

2015 Edition

Annual Health, Labour and Welfare Report

Consideration of a depopulating society —

Towards a society where people can live in peace and realize of their hope
 Summary

Ministry of Health, Labour and Welfare

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Prologue Overview picture of how the nation has been dealing with the depopulation issue 1st Section Fulfill the Hopes of Young Generation for Child-rearing 2nd Section To support life in communities as a result of depopulation

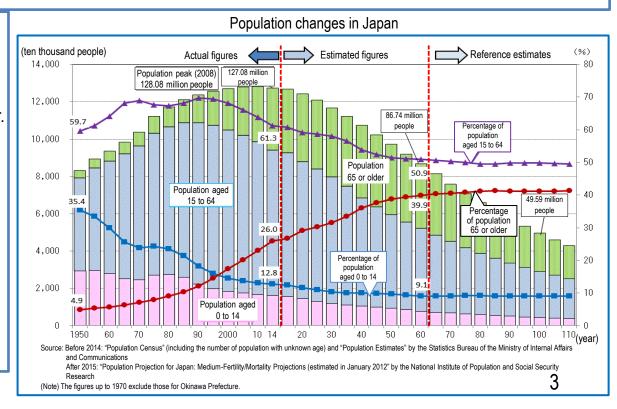
- Going forward, the population in Japan will switch to a declining trend from its steady increasing trend.
- Considering the decline by region, the population decline will firstly accelerate in local areas. Toward the period from 2020 to 2025, population will start to decline nationwide.

Projections of the total population in Japan

• According to the National Institute of Population and Social Security Research "Population Projections for Japan", the total population of Japan is expected to decline and become about 86.74 million in 2060, with 40% of the total population aged 65 or over.

Population projections in Japan by region

- Population decline will accelerate especially in local areas.
- In municipalities with less population, the rate of population decline will become higher. By 2050, about 20% of current residential areas are expected to become non residential.
- The rate of increase of the elderly population will accelerate further, starting in local areas, while the rate of the elderly will dramatically increase in big cities for the period.
- In addition to the decline in young people, which started mainly in sparsely populated areas, the decline of elderly people has also started.



- An aging society with fewer children will affect negatively 1) the economy, 2) local communities and 3) social security and finance.
- In "the long-term vision for the creation of cities, people and jobs" decided by the cabinet, the government is indicating to develop an approach to stop the further population decline and to secure total population of around 90 million people in 2060, and aiming a stationary state of population of around 90 million people in about 2090.
- It takes decades to make the birth rate recover and stop the decline, therefore, prevention of population decline is a pressing issue.
- Further, the current nation's desired birth rate is about 1.8. Further recovery from that level to about 2.07, which is a necessary level for natural population growth, requires the nation's desired birth rate to become higher. This is important.

Impacts of population decline

- (1) Impact on economy: The decline of labor input and consumption brought by decline of labor force.
- 2 Impact on local communities: Rapid shrinkage of local economic societies in rural areas and functional reduction in urban cities.
- ③ Impact on social security and finance: The decline in the number of workers paying for social security will lead to difficulty maintaining social security and impact toward fiscal consolidation.

Direction with long-term vision Population projections illustrated in "Town, people, creation of jobs with a long-term vision" (ten thousand people) 128.08 million people in 2008 14,000 (population peak) We suggest "putting a brake on declining 101.94 million people as of 2060 (Reference 1) 100.30 million people 12,000 (Reference 2) 98.84 million people 90.26 million people in 2110 127.30 million people (Reference 1) 86.75 million people (Reference 2) 83.46 million people as of 2013 10,000 8,000 86.74 million people as of 2060 6,000 Actual figures (1960-2013) 4,000 "Population Projection for Japan: Medium-Fertility/Mortality Projections (estimated in January 42.86 million people as of 2110 In case total fertility rate increases (approximately 1.8 in 2030, 2.07 in 2040) 2,000 (Reference 1) In case total fertility rate: approximately 1.8 in 2035, 2.07 in 2045) (Reference 2) In case total fertility rate: approximately 1.8 in 2040, 2.07 in 2050) (Note 1) Actual figures are from the "Population Census" etc. by the Statistics Bureau of Ministry of Internal Affairs and Communications (population as of October 1 of each year). Estimated figures are from "Population Projection for Japan: Medium-Fertility/Mortality Projections (estimated in January 2012). Dotted lines for the period between 2110 and 2116 are based on the data up to 2110 and mechanically extended by the Head Office of "Towns, people and creation of jobs."

(Note 2) "In case the total fertility rate increases" is estimates by the Head Office of "Towns, people and creation of jobs," in which the total fertility rate becomes approximately 1.8 in 2030, 2.07 in 2040 (1.6 in 2020), with reference to population projections by "Choice for the Future" Council on Economic and Fiscal Policy, Expert Panel, Committee for Japan's Future.

population" as a future direction, and we present our estimate in the possible improved birth rate.

- If realizing young generation's dreams comes true, the fertility rate is expected to raise to about 1.8.
- If the fertility rate recovers to the replacement level 2.07 by 2030 - 2040, total population will be able to be kept at around 100 million in 2060.
- If steady population level and productivity improvements are realized, the real GDP growth rate is expected to be kept at the level of 1.5% -2.0%.

1st Chapter Depopulating Society 1st Section Overview of Population in Japan

- The number of live births in Japan increased rapidly in the late 1940s immediately after the war (the 1st baby boom), however, the number of live births decreased remarkably after the 1950s. Then, the fertility rate remained at the level of around 2 except 1966, the year of Hinoeuma when giving birth is generally avoided due to superstition. After the 2nd baby boom, the fertility rate reached below replacement level in 1974 and continued to decline since then.
- An aging society with fewer children rapidly developed partially due to a rapid increase in the life expectancy. The population declined after peaking in 2008.

Trends in birth and death

- \cdot The fertility rate has become lower than the replacement level since 1974.
- $\cdot\,$ Japan has remained the world's top country for longevity since the 1980s.
- Since the beginning of the 21th century, the death rate has increased more than the fertility rate, causing natural attrition.

Population migration

- A large proportion of the population moved in large cities during high economic growth periods.
- Excess concentration of population to the Greater Tokyo Area mainly among the still continues after the 1980s.

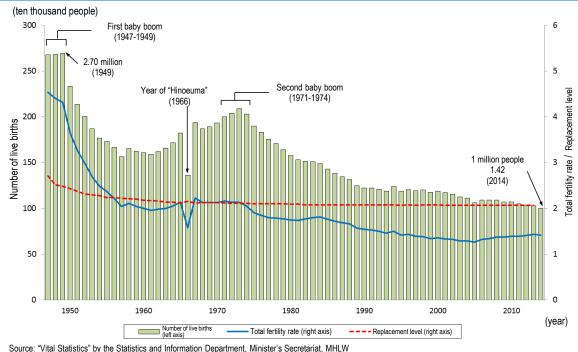
Change in birth trend and its factors

- The period between the 1950s and mid 1970s: The fertility rate fell sharply in the 1950s, then the birth rate remained steady.
 - ← The number of births per a married couple declined. 2 children per married couple became average.
- (2) The period between the mid 1970s and mid 2000s:
 - ←Until the mid 1980s, the cause of fertility rate decline was mainly the late marriage trend. In addition, decline in the parenting age group population also contributed to the decline in number.
 - Since the mid 1980s, the fertility rate has declined further due to tendency for staying unmarried and decline in the number of births per a married couple in addition to the late marriage trend.

(3) Since the mid 2000s:

← The fertility rate has slightly increased, especially the rate by women aged 30 and over.

Annual changes in number of live births and total fertility rate



(Note) The figures from 1947 to 1972 exclude those for Okinawa Prefecture. The figures up to 2013 are final data. The figurers for 2014 are preliminary data.

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- Since 1974, the fertility rate has remained lower than the replacement level. Population issues have been focused on the measures for dealing with a graying population rather than population increase control.
- In the wake of "1.57 shock" in 1990, people's interest in the declining fertility rate became higher as a social issue.
- Since then, various measures for birthrate decline have been taken. As a result, each one of these measures has steadily progressed.
- After the birth rate recorded the lowest level of 1.26 in 2005, it recovered to the level of 1.42 recently (as of 2014).

The post-World War II – the 1st baby boom (1945-1970)

- Soon after the end of the war, rapid population increase started (the 1st baby boom) and then population increase control become an issue to be dealt with.
- After its peak of 1949, the population increase stopped and started to decline sharply.
- The population inflow into large cities from rural farming areas as a result of high economic growth.

The 2nd baby boom - the end of the Showa era (1971-1989)

- Since 1974, just after the 2nd baby boom, the fertility rate has remained below the level of the replacement.
- People's awareness about population issues has gradually shifted from population increase control to measures for a graying population, leading to the development of welfare for the elderly.
- The long-term trend of declining fertility rate has not been dealt with even though there has bee focus on the fertility rate trend.

«How people thought about this trend in those times» In 1949, "the resolution on the population issue" was adopted by the Lower House plenary session.

 \Rightarrow The resolution recognized that population at the time was significantly surplus, and for decrease the surplus population, decided the dissemination of family planning (birth control concept), research and preparation regarding future immigration.

《How these issues were dealt with in those times》

- •1974 Population White Paper (Population Council)
- ⇒ "Based on the world's population trend and each issue, more efforts should be taken to deal with stopping the population increase.
- -1984 's Population Council Report
- ⇒This report referred to the importance of promoting the elderly's participation in various social activities while expecting a further birthrate decline.

[Projections of population of the time]

Intermediate forecast in 1976:

Population increase would continue and hit its peak in 2010.

• Intermediate forecast in 1981 and 1986:

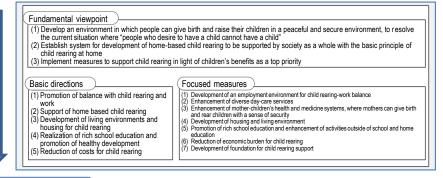
Population growth would peak in around 2010, then population is expected to decline gradually while the long-term estimated fertility rate would be 2.00 (estimated in mid 1986).

 \leftarrow Then, the trend of birth rate decline was not marked.

1.57 Shock – Outline of birthrate decline measures (1990-2004)

- The "1.57 shock" in 1990 led to increasing social awareness regarding birthrate decline.
- Each measure including "Angel Plan (1994)" was implemented by the whole government.

Outline: "Angel Plan" (formulated on December 16, 1994)



After 2005

- The lowest ever birth rate of 1.26 was recorded in 2005. Although its trend recovered a little after its lowest rate, it has still remained below the replacement level. (1.42 as of 2014).
- After the 1.57 shock, individual effort has steadily progressed. The government's efforts to deal with raising the birth rate have continued.
- Outline: "Vision for Child and Childcare" (decided by the Cabinet on January 29, 2010)

Four pillars for a society to be aimed at and twelve main measures . Toward a society which can ensure the development and 3. Toward a powerful regional society for child rearing with security of children and young people various networks (1) To support children with the whole society and secure education opportunities To enhance the main base and network for child rearing support which for them satisfies everyone (2) To support children's growth, where children can grow with motivation and will 10) To enhance towns and residences where children can live in a secure an become independent and be ready to be employed safe environment (3) To offer children a chance to experience necessary things required for social life Toward a supportive society where women can become Toward a society where men and women can fulfill workfamily life balance pregnant, give birth and raise children To create a society where women can become pregnant and give birth in a (Work-life balance is realized secure environment To develop children's education which everyone desires and child care services 11) To review working style which everyone can use To secure children's health and safety and create a medical system which 12) To realize a workplace environment where work-family life balance is people and children can use with no worry realized To create a system where single parent's children have no worry to live To support the healthy growth of children who need extra support

<<Main concrete measures in those times>>

- 1992: Enforcement of Act on Childcare Leave
- 1994: Establishment of "Angel Plan"
- 1995: Creation of child care leave benefits
- 1999: Establishment of "New Angel Plan"
- 2003: Enforcement of Basic Act for Measures to Cope with Society with Declining Birthrate/ Act on Advancement of Measures to Support Raising Next-Generation Children
- 2004: The Cabinet decision "Outline of Measures against the Declining Birthrate"

Establishment of "Plan for Supporting Child and Childcare"

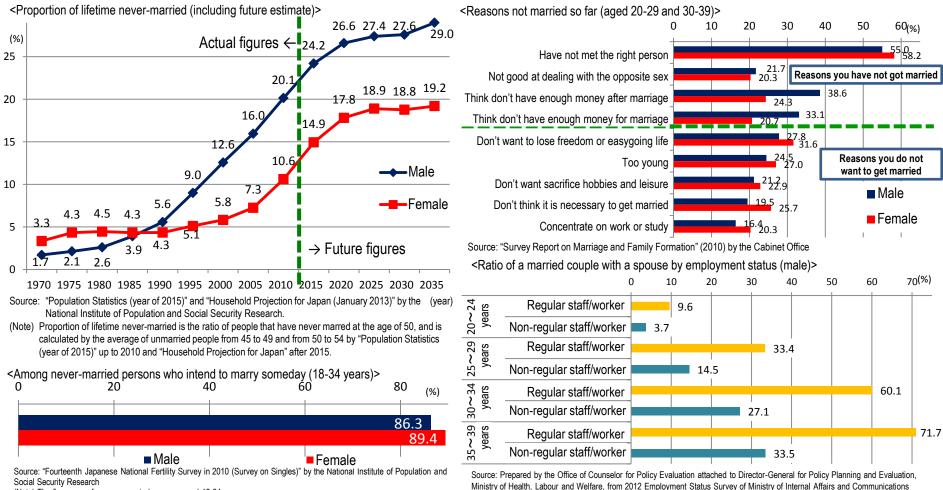
<<Main concrete measures in those times>>

- 2008: The decision of "New Strategy for No Wait-listed Children at Day-care Centers"
- 2010: The Cabinet decision "Vision for Children and Childcare"
- 2012: Establishment of 3 acts related to children and childcare
- 2013: The Decision of "Emergency Measures to Overcome the Declining Birthrate Crisis"
- 2015: The Cabinet decision "Outline of Measures against the Declining Birthrate"

Implementation of Comprehensive Support System for Children and Child-rearing

Circumstances surrounding marriage and its opinions

- The percentage of unmarried people in Japan has been increasing year by year, however, most single people desire to marry in the future.
- The reasons why single young people don't get married are that they don't have much opportunity to meet their ideal person, financial concern such as being afraid of lack of living expenses after marriage, and others are not wanting to lose their free and easygoing lifestyle and their wish to focus on their work(or academic life).
- Especially, there are many non-regular employees who remain single due to economic reasons. And among men, disparity between regular employees and non-regular employees is also observed for the ratio of having a partner.

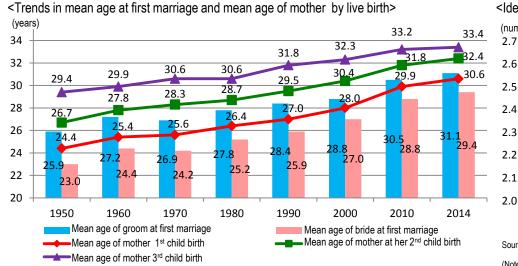


(Note) Martial partner includes person of separation by death, separation by divorce, and unknown

(Note) The figures are for never-married persons aged 18-34

Circumstances surrounding childbirth and its opinions

- In Japan, the number of live births is declining. The factors for a lower birth rate are the declining population for the parents 'generation, higher percentage of unmarried people and later birth as a result of later marriage.
- The age of the wife at the time of getting married is higher. As a result, the number of children that a couple may have is declining.
- While the ideal number of children that married couples want is 2.42, the planned number of children that married couples have is 2.07, below the ideal number.
- The total fertility rate is lower in large cities such as Tokyo while being higher in rural areas.



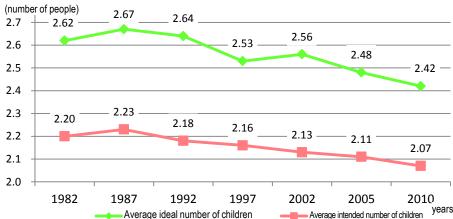
Source: "Vital Statistics" by the Statistics and Information Department, Minister's Secretariat, MHLW (Note) The figures up to 2010 are final data, the figures for 2014 are preliminary data.



<Final number of children by age of wife at marriage>

Source: "Fourteenth Japanese National Fertility Survey in 2010 (Survey on Married Couples)" by the National Institute of Population and Social Security Research

Figures shown are for first-marriage couples who have been married for 15-19 years (excluding couples who did not state the (Note) number of children).

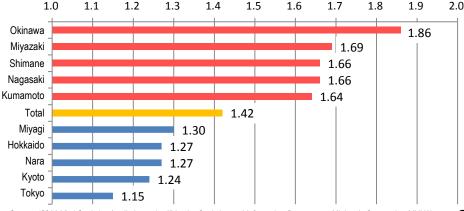


< Ideal number of children and intended number of children>

Source: "Fourteenth Japanese National Fertility Survey in 2010 (Survey on Married Couples)" National Institute of Population and Social Security Research

(Note) Figures shown are for first-marriage couples with wives under 50 years old. The number of ideal or intended children more than 8 is assumed to be 8. The intended number of children was calculated by adding the number of children already born and the number of additional children intended

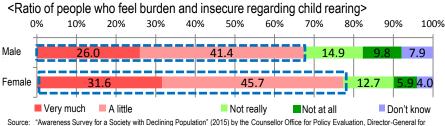
<Total fertility rate by prefectures (top five and bottom five prefectures>



Source: "2014 Vital Statistics (preliminary data)" by the Statistics and Information Department, Minister's Secretariat, MHLW

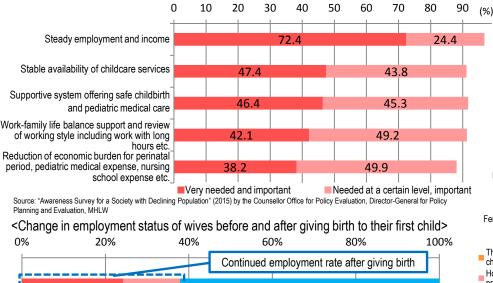
Circumstances surrounding child care and family, and its opinions

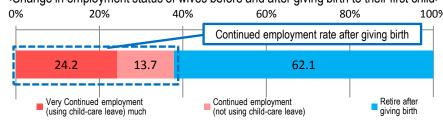
- The ratio of people who are in the middle of child raising who feel burden and insecure about child raising: about 70% of men vs. 80% of women.
- The necessary and important things for the young generation to feel positive about giving birth and child raising are: securing a steady employment status
 and income, utilizing nursery schools without worry, developing the environment for balancing work and family, review of working style etc. Those factors
 are the highest ranked.
- The percentage of women with a job before giving a birth who continue to work after giving a birth: less than 40%
- House chores are being done by most housemakers' with children below 6 years old.
- The percentage of 3 generations living together continues to become lower. As an ideal family living style, half of married couples desire to live together with their parents or live in the neighborhood. Families with small children in their thirties have a tendency to wish to live in the neighborhood.



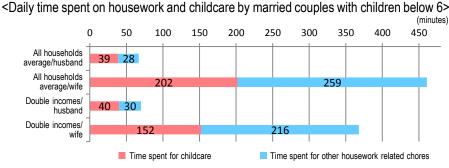
Source: "Awareness Survey for a Society with Declining Population" (2015) by the Counsellor Office for Policy Evaluation, Director-General for Policy Planning and Evaluation, MHLW (Note) The figures are people who have children aged 0-15.

<Necessary things which help people feel positive about childbirth and child rearing (top five items)>

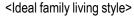


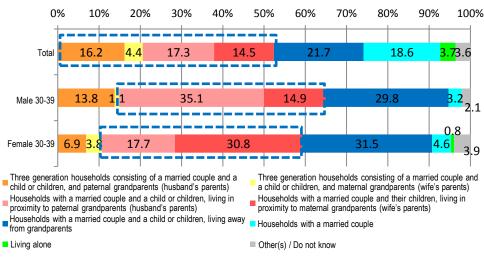


Source: "Fourteenth Japanese National Fertility Survey in 2010 (Survey on Married Couples)" by the National Institute of Population and Social Security Research



Source: "Survey on Time Use and Leisure Activities" (2011), by the Ministry of Internal Affairs and Communications (Note) "Other housework related hours" is the total hours of "housework", "caring and nursing" and "shopping."



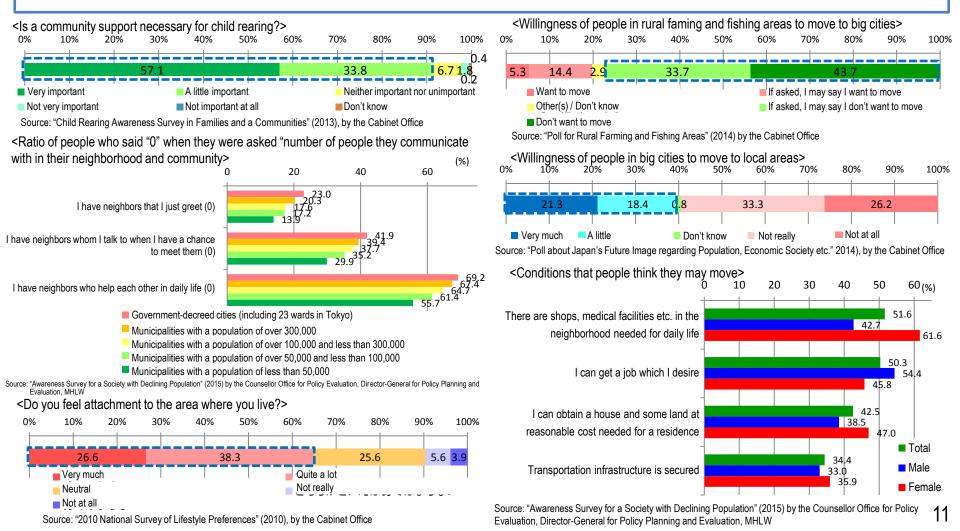


Source: "Child rearing awareness survey in families and communities" (2013), by the Cabinet Office

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Child raising in the community and changes in connection with a community: to keep connection with a community with a declining population

- More than 90% of people think that the support from their communities is important for child raising, but many people do not have close relations with their neighborhood (especially in urban areas, this tendency is remarkable).
- While the number of people with little relationship with their community is increasing, people's thoughts about their community are still strong. Nearly 80% of people who live in rural farming and fishing villages say that they don't want to move to an urban area. On the other hand, about 40% of people living in urban areas have an intention to move to a rural area.
- For conditions to immigrate to the rural areas, many people indicate that basic infrastructures for their daily life, such as shopping, medical centers are
 ensured, and they can secure the job as they require there.



- As far as fertility rates in foreign countries are concerned, the rates in France and Sweden have recovered to the level of around 2 while those of Japan and Germany have remained around the level of 1.4.
- · Japan's GDP ratio of the government family expense is lower than other foreign countries.

Each related index

- Looking at women's labor force participation rate by age group, the rate between 30's and early 40's shows a lower rate compared with other foreign countries. →"M-Shaped Curve"
- Housework and childcare hours of husbands is less compared with other foreign countries.

(Reference) Housework and childcare hours of :

Japan 67 minutes; France 150 minutes; Sweden 201 minutes

• The ratio of employees with longer hours is higher compared with other foreign countries.

(Reference) Ratio of employees with longer hours (more than 49 hours per week) Japan 22.7%; France 11.6%; Sweden 7.6%

Measures taken in other countries

 The distinctive characteristics of the measure taken in the countries where the birth rate is recovered, include 1) enhancement of child care services and child care leave system; 2) promotion to support the balance between work and family life

(Reference) Child care leave system:

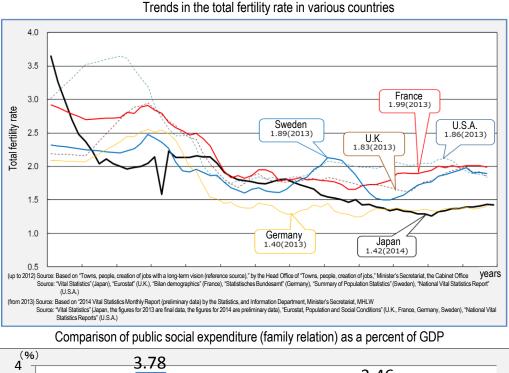
France: Parents with more than 3 children are eligible for having childcare leave or having shorter working hours until their children reach the age of 6.

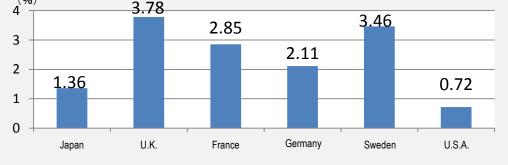
Sweden: Parents are eligible for full-time childcare leave until children reach the age of 1 and a half years old and part-time childcare leave until children reach the age of 8.

(Reference) Working hour system:

Measures to control longer working hours including overtime work have been implemented both in France and Sweden.

• Regarding public social expenditure in Japan, especially, the ratio of family expense is lower and the ratio of old age expense is higher, compared with other nations.





Source: OECD Social Expenditure Database (data obtained in February 2015). Data in 2011.

Basic attitude to overcome population decline

- > It is important to share risk consciousness regarding population decline.
- > To understand people's awareness and the current status of the community is important and urgent. It is also important to find effective countermeasures along with understanding and analyzing concretely the background regarding population decline.
- With all power, the government endeavor to realize a wish list of the young people's marriage, childbirth and child care. By steady continuation and enhancement of the approach which lead to realization of feelings of achievement of their hopes, it is important to make further achievement in the hopes and the ideals.
- > It is important to deal with further approaches aiming at non-marriage and late marriage.
- It is important that various measures, being operated simultaneously with measures to prevent the birthrate from declining, including efforts for dealing with overcoming depopulation and revitalizing local economies and measures for a lower birth rate, contribute to changing the depopulation trend.
- It is required to promote measures from the viewpoint to maintain a foundation where people can live with no worry regardless of a certain level of population decrease and aging of society caused.
- These measures include keeping an environment where people can live with no worry of their social security etc. in the wake of a certain degree of depopulation and as a result of the graying society due to depopulation.

Direction of concrete measures to overcome population decline

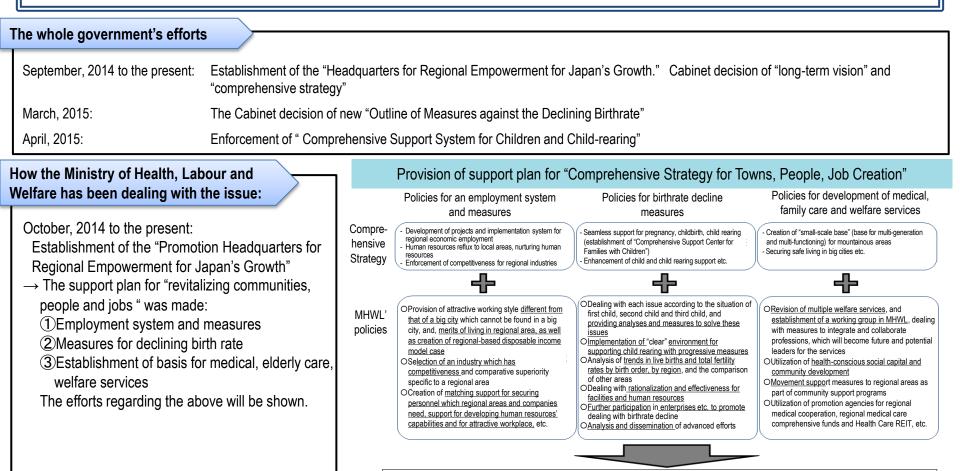
[Regarding a brake on population decline)

- To secure steady employment for young people. To create more employment in local areas by revitalizing local economies. To stop outflow of human resources from local areas. To put a brake on inflow of human resources into Tokyo only.
- > To deal with elimination of wait-listed children for nursery schools. To enhance counseling centers and support with easy access, regarding pregnancy, child birth and child rearing in nearby local communities.
- > To review working style including the remedy of long working hours as well as promoting companies' measures to support the balance between work and family life.

[Regarding maintaining a foundation necessary for people's daily life as a result of depopulation and aging associated with it]

- In order for people to sustain their live in the familiar surroundings or in their home, it is necessary to promote the approach to support local community by various entities as well as secure a foundation for services to support people's daily life.
- Considering the facts that it will be increasingly difficult to secure human resources and offer support services in many regions, integrated various welfare services should be offered as much as possible.
- > To consider a welfare services system which can immediately cope with changes of welfare needs, as well as deal with nurturing comprehensive welfare human resources.

- The government established the "Headquarters for Regional Empowerment for Japan's Growth" towards overcoming population decline and revitalizing local economies in Japan, along with "the long-term vision" and "comprehensive strategy."
- The Ministry of Health, Labour and Welfare also established the promotion headquarters and made a policy to support the policy as well as promoting each measure relating to this policy.



Implementation of consultation when municipalities plan "Local Version Comprehensive Strategies"

O Appointment and utilization of a concierge for revitalizing local economies

2nd Chapter 1st Section Fulfill the Hopes of the Young Generation for Child-rearing

- To support generations with child raising as well as the young generation, the Ministry of Health, Labor and Welfare has been dealing with efforts such as

 securing employment, ② supporting pregnancy and child-rearing, ③ enhancing support for child-rearing and 4) reviewing working style.

 Develop comprehensive and systematic employment measures for youths.

 Promote a shift from non-regular workers to full-time workers.
 Promote a shift from non-regular workers to full-time workers.
 - Deal with comprehensive new employment issues as a result of population decline in local areas → to promoting "revitalizing local economies."
- · Support for married couples suffering from infertility
- Medical health check ups for pregnant women

③Enhancing support for child-rearing

- Creation of common benefits and community-based daycare benefits across certified child care centers, kindergartens, and day-care centers.
- Promotion of Acceleration Plan for Reducing Wait-listed Children and plan for securing child nursing staff.
- Development of community-based child and childcare support projects.

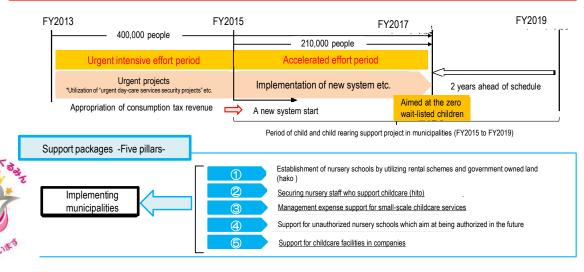
(4)Reviewing working style

- Promote efforts for business owners in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children.
- Promote efforts for enterprises along with related to work-life balance support.
- Raise business owners' awareness by means of offering awards etc.

Acceleration Plan for Reducing Wait-listed Children

The expanded capacity of number of children that could be accepted at nursery schools in FY2013 and FY2014 was approximately <u>191,000.</u> Developing objectives for urgent intensive efforts period (approximately 200,000) are almost expected to reach the target. *If the increased number of capacity for childcare is added, the maximum expanded number is about 201,000.

By securing capacity of 210,000 children, in three years from 2015(period for accelerated efforts), about 400,000 capacity number is secured including potential needs for childcare. We are expecting to achieve the goal of zero-waiting list for nursery school by the end of 2017. *Further follow-ups will be implemented according to developments each municipality makes for measures for the wait-listed children.



• As measures responding to population decline, the following are being implemented: 1) promoting the Community-based integrated Care system: 2) developing small hubs: 3) considering collaboration with welfare services and human resources

1) Promoting the community-based integrated care system

- Promote the community-based integrated care system, securing services including medicine, elderly care, prevention of long-term care, home and life, so that the elderly can continue to live in their own community as long as they can lead independent lives.
- Deal with efforts such as promoting the elderly's active social participation, enhancing support for daily life and preventative care services as well as promoting collaboration with home medical care and the elderly's care, in accordance with community needs.

When care becomes necessary... In case of illness: Health Care Nursing Care Outpatient / in-Acute phase, recove Visits / Moving in patient care ase, chronic phase Regular health care P, clinics with in-patient facilities ome-Visit Long-Term Care, Home-Vis Outpatient Day Long-Term Care Regional affiliate hospitals Nursing care homes Home Multifunctional (Long-Term Care in a) Small Group Dental care, pharmacies Geriatric health services Home facilities Community General Short-Term Admission for Daily Life Long-Term Care Communal-living care for Equipment for Long-Term Care covered by Public Aid Support Center dementia patients 24-hour Home-Visit Service Living care for persons at · Combined Multiple Service (Multifunctional Long-Term Care manager One's own residence government-designated Care in a Small Group Home + Home-Visit Nursing) Senior residences offering Handles consultation and facilities services, etc. service coordination Livelihood support/ preventing long-term care Preventive Long-Term Care Services So that seniors can continue active, healthy living * The Community-based Integrated Care System is conceived in units of every-day living areas (specifically equivalent to district divisions for junior high-schools) in which necessary services can be provided within approximately 30 minutes. Senior clubs, residents' associations, volunteer groups, NPOs, etc.

2) Developing small hubs

- Promotion of creating welfare hubs featuring multi-generation exchange and multifunction based on community needs.
- \rightarrow 1) Places for the elderly with little care
 - 2)Share houses with multifunctional services for the elderly who require high degree of other person's assistance.

3) Considering collaboration with welfare services and human resources

- Consider creating a integrated system covering the elderly, the disabled, children and beyond, and human resource development for welfare services which is necessary for creating this system.
- Regardless of generation and its related issues, create communities where people can live for a long time in peace and will be able to continue to live without problems.

Image of the community-based integrated care system