

**Topic-Setting Program to Advance Cutting-Edge
Humanities and Social Sciences Research**

(Responding to Real Society)

Progress Report
(Summary of Final Report)

[A Policy Evaluation and Recommendation for the Measures for Declining
Birth Rate in Japan]

Core-Researcher: Masahiro Abe

Institution: Chuo University

Academic Unit: Faculty of Economics

Position: Professor

Research Period: FY2013 - FY2015

1. Basic information of research project

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| Research Area | Structure of Japanese Society Based on Dynamic Trends of a Population |
| Project Title | A Policy Evaluation and Recommendation for the Measures for Declining Birth Rate in Japan |
| Institution | Chuo University |
| Core-Researcher (Name, Academic Unit & Position) | Masahiro Abe, Faculty of Economics, Professor |
| Project Period | FY2013 - FY2015 |
| Appropriations Plan (¥) | FY2013 7,555,000 JPY |
| | FY2014 8,945,000 JPY |
| | FY2015 3,500,000 JPY |
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2. Purpose of research

Countermeasures to the falling birthrate are important policy issues for Japanese society. The current drop in birthrate further exacerbates Japan's population decline, and at the same time makes the issue of our aging population more severe. The ratio of the number of elderly being supported by workers is expected to increase greatly, which also heightens the seriousness of social insurance issues such as pensions and healthcare. In addition, the decline in the population of those in their productive years will have a negative effect on the accumulation of human capital, and lead to stunted growth for Japan's economy.

With this in mind, from the perspective of maintaining Japanese society it is important to closely examine countermeasures for low birthrates, and scientifically validate their effectiveness. This research comprehensively and scientifically validates the effects of countermeasures for low birthrates to date from the following perspectives, and from the standpoints of researchers with backgrounds in economics, anthropology, and sociology, as well as the standpoints of practitioners such as corporate human resource professionals and policy professionals in national and local governments.

First, while the government has been actively engaged in implementing countermeasures for low birthrates, have these countermeasures been tied to resolving the issue of declining birthrates?

Second, have countermeasures for declining birthrates implemented to date been effective?

Third, if countermeasures for declining birthrates are effective, have sufficient policy resources been allocated to those countermeasures?

Fourth, are there countermeasures for declining birthrates that have been overlooked to date?

For each of the above points, we confirmed and compiled current research standards related to the issue of declining birthrates, and clarified whether certain topics have been sufficiently researched. We then engaged in new empirical and theoretical research. Throughout this process, both practitioners and researchers collaborated in making specific proposals.

3. Outline of research (Including study member)

We evaluated various policies by categorizing countermeasures for declining birthrates according to administrative organ and method of support. Specifically:

- (1) A family policy research group: a group that researches childrearing support, as well as support for marriage, pregnancy, and childbirth
- (2) A work reform research group: a group for researching work reform and countermeasures for declining birthrates at the corporate level
- (3) A regional research group: a group that researches countermeasures for declining birthrates at the local level

In addition to these research groups, a fourth macro-economic model research group was created to research the impact of the above countermeasures at the macro-economic level and on government finances and social insurance.

4. Research results and outcomes produced

First, there is a certain effect from existing countermeasures for controlling declining birthrates. One reason given for Japan's declining birthrate is the great expense incurred by having children. However, the promotion of work-life balance in recent years among corporations, as well as the creation of nursery schools has increased the likelihood of being able to balance marriage, childbirth, and career for women, and reduced costs.

Second, existing countermeasures for declining birthrates have had no impact on birthrates overall. For example, results of a questionnaire survey administered to municipalities show no evidence that countermeasures for declining birthrates have increased birthrates in those municipalities, and neither has the overall birthrate risen at a macro-level.

Third, while there are positive effects to countermeasures for declining birthrates, there is a problem with the allocation of policy resource investments where those effects cannot be observed. No investment in resources is made where there will be no impact, and thus there will be no effect on birthrates. For example, social expenditures in 2012 were 23.86% of GDP, of which only a mere 1.35% was for benefits related to children and families. In contrast, expenditures in these areas in other countries

were higher than Japan, with 0.74% of GDP in the US, 3.97% in the UK, 2.24% in Germany, 3.64% in Sweden, and 2.94% in France. 11% of GDP in Japan goes to expenditures for the elderly, the highest percentage internationally. Even if there is an effect gained from countermeasures for declining birthrates themselves, in simulations using macro-models we have developed, the result is a birthrate that approaches 2.0% when family-related expenditures equal 2% of GDP.

Fourth, there are problems with coordination of investment of government resources. For example, details on countermeasures for declining birthrates in local governments are left to those local governments. As a result, households raising children tend to move into municipalities with proper institutions in place, and move away from municipalities that have not created similar institutions. This leads to a zero sum game, with a recovery in birthrates of the former, and a decline in birthrates in the latter.

In addition, the lack of sufficient awareness of national and local government countermeasures for declining birthrates is an issue.

Fifth, there are problems with the fact that the government did not sufficiently assess policies or follow the PDCA cycle.

The above outcomes were published via two methods.

First, we published the above outcomes in a public symposium on July 7, 2015 entitled, “Shoushika Taisaku no Hyouka to Teigen; Kangaeyou, Kazoku, Kigyuu, Seifu Sorezore no Yakuwari” [An Assessment of and Proposal for Countermeasures for Declining Birthrates: Thinking About the Role of Families, Firms, and Government]. Participation in the symposium was not limited to researchers and policy professionals, but also included the general public, such as corporate HR and labor professionals. This made for more realistic discussions on future countermeasures for declining birthrates.

Second, “Shoushika wa Tomerareru ka?” [Can Declining Birthrates Be Halted?], edited by Masahiro Abe, was published in March 2016 by Yuhikaku. It was designed to convey research outcomes in an easily understood manner to the general public and not just researchers or policy professionals, and by raising problems and future issues with countermeasures for declining birthrates we hope to create a discussion around future