Declining Fertility in a Rapidly Aging Japan

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This research paper discusses the origins of Japan’s fertility crisis and analyzes the government’s most significant policy initiatives, from 1990 to the present, to raise the country’s poor birth rate. It begins by identifying the roots of Japan’s fertility crisis in the post-World War II era, during which time repatriation facilitated an increased governmental push for contraceptive and abortion access to slow the economically disadvantageous population explosion. It then details the rapid implementation of pro-natal and childcare policies, largely in response to the “1.57 shock” of 1989, which marked Japan’s lowest recorded total fertility rate at the time. The paper concludes by examining the Abe administration’s inability to effectively address this issue by targeting the country’s overburdened, insufficient network of daycare centers for working mothers. Allen argues that Japan’s contraceptive availability and historically poor national birth rate have culminated in the demographic phenomenon of sub-replacement fertility, prompting government interventions to mitigate the terrifying ramifications of population aging for this modernized country.
Population aging and the troubling social and economic consequences of declining national fertility rates constitute a major focus in contemporary government policy formation. Many countries throughout the world, including highly developed nations such as Germany, China, and the United States, are beginning to address the need to reverse the effects of this consequential demographic phenomenon. Japan, the resilient “economic miracle” that achieved rapid industrialization and growth following the Second World War has been unable to evade one of the most notable population crises in modern history. In the post-war era, a surge of new workforce entrants and the Liberal Democratic Party’s sponsorship of key manufacturing industries fostered economic prosperity. While these developments were beneficial to Japan, the roots of the country’s declining fertility rate can be traced back to this momentous epoch in its history. Quite ironically, postwar repatriation facilitated an increased governmental push for contraceptive and abortion access to slow the explosion in population that inhibited economic recovery.

It was not until the mid-1990s that a sustained shortage of births resulted in subsequent generations that were significantly less populous than previous generations. Perpetually declining birth rates spurred the government’s dramatic implementation of pro-natal and childcare policies, largely in response to the “1.57 shock” that marked the country’s lowest recorded total fertility rate at the time. In more recent years, Prime Minister Shinzo Abe and LDP policymakers have targeted Japan’s overburdened and insufficient network of daycare centers that critics argue make it difficult for working women to consider bearing more children. Such efforts have been relatively unsuccessful in restoring a work-life balance and encouraging parents to conceive. Japan’s contraceptive availability and its historically poor national birth rate have culminated in sub-replacement fertility, which has prompted government intervention through a succession of five-year “Angel Plans” aimed at increasing daycare services to mitigate the terrifying ramifications of population aging for the modernized country.

The political roots of Japan’s declining fertility rate, which has contributed in large part to the current demographic imbalance between youths and the elderly, can be traced back to a series of significant legislative initiatives enacted during the latter part of the 1940s. The country’s postwar Diet first offered to amend the Eugenics Protection Law in 1947, which the Tokugawa regime passed during its rule to advance an agenda that utilized abortion procedures as methods of eugenic cleansing. However, the Diet’s new bill was not implemented and the Japanese government continued to support the growing number of clinics within the country that advocated new and innovative means of contraception and sterilization. Additionally, in the same year, Prime Minister Yoshida Shigeru publically acknowledged Japan’s looming overpopulation through repatriation and promoted birth control as the most viable solution. A strong advocate of economic development in the postwar period, the prime minister sought to avoid any external factors that would inhibit Japan’s potential for long-term growth. Having created the Council on Population Problems, his cabinet recommended focusing the government’s attention on broadening public contraceptive access to slow the rapid rate of new births. As Jay Winter and Michael Teitelbaum note, the Diet in 1949 included a clause that cited concern for one’s socioeconomic standing as a legitimate reason for voluntary abortion. Most surprisingly, since this year an overwhelming proportion of women seeking abortions within Japan has invoked this supplement to the law. The economic hardship clause proved to be the most consequential piece of demographically centered legislation in the postwar period. It contributed to a dramatic spike in the official number of abortion procedures in the country, with figures in-
creasing from approximately 300,000 from the time of its passage to more than 1 million just six years later.\textsuperscript{6} As birth rates continued to plummet in the immediate postwar period, the gradual decrease in the nation’s fertility rate accelerated.

In 1957, Japan’s total fertility rate shrank to below 2.0 births per woman, marking a decline of more than half from the figures provided in 1947.\textsuperscript{7} By crossing this threshold for the first time in its history, Japan entered into a worrisome state of sub-replacement fertility. Under this demographic condition, the total number of births within the country fell to a level below its mortality rate. Furthermore, Japan’s sustained state of sub-replacement fertility led each subsequent generation to be less populous than the preceding. Despite a small baby boom in the early 1970s that temporarily improved the national fertility rate, the country experienced a continual decrease in the number of children its women gave birth to each year, moving from 2.09 million in 1973 to 1.06 million in 2005.\textsuperscript{8} Accompanying this shocking population shift was a perpetual slide in the total fertility rate, which dropped from 2.16 in 1971 to 1.26 in 2005.\textsuperscript{9} Both conservatives and progressives began to voice their concerns regarding the dire political and economic implications of Japan’s starkly imbalanced birth and mortality rates and the population’s subsequent aging. In particular, low fertility threatened to bring a steep decline to the size of the country’s labor force. With a growing percentage of elderly individuals reaching retirement age, Japanese businesses had to fill vacancies by pressing underrepresented groups to join the workforce. Furthermore, the country’s prominent public institutions, such as its pension programs and nationalized health care system, were projected to face a turbulent future unless the government could encourage women to birth more children. As Japan’s GDP growth slowly leveled off, its poor national birthrate and aging population were used to explain the country’s relative inability to jumpstart economic productivity and fight to maintain single-digit rates of expansion. The consequences of low fertility have proven problematic for a country with an economy based on historically high levels of growth, and the Liberal Democratic Party has been pressured to ameliorate these burdens over the past several decades.

Following the lowest recorded fertility rate at the time, 1.57 births per woman in 1989, the Japanese government was prompted to engage in a series of drastic policy measures to address the birthrate decline, beginning in the 1990s.\textsuperscript{10} In 1990, a committee on “Creating a Sound Environment for Bearing and Rearing Children” was established, marking a complete turnaround in Japan’s political stance on contraception and abortion and its recognition that low fertility rates had contributed to a major population crisis. The initial wave of public policy changes was characterized by the expansion of childcare benefits for new mothers and fathers and paid parental leave.

First, the committee facilitated the enactment of the 1991 Childcare Leave Act, which sought to address the inequitable work-life balance within the Japanese labor force. Under this new law, paid leave became a legal right for the parents of children under the age of one.\textsuperscript{11} The purpose of this policy was to decrease the
economic burden of caring for an infant by providing up to a year of paid leave to a mother or father who was fully employed. In Japan, the perception of the difficulty of bearing and rearing children contributed in large part to the country's poor birthrate and, as such, the government sought to shift this social paradigm. Second, the 1990 committee broadened many of the childcare benefits frequently limited by previous administrations. Taking effect in 1992, the Japanese government instituted monthly provisions of ¥5,000 over the course of five years for families with one or two children. Furthermore, if families were to give birth to a third child, he or she would receive a generous stipend of ¥10,000 for the same five-year span. According to the OECD, however, approximately 70 percent of female employees permanently left their positions after giving birth, indicating a perceived irreconcilability of being a working parent in Japan. This initial spur of policy implementations greatly expanded economic incentives to encourage mothers to have more children but did not improve the country's meager daycare network. As noted by the National Institute of Population and Social Security Research, the total fertility rate continued to decrease over the period from 1990 to 1994, reaching a new low of 1.50 in four short years. Pressured by this figure, the Japanese government was forced to turn to a more ambitious course of action, which the LDP instituted throughout the latter part of the 1990s.

Hoping to encourage more births and halt the steady slide in Japan's fertility rate, the government instituted the “Basic Direction for Future Child Rearing Support Measures” in 1994, colloquially known as the “Angel Plan.” This piece of legislation was the culmination of deliberations between the ministers of education, health, welfare, and labor and construction. It issued several key measures in the form of a five-year rollout. The “Angel Plan” mandated a forty-hour workweek and more extensive paternity and maternity leave benefits, furthering the government’s vision of a greater balance between the home and office. Perhaps most importantly, the program established daycare centers and after-school programs throughout the country as well as family support centers. Within these institutions, couples met with counselors who helped manage the stresses of childcare and strongly encouraged shared responsibilities in the child-rearing process. Furthermore, with access to nursery schools, the government demonstrated that mothers and fathers could work more regular hours and retain a sense of economic security, without which couples were unlikely to bear more children. As with previous legislation, policymakers identified the importance of developing a strong national childcare system that would enable greater flexibility and relieve many of the external pressures faced by employed parents. The LDP was hopeful that these extensive provisions could reverse the downward trend in Japan’s total fertility rate, which had failed to reach the upper barrier of the replacement level for several decades. Nevertheless, from 1994 to 1995, the fertility rate plunged precipitously to a new low of 1.42, and the government was forced to readjust its population projections to reflect a new long-term total fertility rate of 1.61. Furthermore, inconvenient nursery school hours and locations plagued working mothers with concerns of the irreconcilability between their responsibilities as caregivers and employees. Japan failed to mitigate its demographic crisis by inadequately resolving its weak national childcare system. With no immediate alternative or perceptible remedy, the government deepened its legislative intervention through several successive policies.

Japan attempted a continuation of its previous five-year strategy with the revised “New Angel Plan,” which took effect in 1999. One needs only to identify the official name of this act, “Basic Principles to Cope with the Fewer Number of Children,” to recognize the shift from
the country’s hopeful childbearing policies to its acceptance of this now permanently low demographic.\textsuperscript{18} As outlined in the “New Angel Plan,” the LDP promised to create more convenient daycare centers and to extend their hours of operation for children after school. This measure, however, did not take the drastic steps necessary to affect any real change in the system.\textsuperscript{19}

Applications poured into Japan’s daycare centers at levels that clearly could not be ameliorated by overworking the small number of existing establishments. As such, the decline in the nation’s fertility rate showed no signs of slowing down, and it reached a new low of 1.29 in 2003. The year prior, a “Plus One” policy was announced, which specifically targeted several of the social factors underpinning low fertility in Japan, such as fathers’ resistance against playing an equal role in childrearing responsibilities.\textsuperscript{20} In 2003, the government instituted the “Declining Birthrate Society Countermeasures Basic Act,” this time focusing on parents’ work-life balance, a major cause of the diminishing birth rate.\textsuperscript{21} However, policymakers did not successfully foster environments in which parents felt they could raise their children while also working the hours demanded of them. In 2009, Japan implemented yet another reiteration of its original five-year “Angel Plan” that included provisions to cut workweeks and encourage all employees to use their paid leave.\textsuperscript{22} Additionally, the plan proposed various laws to increase eldercare for Japan’s aging population and ease the burden involved in childbearing.\textsuperscript{23}

A longstanding leader of the Japanese gov-
ernment, Prime Minister Shinzo Abe holds a fundamental responsibility to produce tangible population growth for the future of the country. As demonstrated throughout this discussion of pro-natal and childcare policies, Japan has tried desperately to boost its fertility rate but has not effectively promoted a healthy work-life balance. Instead, the government and businesses push mothers and fathers to work extensive hours at the expense of valuable time that could be spent starting families. These factors appear averse to traditional methods of policy implementation and, as a result, Japan must look to more innovative solutions that can halt this consequential demographic crisis in the future.

In recent years, the Japanese government has been forced to shift its attention more heavily towards the country’s birth rate and the social and economic problems that stand at its center. Perhaps the most pressing issue the nation faces with respect to its shockingly low birth rate is the role of women in parenting. As previously mentioned, policymakers sought to encourage a more equitable work-life balance within the country by implementing several successive Angel Plans and legislative measures. The dominant focus of these policies revolved around relieving the strains on Japan’s meager child welfare system. More specifically, the lack of child daycare centers has for decades made it especially hard for women to consider having children while working full time. While public dissatisfaction with the daycare shortage can be traced back to the 1990s, this debate was reignited by a blog post entitled “I couldn’t get daycare – die Japan!” that went viral in early 2016. As a result, many young mothers joined the national conversation by expressing their overwhelming concerns about the challenge of finding available institutions to care for their children during demanding workdays. The lack of centers and push for more women to enter the workforce serves as a paradoxical force that has both lowered the birthrate and made it exceedingly difficult to bolster Japan’s gradual population decline. Furthermore, this problem carries with it economic ramifications that have elicited a collaborative effort between the public and private sectors.

Responding to public outrage over the country’s insufficient childcare resources, Prime Minister Abe pledged to eliminate excessive waiting lists for government-sponsored daycares. This vow also included a plan to allocate placement for an additional 500,000 children in the hopes that it would ease the pressures felt by working-age women. Furthermore, the prime minister championed an increase of 90,000 childcare workers to serve in the dangerously overcrowded urban centers. The growing demand in this industry has driven Japanese businesses to work in coordination with the government towards improving childcare access. Many companies have been granted funding to start their own nursery schools for the working mothers they employ. According to Nichiigakkan Co., a healthcare service provider and one of 500 Japanese companies that have received support, these generous subsidies cover upwards of 75 percent of a nursery school’s startup cost. The belief is that by instituting this joint child welfare initiative, the LDP and major corporations can grant a greater level of flexibility for mothers living in municipalities that have failed to provide adequate daycare centers. Nevertheless, upon closer examination of these measures and their broad consequences, it appears that the Japanese government has failed yet again to take the most effective steps towards dealing with this problem.

Recent news reports indicate that although Prime Minister Abe has delegated a great deal of funds to address Japan’s lack of childcare centers, he has been unwilling to change the subsidies and regulatory restrictions to ensure the long-term success of these institutions. Furthermore, Abe’s LDP has shifted the country’s attention away from supporting local and municipal daycare institutions, instead choosing to focus on economic
interests rather than resolving the demographic implications of Japan’s overworked labor force. As such, all efforts appear to have failed in their attempts to curb the explosion in national childcare demand. Government subsidies make it extremely difficult for privately run nurseries to remain competitive with state-backed institutions, forcing many of them to close.31 This restricts the availability of programs outside of LDP support and creates problematic limita-

tions for mothers who have fewer placement options for their children during the workweek. Furthermore, Abe’s current policy requires that company daycares pay their employees approximately one third less than the industry average, a puzzling statistic that calls into question the government’s view of the severity of this issue.32 At a paltry ¥220,000 per month, these workers have little incentive to fill the growing number of positions the government has pledged to open.33 This problem has been exacerbated as mothers and fathers move from rural areas to major cities where better wages, schools, and employment opportunities are abundant. In the Setagaya ward of western Tokyo, home to the longest waiting lists in Japan, the government’s recent initiative has prompted the municipality to open an additional 2,000 slots for the young children of working mothers.34 With applications far exceeding this boost in availability, however, many women are being forced to either quit their jobs to care for their children or place them in over-priced private daycare centers. Therefore, while paid daycare workers who are fleeing these jobs at a critical time for the nation.36 His government must reconcile its plan to bring women into the workplace with an equally strong legislative push to strengthen childcare support programs for working mothers. Japan will continue to struggle with a sub-replacement fertility rate and an aging population unless the prime minister can tackle the social root of this issue.

While the 2018 concluding date for Abe’s policies has yet to arrive, current figures provide little hope that any significant changes will be made in the immediate future. In 2017, four years after promising to rectify the country’s scarcity of daycare centers, the prime minister delayed his ambitious goal of reducing Japan’s waiting lists to zero by an additional three years.37 This troubling reversal has generated considerable skepticism among policymakers and critics regarding the feasibility of the original goal. The nation’s daycare waiting lists remained at approximately 24,000 children in April 2017, an astronomical figure that indicates
the inadequacy of the Abe government’s current approach. This latest data marks the third consecutive year Japan experienced an increase in the number of children placed on hold at licensed centers. The country continues to take its daycare workers for granted and refuses to address the pervasive problem of low pay in the industry. In the past, Prime Minister Abe has proven his ability to initiate change in Japan’s political and economic spheres, with his long-standing “Womenomics” strategy serving as a notable example. His effort to revive economic activity by encouraging female labor participation has driven Japan’s unemployment rate to a two-decade low, with underrepresented groups entering in larger quantities to fill the worrying gaps generated as more elderly individuals reach retirement age. Unfortunately, the time-consuming process of finding childcare facilities with available openings remains, stunting women’s hopes of giving birth to more children and returning to the workplace after doing so. New mothers are not confident in the Abe government’s ability to aid in the process of rearing more infants at the same time it compels them to enter the workforce, a serious misstep with even greater consequences for the country’s future population.

As Japan is no longer realizing the impressive annual GDP growth of decades past, its demand for greater workforce participation requires that policymakers fix the nursery school system that provides working mothers the flexibility to both keep their jobs and care for their children. To this end, Prime Minister Abe and the LDP have announced plans to raise the salaries of daycare employees and tap into the country’s 700,000 latent workers who have requisite qualifications for the job. By offering bonuses and compensation for overtime, leaders hope to draw childcare providers back to this struggling industry. This too may present a challenge, as recent polls have suggested that less than half of these workers would occupy the full-time positions that these centers desperately need. The government must recognize that its traditional approach to implementing policy, which sees funds and incentives poured into relevant sectors, is not effective at reaching the social core of Japan’s population crisis. Entrenched stigmas, which long kept women out of the workplace, were forcibly altered without providing an appropriate supporting structure for working mothers. Prime Minister Abe cannot expect to have any positive effect on the country’s birth or fertility rates until he restores a workable balance between the home and office through safe, affordable daycare centers.

Increasing the labor force participation rate of females to that of males will undoubtedly improve an already beleaguered Japanese economy. Unsurprisingly, the country’s inadequate child welfare industry and daycare centers serve as major impediments to birth and fertility rates because these social issues lack the government attention the economic sector receives. Working women who care for just one child already face unimaginable difficulties, with many spending the entirety of their maternity leave searching for vacant nursery school spots. These mothers, perceiving the anxiety-inducing strains of full employment, are undoubtedly less inclined to birth more children. While in recent years the Abe government has implemented less-than-impressive policies to resolve this problem, the economic ramifications that will ensue if females leave the labor force may finally elicit the response Japan has desperately needed since the early 1990s.

Alongside his pledge to address the child welfare system, Prime Minister Abe has been increasingly vocal on the broader issue of Japan’s gradually diminishing population. His current “Abenomics 2.0” plan is seeking to halt the steady decline at 100 million people by increasing the birth rate to 1.8 children per woman by 2025. Furthermore, as this population continues to age at an alarming rate, the Abe government promises to improve care for the elderly so that fewer in-
individuals feel obligated to leave the workforce on account of their parents. Coupled with the push for a more comprehensive childcare system, these initiatives encompass the extent to which the nation has been dealing with the pervasive problems that challenge its growth prospects. In the spring of 2017, Prime Minister Abe expressed hope that emerging technologies would be forces of innovative change within Japan. More specifically, he cited “big data and Artificial Intelligence” as two growing fields that have the potential to alleviate the underlying causes of the country's meteoric aging. One of the more controversial but potentially effective solutions to address the declining population and low birth rate would be to encourage international immigration. At present, under 2 percent of the population is comprised of foreign residents, and estimates indicate that over the next 50 years, an additional quarter million people would be needed to maintain Abe's benchmark of 100 million. Nevertheless, the nation's long history of problematic migrants and isolationist policies makes this particular solution unfavorable and unfeasible for the government to carry out in any meaningful way. Japan, now faced with one of the world's most troubling demographic crises in the modern era, must address its weak child welfare system for working mothers to mitigate the social, political, and economic consequences of its poor national birth rate.

In hindsight, Japan's stance on abortion and contraceptive use throughout the latter part of the twentieth century is ironic, leaving little doubt that Yoshida's efforts to address economic concerns overlooked the problematic use of these methods to slow population growth in the post-war period. The country's major push for pro-natal and childcare legislation came to fruition in 1990, but these measures were unable to reverse the effects of several decades of declining national birth and fertility rates. While a great many policies have been implemented since this time, each one has been relatively ineffective in bringing about any real change. Nevertheless, as Japan's population began to decrease alongside its economic growth prospects, the Abe government set forth a successful initiative to increase participation by drawing more women into the workforce. The prime minister has not been inclined to supply an adequate supporting structure for employed mothers. Furthermore, by providing poor wages for childcare workers despite growing demand in the industry, the government does not seem to be tackling this issue to the fullest extent possible.

The country's lack of child daycare centers currently serves as a major obstacle to all efforts to increase the birthrate because it prevents mothers from considering having more children. Current pressures make it exceedingly difficult for working mothers to care for just one child, let alone the two or more Japan needs to affect any positive demographic change. To achieve his ambitious goals of bolstering the economy and halting population decline over the next decade, Abe must take a more comprehensive approach to eliminating the root of these problems in Japan's social sphere. In a global context, other highly developed countries like China and the United States are experiencing similar sub-replacement fertility rates. These nations are beset by flat-lining birth rates that, like Japan's, show no signs of improving in the foreseeable future. Perhaps through an international coalition that brings together the world's brightest demographers, the Japanese government might finally be able to introduce legislation that significantly increases birth and fertility rates before its aging population takes an even greater toll on the country's economic and political spheres.
ENDNOTES
3. Ibid. pp. 178
4. Ibid. pp. 179
6. Ibid. pp. 171
12. Ibid. pp. 83.
15. Ibid.
23. Ibid.
25. Ibid.
ENDNOTES
31. “Japan’s Day Care Shortage Intensifies as Populations Cluster near City Centers.” The Japan Times.
36. Weathers, Charles. “Enter the Workers: Japan’s Changing Childcare Controversy.” Social Science Japan Journal
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42. Ibid.
46. Ibid.
48. “Will Abenomics 2.0 Be Enough to ‘Bring Japan Back?’” Knowledge@Wharton.
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