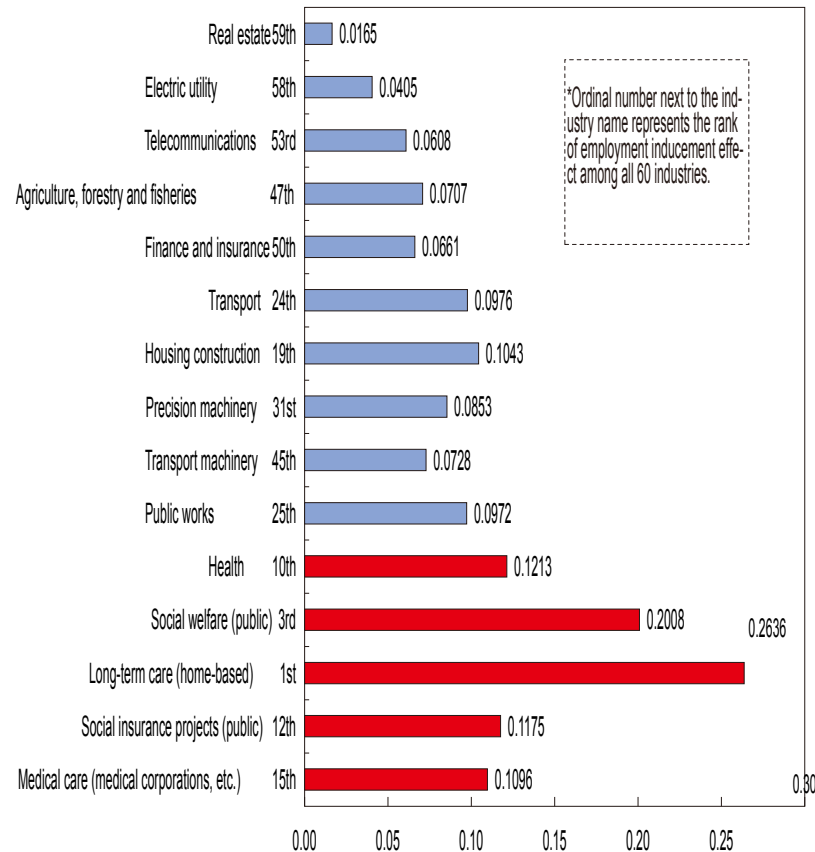
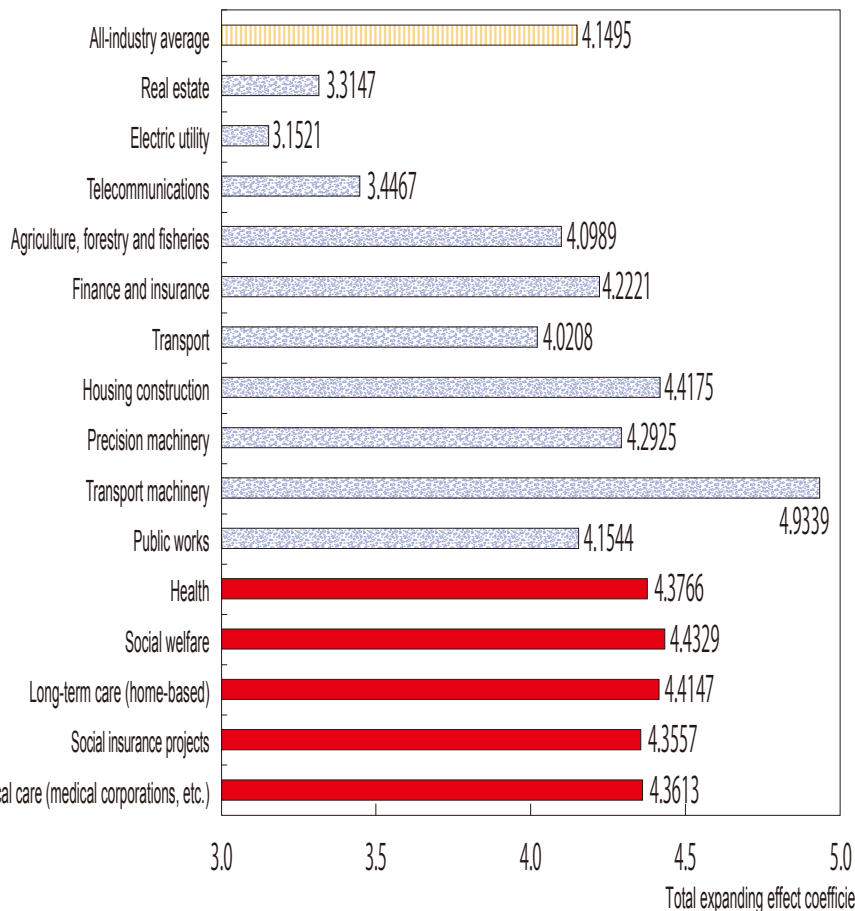


# Ripple effect” of social security/ Employment inducement effect

**“Ripple effect” of social security is larger than that of public works.**

**“Employment inducement effect” of social security is larger than that of primary industries.**

Total expanding effects based on input-output tables



Source: Prepared by the Office of the Deputy Director General for Social Security working under the Director-General for Policy Planning and Evaluation, MHLW, based on the “An Input-Output Analysis and Study in Health and Welfare Industries” (May 2010), Institute for Health Economics and Policy.

# Employees in the field of “medical care /welfare”

- An increase in the number of employees in the medical care/ welfare sectors (510,000 people) corresponds to about 80 % of a total decrease (640,000 people) in the construction and manufacturing industries.
- An increase in the employees in the social insurance/social welfare/nursing care sectors (250,000 people) makes up about half in the increase of employees in the medical and welfare industries (510,000 people).

## The number of employees in primary industries

(As of the end of March 2010)

Size	Industry	Number of employees	Year-on-year change
1st	Wholesale/Retail	10.6 million	+ 70,000
2nd	Manufacturing	10.58 million	- 310,000
3rd	Medical care/Welfare	6.5 million	+ 510,000
4th	Construction	4.89 million	- 330,000

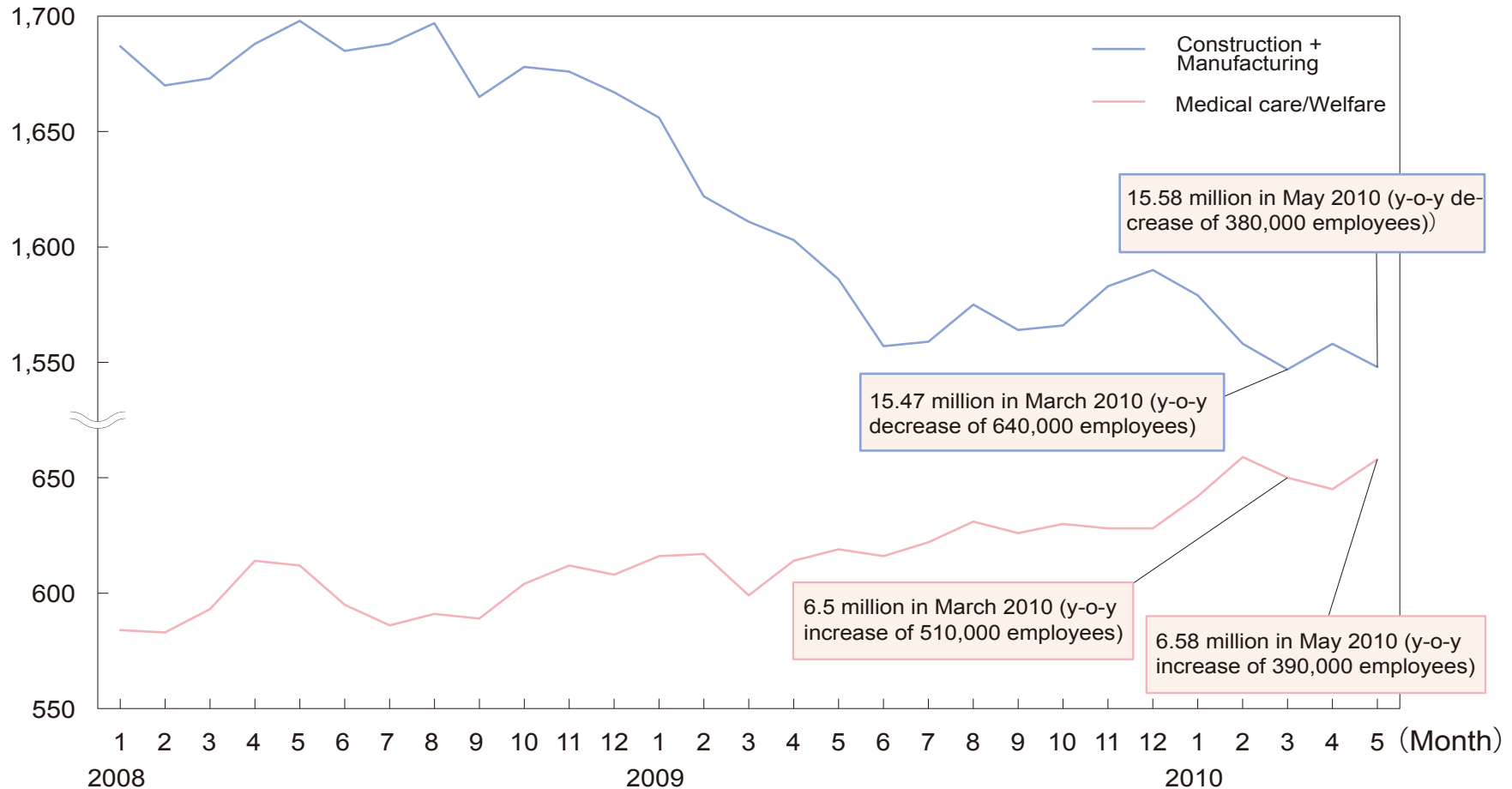
## Breakdown of employees in “Medical care/Welfare”

	As of the end of March 2010	As of the end of March 2009
Medical care/Welfare	6.5 million (+ 510,000)	5.99 million
Medical care	3.49 million (+240,000)	3.25 million
Public health	0.1 million (+ 20,000)	0.08 million
Social insurance/Social welfare/Nursing care	2.91 million (+250,000)	2.66 million

# Changes in the number of employees in “medical care/welfare”

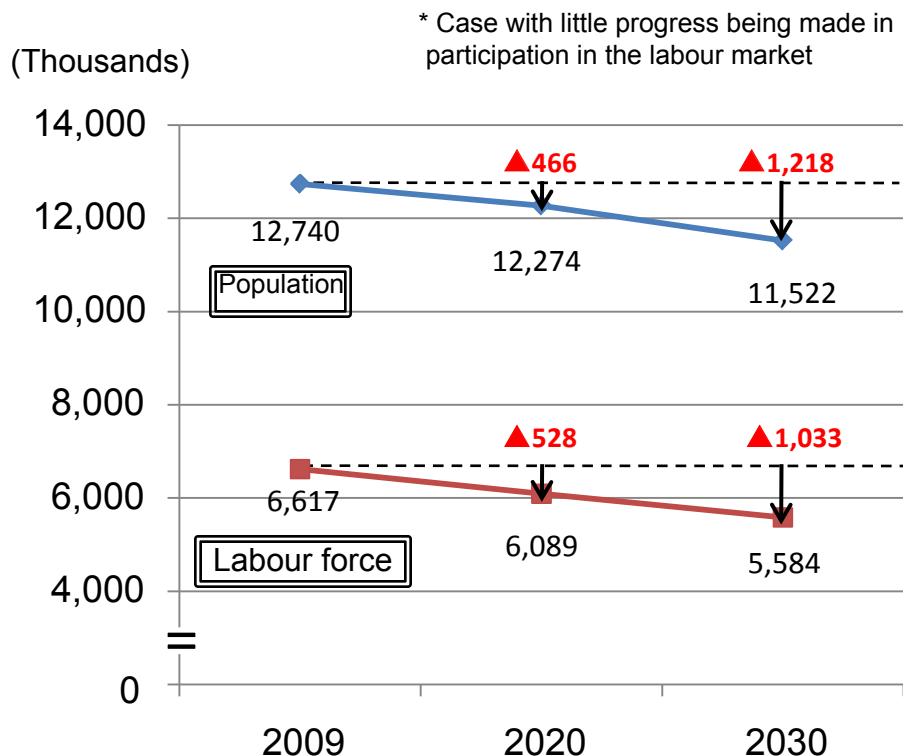
○ While the number of employees in the construction and the manufacturing industries has been on a downward trend, the number in the medical care and welfare sectors has been on the increase with 6.58 million employees in May 2010, posting a year-on-year increase of 390,000 employees.

(ten thousands)



# New Growth Strategies in a Society with a Decreasing Population

Population and labour force in Japan are expected to decrease.



(Source) Population: "Population Projections for Japan (December 2006)"(National Institute of Population and Social Security Research)  
 Labour force: Labour force in 2009 is based on "Labour Force Survey"(Ministry of Internal Affairs and Communications), and those in 2020/2030 are calculated based on the projections made by the "Study Group for FY2007 Estimates of Labor Supply and Demand" (JILPR).

In a society with a decreasing population, the total GDP might be reduced over the medium to long term without an increase in per capita GDP.

Both per capita GDP and women's employment rate are not high.

Country	Per capita GDP (US\$)	Employment rate (aged 20-64)	
		Male	Female
Norway	1st	3rd	1st 78.7
Switzerland	2nd	1st	3rd 76.0
Denmark	3rd	4th	4th 75.9
Ireland	4th	10th	14th 64.6
Holland	5th	5th	7th 71.2
Sweden	6th	6th	2nd 77.2
Finland	7th	15th	5th 73.2
Austria	8th	9th	9th 68.6
Australia	9th	7th	11th 68.3
Belgium	10th	19th	15th 60.9
USA	11th	12th	10th 68.4
Canada	12th	13th	6th 72.2
France	13th	17th	13th 65.8
Germany	14th	14th	12th 67.8
UK	15th	8th	8th 68.7
Italy	16th	18th	18th 50.6
Japan	17th	2nd	15th 63.3
Spain	18th	16th	16th 58.3
Greece	19th	11th	17th 52.8

\* The employment rates for males and females of the top 19 countries with the largest per capita GDP among the top 40 countries with the largest total GDP (2008)→

# Change in labour force in the case with little progress being made in participation in the labour market

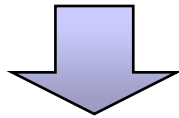
[Outlook for labour force in the case with little progress being made in participation in the labour market]

(2006)		(2030)		(2050)
66.57 million	→	55.84 million	→	42.28 million
		(a decrease of about 11 million)		(a decrease of about 24 million)

- It is difficult to secure the labour force to support the medium- to long-term economic development if both participation of young people, women and the elderly in the labour market and fulfillment of desirable marriage, childbirth and childrearing cannot be achieved at the same time.

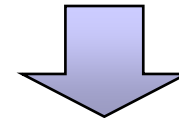
Labour force until 2030 is made up of the generation that has been already born.

Securing of labour force through realizing participation of young people, women and the elderly in the labour market



Labour force after 2030 will be made up of the generation that will be born from now onward.

Securing of labour force is also difficult without reversing the trend of the decrease in the number of children.



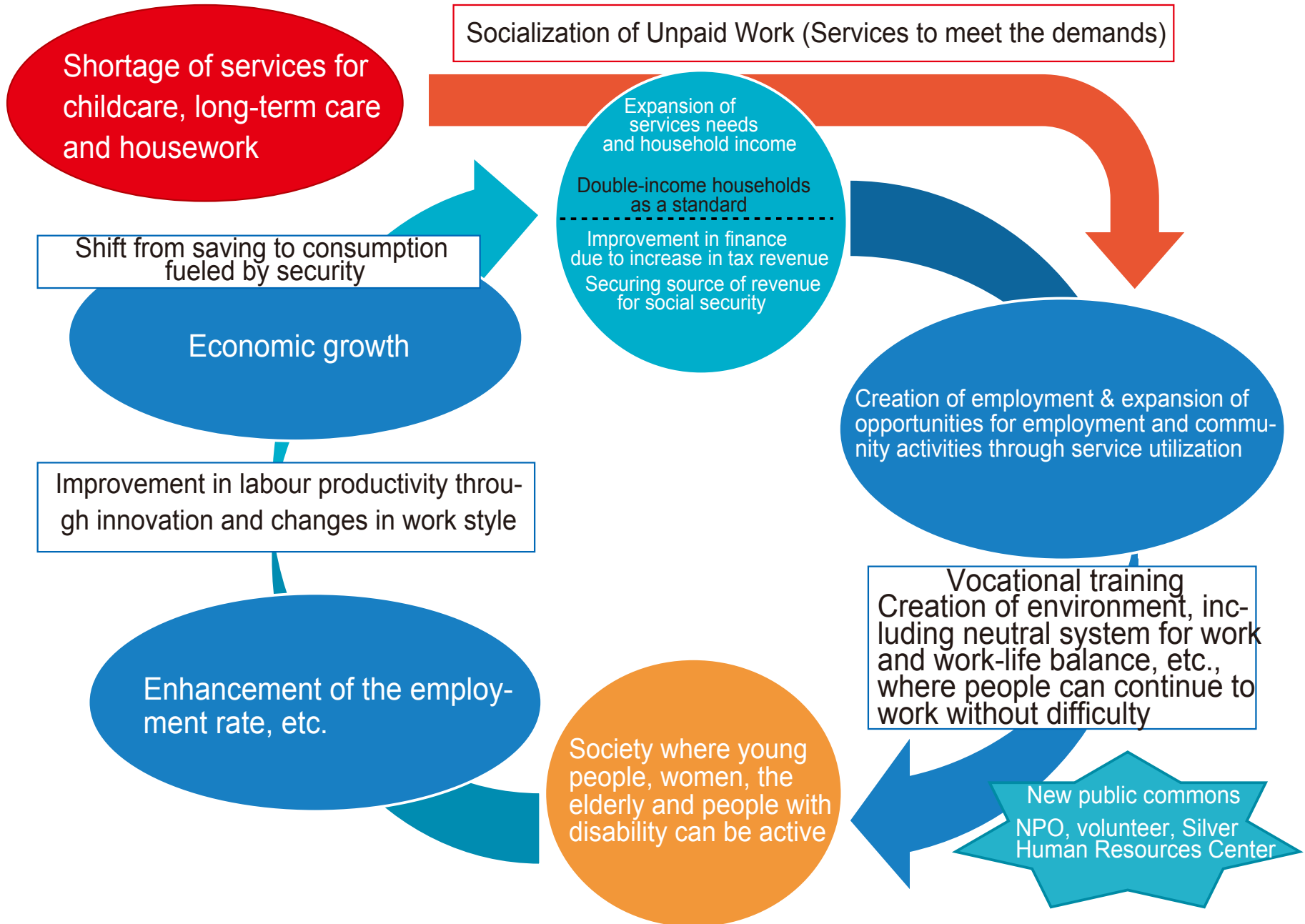
Necessity to simultaneously fulfill these two demands →  
“Structure to choose either work or family life” needs to be redressed.

\* The new growth strategies promote the policies to enhance the employment rates for the nation's each segment with the goal of maintaining the employment rate of 2009 (56.9%) in 2020. This will result in a decrease only of about 0.5 million employees compared with the labour force in 2009. (With little progress being made in participation in the labour market, the number of employees will be decreased by about 4 million.)

- ① If women give up “employment” due to “marriage/childbirth”, women’s participation in the labour market will not be realized, resulting in a medium-term labour force decrease (until around 2030);
- ② If women give up “marriage/childbirth” due to “employment”, long-term securing of labour force (after around 2030) will be difficult because of the rapid decline in the working age population.

(Note) Labour force in 2030 and 2050 are projected based on the “Population Projections for Japan (December 2006)” (medium variant projection) on the assumption that labor force participation rates by gender/age for both years are the same with those of 2006.

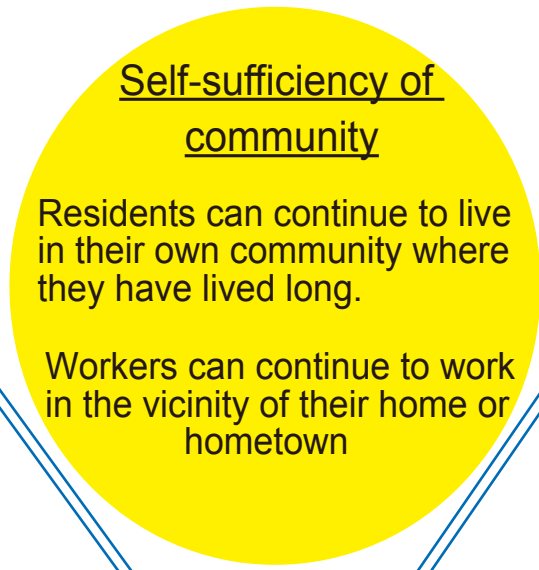
# Image of a virtuous circle driven by the New Growth Strategies



# Markets and Creation of Employment: Community-based service packages to support regional economy

**Medicine** (Medical care/Long-term care/Childrearing, etc.)

**Food** (Meal delivery service, etc. provided by companies and NPOs)



Improvement in home medical care, including end-of-life care, to support people to live till the end of life by one's own values (home-visit medical care/nursing)

Establishment of a system for comprehensive community care, including service providers for in-home long-term care

Establishment of new support systems for children and childrearing that enable residents to seamlessly use kindergartens and daycare centers and meet various demands for child-care such as non-facility service

Creation of high-value-added service network including for meal delivery service, watching service, fitness, etc.

Creation of service standards, standard clause and consortium of service providers so that services provided by companies and by public organizations can comprehensively support the elderly's life

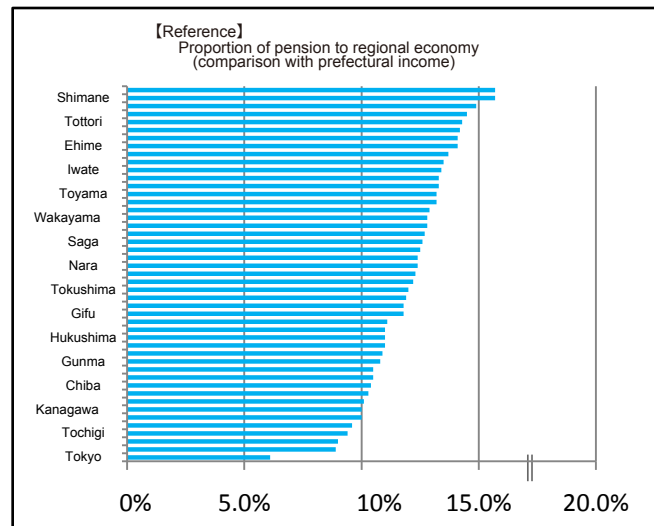
[Cooperation with the Ministry of Economy, Trade and Industry]

**Housing** (barer-free housing)

Establishment of housing for the elderly with nursing care that responds to the increase in the number of elderly single-person households

[Cooperation with the Ministry of Land, Transport and Tourism]

- (2020)
- ✓ Market size of medical care 59 trillion yen
  - ✓ Market size of nursing care 19 trillion yen
  - ✓ New employment in the field of medical care/long-term care 2.01 million people
  - \*Health-related service industry
    - Market size 25 trillion yen
    - New employment 0.8 million people
  - ✓ Increase in earnings generated by women's continued employment due to expansion of daycare service, etc.
- (2017)
- ✓ Income increase generated by growth of daycare workers, etc. 0.5 trillion yen
  - ✓ New employment in daycare service, etc. 0.16 million people



## ③ Outline of Chapter 2 of Part 2

### (Social security/Labour policies in general)

Section 1 Redefinition of the roles of social security

~Shift from social security based on consumption and protection to participatory social security (positive welfare)~

Section 2 Realization of social security system that allows the people to live safely

Section 3 Establishment of national minimum

### (Support for children and childrearing/ Support for those who work and raise children at the same time)

Section 4 Response to a Society with a Decreasing Birth Rate ~ Focusing on Childrearing Support Measures~

### (Medical care/Health/Health insurance)

Section 5 Enhancing a Safe, Reliable, and High Quality Medical Care System, including Securing Doctors and Providing Emergency Medical Care

### (Employment/Vocational ability development/Equal employment)

Section 6 Securing Employment and Stable Life under Severe Economic Conditions

### (Employment/Vocational ability development/Equal employment)

Section 7 Creating an Environment where People can Work with Confidence and Satisfaction



(The Elderly/ Pension/Welfare/Support for the bereaved of the war dead)

Section 8 Creating a Welfare Society Where Elderly and Other People can be Active and Comfortable

(People with disabilities)

Section 9 Support for Community Life for People with Disabilities

(Pharmaceuticals/ Medical devices/ Foods, etc.)

Section 10 Promotion of Measures for Safety and Security of People

(International relations)

Section 11 Contribution to International Society and Proper Handling of Foreign Worker Problems

(Administrative system)

Section 12 Improvement of the Administrative System