.

First, it is necessary to elucidate goals of shoshika policies. In “Child and child-raising vision” decided in Cabinet meeting on January 29, 2010 the government showed recognition that “varied planning and countermeasures have been implemented as shoshika policies so far, but no visible results have been gained. It was not possible to produce policies sincerely addressing to needs, anxieties and future hopes of children and youth.” Then a number of policies were posted. However with exception of provision of new child allowance after having abolished the old one and free tuition fee to high schools, the rest remains extension of the previous policies without any drastic changes.

The reason why the effects of previous shoshika policies were not clear is that the numerical goal of the total fertility rate, the core of policies, was not clearly set. Support to children and child-raising is necessary in any epoch, but what is particularly important today is to reacknowledge that the Japanese economic society will not definitely survive if the present low total fertility rate continues. The most urgent task is to set specific target of total fertility rate and exert every effort for its accomplishment. For the time being until 2020 the target value of total fertility rate should be set around 1.75 which will fulfill the desired number of children by youth. After 2020 towards 2030, it should be aimed around 2.0 which represents replacement-level fertility. Based on these target values, it is necessary to formulate
and decide effective policies for accomplishment of goals. (If the aforementioned target is cleared, the population of Japan is estimated to be largely stabilized with the level of no less than 100 million, 20% lower than the present, in 50 years. The child population ratio will be around 15%.)

Second point concerns securing stable income source of youth. Extremely low income of non-regular employees is one of the major detrimental elements to marriage and child-raising. Upgrading non-regular employees’ income level is needed through promoting status of non-regular employee to regular one and introducing a policy to guarantee the same wage to the same work. Securing decent income for a worker to lead a stable life is an essential element for an economic society to attain sustainable growth.

The existing social security system provides considerably generous assistance to the aged including pension and medical care while financial assistance to the child-raising bracket is lean. It is necessary to apportion the limited fund to assistance of the aged and the child-raising bracket in a balanced manner.

Provision of child allowance is remarkable for improving balance but it is necessary to redesign the system in view of shoshika policy. In other words, introduction of reducing financial burden of a family that raises more children is needed: the more children of a family the more per capita allowance should be provided, just like the current practice in France and Sweden.

Third point is securing sufficient time for mothers to raise children. Working overtime that neither allows parents to look after family nor have them commit to child-raising is abnormal. It is necessary to further improve system and practice for both men and women to keep balance of life and work. Moreover from a viewpoint of shoshika policy it is important to keep a balance of child-raising and work in addition to simply keeping balance of life and work. The existing government policy has placed top priority on increasing the capacity of nurseries and achieving zero-waiting list for nurseries. It is formed on the premise that mothers continue to work outside of home even during the period when children are very young, assuming that it is essential for women’s self-realization. Rather, it is necessary to improve system for extending the period of childcare leave, securing reemployment opportunities and improving reemployment treatments so that working women can commit themselves to child-raising at home in relief by the time children reach the age around three years old.

A nursery is defined as a welfare facility to keep children who lack childcare. Therefore municipalities which are responsible for establishment and management of public nurseries are obliged to set low fee as a part of welfare service. Public nursery fee that parents pay is equivalent to one-fifth of the management cost and one-tenth of the cost which includes establishment of the facilities. It is not rare that the cost the municipality bares is larger than the income of parents. Under financial restriction, it is not surprising that municipalities are not willing to establish and manage nurseries with low fee revenue. For the purpose of solving the problem of lack of nursery capacity, it is important to assign economically rational burden of fees to parents, to implement fair provision of public subsidy to both private and public nurseries and to promote entry of private businesses to childcare sector.

It is generally known that the total fertility rate declines as economy grows, hits the bottom and then upturns as the level of economic society improves. This tendency was recently indicated clearly in the correlation between Human Development Index (or HDI that synthesizes life expectancy, average
income per person and level of education) and the total fertility rate. The tendency, however, has not proved clear yet in Canada and Japan. It is expected that Japan will achieve departure from shoshika with appropriate measures and policies that I have elaborated in this paper, and will eventually meet the principle of correlation between trends of economic society and fertility rate.

Ensure departure from shoshika and regain the society where children are born peacefully and grown up in good health. By becoming an advanced country in solving shoshika issue, Japan will certainly give a meaningful suggestion to countries and regions in East Asia including Korea, Singapore, Taiwan and Hong Kong where shoshika is currently in rapid progress today.

<Supplement>

General Background of Shoshika

From a demographic point of view, factors of shoshika are analyzed as the following:

(1) Tendency of delayed marriage or staying single
(2) Declining fertility rate of married women

Major factor is a tendency of delayed marriage or staying single. The number of children borne by a married woman is decreasing, and declining fertility rate of married women accelerates the shoshika trend.

Factors to cause the tendency of delayed marriage or staying single and declining fertility rate of married women are varied and complex. First of all let us discuss socio-economic factors of a tendency of delayed marriage or staying single.

First, the total number of men is larger than that of women and it is more disadvantageous for men to get married. To begin with there is demographic imbalance in the number of men and women, of which the former is 5% larger than the latter in the same age bracket. Besides under the circumstances of declining fertility, men’s average age of marriage being higher than that of women, the number of women intended as spouse-to-be decreases and boosts imbalance.

Second, acceleration of urbanization, rising service industry and intensified information technology have increased convenience of single life. For example, apartments fit for singles are supplied more abundantly than the ones for a family due to higher turnover rate. Convenience stores operating round-the-clock are found everywhere. It is becoming easier to lead a basic life of clothing, food and housing while staying single. Satisfying sexual desire is becoming easier without getting married.

Third, more women seek higher education and find it difficult to meet men with whom married life will be well balanced with realization of their carrier. On the other hand, so-called “parasite singles” are increasing. They prefer staying with their parents as dependents rather than making up their mind of getting married.

Fourth, non-regular employment is boosting rapidly and shakes the financial base of youth which is essential for leading a stable married life.

Next, let us discuss factors of declining fertility rate of married women.
First, increasing women find more disadvantage than benefits in child-raising as a general picture. In view of big financial burden and difficulty of raising children, they find it disadvantageous to raise children than beneficial and joyful in spite that they could enjoy child-raising itself with expectation of growth and joy of succession to the next generation. (Same trend is found in advantage and disadvantage of marriage.)

Second, they harbor deep-rooted anxieties to child-raising and future and find it difficult to have clear and delightful vision for future. Chances to have direct contact with babies and children at home or in the neighboring communities are decreasing and more women cannot have confidence in child-raising. Lack of enough number of gynecologists and pediatricians spurs anxiety of childcare. More parents find it difficult to see bright prospects for future of their children under the circumstances of surging uncertainties about Japan’s future. According to the national census, only 10 to 20% of Japanese people believe in more prosperous Japan in the future. The traditional middle class value system believed in future social benefits. They believed that giving substantial education to children at the sacrifice of parents’ frugal life would be beneficial to raise children who work for the society, and their stable life would have their parents rest assured. Such view is weakening. In other words, a middle-class “humble Japanese dream” in which people believed that hard-working and sober life would bring in ordinary or above-average life is collapsing.

Third, working women find it hard to balance their career, housekeeping and childcare due to long working hour of their husband, lack of cooperation in housekeeping and lack of nurseries convenient to their life. Opportunity cost to resign work is too expensive and heightening incentive for childbirth and childcare is not easy.

Lastly, condominiums are common housing in the Japanese big cities today and their living space is relatively smaller in scale than independent houses. Constraints in housing space are meaningful factors detrimental to raising many children.

Note:
2. Social Security Council Special Committee on Demographic Change, “Population Estimate reflecting Willingness of Childbirth” issued by January 2007
3. Suzuki, Wataru “Taikijido 80 man nin no Genkyo—Koritsu Hoikusho no Kyuryo ga Takasugiru (The Culprit of 800,000 Children on the Waiting List—Public Nursery Payroll is too High)”, Bungei-Shunju, November 2010
4. Professor Myrskyla of the University of Pennsylvania, The Economist, 6 August 2009
5. Yamaguchi, Kazuo “Shoshika no Kettei Youin to Gutaiteki Taisaku—Yu Haigusha no Baai—(Decisive Factors of Shoshika and Specific Countermeasures—Case of Married Women)”, Policy Analysis Paper No.6, August 2005, Keizai Sangyo Kenkyusho (Research Institute of Economy, Trade and Industry: RIETI)
6. Professor Gary Becker of the University of Chicago (laureate of Nobel Prize in Economics) has
conducted pioneering cost-benefit analysis on marriage and child-raising.

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