

Chapter 2

Efforts toward the Establishment of participatory Social Security (positive welfare)

The Ministry of Health, Labour and Welfare announced the “Goal of the Ministry of Health, Labour and Welfare” on 20 April, 2010. wherein the Ministry proposed to formulate the “Japan’s Model for an Aging Society with a Declining Birth rate” and share it with the people. In order to achieve this goal, it is necessary to create a society where the people can safely live in the well-coordinated systems of medical care, nursing care, welfare, employment and pensions. Discussions are being made on the measures to achieve the goal led by Mr. Akira Nagatsuma, Minister of Health, Labour and Welfare. During the discussion, it was decided to redefine the role of social security and address the current policy issues under the concept of “participatory social security (positive welfare)”

Section 1 summarizes the current results of the discussions on the “participatory social security (positive welfare)” and provides the future direction. The situation of measures taken for each policy issue is offered in Section 2 and the following sections.

Section 1

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

The Ministry of Health, Labour and Welfare has proposed new measures to respond to the progress in a birth rate decline and aging, for instance through introducing the Long-Term Care Insurance. Nevertheless, the reform for each system was inconsistently implemented, which created the areas that were not covered by any systems and weakened the function of social security as a safety net. Therefore, discussion should be made across the systems on the society where the people can safely live with the systems such as for medical care, nursing care, welfare, employment and pensions. Social welfare is to aim at not only securing “equal opportunities” but also realizing a society with higher quality on the concept of participatory social security (positive welfare) that extensively helps the people bring out their potential, .

1 What is participatory social security (positive welfare)?

Participatory social security (positive welfare) has a new and different concept from the conventional social security (“social security based on consumption and protection”). The basic concept is summarized in Chart 2-1-1.

Chart 2-1-1 The participatory social security (Positive Welfare) aims to:

- Not only securing “equal opportunities” ; but supporting each person to bring out and exert one’ s full potential
- support the self-decision concerning one’ s life when support is needed for work style and long-term care, etc.
(For instance, by providing support to enable a person to stay in the community or at one’ s own home where he/she has lived so long)
- ; and
- secure involvement in the labor market, local community and family.

The participatory social security (Positive Welfare) is an investment for future to develop the foundation for the economic development rather than a system to slow the economic development.

In the “social security based on consumption and protection” system, priority is placed on meeting the needs that should be protected, and services are only consumed without making any outcome. On the other hand, “participatory social security” aims to bring out one’s full potential and encourage involvement in the labor market, local community and family based on the concept shown in Chart2-1-1. Chart2-1-2 compares the conventional and participatory social security system in each sector.

Chart 2-1-2 Difference between the Conventional and the Participatory Social Security (Positive Welfare) systems

For example...	Conventional Social Security system (social security based on consumption and protection)	Future Social Security system (participatory social security) (Positive Welfare)
Employment (Support for reemployment)	○ It is difficult to take measures for the unemployed people who are troubled with complicated issues such as housing and money-related problems, and the system does not necessarily lead to employment.	○ Measures can be taken in accordance with the situation of each unemployed person, enabling him/her to return to work as if bouncing on a trampoline. Services are provided by combining life security benefits, including housing allowance and unemployment benefit, and job training/job placement. When necessary, personal support is also offered.
Medical care/long-term care	○ It is difficult to maintain regional medical services such as emergency medical care in some regions due to shortage of doctors and insufficient network of medical institutions. Long-term hospitalization is required, and patients cannot be discharged from hospital soon. ○ Insufficient home medical care and welfare service make it difficult to continue to live in the community or at one's own home where he/she has lived so long.	○ A division of roles and cooperation between medical institutions focusing on emergency medical care enable patients to return to society and home soon. ○ Home medical care/welfare services are provided in a given area such as a school district of junior high school, making it also possible to stay at one's home till the end of life considering his/her own request.
Childrearing support	○ Many children are on the waiting list for admission to a daycare center, and daycare service for sick children and temporary daycare service are not sufficiently provided. On the other hand, there are vacant spaces at kindergartens.	○ The New System for Children and Childrearing helps to realize integration of functions of kindergartens and daycare centers, good work-life balance, provision of various services for children and elimination of waitlisted children for daycare centers.
Pension	○ The number of non-regular workers who cannot join the employees' pension scheme has been increasing in the changing employment structure, and the problem for the people who receive only a small amount of pension benefit exists.	○ With the unified earnings related pension and minimum safeguard pension, both of which have no disparity among occupations, fair and flexible measures for jobs and various work styles become available, and the nation's safety can be secured.
Public assistance	○ Under the current severe employment conditions, an increasing number of people have difficulty in finding their jobs despite their desire to work, lose the willingness to work during the long job seeking activities, and then lose an opportunity of employment, which is a connection to society. As a result, they are socially isolated for a long period of time.	○ In addition to aiming at regular employment at companies, support is provided to restore the connection to society by offering programs including work experiences, welfare employment and volunteer activities and opportunities to exchange with others by utilizing "New Public Commons" provided by NPOs, etc. in accordance with the situation of people receiving public assistance.

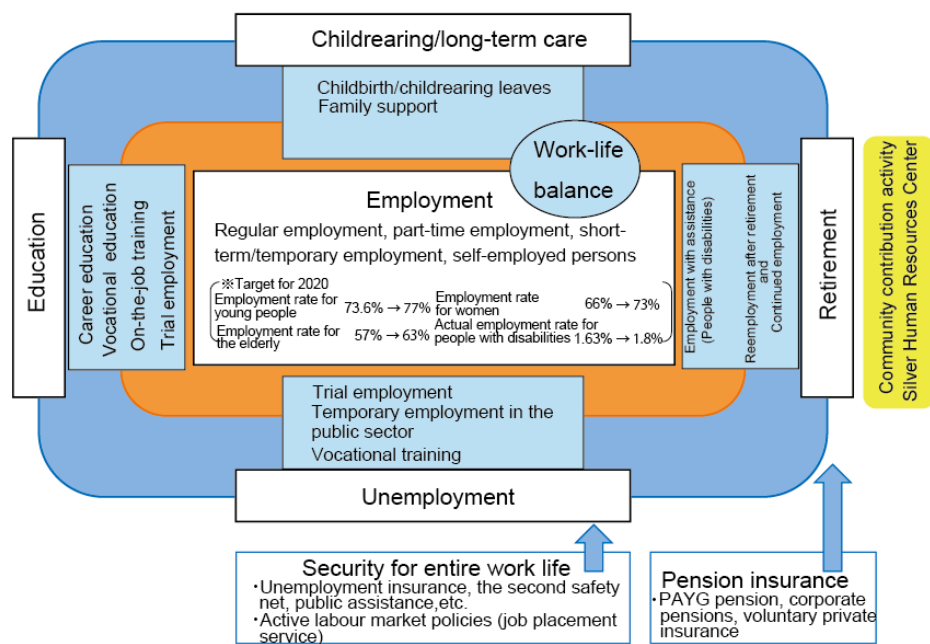
2 Responding to the "wish of every Japanese citizen

In order to promote participatory social security (positive welfare), it is necessary to consider across the systems how to fulfill the "wish of every Japanese citizen" and what is a social demand beyond the framework of the current systems. Taking into account the social demands, they are classified into four goals and summarized. Four goals consist of: 1) working actively (to increase the labor force); 2) continuing to live in a local community; 3) alleviating disparity and poverty; and 4) receiving high-quality services. Particularly, each purpose is explained with a scenario to make it easier to imagine the life of people living in a local community.

(Goal 1) Working actively (to increase the labor force)

The important viewpoint in promoting participatory social security (positive welfare) is supporting to fulfill the “wish of the Japanese people”, who want to continue to work actively as long as being motivated. In particular, there is a demand to establish a framework that enables to maintain good work-life balance and to find job again even if unemployed. In addition, a framework that allows pension recipients to work without hesitation is also needed. Chart2-1-3 shows the structure of the related measures.

Chart 2-1-3 Image of the structure of related measures



Scenario 1

Positive Welfare for women who work while raising children

After getting her husband off to his office on that day, Mitsuko Kudo made a phone call to the NPO that offers childcare service for sick children. Her daughter Kana started to have a fever in the morning and continued coughing. She was very worried about her daughter, but she had to go to office because of an important meeting on that day. While she was preparing for going to her office, a young childcare worker came to her home to provide at-home childcare in about 30 minutes after calling the NPO. Before leaving for office, she went to her daughter’s room to see Kana. “Coff, coff -- Bye, Mommy,” said Kana.

Her daughter Kana waved her hand with a feverish face. In Monday morning just after 8:30, she left for office asking a childcare worker to take care of her daughter.

“It was fortunate that a child caregiver came to my house soon, but why is it that children often have a fever in the morning of weekdays, not on weekend?” She was on the train thinking of such things vaguely. She, however, switched her mind and started to prepare for the proceedings at the meeting of the Planning Group scheduled to start at 10 o'clock.

When she was a college student, she did not have a particular job she really wanted to take. She did not do well with her job seeking activity. Nevertheless, thanks to the introduction by Hello Work, she took an educational program to acquire the Career Grade 2 and successfully enhanced her vocational ability and skills required for the job she wanted to take. Because she completed the officially certified program, she could get a position in the company she was looking for. Now, she is working hard as a core member of the Planning Group.

Her daughter Kana was born three years and a half ago. After taking child-care leave for one year and three months, she returned to work. When she went back to work, her company suggested her three choices: regular working style, telework and short-time regular employee who work for 6 hours a day. It sounded good to telework using the teleconference system supported by fiber-optic line, which has become common lately. She, however, wanted strictly separate work and family life; she chose to work as a short-time regular employee who can return home at 4 o'clock in the afternoon until Kana enters elementary school. She feels sorry for her seniors who were forced to choose either work or family life.

The meeting started.

“We will finish today's meeting at 10:40. We exchanged mail and assume everyone has the common understanding of the company A's response until yesterday. The purpose of this meeting is to decide the points that should be focused at the next presentation and sharing of tasks.” As various employees in a different working style are working at the same work place, it is crucial to have efficient discussions by adjusting schedule and to share the information within the group. Now, I am working as a short-time regular employee, but I want to assist my juniors when I become a group leader.

When she returned home in the evening, she gave a hug to Kana, who looked a little better. This morning, Kana went to see a doctor with Ms. Kato, took medicine, and slept well in the afternoon. She and Kana saw Ms. Kato off. These days, her husband returns home early and help housekeeping even on weekdays. Now, she thinks she wants to have another bay.

When she was taking dinner with her daughter just after 6 o'clock in the evening, the TV news program was featuring a good work-life balance. In the program, a company executive said, "Now, a better work and life style balance is required to recruit excellent human resources." "Since I want to spend time with my kid at home, I pay more attention to schedule during the daytime, which helped me to work more efficiently," said the male employee in a similar age with her husband while holding his kid. She recalled that her husband's boss once shouted, "A work-life balance is just an excuse for those who do not work well." In fact, the world is changing.

Her husband would come home after 7 o'clock at that night, she thought of talking about the destination for camping, patting the head of Kana, who was a little flushed with fever.

1 Daycare centers for sick children are the facilities to take care of children who suffer from a sudden illness such as fever. Nurses are stationed at these facilities, which are managed with close cooperation with hospitals to be able to respond to the sudden changes in children's conditions. As of fiscal 2009, there were 1,250 facilities nationwide, and a total of 300,000 children used them annually, and in ten years from now, it is planned to offer services, including home-visit care for sick children, available for a total of 2 million children a year. (The plan is to be achieved through the New System for Children and Childrearing.)

2 "Career Grade" is a system to identify practical vocational abilities, connect education and vocational abilities, and objectively qualify the individual skills. This system is a Japanese version of the National Vocational Qualification (NVQ) in the U.K. It was proposed in the "New Development Strategies" adopted by the Cabinet in June, 2010 and is planned to be introduced in the future.

3 Short-time regular employees refer to the permanent employees with shorter designated weekly work hours than full-time employees. Diffusion and establishment of this system are expected as a system that enables employees who have not been able to continue to work due to childrearing and nursing care to realize various working styles in accordance with their life style; and as a human resources system that allows companies to retain human resources and vitalize organizations. It is planned to increase the share of companies that

introduce this system to 25% by 2020.

4 Work-life balance is an effort toward creating a society where the people can work with a sense of fulfillment and fulfill one's job responsibility, and also choose and realize a various lifestyle at home and in a local community in accordance with the lifecycle stage, including child-rearing stage and the middle and advanced age of life. Governments, local communities, companies, private organizations and individuals are respectively demanded to address this issue.

(Goal 2) Continuing to live in a local community

The important role of participatory social security (positive welfare) is to support the people to fulfill their wish to continue to live in their own local community where they can find a job, have and raise children and receive proper in-house service even when they get old and need nursing service. It is socially demanded that the conventional weak system is strengthened to provide an environment for medical care, nursing care, childrearing, etc. so that people can safely live in each community even when nursing care is required. In addition, it is also necessary to secure the employment of young people in each community, in particular, it is important to create a framework that makes it possible to continue to work, to have and raise children and to continue to live till the end of life by one's own values in the local community. The overall image is shown in Chart2-1-4.

Furthermore, it is desirable that the school district for junior high school is used as a base for the system to support life in local community for the Japanese people. The image is shown in Chart 2-1-5.

Chart 2-1-4 Community life in Japan in 2020 (image)

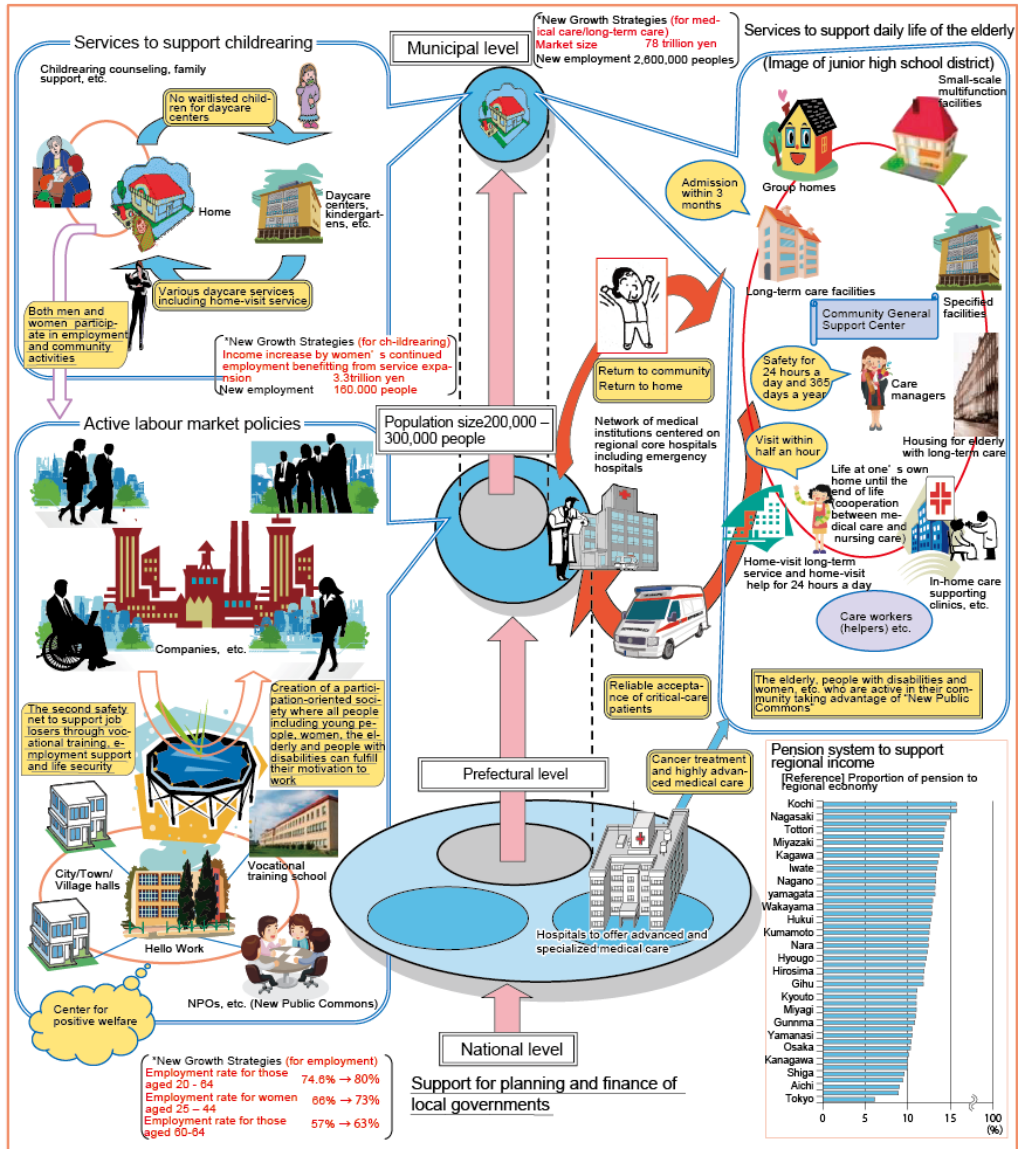
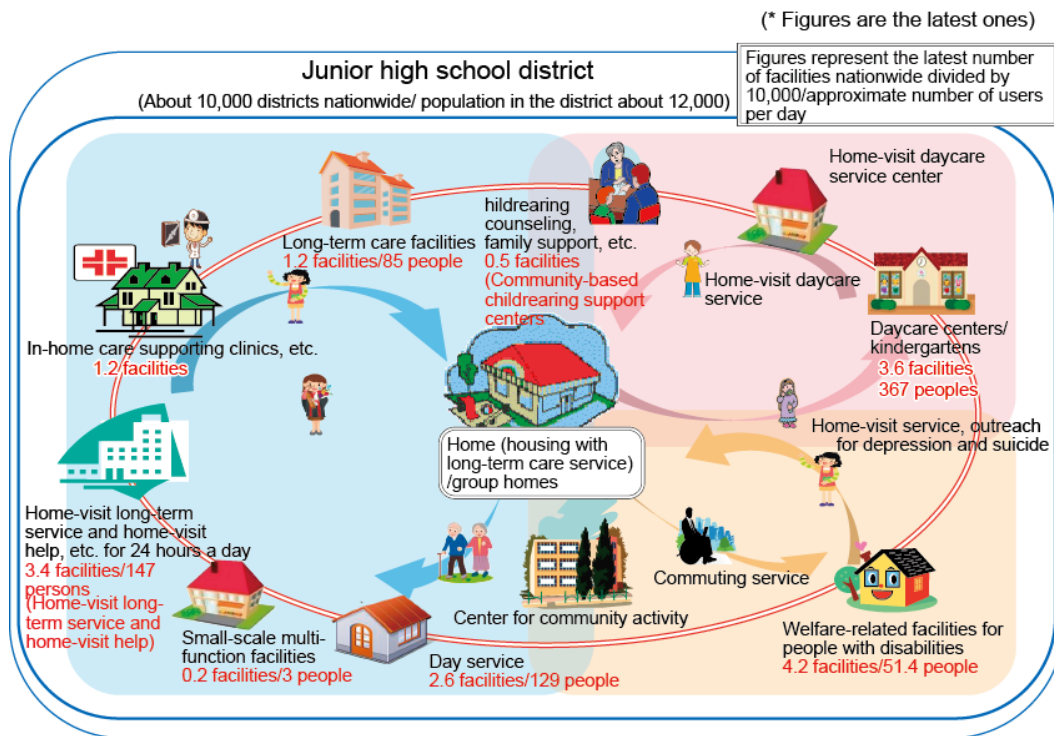


Chart 2-1-5 Image of society where excellent social service can be received in the unit of junior high school district



Scenario 2

The Positive Welfare that offers purpose in life to the people with disabilities and the elderly.

“Store manager, the sign displayed on the wall confuses Nakada-san and other people working here,” said Rieko Sato, a Job Coach *1, pointing at the sign “Do not run in the warehouse.”

“Really?” replied the store manager with surprise. “I think that is a normal sign.” People with severe autism like Nakada-san can understand that “they cannot run” but have difficulty thinking abstractly what to do next. This is the symptom of their disabilities. So, let’s change the slogan to “Walk in the warehouse.”

Nakada-san, who lives in a group home, often has a panic attack. On that day, Ms. Sato was asked by the store manager of the supermarket where Nakada-san was working about how to handle Nakada-san.

Due to the disabilities, Nakada-san is good at numbers and sticks to that everything is in

neatly arranged. Therefore, when Nakada-san started to work at the supermarket, Sato advised that Nakada-san would be suitable for the workplace such as a warehouse of supermarkets which stores many items and needs to be neatly arranged. "This might help to improve working environments for Nakada-san. A little understanding serves to pull out the potential and find motivation to work o employees. I will steadily step forward without haste," murmured to herself.

Recently, the welfare facilities that offer employment support have started to strongly promote the employment at companies. Jobs with payment are also preferentially offered by governments and private companies to those who are hard to be employed by companies. Ms. Sato feels happy a little because companies have deepened their understanding and offered better workplaces in the past ten years.

Sato stopped by the group home to ask the staff there about how Nakada-san was doing after shifted to work at the warehouse. Then, she went to see her grandmother. Both the group house and her parents' house are located in a "New Town." When Sato was a child, the whole town was going through aging, young people left for big cities, and the impoverished town was often made fun of as a "ghost town."After the new mayor took office, with the concept of a "symbiotic town", housing with many rooms designed for families with young children and barrier-free houses for the people with disabilities were built by utilizing the housing without residents. Car-free spaces where families can play outside were also provided by prohibiting entry of cars. As a result, the atmosphere of the town changed greatly. With population increase, a big supermarket was opened in the neighborhood. Because of the improved living environment and relatively low housing rents, young families and students started to move into this town from the surrounding towns. The town was enlivened again, and NPO started community activities in cooperation with the neighborhood association. Under such circumstances, Sato's grandmother was livelily involved in the volunteer activities. Half a year ago, however, she suffered cerebral infarction.

"Hello, grandma! Why don't you eat a mugwort rice cake together, which Funada-san gave to us?"

"Thank you for coming. You must be busy, though."

Her grandmother, Yoshie, came out of her room wearing walking support equipment. The equipment her grandmother used before had similar functions but looked like a heavy robot.

The one Yoshie is using now fits well with her small body, is light-weighted, and has reduced operating noise. It is also fashionable because colors and patterns can be changed in accordance with the clothes.

When the grandmother, usually living alone, was struck down with cerebral infarction, she was hanging an alarm pendant around her neck, which was soon connected to the security center. Then, the staff promptly came from the security center to rescue the grandmother, called an ambulance to take her to the hospital, and thus, her life was saved. According to what Sato heard about later, her grandmother suffers from only minor after-effects because she was soon accepted by the emergency hospital. Sato came rushing over the hospital as soon as she heard of the hospitalization of her grandmother. After receiving an emergency surgery and before restoring consciousness completely, the grandmother was provided with rehabilitation from the rehabilitation room. That was surprising to Sato, but had great effect according to what Sato heard about.

However, the grandmother still suffers from numbness on his right side. The problem was how to get her grandmother to return to her own home, where she used to live so long.

“Grandma, you must be happy that you could come home. My husband and I were talking if we should ask you to come to our house.”

“I have lived here over forty years, and I can no longer move to a place I am not familiar with. Before leaving from the hospital, Dr, Edo and Kawabe-san worked so well, and therefore, I can now live at my house.”

Dr. Endo is a home doctor, who also supports regional medical services. Keeping close ties with the prefectural hospital, which is a regional core hospital, and medical practitioners, Dr. Endo makes a referral to hospitals that accept patients discharged from the prefectural hospital, or conversely, to the prefectural hospital for seriously ill patients. Kawabe-san is a care manager for the Long-Term Care Insurance. Kawabe-san maintains an intimate relationship with the women’s division of the neighborhood associations and the NPOs for community support, having a wide circle of acquaintances. These people shares the data that record the grandmother’s mental and physical conditions from the time discharged from the hospital up to the present, and offer services as a group of course with the knowledge and consent of the grandmother.

In addition, within the relatively small area almost in similar size to the school district of Honcho Junior High School, various facilities were established, which offer pick-up and drop-off services when necessary as well as home-visit services.

In addition to a family practitioner Dr. Endo, who provides home-visit medical service, the agencies for home helpers and visiting nurses are located within the distance of half an hour. One of such facilities is “Hidamari”, a small-scale multifunction facility*4 that provides services combining day-service and short stay.

“Rieko, I went to the day-service center “Hidamari” today, and the activity for daytime was ‘Karaoke’. I thought I am too old to enjoy ‘Karaoke’, but today’s song was ‘Hey Jude” by the Beatles. I couldn’t help but sing enthusiastically. If the guitar had been there, I would have felt like playing it.”

Who said that the elderly likes “Enka (traditional-style Japanese popular song)”? My grandmother is a baby boomer and very enthusiastic about western songs. In particular, she is in the generation that was influenced by the Beatles and the Rolling Stones.

“Well, today, I have to go now to pick up Kenji at the daycare center.”

“All right, please come and see me again. I am thinking about helping Hidamari by offering services, not just being as a visitor. It may be a good idea to take care of children at Hidamari Daycare Center because Kenji is also there. “

“I’ll take my hat off to Grandma” thought Sato.

Both Hidamari Daycare Center and Hidamari were established in the same place. When Sato arrived at the daycare center, she saw several people coming to the center to pick up children. Now, parents can choose from a wider range of facilities because nursery schools can be enrolled with the same procedures for daycare centers. Some children at the daycare center have working parents, and others are in a single-income household. At first, she thought that parents might have different values depending on whether having a job or not, but actually, all the parents share the same problem once they talk about their children. She could soon make friends with them.

When entered the center, she was talked by a childcare worker.

“Hi, Kenji’s mom. Good evening. Today, you have come to pick him up. Well, his father is on the late shift tonight.”

Rieko's husband is a nurse at the hospital. Usually, her husband picks up Kenji, but he and Rieko make it a rule that she picks up their son when her husband is on the late shift. She thinks it fortunate that both she and her husband, who was her college boyfriend, could find a job in the fields of medical service and welfare and return to their hometown.

Holding the hand of Kenji, who is singing aloud while hopping, she thought that she would like to continue to live in this town like her grandmother.

1 Job Coach provides fine-tuned services to the companies that employ people with mental retardation and people with mental disorders. As of the year 2009, 1,061 people are working as Job Coach nationwide, and it is planned to increase the number to 5,000 by 2020. Part of the expenses that should be burdened by companies is subsidized out of the Job Coach Subsidy.

2 Group homes consist of the facilities for the people with disabilities who have difficulty in living by themselves and those designed for the elderly with dementia. At the house where several people live together, the residents can receive services, including support for daily lives such as housework. Based on the service provision plans hammered out by local governments, group homes are being constructed in a close neighborhood such as a school district for junior high school.

3 Early rehabilitation is effective to restore the functions of limbs after suffering cerebral infarction. If a patient of cerebral infarction continues to lie in bed without moving body for one week after being struck down with cerebral infarction, the whole body will get weak, motor function will be lost and paralyzed limbs will be hardened. This can be prevented through starting rehabilitation at an early stage for instance while being accommodated in a ICU (intensive care unit), which also allows the patient to restore functions and leave the hospital sooner.

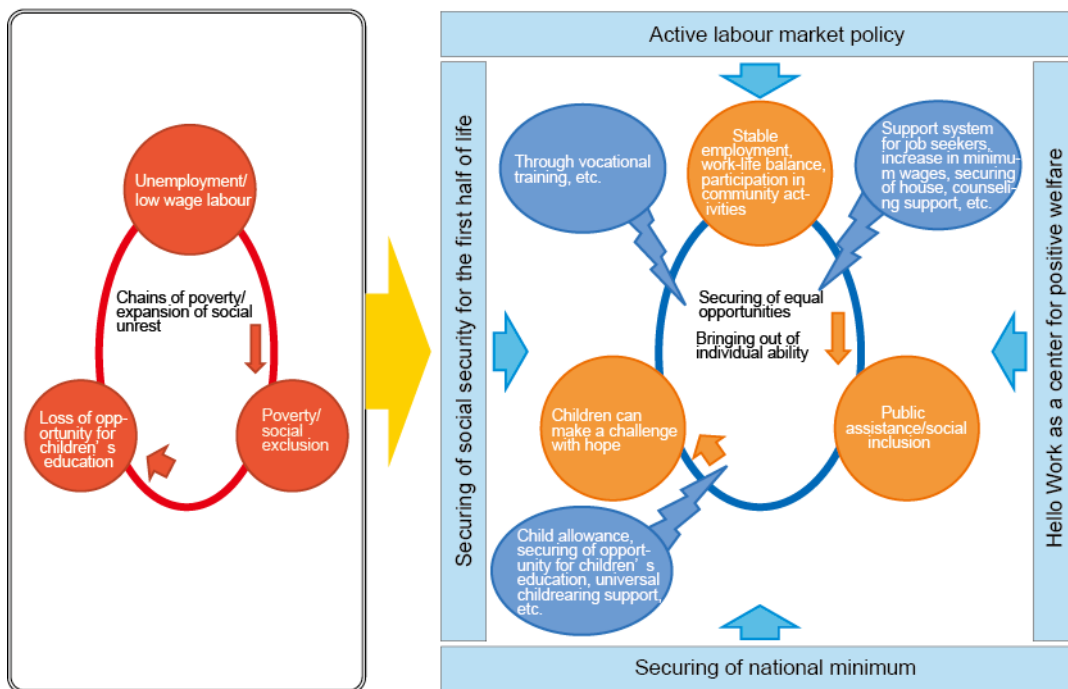
4 Small-scale multifunction facilities provide the elderly requiring nursing care with "day-service" at the facility during daytime, including bathing, meals and functional training, in addition to "home-visit" service at any time considering the request of the elderly and the service that the elderly can stay overnight for a short period of time like "short stay" at a welfare facility. Small-scale multifunction facilities are established within an area almost in

similar size to the school district of junior high school with the aim of help the elderly to continue to live at the familiar place where they have lived so long, such as their own house, even after they require from mid- to high-level of nursing care.

(Goal 3)Alleviating disparity and poverty

The people hope to live in a society with less disparity where they and their children can make a challenge with hopes. Providing support to realize such hopes is also one of the roles of participatory social security (positive welfare). Disparity should be reduced to maintain fairness and vitality of society, and it should not be fixed. In particular, it is important to establish a framework that enables to improve ability and exert the willingness to work and the ability, and also to secure a national minimum. The image of the related measures is described in Chart 2-1-6.

Chart 2-1-6 Image of the structure of related measures



Scenario 3

Positive welfare to support for making challenges again

“Rring”, he jumped out of bet by the alarm clock.

Usually, he says to his wife that he wants to stay in bet for another five minutes, but he

has a job interview today. He washed his face with cold water, his drowsiness disappeared immediately and he became fully awake.

His cell phone on the desk is informing of incoming mail. It was mail from Sakota-san of the NPO for employment support. The mail said, "Good morning! The moment of truth has come today. Over the past six months, you must have had a hard time seeking a house, taking a training program for information processing useful for your work and practicing job interview. Today, you are going to have a job interview of the perfect company for you, which you and I sought together. Please be confident."

Half a year ago, he was fired by the company in the distribution industry and forced to leave the company's dormitory with his wife. It was just after he found that his wife was pregnant. He had no idea why such things happened on him. At Hello Work, he could not help but complain about his situation. Hosokawa-san, who was in charge of him, said to him after hearing his complaints pensively, "You must have had a difficult time. You need support for individual issues, so, I will introduce you a Personal Supporter, with whom you can consult about the employment and other issue including living issues. I will make an arrangement so that you can meet a Personal Supporter today or tomorrow," said Hosokawa-san and introduced Sakota-san to him.

He could not ask support from his parents and friends, but Sakota-san helped him look for a house to live in and accompanied him when he applied for the housing aid. When he was anxious about his future and did not like doing anything, Sakota-san introduced him a counselor. When he selected the vocational training programs, Sakota-san gave him advice about his wife's health checkups for pregnant women and explained him in detail about various procedures at the counter. He should not depend on Sakota-san too much, but feels as if Sakota-san were one of his close friends or family member.

While having breakfast reflecting such things, his cell phone rang. It was a call from his mother in his home town, whom he had not seen for a long time.

"How are you doing? We are getting by on our pensions. Yesterday, I taught the children in the neighborhood how to make pieces for Shogi (Japanese chess). They were so delighted. Don't worry about us. You are going to have a job interview today. Right? You will be a father soon, so keep your chin up."

In the morning before taking an interview, he got a phone call from his mother. It bothered

him a little, but actually, he was happy to hear his mother's voice. Though he was once driven to the depths of despair and suffered financially, he was supported by his wife and Sakota-san.

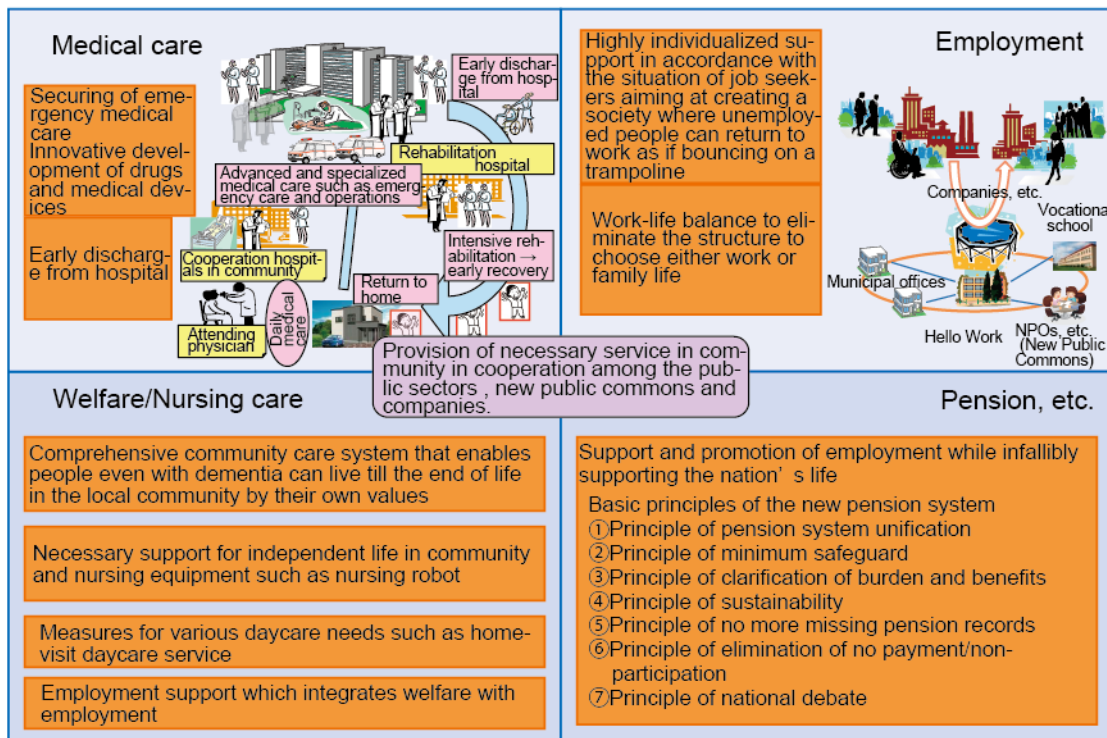
Yes ! I was so sad when I was fired, but decided to pave a new way with my wife, my baby who will be born soon and the company that will need me. Thinking about himself in that way, he stepped outside his front door.

1 Personal Supporter plays a central role in the personal support service, which offers services thoroughly from daily life support to employment support, from service recipient's point of view like a friend. Starting this year, the local governments will start the pilot program by entrusting the implementation to NPOs.

(Goal 4)Receiving high-quality services

Finally, in relation to the social security system, every citizen hopes to receive fine-tuned and high-quality services in accordance to one's need because each one shares the expenses such as insurance premiums and taxes. To attain this goal, it is required to provide more effective and higher-quality social security services that respond to the needs. Specifically, it is important to establish a structure to offer necessary services in local community in cooperation with government, new public and private corporations and to respond to individual needs focusing on the users. The image of the structure for the related measures is displayed in Chart 2-1-7.

Chart 2-1-7 Image of the structure of related measures



Scenario 4

Positive welfare to support terminal cancer patients and patients with dementia

At 2:00 a.m., a visiting nurse Saori Hirata opened the door quietly using the key she was keeping. “Hello, Kojima-san”, she said in a low voice to Kojima-san in the inner room. She came here to provide home-visit nursing to Kojima-san, who suffers pancreatic cancer.

Kojima-san, aged 54, having only three months left to live according to his doctor and decided to spend his final days of life at his home. At first, he thought it might be better to stay in a hospice. He wondered if he could receive proper medical care at home. He also concerned that his family might be bothered if he stayed at home. He worried about many things. Then, the consultation was conducted among the doctors at the hospital, Dr. Tanaka at the clinic, who specializes in home medical care for cancer patients, a care manager, Kojima-san and his family. Through the discussion, he became aware that a choice to stay at home has become common these days, and his family accepted this choice.

After discharged from the hospital, Kojima-san went on a trip. He, however, has lost his appetite since ten days ago, suffered severe pains and cannot get out of bed. A home helper, Moriya-san, or other caregivers visit him every day to provide nursing care.

Concerned about Kojima-san strongly complaining of pains, his family made a phone call at 1:30 a.m. She came here in 30 minutes after receiving the call. Following an advance directive from Dr. Tanaka, she adjusts the amount of morphine to alleviate pains. Dr. Tanaka has informed Kojima-san and his family of how Kojima-san's conditions would change in the near future. Dr. Tanaka also said, "If you have any problem, please give me a call. I or nurses will visit you immediately. I will arrange hospitalization if you and your family hope that." Whenever Dr. Tanaka and Hirata-san visit him, Kojima-san's face becomes calm probably because of a sense of security.

After seeing Kojima-san falling asleep calmly, she left Kojima-san's house quietly after 3:00 a.m.

A home helper, Goro Moriya is spending busy days. Usually, he visits the patients' houses to provide home help service, but today, he was asked to support day service at the welfare facility for three hours in the afternoon. He heard that Takeda-san, whom he usually visits as a home helper, is coming to the facility.

Despite chronic hypertension, Takeda-san, aged 84, is fine physically and often goes shopping or takes a walk by himself. Due to the progress of dementia, he sometimes loses his memory. Therefore, he often loses his way when going out.

"Hi, Takeda-san. How are you today?" Takeda-san also makes a slight bow. Tanaka-san looks cheerful these days, though he often pulled a long face before. For instance, when he got lost outside, the people at the shopping street and the policemen did not know how to handle the people with dementia and contacted Takeda-san's daughter. Then, she immediately came to pick up Takeda-san, but he severely scolded her in public.

"I went to the temple to see beautiful hydrangeas with my daughter little while ago" said Takeda-san to his acquaintance Moriya. Recalling that Takeda-san actually went to the temple last Sunday after a rain, Moriya said to Takeda-san looking into his eyes, "Sounds great! You went to the temple where hydrangeas were blooming", repeated what Takeda-san said. Takeda-san nods calmly.

Lately, thanks to the activities by Dementia Supporter *2 requested by Takeda-san's care manager, the neighbors talk to Takeda-san keeping pace with him. His daughter also seems to get used to handling him.

Under such circumstances, his daughter is scheduled to move out in the near future due to the job assignment of her husband. To avoid environmental change as much as possible, Takeda-san decided to live in a group home in his neighborhood. To offer support to Takeda-san, discussion will be held soon among Takeda-san himself, his family and welfare and medical care professionals as well as the head of the neighborhood association and the member of the volunteer groups. "I should provide information about Takeda-san such as his preferences and features to the people of the group home and neighbors so that Takeda-san can continue to spend his life without a major change", thought Moriya looking at Takeda-san with pleasant expression.

*1 Visiting nurses visit patients at their own home, etc. to provide nursing care to those who need home medical services, including patients with intractable diseases and terminal cancer patients, and to the elderly requiring nursing care. To enable patients to continue to live at their own familiar homes, home-visit nursing is a dispensable service in addition to home-visit medical care by medical doctors and home help service. Based on the Municipal Insured Long-Term Care Service Plans, efforts are being made to improve home-visit nursing.

*2 Dementia Supporters are the residents who have correct information and understanding about dementia and provide support to the patients with dementia and their families in a neighborhood or at a workplace for the purpose of creating a community where patients with dementia can continue to spend their safe and comfortable lives. Training program for Dementia Supporters are held in local communities and at workplaces, and as of the end of March 2010, the number of Dementia Supporters is over 1.7 million.

3 Participatory social security (positive welfare) and the New Growth Strategies

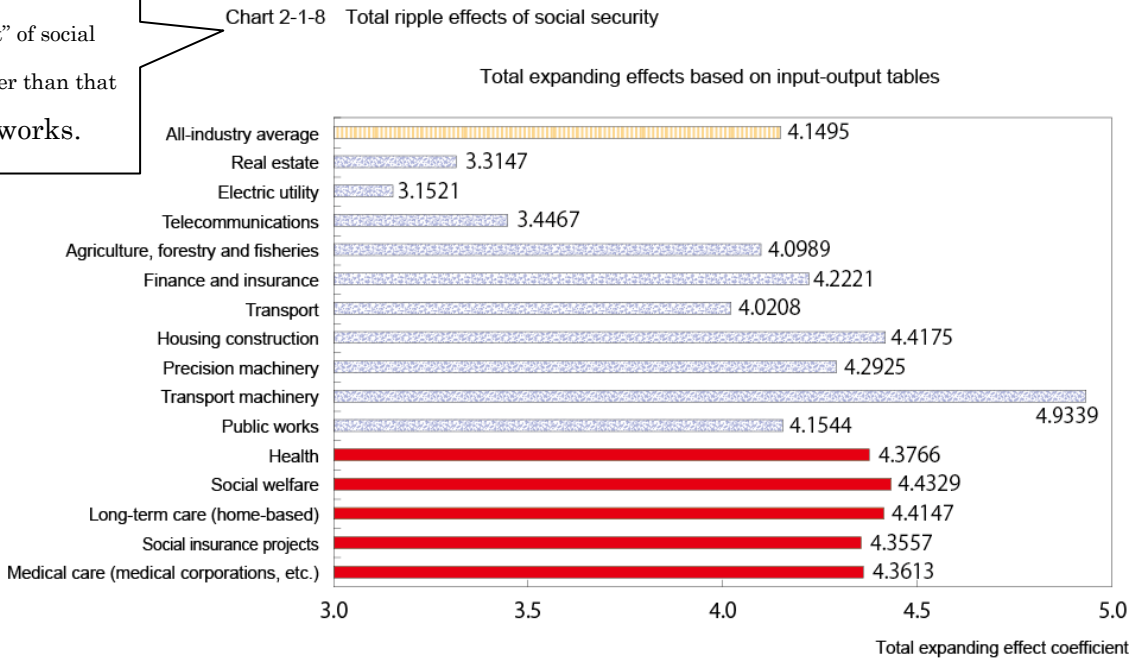
Participatory social security (positive welfare) is an investment for future to establish the foundation for the economic development rather than a system to slow down the economy. Overview of the research results on the economic ripple effects in the social security sector is provided, together with the explanation on the relationship with the "New Growth Strategy: Blueprint for Revitalizing Japan", which was adopted by the Cabinet on June 18,

2010.

(1) Economic ripple effects in the social security sector

The impacts of social security-related projects on production value, etc. are considered here. Chart 2-1-8 shows the economic ripple effects in the social security sector based on the "Report on the Input-Output Analysis and Study in Health, Nursing Care and Welfare Industries" (hereinafter referred to as the "IHEP Report") issued by the Institute for Health Economics and Policy(IHEP) in 2010. Generally, demand in one industry increases its production, which continuously induces production of other industries for instance through purchasing raw materials. This is referred to as a "ripple effect (inducement coefficient). Primary production increase in each industry leads to an increase in income for those working in each industry, which expands consumption, leading to an additional production increase. Such ripple effects are referred to as "additional ripple effect (additional ripple effect coefficients)." "Total ripple effect" is calculated by taking into account both effects. Total ripple effect of social security-related projects is greater than that of public works and is on the similar level to those of "precision machinery" and "housing construction"(Chart 2-1-8).

"Ripple effect" of social security is larger than that of public works.



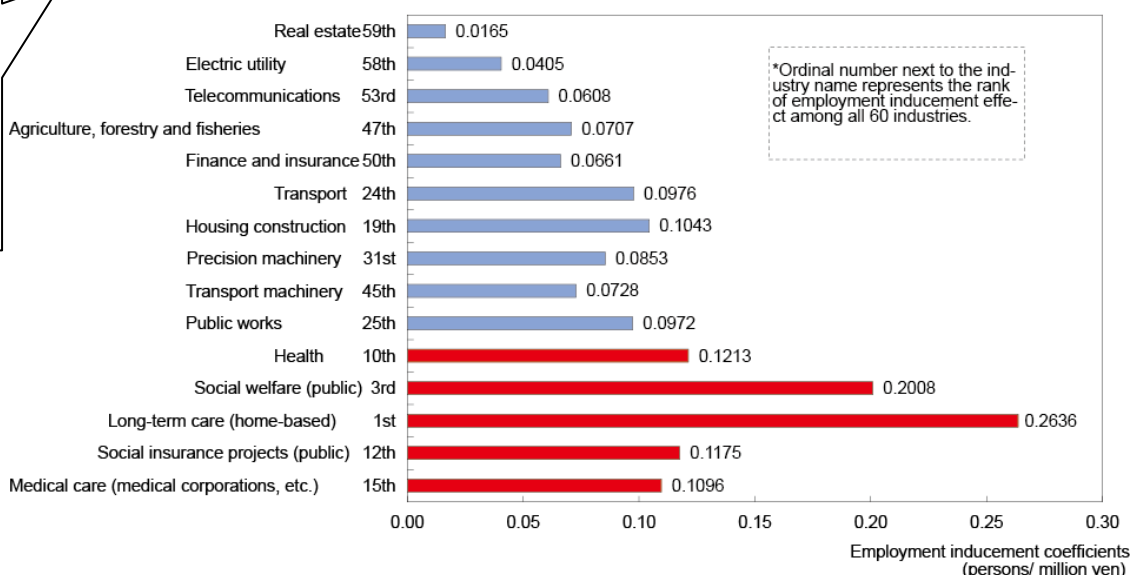
Source: Prepared by the Office of the Deputy Director General for Social Security working under the Director-General for Policy Planning and Evaluation, MHLW, based on the "An Input-Output Analysis and Study in Health and Welfare Industries" (2010), Institute for Health Economics and Policy.

(2) Employment in the field of social security

Concerning the relationship between social security and employment, employment inducement effect is discussed here based on the previously mentioned IHEP Report using the “employment inducement coefficient.” This coefficient indicates an increase in labour force demand directly or indirectly arising from one unit of demand (expressed in man/one million yen) in a given industry. Social security sector, especially nursing care sector, is labor-intensive, and the employment inducement coefficient of the social security sector, especially that of the long-term care sector, are higher than those of major industries. This indicates that social security-related projects have higher employment inducement effect (Chart 2-1-9).

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

Chart 2-1-9 Employment inducement effect of social security



Source: Prepared by the Counselors for Policy Evaluation 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” (2010), Institute for Health Economics and Policy.

(Note) Employment inducement coefficient indicates an increase in labour force demand directly or indirectly arising from one unit of demand in a given industry (expressed in man/ million yen) and corresponds with the “ripple effect (production inducement coefficient)” which is a temporary production increase.

(3) Social security and economic growth

It is pointed out that social security has negative impact on economic growth because increased burden of tax and premium under the social security system decreases household expenses and disposable income of corporations. This leads to lack of motivation for work of individual workers and decline in employment and investments by companies.

Nevertheless, looking globally, the disparity is smaller in Germany and Sweden, which

have large social expenditure and greater in the U.S., which has smaller social expenditure *1(Chart 2-1-10).

Chart 2-1-10 Social security and economic performance

	Government size (percentage of social expenditure in relation to GDP)	Economic growth rate (average from '00 to '06)	Gini coefficient	Poverty rate (relative poverty rate)	Fiscal balance (average from '00 to '06)
USA	14.8%	3.0%	0.357	17.1%	△ 2.8%
Germany	27.4%	1.2%	0.277	9.8%	△ 2.7%
Sweden	29.8%	2.6%	0.243	5.3%	1.4%
Japan	16.9%	1.4%	0.314	15.3%	△ 6.7%

Note) Government size: based on the data in 2001, Gini coefficient: based on the data in 2000, Poverty rate: based on the data in 2000.

Finance balance and economic growth rate represent the average from 2000 to

Source: Prepared by Dr. Taro Miyamoto, Professor of Hokkaido University based on the materials published by OECD.

*1 Source: Information materials provided by Naohiko Jinno, Emeritus Professor of Tokyo University at the hearing with experts conducted by the Project Team for Medical Care/Nursing Care/Day-care as an 'Investment for Future.'

With regard to the relationship between social security and the economy, attention needs to be paid to that social security sector is supported by the burden on the people. Social security, however, contributes to the creation of effective demand as previously mentioned in (1) and (2). Demand growth is expected as the aging progresses, and therefore, social security sector is expected to create new employment.

In addition, social security ensures the people "a sense of security" as a safety net that allows the people to support life each other and functions as a stabilizer during recession through supporting consumption. Considering the substantial meaning and the impact on the economy, social security is an important system to support personal consumption and economic and social development coupled with creation of effective demand and employment opportunities.

(4) The New Growth Strategies

As discussed so far, especially the medical care/nursing care sectors have greater

economic ripple effect and employment creation effects. Accordingly, steady demand increase mainly in the elderly is projected, and growth and employment creation is expected.

It is also pointed out that “concerns about future” motivate the elderly to save their money. Therefore, social security needs to be more sustainable and to promote consumption and stimulate the economy by improving the system and removing such concerns.

According to the “Labour Force Survey” released by the Ministry of Internal Affairs and Communications Statistics Bureau (as of the end of fiscal 2009), the current status of employment creation in medical care/nursing care sectors is large. With regard to the movement of employees in the primary industries, the number of employees decreased by 330,000 (year-on-year) in the construction industry and by 310,000 in the manufacturing industry, while the medical care/nursing care sectors saw a increase of 510,000 and the wholesale and retail industries posted a increase of 70,000 employees. An increase in the medical care/ welfare sectors is the largest among the primary industries, which offsets about 80 % of a total decrease (64,000 employees) in the construction and manufacturing industries.

The number of employees in the medical care/welfare sectors totals 6.5 million, consisting of an increase of 3,490,000 employees in the medical industry; 2,910,000 in the social insurance/social welfare/nursing care sectors; and 100,000 employees in the health industry with each sector posting an annual increase of 240,000 employees, 250,000 employees and 20,000 employees respectively. An increase of the employees in the social insurance/social welfare/nursing care sectors makes up about half of the increase of employees in the medical and welfare industries(Chart 2-1-11, 2-1-12).

Chart 2-1-11 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 by industry

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"

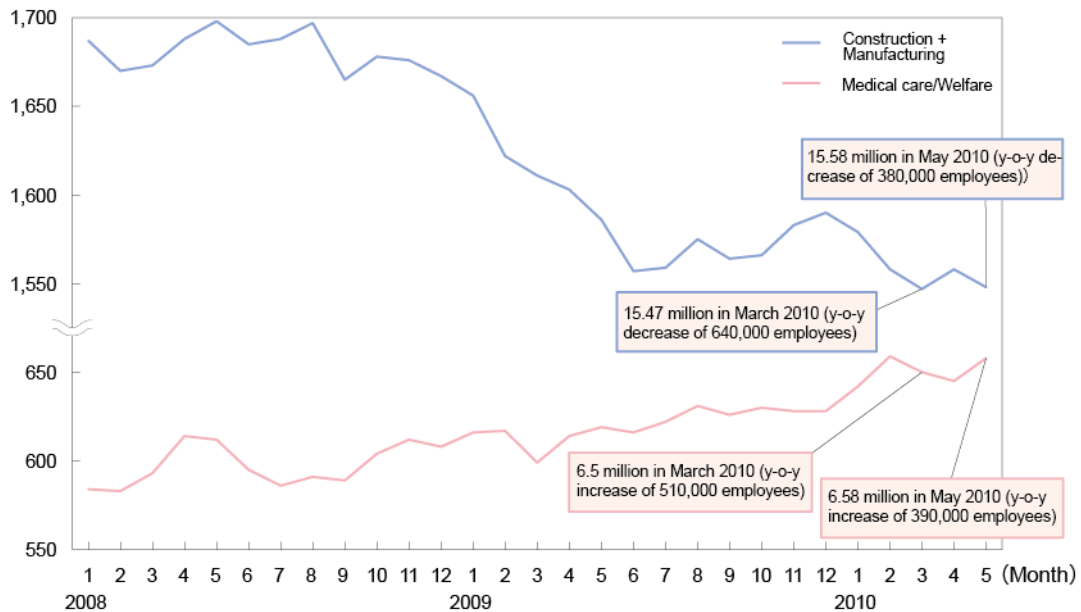
	As of the end of March 2010	As of the end of March 2009
Medical care/Welfare	6.5 million (+ 510,000)	5.99 million
Medical care	3.49 million (+240,000)	3.25 million
Public health	0.1 million (+ 20,000)	0.08 million
Social insurance/Social welfare/Nursing care	2.91 million (+250,000)	2.66 million

(Source) "Labour Force Survey" (Statistics Bureau, the Ministry of Internal Affairs and Communications)

Chart 2-1-12 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)



Source: "Labour Force Survey" Statistics Bureau, the Ministry of Internal Affairs and Communications

The "New Growth Strategy (Basic Policy)", which was adopted by the Cabinet on December 30, 2009, positioned the health/ medical care/ nursing care sector as one of four

pillars to lead the growth. In the “New Growth Strategy: Blueprint for Revitalizing Japan” * 2, which was adopted by the Cabinet on June 18, 2010, also proposes the “Strategies for a Healthy Country through Life Innovation” to specify the growth strategies for the health/medical care/nursing care sectors *3. The “Strategies for employment and human resources” is also proposed to establish an environment, which enables young people, women and the elderly to work, and develop a new system for children and childrearing. The Ministry of Health, Labour and Welfare considers social security sector as an investment for future rather than the costs. In order to draw up the growth strategies, MHLW established the “Project Team for Medical Care/Nursing Care/Day-care as an ‘Investment for Future’”, where discussions are being made.

Chart 2-1-13 through Figure 2-1-16 show the basic ideas for the New Strategies in the field of health, welfare and labour *4. The concerns for the relationship with the labour market in a society with a declining population are explained in Chart 2-1-13 and Figure 2-1-14. As Figure 2-1-1 illustrates, the population and the labour force of Japan are expected to decline in the future. Under such circumstances, the total GDP might be reduced over the medium to long term without an increase in per capita GDP.

In addition, as shown in Chart 2-1-14, 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.

*2 For further information, please visit the following web sites of the Prime Minister of Japan and His Cabinet. <http://www.kantei.go.jp/jp/sinseichousenryaku/>

*3 As part of the said Strategies, various measures are to be taken to promote the development of medicines, medical devices and nursing care devices (welfare products) and international medicine exchanges (reception of foreign patients) .

*4 For further information, please visit the web sites of the Ministry of Health, Labour and Welfare. <http://www.mhlw.go.jp/stf/houdou/2r985200000077m9.html>

Chart 2-1-13 Social Security and Economic Growth (New Growth Strategies in a Society with a Decreasing Population)

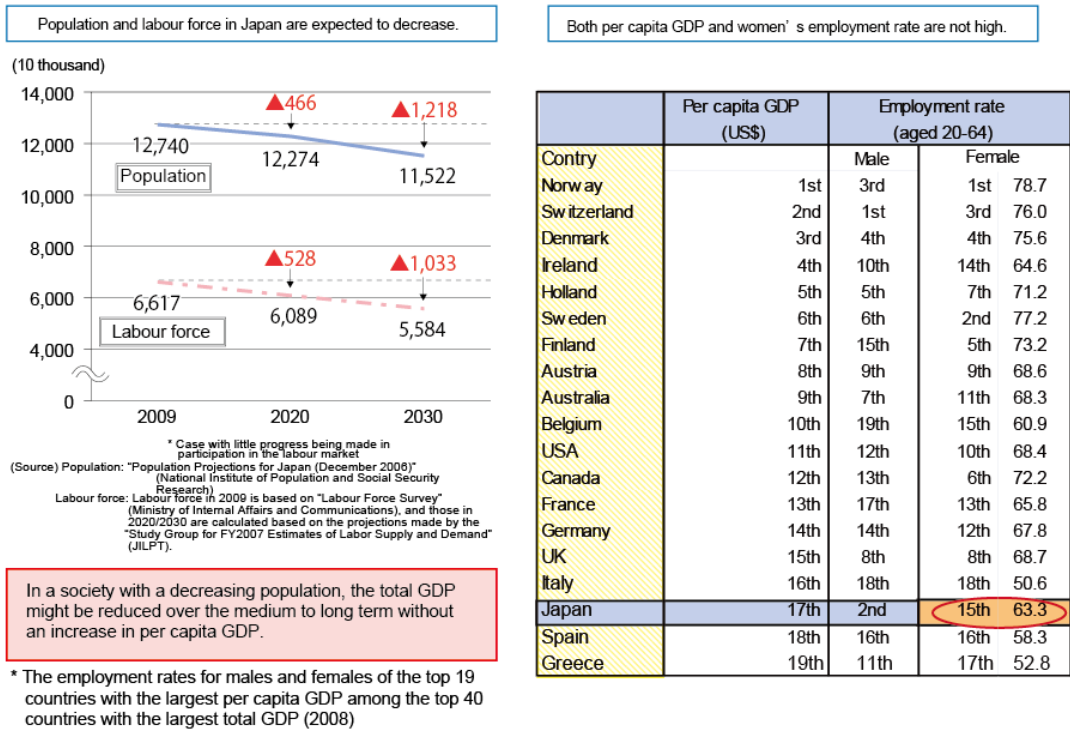
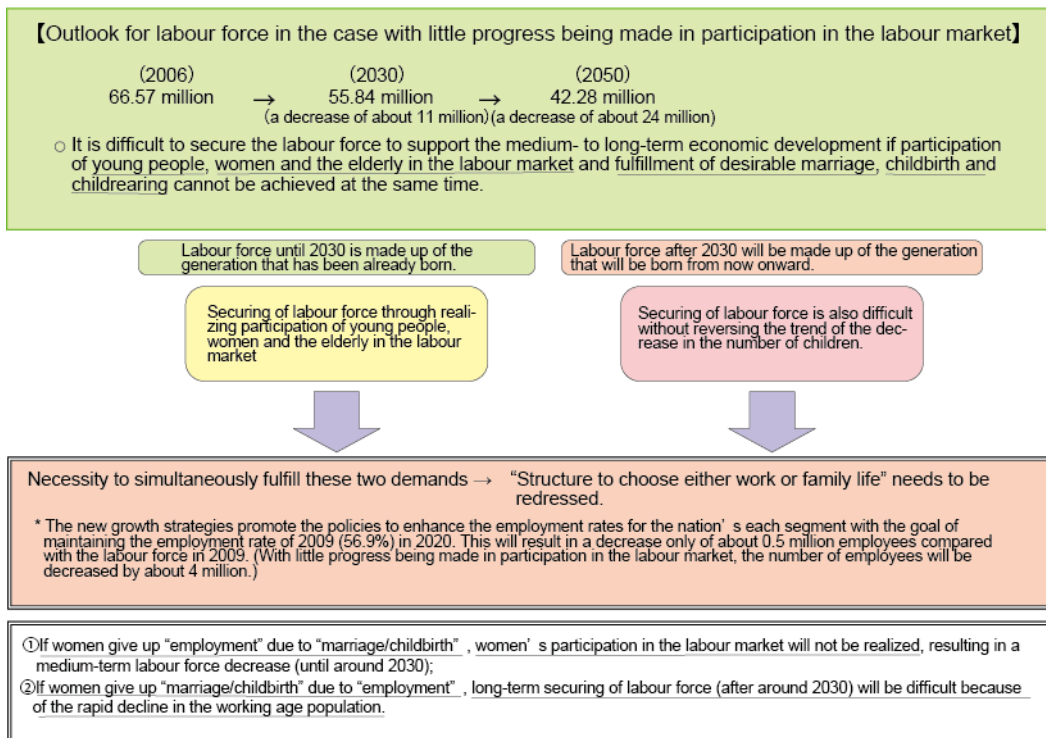


Chart 2-1-14 Chang in labour force in the case with little progress being made in participation in the labour market



(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.

Furthermore, Chart 2-1-15 shows the image of a virtuous circle driven by the New Growth Strategies. The Strategies promote the measures based on participatory social security (positive welfare) and aims to produce a virtuous circle, including job creation, enhanced employment rate and economic growth, through socializing unpaid work (working style without wage/pay) to overcome the current situation of insufficient services for day-care, nursing care and housekeeping and securing these services. Detailed explanation on the service package is offered in Chart 2-1-16. The New Growth Strategies are expected to expand the medical care market to 59 trillion yen and the nursing care market to 19 trillion yen with new employment of 2.01 million workers in the medical care/nursing care segments in 2020. The Strategies are also expected to create new employment of 160,000 people such as in the day-care sector in 2017.

The Ministry of Health, Labour and Welfare will continue to carry out discussions based on these basic ideas aiming at creating a new image of social security.

Chart 2-1-15 Relationship between Positive Welfare and the Economy/Finance

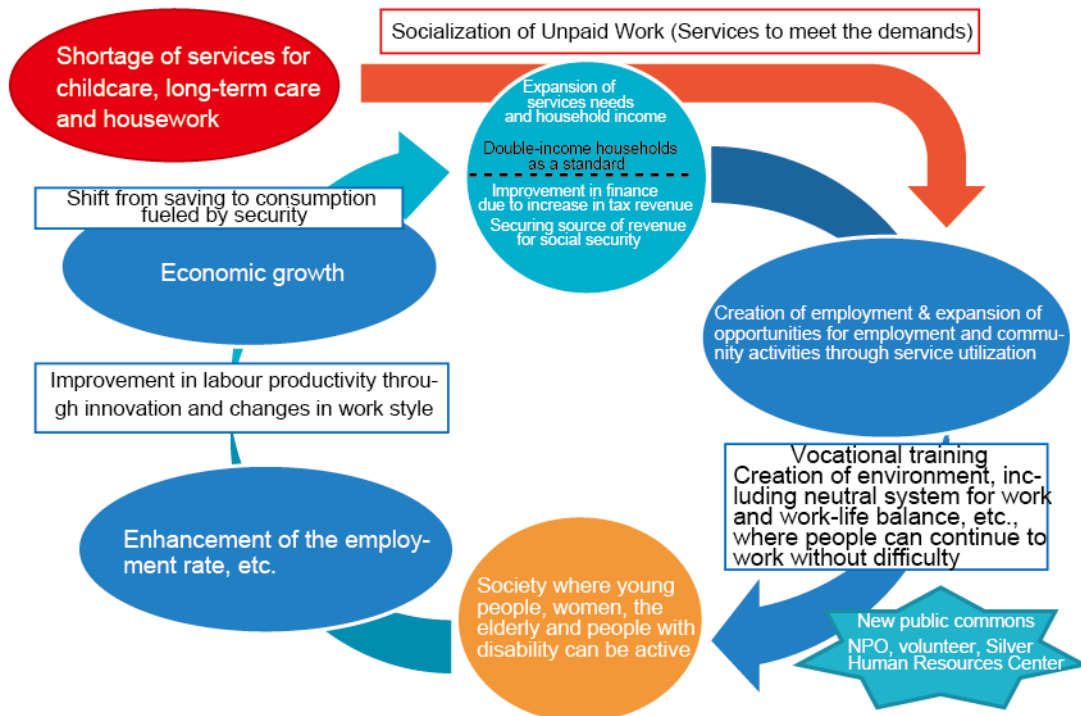


Chart 2-1-16 Markets and Creation of Employment: Community-based service packages to support regional economy

