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# Why Not Change the Working Style of Men in Japan?

December 2006

by  
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\* This is an essay originally written in Japanese and published in *ESP*, October 2000, Economic Planning Agency, Japan.

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In 1988, the total fertility rate (TFR, the number of children per family) of Japan was 1.38, recording a historic low. To date, there is little sign of any stop to this fertility decline.<sup>1</sup>

If the low birthrate continues, in a few years the total population of Japan will peak at around 128 million, and from then on, Japan will become a society of declining population.<sup>2</sup> In a hundred years, the population of Japan will likely be cut down to half the current population. One out of three persons will be over 65 years old. The number of young people will dramatically lessen, and the majority of laborers will be middle-aged or higher. These are the prospects of Japan in the 21<sup>st</sup> century.

## 1 Background of Declining Birthrate

Following are some background reasons for the falling birthrate of Japan. Firstly, since 1975 the wage gap between men and women has been rapidly minimized. In 1970, if a woman in her late 20s earned 1, men in the same age-group earned 1.8, but by 1990, it has shrunk to 1.3. As a result, today if the wife (or the husband) quits

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<sup>1</sup> The TFR was 1.26 in 2005.

<sup>2</sup> In 2005, the total number of the population in Japan began to decrease.

her/his job to have a baby the living standard falls.

Secondly, today a large number of men/women between the ages of 25 to 34 live with their parents at home (the existence of “parasite singles”). A life-style that depends upon the income of the father and the domestic services of the mother is quite comfortable. It is often the case that marriage means leaving such kind of lifestyle, and thus many people hesitate to get married in fear of facing lower living standards.

Thirdly, among single women, there is still a deep-seated desire to become a full-time housewife. For them, a man who shares similar values (ie, someone who comes from the same economic background, or preferably higher), who helps with the chores and child-rearing, is the “perfect husband”. But such single men are hard to find.

In any case, if those singles are to avoid lowering the standard of living, the only way is to stay unmarried, or get married but continue to work while raising children. Unlike household chores, one cannot cut corners off child-raising, so how to share the burden of child-raising becomes a big issue for the working couple. Although an increasing number of fathers participate in the child-raising process, child-rearing is still largely a mother’s job.<sup>3</sup> A working mother is often totally exhausted from the “all-time working”. Consequently, they are forced to temporarily leave their jobs.

As anybody who has experienced it knows, bringing up a child is actually quite an enjoyable task. Through the experience, parents can also learn and grow as a person. However, it is also a process that requires sacrificing ones time and energy. Further, certain costs are necessary to raise a child. According to the Annual Report on Health and Welfare, the average cost of raising a child until he/she graduates a

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<sup>3</sup> In Japan, men are often expected to market work at the sacrifice of home responsibility. Their working hours are much longer. They often continue working until midnight. Longer working hours per day are regarded as a greater contribution to their company and to their employers. When women come to market work, they are asked to do as men do.

college is 20 million JPY.

If one does not have a child, money, time and energy would all be ones to keep. As long as one continues to hold a stable job, there is little worry that the living standard will fall. Even if one gets old, social security systems of pensions and medicare have been established, and nursing-care service is developing. One can get by without having a child.

“Let other people have kids and raise them, and when you get old, let other people’s children take care of you through social security.” This is the easiest, high-return choice in today’s world.

Disincentives for having children are mounting, yet they are ignored. Young people know that there are a lot of enjoyable things to do. There are people who whisper to them “it will be hell if you have kids”. There is no wonder there may be people who chose the easy way avoiding the tough road. Under such situation Japanese birth rate is slowly declining and has no likelihood of improvement.

## 2 The Difference between Declining Fertility and Aging Population

Recently, declining fertility is often talked about in combination with aging population. However, is it acceptable to link the two on a same level? When we talk about population aging, the issues are a shortage of pension fund reserve, medical care for the elderly, nursing-service and labor supply for nursing-care. The problem is one of *excess demand*. Therefore, how to increase the supply of workers, goods and money for the elderly becomes the important political issue.

On the other hand, in the case of declining fertility, issues of *excess supply*, concerning such situations as fewer patients at the obstetrician, kindergartens and schools merging/closing-down due to fewer children, and excessive number of teachers in view of the number of students become grave. The main political issue

here becomes how to consolidate and turn around the supply of workers, goods and money.

In short, the aging of the population and the declining population encompass very different issues. To approach “declining fertility” in the same way as one tackles the problems of “aging population” does not produce good results. To bring awareness to the particular issues, the term declining birthrate should not be used in conjunction with the term aging population, but should be used alone.

### 3 What Happens to the Quality of Children?

In the past, people understood declining fertility as “the lessening of the *number* of children”. The number of babies born each year, which has been around 1.2 million will be less than 1.0 million in a few years. The understanding was that the issue was quantitative.

Fewer children mean more attention can be paid to each child. There was also a vague expectation that even if there are fewer children, it would not be a big problem since the qualities of the children increase.

However, such is not the case in reality. Are not the children being overindulged? Today, everything seems to be solved through money. There is a possibility that by being in the situation where there is not enough money, children learn to control their unlimited desires and be psychologically strengthened.

Also, people become strengthened through fierce competition. The decline in fertility has lessened competition during schooling. One could get into high schools and colleges without studying all that much. Although the intellectual potential does not vary among generations, it seems that more young people go out into the world without sufficiently living up to their potential.

With classroom disruption, lowering of mathematical and social skills, the

“massive middle-class” legend of Japan is slowly falling apart and drop-out from the middle-class and widening disparity is on its way. In any case, to properly train children and increase their qualitative aspects is a responsibility laid heavily on the shoulders of parents and other adults.

#### 4 The Paradox of Freedom

Having children and bringing them up is fundamentally the choice of an individual or a couple. This principle must always be respected. The “freedom of not having children” remains a part of fundamental human rights.

There would be no problem if freedom as an individual is enjoyed and if it also produce happy results for the society as a whole. However, it does not always work that way. As a result of leaving it to individual choices, more people are not having children. Thus, the Japanese economy is weakening.

Just because giving birth and child-rearing is an individual’s choice, it does not mean the society can neglect supporting them. When the disincentives become serious and the resulting low birthrate produces negative results for the society, it becomes necessary to take away the disincentives as much as possible. Further, it may be necessary to give plus incentives to giving birth and raising children. At any rate, there is an imminent necessity for the society as a whole to respect and be thankful to those giving birth and raising children.

#### 5 Measures to Encourage Childbirth and Child-rearing

Japan has neglected actively supporting childbirth and child-rearing for more than 50 years since the end of the war. The attitude of the society seemed to be “have and raise kids on your own”. We must turn around such an attitude at once. Following are some concrete examples of how.

It is worth discussing newly implementing a childbirth allowance in the social security pension system, showing the respect and thanks of the society. Further, child benefits should be incorporated into the pension system and the benefit amount, period and requirements of payment should be fundamentally reconsidered. Dependent child exemption in income and resident tax should be abolished, and the resulting increase in tax revenue should be collectively used to increase child benefits. Also during parental leave parents and their employers should be exempt from paying social security contribution, which instead will be paid by the national treasury.

Student loan systems should be revised. Also, the way public funds are given to higher education services providers should be reviewed. As a principle, the money should be collectively pooled to the demand-side and not the supply-side, thereby moving towards the consumer-oriented. Colleges and Universities will then reform the supply system of educational services and will put further effort on improving the quality of education they offer.

Further, positioning the child day-care centers as “facilities that assist child-rearing” (both parents working will not be a requirement) instead of the current “assistance facility for children who lack child-care”, and introducing child-care voucher system should be considered. Needless to say, relaxing the restrictions on establishment of child day-care centers will also be required. Expanding care centers for sick children and emergency leave to care for a sick child should be considered, as well.

It is also necessary to decrease the copayment of infants’ medical bills. Further, coverage for fertility treatments must be expanded. Childbirth allowance and parental leave benefits should be increased. Extending the parental leave period must also be discussed. Childbirth allowance should be paid not from the

healthcare but from the pension system, and integrating all cash benefits into the pension system is an idea worth considering.

## 6 A Third Pillar for Childbirth Support

It is not simply a matter of money. In order to lessen the burden of child-rearing on the mother, it is vital to create an environment where the father can actively participate. How do we lessen the working hours? Current working and meeting styles must be reformed to increase the time-density of work. The working hours and places of desk-workers must also be flexible. With the development of communication medium, this point is facilitated.

The increase of employees who grew up in private rooms calls for private spaces free from other noises, in the research and development sections.

One way of decreasing the overly long working hours will be to increase overtime pay to 1.5 (or 2) times the normal pay. Corporate managers will be forced to supervise overtime work more carefully, and the employees will have to work more intensively during normal working hours. Work evaluation system based on working hours will have to change to one that is based on performance. The system of selecting the person who makes the evaluations (the superior) must also be acceptable.

In any case, a thorough reform of the current employment system will be necessary. Today, measures of increasing childbirths that are in actual effect in Japan are the parental leave system<sup>4</sup> and the child day-care center system. Thus, reforming the working style and reducing working hours mentioned above, will be the third pillar of supporting child-rearing. In short, it is necessary to “change the working style of men”.

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<sup>4</sup> Currently it is quite rare for Japanese fathers to take parental leave. Mandatory parental leave of fathers will be worth considering.



In the past when the military draft system still existed, those who went to serve did not bear any disadvantage when they returned to their jobs. So if a person leaves work for a while to raise children, the society should understand that it is for the “future of the nation,” and the relevant public support system must be established.

## 7 Investing in the Future

It is not that a child should be borne for the sake of pensions and nursing care. Japan will perish if there are no children. If Japan perishes, pensions will be the least of the problems. Children are *investments for the future*. Supporting child-rearing is necessary to sustain healthy Japanese economy and society.

Child-raising support is a grand strategy looking at 20 to 30 years ahead. The government has finally started to take action against population decline. With the initiative of the Prime Minister’s office, the government (central and local) and members of companies (employees and their employers) must make a collective effort.

If child-birth and child-raising support does not work well, we will ultimately have to rely on foreign labor. In such a case, inherent culture and tradition of Japan will be slowly lost.