

SOCIO-ECONOMIC DETERMINANTS AFFECTING THE DEMAND FOR CHILDREN: THE PERVASIVE SENSE OF CRISIS IN JAPAN

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Abstract

Japan's fertility rate has changed dramatically, and the current Total Fertility Rate (TFR) is one of the lowest among developed countries. This pervasive sense of crisis has alarmed Japan's policy makers. The Japanese government is worried for its own future because of the likely impact on tax revenues and social benefits, since the population pyramid predicts more retirees than productive workers in the near future. The purpose of this paper therefore is to discuss socio-economic variables, which appear to be some important determinants leading to the low fertility rate, while analyzing relations between the demographic change and child-rearing strategies in Japan. It further examines Japanese women's social conditions in the era of globalization. Through the consideration of Japan's low-birth rate phenomenon, this paper suggests the commonalities of some Asian countries on child-rearing strategies from both sociological and gender perspectives.

KEY WORDS : Low fertility, Childcare, Female Labour

1. INTRODUCTION: Decline of Birth Rate and Social Change

Japan's population component has changed dramatically, and the current Total Fertility Rate (TFR) is one of the lowest among developed countries.

Since the 1990s, the decline of the birth rate has become a social issue in Japan, and is widely known as the “*Shoshika*” issue. “*Shoshika*” literally and generally means the small number of children, and since the 1990s, the Japanese government has started various “*Shoshika*” policies to deal with this issue.

Even though the birth rate has been decreasing, and reached 1.25 in 2005, the ratio has slightly recovered to 1.34 in 2007. However Japan still has a low fertility rate and is facing a hyper-aging society.

In this paper, I would like to discuss the socio-economic variables which appear to be some important determinants leading to the low fertility rate, while analyzing the relations between demographic change and child-rearing strategies in Japan.

First, this paper shows the trend of the fertility rate, and

secondly, examines Japan's TFR trends while considering the sociological reasons for the fall of the fertility rate after World War II.

2. Trend of the Total Fertility Rate

(1) Fertility Rate: World Trends

The total fertility rate (TFR) defined as the average number of children to be born to a woman who goes through her reproductive ages according to the age-specific birth rates.

Based on the UN Demographic Yearbook (data of 2006), the TFRs of almost all Western developed countries, except the USA (2.1) are lower than the replacement level. Italy (1.35) and Germany (1.33) are at a similar level to Japan, and much lower than France (1.98), Sweden (1.85) and Norway (1.90). In the case of Italy and Germany, it is said that the high unemployment rates among young people is one of the main causes of their low fertility rates. Furthermore, it is well known that the trend of having children out of marriage and non-discrimination against single mothers and so-called “illegitimate children” affected the fertility behavior of women in Scandinavia and France.

When we look at Asia, the fertility trend has changed dramatically, and some Asian countries and regions, for instance Hong Kong (0.95), Korea (1.14) and Singapore (1.32), the TFR is lower than Japan (UN Demographic Yearbook 2006). In addition, in China, the country is well known for its one child per family policy, the TFR (1.7) is higher than Japan.

This shows that among Asian countries, Japan's birth rate declined very rapidly and the TFR reached its lowest-low level earlier than others. When we consider the reasons affecting declining birth rate, including the changes of women's reproductive consciousness and female labour, it suggests the prospect of the transformation of the family, women and societies in Asia.

(2) Population pyramid in Japan

The Statistics Bureau of Japan (SBJ) detailed the population pyramid in Japan. The population group aged 0 to 14 (child population) numbered 17,176 thousand and accounted for 13.5 percent of the total population. On the other hand, the population group aged 15 to 64 (productive-age population) numbered 82,300 thousand and accounted for 64.5 percent

of the total population, which shows a decrease of 0.5 points compared to the previous year.

The population group aged 65 and over (aged population) numbered 28,216 thousand and accounted for 22.1 percent of the total population, an increase of 0.6 points, which was the record-high rate since 1950. By 2025, there will be roughly one elderly person for every two persons of working age in Japan.

Not only Japan but also many developed countries face the problem of a low birth rate and aging societies, however, one of the key characteristics of the Japanese case is that the speed of change was so fast when compared to other countries and regions.

The extremely low fertility results in a rapidly aging population, a decline in the working age population, and a sharp increase in the dependency ratio. Such demographic changes would cause many serious problems including a crisis of public pension system, labor shortages, economic recession, and loss of societal vitality.

Fertility is a complicated phenomenon and it cannot be



Figure 1 Population Pyramid in Japan

Source: Statistics Bureau of Japan (SBJ) 2009

explained by only one variable in isolation from the inter-relationships with other socio-economic factors. Therefore it should be examined not only from an economic approach, but also from a variety of disciplines including demography, sociology, women's studies, etc.

3. Trends of Fertility Behavior and Socio-economic Reasons; Japan's Case

(1) Strategic Changes During 1945-60s

This paper follows the trend of declining birth rate in Japan, and mainly focuses on Japan's demographic changes or transitions, which mirror the social changes, and peoples' consciousness of having children.

Figure 2 shows the main episodes of the TFR trend in Japan since 1947. It shows the TFR was 4.54 during the first baby boom period after the end of the war (1947 to 1949). However, this figure fell rapidly after that point, hitting 2.04 a decade later in 1957.

Here, we examine some of the key reasons affecting the rapid decline in the birth rate after World War II, especially after the baby-boom period.

Japanese society has changed dramatically after the war.

Politically, the *ie*-system (patriarchal family system) was abolished and replaced by a new Civil Code. Economically, Japanese people suffered with poverty after the defeat, however, soon after, rapid economic growth began in the mid-1950s.

The socio-economic reasons affecting the birth rates were industrialization, urbanization, the modernization of life-styles, and the change in the meaning of children for each family. After the end of starvation just after the war, Japanese people began to improve their living standard. The secondary and tertiary industries developed rapidly, which affected parents' and couples' family strategies towards providing higher education opportunities for their children to offer them good employment in an industrial society. Parents and couples "spontaneously" thought that having fewer children was the best way to give and invest their children more opportunity and education.

In addition, national population control related birth control changed after World War II. During the war, abortion was illegal and even birth control was strictly limited because of the Nation Policy of the "More babies, More population" ideology to increase the nation's power.

On the contrary, in 1948, the Eugenic Protection Law was enacted, and the control of unwanted births was made possible by abortion. Before contraceptive behavior became widespread, it is estimated that the effect of regulating fertility

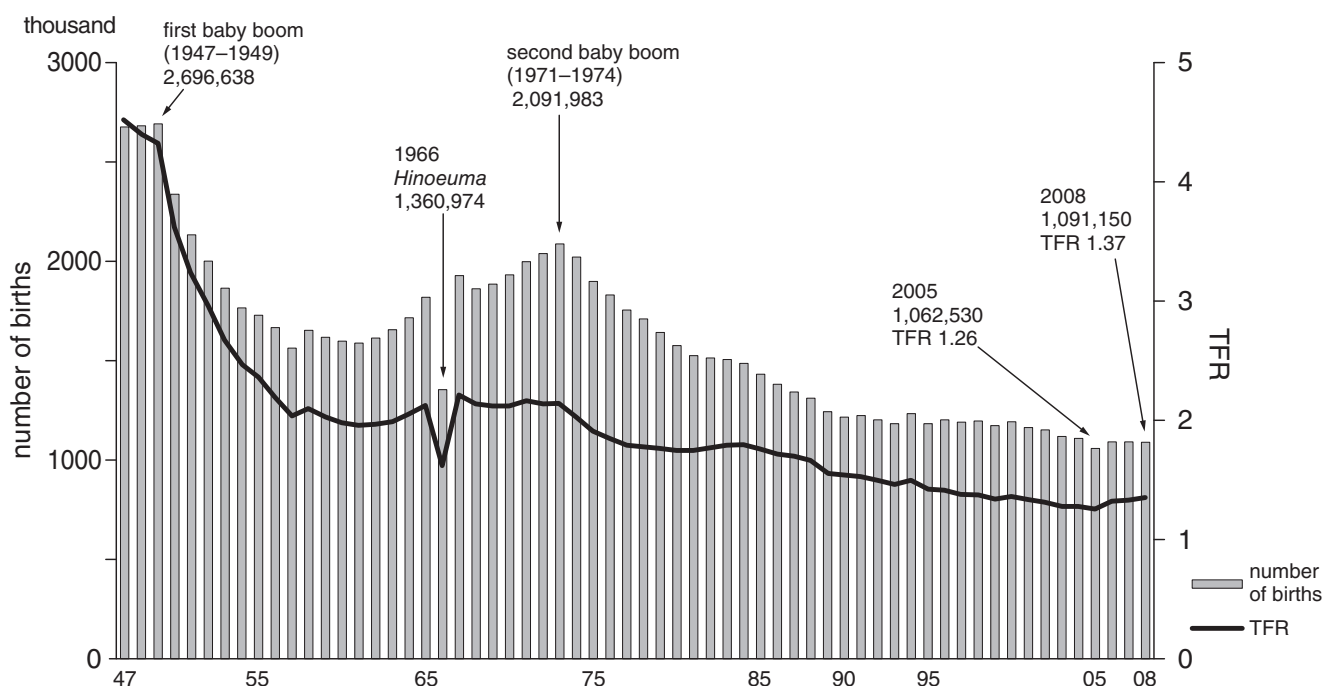


Figure 2 Trend of the Fertility Rates in Japan 1947-2008
Source: Ministry of Health, Labour and Welfare, 2009

by contraception surpassed that of induced abortion by around 1960 (Atoh 2008).

(2) Demographic Transition Theories

The classic 'demographic transition theory' postulates that the modernization process including industrialization, urbanization and secularization first brings about mortality decline followed by fertility decline. This theory posits a long-run equilibrium in which fertility rates are similar to mortality rates and population growth is zero. This is clearly not consistent with the trend to a very low fertility in Japan and most other industrialized countries over the past 30–40 years.

The theory of a 'second demographic transition' formulated by European demographers seeks to explain this inconsistency, but does not appear to fit the experiences of Japan and other East Asian countries very well. The rational choice framework associated with neoclassical economics provides a compelling explanation for the universal relationship between industrialization and lower fertility, but does not explain fertility variation.

Studies of the impact of fertility are complicated by the endogenous nature of fertility and the resulting difficulty in identifying the direction of causality (Browning 1992).

(3) Late Marriage and Late Delivery; Fertility Behavior of Women after the 1970s

Between 1957 and 1973, the TFR stabilized at about 2.1 births per woman. After this stable replacement level period, the fertility rate of Japan has been declining, and in 1990, the total fertility rate (TFR) of the previous year was reported as 1.57. This was one of the popular topics in the mass media, and they named it the "1.57 shock", because that TFR was lower than the rate of 1.58, in 1966, in the year of *Hinoeuma*, which was believed to be a bad year for giving birth to a girl baby.

The main reasons for the declining birth rate after the 1970s and 80s can be identified as late marriage and late delivery, and the changing values of marriage, work, and division of labour for Japanese women. Here, these reasons are discussed in more detail.

- ① Remarkable educational gains by women. The proportion of women of the relevant age enrolled into tertiary education increased from 5 percent in 1955 to 50 percent in 2005.
- ② In Japan, the relation between marriage and having a child is strong, and the late marriage phenomenon directly affects late babies. In addition, the disappearance of the arranged marriage system affected the

difficulties of finding partners among young people by themselves.

- ③ Massive increases in the proportion of women who work outside of the home. Women's consciousness on the sexual division of labour had changed and many women tried to continue their careers.
- ④ On the other hand, Japan is well known as a gendered society, and the female labour participation late curve is still the so called "M-curve", which is a symbolic phenomenon of Japanese female labour conditions. Many women have to leave companies when they decide to get married, having children or taking care of small children at home, so quite a lot of Japanese women aged in their late 20's to early 30's leave the labour market, and participation rates on those age categories decrease. The trade-off between work and family life is one of the main causes of declining fertility, and the "M-curve" reflects the continuing sexual division of labour in Japanese society.

4. Female Labour and Fertility Trend; Comparative Perspective

We also need to consider the Changes of Reproductive Strategies in Japan.

OECD data shows some important characteristics of female labour and fertility behaviour. In 1980, the correlation between the female labour participation rate (FLPR) and the total fertility rate (TFR) had a negative correlation (where countries with higher FLPR had lower TFR), and in 2005, it changed to a positive figure which means where countries with a higher FLPR have a higher TFR. Since the 1970s and 80s, worldwide movements for the improvement of the status of women, and women's participation in the public sphere became obvious and natural. In the field of labour, the glass ceiling issue became a social issue in some countries, which reflected gender equal employment and promotion and has become recognized in developed countries.

On the other hand, Japan and Korea, as we see in Figure 3, are good examples of countries with a lower FLPR and a lower TFR (OECD 2007). Both countries are well known for their strong sexual division in the labour system and M-Curve Labour participation rates for women which continue into the present.

There is another trade-off phenomenon, related to child-rearing especially child education expenditure.

As Figure 4 shows, when we look at the expenditure on educational institutions as a percentage of GDP (in 2005), the Japanese figure is lower than the OECD average (OECD 2008).

Not only Japan but also some of the East Asian countries and regions, such as Korea and Taiwan, spend less public money on child education, which means each family's has an increased responsibility for spending on education. As a result, "the less number of children, the larger spend on each child" strategy would be widely shared among modern families.

5. The Impacts of Globalization and Female Labour

At the forefront of a fledging global economy, the structural changes in the labour market that resulted in economic pressure and constraints imposed on young working women. As a result, married couples show more individualistic orientation that places marriage and childbearing at a lower priority than work and self-fulfillment in one's life.

Global trade and investment patterns are having a dramatic impact on employment relations and work arrangements

around the world. The impact can be both negative and positive and differs by context, by industry and trade, and by employment status. The spread of global value chains has created a new level of fluidity in the international economy that appears to be having a profound impact on the quantity and quality of jobs generated throughout the world.

Many scholars argue that globalization has led to flexible labour market arrangements. This may be a result of increasing globalization in manufacturing and industry, where the rigors of competition have made wage and labour costs more important in determining the location of firms and the mode of production. The global outsourcing and mega competition has raised uncertainty in these societies through the downsizing of employment. People tend to choose risk-averse decision-making in each stage of their life-cycle, such as marriage and having a baby, and this tendency will strengthen when society does not provide an adequate safety net.

Due to market uncertainty, firms reduce their core workforce and rely increasingly on irregular forms of employment. The so-called "*Flexibilization of employment*" shifts many of the costs of market volatility onto workers. Labour market liberalization and flexibilization have been means to increase the

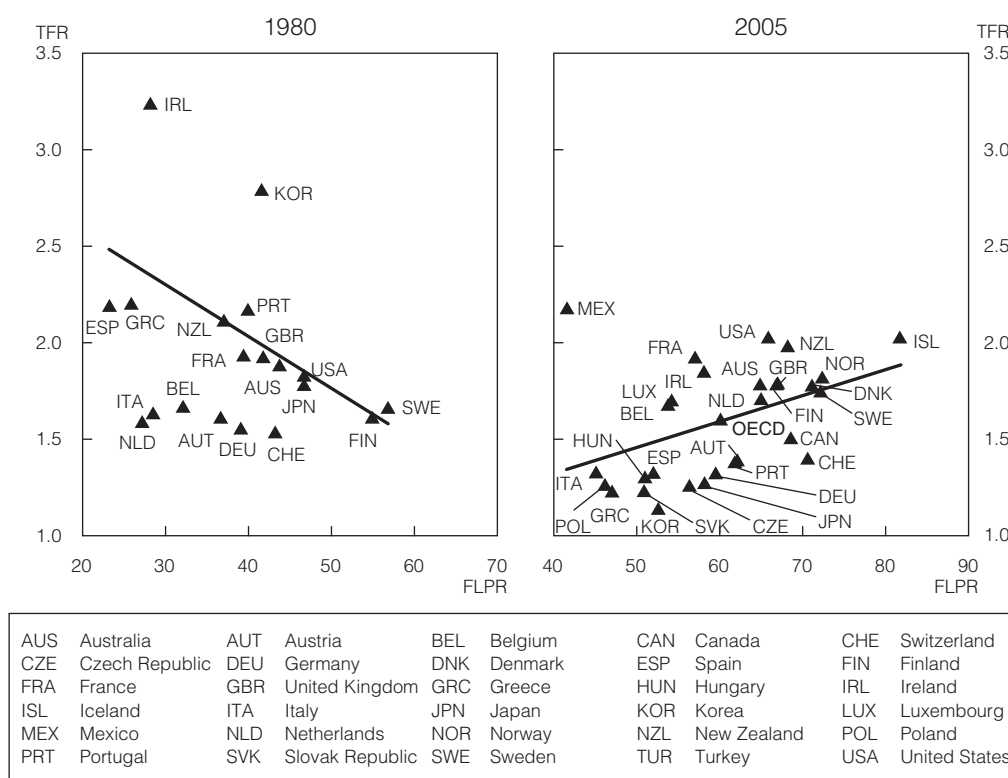


Figure 3 Female Labour Participation Rate and Total Fertility Rate; International comparison
Source: OECD 2007, *Babies and Bosses-Reconciling Work and Family*

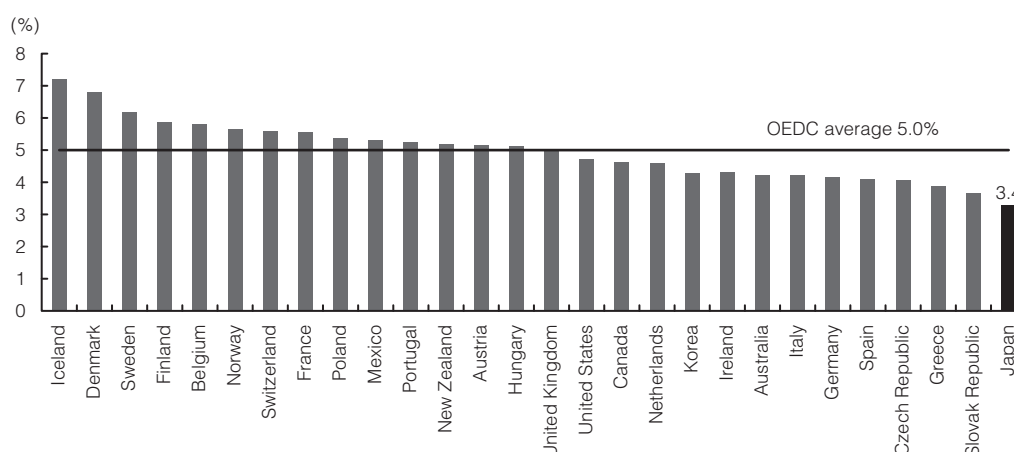


Figure 4 Public Expenditure on Educational Institutions as a Percentage of GDP (2005)

Source: Ministry of Education, Culture, Sports, Science and Technology, 2009 (OECD 2008 Education at a Glance)

ability of businesses to survive in the face of intensified competition world-wide. They decrease the relative tax burden, while shifting the costs of economic adjustment and change onto the most vulnerable, usually on to women.

Figure 5 shows the recent trend of percentage of “Irregular employees” by sex in Japan. It indicates that the percentage of irregular employees was 35.5%; a rise of 3.6 points compared to the 2002 figures, meaning more than one in three employees was an irregular employee. During the period of 1987 to 2007, the percentage for males rose from 9.1% to 19.9% and reached approximately 20%, while the percentage for females rose from 37.1% to 55.2%; exceeding 50%.

Flexible and unstable employment reflects late marriage. The declining marriage rate and rising marrying age in recent

years are related to declining fertility rate. The mean age of first marriage was 30.2 for men and 28.2 for women in 2008, a rise by 1.7 year and 2.7 years, respectively over the past twenty years. The ratio of never-married male and female aged 25-29 was 71.4% and 59.0%, respectively. It was 2.1 and 5.0 percentage points higher compared with 2000. The ratio of never-married male and female aged 30-34 had risen by 4.2 percentage points and 5.4 percentage points to 47.1% and 32.0%, respectively, compared with 2000. Then, the ratio of never-married male and female aged 35-39 was 30.0% and 18.4%, respectively, rising by 4.3 and 4.6 percentage points (Statistics Bureau of Japan 2009).

6. “Shoshika” Policy, for What and for Whom

As we mentioned above, in the 1990s, Japanese government started the “Shoshika” Policy and measures for the purpose of stopping the “crisis” of “Shoshika”. The main reasons for the pervasive crisis for the government and policy makers are the coming of a hyper-aged and depopulating society.

After the 1990s, the Japanese government undertook child-related policies to increase the birth rate, such as the Childcare Leave Law (1992), the Angel Plan (1994), the New Angel Plan (2000), the campaign of promoting fathers’ participation in childcare by the Ministry of Health and Welfare (1999).

In 2003, two child-related laws have passed the Diet, one is the Basic Law on Measure for the Society with Declining Birth Rate, and the other is the Law Promoting Measures for Supporting Nurturing the Next Generation. We are not sure whether these laws will affect the fertility rate in the future,

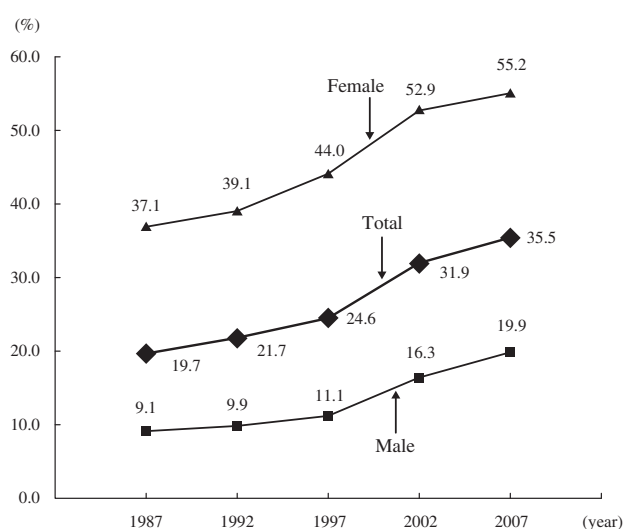


Figure 5 Trend of percentage of “Irregular employees” by sex

Source: Statistical Abstract 2009, SBJ

however, it will be clear that fertility control, whether it is tacit control or not, is considered as the nation-scale strategy to solve the crisis for the nation, and the children are expected to be savers to solve such problems as pension reform, the declining workforce, slow economic growth, care for the elderly (Tendo 2008).

It is important to take measures and policies to create a family-friendly and childcare friendly society. At the same time, as this paper discussed above, Japanese society has the characteristics of the women's life-choice difficulty, the trade-off between paid work and family or life care. We need to remember that having the choice, having children is a woman's right, a family right and of course, it is a human right.

NOTES

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