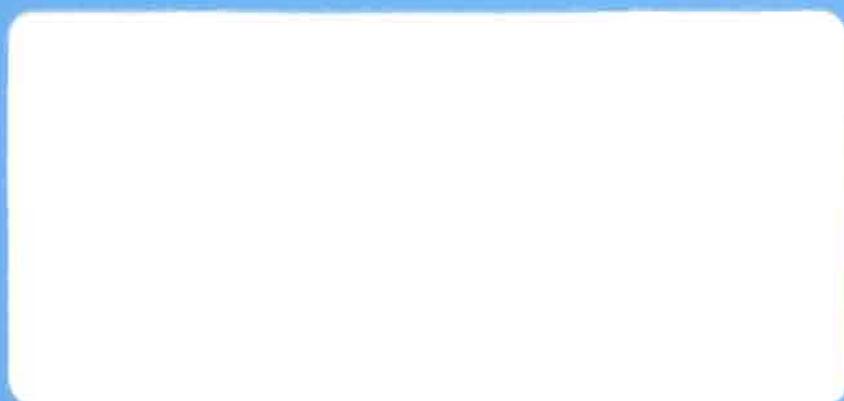




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CHILD WELL-BEING IN JAPAN:
THE HIGH COST OF ECONOMIC SUCCESS

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EXECUTIVE SUMMARY

The economic, demographic and social changes in Japan since the end of World War II have been extraordinary. Today, Japan is a rich nation with a large proportion of elderly people and few children. In line with these transformations, children's living arrangements, friendship patterns and psychological make-up have changed. Japan's decision makers are challenged to understand the broader implications of these changes in children's lives for the nation's future.

Japanese children enjoy the best material and physical well-being ever known in the country's history, but they have fewer siblings, fewer relatives and fewer friends. Ironically, Japan's phenomenal economic success has helped create a situation in which adults find it more difficult to raise children and in which children are pushed relentlessly towards educational achievement in preparation for the economic mainstream. To survive and succeed, children are sent to after-school schools, or *jukus*, at great financial expense to their parents. This fierce educational competition stems from the triangle that the Japanese have established among education, the merit system, and the employment recruitment system. Although this system worked well in the past, when the Japanese family system was more cohesive and more bound to tradition, it is now creating enormous pressures on both children and their parents.

At the same time, more women have gained economic self-sufficiency through work and have found a new identity as workers. That corporations have not accommodated women's desire to have both careers and families has contributed to the diminishing child population. Compared with earlier times, a larger proportion of young people believe that marriage is not necessary and therefore do not intend to marry.

This dynamic cycle – economic growth, demographic shifts, fewer children, and the changing lives of children, compounded by women's changing role and values – is leading Japan on a downward path toward a demographic crisis. Fewer children are being born each year, and they are being raised under increasingly less favorable economic circumstances, compared to adults and the elderly. With total fertility falling considerably below the rate needed for a stable population and with immigration closed, Japan is facing a situation that is akin to a national death sentence.

Japanese child welfare programs effectively provide health care services to all preschool children, a national minimum income to children who fall into certain categories, and social services to children who are disabled or who need protection. However, they do not meet the emerging needs of normal families with children whose lives are increasingly trapped in the triangular complex of education, the merit system and employment recruitment.

Japan's leadership recognizes the challenges the country faces and has developed a blueprint to establish a new type of welfare state, so that families can have children without fear. The aims of this plan are to establish a better balance between work and family, to improve the living conditions of families, to reform the educational system, and to raise national awareness about the importance of developing a better environment for children. In addition, Japan must strengthen current income support programs and develop new ones, so that the economic status of families with children and those without children is equalized.

I. INTRODUCTION

Rapid economic growth and rapidly changing demographics have brought about radical changes in Japanese children's lives. On the one hand, children's economic and physical well-being have never been better and their school attainment has surpassed that of earlier generations. On the other hand, Japanese children have fewer siblings, fewer relatives, and fewer friends. The changing social relations are creating a radically different social and psychological environment in which the healthy growth of children is being hindered, with the result that the younger generation suffers from restlessness, frustration, isolation, and self-doubt.

This dynamic cycle – economic growth, demographic shifts, fewer children, and their changing lives – is taking place as Japan attempts to maintain its high living standards and economic competitive edge. The Japanese are facing the greatest irony in history: their past and their pursuit of economic success has created an environment in which adults find it more difficult to raise children and in which children are placed on a treadmill of educational activities so that they can prepare for the economic mainstream. In fact, economic growth has not benefited children as much as it has benefited adults and especially the elderly.

In addition to the shrinking population of children is the economic deprivation of some children because of increased divorce, resulting in limited educational and other opportunities. This deprivation of Japanese children parallels similar problems in other industrialized societies. The Japanese public considers the shrinking child population to be a more serious problem than the child deprivation caused by family break-up.

This paper describes how economic, social, and demographic changes have transformed life for Japanese children. It explains social welfare expenditures and how they affect the incomes of the vulnerable. It describes specific child welfare policies and programs. Projecting into the future, it then highlights the latest initiatives by policymakers to change Japan's social welfare policies.

II. ECONOMIC GROWTH

The economic growth of Japan is an envy of the world. Since the end of World War II, the Japanese economy has expanded 3.5 times as fast as the U.S. economy (Smith 1989). Table 1 shows the rates of economic growth of Japan and other industrialized countries since 1966.

Table 1: REAL RATE OF GROWTH IN THE GROSS DOMESTIC PRODUCT, BY COUNTRY
(1966-1990)

| Country | 1966-73 | 1973-79 | 1979-85 | 1985-90 | 1966-90 |
|----------------|---------|---------|---------|---------|---------|
| Japan | 9.34 | 3.57 | 3.72 | 4.49 | 5.45 |
| United States | 3.12 | 2.47 | 2.14 | 2.66 | 2.61 |
| United Kingdom | 3.33 | 1.49 | 1.30 | 3.17 | 2.32 |
| West Germany | 4.25 | 2.33 | 1.08 | 3.16 | 2.75 |
| France | -- | 2.80 | 1.54 | 3.12 | 2.45* |

Source: Keizai Kikakucho (1994). * 1973-90.

From 1966 through 1973, the Japanese economy expanded at an annual rate of 9.34 percent, which was considerably higher than the rates for the United States, the United Kingdom, and West Germany. Though the rate of growth in the Japanese economy declined somewhat during the 1973-79 and 1979-85 periods, it rose again between 1985 and 1990. The average rate of growth during the past quarter of a century has been 5.45 percent, or about twice the rates of other countries.

As a result of this phenomenal economic growth, per capita income of Japan surpassed that of the United States in 1987. In 1991, Japan's per capita income (\$23,210) was the third highest among industrialized countries, behind only those of Switzerland (\$32,064) and Sweden (\$23,580) (Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993).

Rapid economic growth was accompanied by low unemployment. For example, since 1975, the unemployment rate in Japan has always been below 3 percent, with the lowest figure of 1.9 percent recorded in 1975 and the highest figure of 2.8 percent recorded in 1985. In contrast, the United States, the United Kingdom, West Germany and France all have experienced much higher unemployment rates. In particular, the unemployment rate of the United Kingdom was higher than 10 percent from 1983 through 1987, and France experienced similarly high unemployment rates from 1985 through 1988 (Keizai Kikakucho 1994).

Though job availability has declined somewhat in recent years, Japanese workers still find jobs easily. In 1988, 1.16 jobs were available for each job seeker, and even in 1992, after industrial restructuring, 1.02 jobs per worker were available. For certain groups, job opportunities were especially great. For each worker aged 30-40 who was seeking employment, there were 1.84 and 1.63 jobs available in 1988 and in 1992, respectively (Rodoshu, Shokugyo Antei Kyoku 1993), and for each high school graduate seeking employment in 1991, 3.09 employers were offering jobs (Somucho, Seishonen Taisaku Honbu 1993).

The Japanese work more hours than workers in other countries. In 1991, Japanese workers, on average, worked 2,080 hours, compared with 1,943 hours for American workers, 1,902 hours for British workers, 1,682 hours for French workers, and 1,582 hours for West German workers (Nenkin Kenkyujo 1992).

As the economy grew and as industries became more service oriented and high tech, the employment of both men and women changed greatly. The rate of labor force participation among men steadily declined from 84.8 percent in 1960 to 77.9 percent in 1992, and the rate for women declined from 54.5 percent in 1960 to 47.6 percent in 1980, when it started to rise again and reached 50.7 percent in 1992 (Somucho, Tokeikyoku 1993).

Drastic changes have occurred in the types of jobs that women and men hold. From 1960 to 1992, the proportions of all working women who were in family businesses or were self-employed declined considerably. Whereas only 41 percent of working women were employed in a firm that was not a family business in 1960, 75 percent were so employed in 1992. Meanwhile, the proportion of women who held professional jobs increased from 5 percent to 12 percent, the same percentage as men (see Table 2).

There was also a movement of working men away from family businesses and self-employment. In 1992, 82 percent of all working men were employed in an outside business, compared with 62 percent in 1960 (Ibid.).

Table 2: TYPES OF JOBS HELD BY WORKERS, BY GENDER
(In Percentages, 1960-1992)

| Year | Total | Employed | Self-Employed | In Family Business | Professional |
|---------------|-------|----------|---------------|--------------------|--------------|
| <i>Female</i> | | | | | |
| 1960 | 100 | 41 | 16 | 43 | 5 |
| 1970 | 100 | 55 | 14 | 31 | 6 |
| 1980 | 100 | 63 | 14 | 23 | 10 |
| 1985 | 100 | 67 | 13 | 20 | 11 |
| 1990 | 100 | 72 | 11 | 17 | 11 |
| 1992 | 100 | 75 | 11 | 14 | 12 |
| <i>Male</i> | | | | | |
| 1960 | 100 | 62 | 27 | 11 | 5 |
| 1970 | 100 | 71 | 23 | 6 | 6 |
| 1980 | 100 | 77 | 20 | 3 | 7 |
| 1985 | 100 | 79 | 18 | 3 | 8 |
| 1990 | 100 | 81 | 16 | 3 | 11 |
| 1992 | 100 | 82 | 16 | 2 | 12 |

Source: Derived from Somucho, Tokeikyoku (1993).

Japan has been hit by a severe recession in recent years. From 1992 to 1994, the rate of growth in the gross domestic product (GDP) was close to zero percent, unemployment rates ranged from 2.3 to 2.8 percent – higher than usual – and wages did not rise (Keizai Kikakucho 1994). However, Japan expects an economic recovery soon. After all, the country weathered the severe recession that followed the 1973 oil crisis.

III. DEMOGRAPHIC SHIFTS

Japan has gone through enormous demographic changes and is becoming a country of many elderly persons and few children. To describe this situation, the Japanese have coined the term, *shoshi shakai*, which literally means a society whose child population is minimized.

Shoshi shakai is caused mainly by the declining total fertility rate and partly by the increasing life expectancy rate. As Table 3 indicates, Japan's total fertility rate has followed

Table 3: CRUDE BIRTH RATE, TOTAL FERTILITY RATE,
AND NET REPRODUCTION RATE
(Selected years, 1925-1993)

| Year | Crude Birthrate | Total Fertility Rate | Net Reproduction Rate |
|------|-----------------|----------------------|-----------------------|
| 1925 | 34.9 | 5.11 | 1.56 |
| 1930 | 32.4 | 4.71 | 1.52 |
| 1937 | 30.9 | 4.36 | 1.49 |
| 1940 | 29.4 | 4.11 | 1.44 |
| 1950 | 28.1 | 3.65 | 1.51 |
| 1955 | 19.4 | 2.37 | 1.06 |
| 1960 | 17.2 | 2.00 | 0.92 |
| 1965 | 18.6 | 2.14 | 1.01 |
| 1970 | 18.8 | 2.13 | 1.00 |
| 1975 | 17.1 | 1.91 | 0.91 |
| 1980 | 13.6 | 1.75 | 0.84 |
| 1985 | 11.9 | 1.76 | 0.85 |
| 1990 | 10.0 | 1.53 | 0.74 |
| 1992 | 9.8 | 1.50 | 0.72 |
| 1993 | 9.6 | 1.46 | N/A |

Source: Koseisho (1991a); Koseisho (1994).

Note: Crude birth rate is the number of live births in one year per 1,000 population. Total fertility rate is the average number of children that would be born alive to a woman if she were to bear children at each age in accordance with the prevailing age-specific fertility rates. The (female) net reproduction rate is the average number of live births of female infants that would be born to a hypothetical female birth cohort which would be subjected to a set of rates of current age-specific fertility and mortality.

a persistently downward path since 1925, with a record low of 1.46 in 1993, compared with 5.11 in 1925; 3.65 in 1950, 1.91 in 1975. The total fertility rates in metropolitan areas are especially low. For example, in 1992, the rate was only 1.14 in Tokyo and 1.37 in Osaka (Koseisho, Jinko Mondai Kenkyujo 1993). Since a total fertility rate of 2.1 implies a stable population, the 1993 figure is considered alarmingly low. Unlike other industrialized societies, Japan did not have a baby boom era. During the 1946-64 period, total fertility rates declined. Now the children of that generation are having even fewer children.

The persistent downward spiral contrasts with the trends in other countries. In recent years, Sweden's total fertility rate has recovered, and the rates in the United Kingdom, France, and the United States have stabilized (Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993). Net reproduction rates shown in Table 3 indicate that Japanese women are not re-creating themselves – that is, they are having fewer than one daughter, on average. In 1992, the net reproduction rate was only 0.72, compared with 1.00 as recently as 1970.

Shoshi shakai is compounded by the fact that the population is aging. Life expectancy increased from 46.54 years for women and 44.82 years for men in the 1926-30 period to 82.22 years for women and 76.09 years for men in 1992. Moreover, by 1975 it had surpassed the life expectancy of all other industrialized societies and has widened its lead ever since (Ibid.). Also, the number of years that is needed for the proportion of the elderly to increase from 7 percent to 14 percent illustrates how fast the Japanese population is aging. As Table 4 shows, it took only 25 years (from 1970 to 1995) for Japan's elderly population to advance from 7 percent to 14 percent, whereas for all other industrialized countries, it has taken or is expected to take considerably more years. For example, the U.S. will not attain a 14 percent elderly population until 2015. And, while other European countries have an elderly population of this size, it took them many more years.

Table 4: NUMBER OF YEARS REQUIRED FOR THE PROPORTION OF THE ELDERLY (65+) TO INCREASE FROM 7% TO 14%, BY COUNTRY

| | <u>Year Attaining</u> | | Years Required |
|----------------|-----------------------|------|----------------|
| | 7% | 14% | |
| Japan | 1970 | 1995 | 25 |
| United States | 1945 | 2015 | 70 |
| United Kingdom | 1930 | 1975 | 45 |
| West Germany | 1930 | 1975 | 45 |
| France | 1865 | 1995 | 130 |
| Sweden | 1890 | 1975 | 85 |

Source: Koseisho, Daijin Kambo Seisakuka (1990a).

As a result of declining fertility and increasing life expectancy, the composition of the population is changing dramatically. It is expected that between 1990 and 2025, the number of children aged 0-14 will decrease from 22.5 million to 18.2 million and the number of those aged 15-64 will decrease from 86.1 million to 75.1 million, but the number of those aged 65 and over will increase from 14.9 million to 32.4 million. As a result, the proportion of children will decrease from 18.24 percent to 14.5 percent during that period. Meanwhile, the proportion of the elderly will skyrocket from 12.08 percent to 25.79 percent (see Table 6 below).

Projections by the Institute of Population Problems indicate that the total dependency ratio will increase from 43.5 percent in 1990 to 71.3 percent in 2090. Meanwhile, the ratio of the elderly to children will increase from 0.662:1 to 1.426:1 over the same period, as Table 5 shows. The number of elderly people will surpass that of children (aged 0-14) in 1997. The Japanese population is expected to reach a peak of 136 million in 2011 and decline thereafter

Table 5: THE DEPENDENCY RATIO AND THE ELDERLY/CHILDREN RATIO
(In Percentages, 1990-2090)

| Year | Total | Children | Elderly | Elderly/ Children Ratio |
|------|-------|-------------------|---------|-------------------------------|
| 1990 | 43.5 | 26.2 | 17.3 | 66.2 |
| | | <i>Projection</i> | | |
| 1995 | 44.0 | 23.1 | 20.9 | 90.7 |
| 2000 | 47.5 | 22.4 | 25.1 | 111.2 |
| 2005 | 53.3 | 24.0 | 29.3 | 121.2 |
| 2010 | 60.4 | 26.3 | 34.1 | 130.0 |
| 2015 | 68.0 | 27.4 | 40.5 | 147.7 |
| 2020 | 69.4 | 26.2 | 43.2 | 165.1 |
| 2025 | 67.5 | 24.3 | 43.2 | 177.8 |
| 2030 | 67.2 | 23.7 | 43.5 | 183.6 |
| 2035 | 70.0 | 24.8 | 45.2 | 182.2 |
| 2040 | 76.4 | 27.1 | 49.4 | 182.4 |
| 2045 | 79.2 | 28.3 | 50.9 | 179.8 |
| 2050 | 78.3 | 28.1 | 50.2 | 179.0 |
| 2055 | 74.5 | 27.1 | 47.4 | 175.2 |
| 2060 | 70.5 | 26.5 | 44.1 | 166.4 |
| 2065 | 69.6 | 27.1 | 42.5 | 157.0 |
| 2070 | 71.9 | 28.6 | 43.3 | 151.7 |
| 2075 | 74.5 | 29.8 | 44.6 | 149.7 |
| 2080 | 75.1 | 30.2 | 44.9 | 148.8 |
| 2085 | 73.5 | 29.8 | 43.8 | 146.9 |
| 2090 | 71.3 | 29.4 | 41.9 | 142.6 |

Sources: Koseisho, Jinko Mondai Kenkyujo (1983, 1992, 1994).

(Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993). It is projected that in 2090 the Japanese population will be only 95.7 million (compared with 123.7 million in 1990), composed of 16.4 million children, 55.9 million adults, and 23.4 million elderly persons (see Table 6).

Why are Japanese women bearing fewer children? Multiple forces seem to be at work. First, the age at first marriage has been rising throughout the post-World War II years. In 1990, the average age at first marriage for women was 25.9 years, compared with 22.9 years in 1947; for men, it was 28.4 years in 1990, compared with 26.1 years in 1947 (Koseisho, Daijin Kanbo Tokei Johobu 1993). Thus, for example, 1 in 5 men and 1 in 12 women aged 35-39 were never married in 1990 (Koseisho 1993d). Second, the proportion of men and women who intend not to marry is increasing. A survey by the Ministry of Health and Welfare found that between 1972 and 1992, 4.1 percent versus 5.2 percent of women and 2.3 versus 4.9 percent of men reported that they did not intend to marry (Koseisho 1993a). Another survey found that increasing proportions of men and women believe that marriage is not necessary:

Table 6: PROJECTED NUMBER AND PERCENTAGE DISTRIBUTION OF THE POPULATION, BY AGE (1990-2090)

| | Total | 0-14 | 15-64 | 65+ |
|---------------------------------------|---------|--------|--------|--------|
| <i>Number (in thousands)</i> | | | | |
| 1990 | 123,661 | 22,544 | 86,140 | 14,928 |
| <i>Projection</i> | | | | |
| 1995 | 125,463 | 20,103 | 87,134 | 18,226 |
| 2000 | 127,385 | 19,336 | 86,350 | 21,699 |
| 2005 | 129,346 | 20,229 | 84,390 | 24,726 |
| 2010 | 130,397 | 21,348 | 81,304 | 27,746 |
| 2015 | 130,033 | 21,244 | 77,404 | 31,385 |
| 2020 | 128,345 | 19,833 | 75,774 | 32,738 |
| 2025 | 125,806 | 18,247 | 75,118 | 32,440 |
| 2090 | 95,732 | 16,424 | 55,889 | 23,419 |
| <i>Percentage Distribution</i> | | | | |
| 1990 | 100 | 18.24 | 69.69 | 12.08 |
| <i>Projection</i> | | | | |
| 1995 | 100 | 16.02 | 69.45 | 14.53 |
| 2000 | 100 | 15.18 | 67.79 | 17.03 |
| 2005 | 100 | 15.64 | 65.24 | 19.12 |
| 2010 | 100 | 16.37 | 62.35 | 21.28 |
| 2015 | 100 | 16.34 | 59.53 | 24.14 |
| 2020 | 100 | 15.45 | 59.04 | 25.51 |
| 2025 | 100 | 14.50 | 59.71 | 25.79 |
| 2090 | 100 | 17.16 | 58.38 | 24.46 |

Source: Koseisho, Jinko Mondai Kenkyujo (1992).

in 1987, 25 percent of women and 16 percent of men voiced such an opinion, compared with 13 percent and 7 percent, respectively, in 1972 (Koseisho, Jinko Mondai Kenkyujo 1987; Sorifu 1972). The number of children born to couples who have been married for 15 to 19 years steadily declined – from 3.60 in 1957 to 2.21 in 1992 (Koseisho 1993d). In 1992, 80 percent of families with children had only one or two children (Koseisho 1992). The declining number of children born to couples reflects the widening gap between the ideal number of children and the intended number of children. As Table 7 indicates, the gap between the two numbers increased from 0.38 children in 1977 to 0.46 children in 1992.

Table 7: IDEAL NUMBER AND EXPECTED NUMBER OF CHILDREN
(1977-1992)

| Year | Ideal Number of Children | Expected Number of Children |
|------|--------------------------|-----------------------------|
| 1977 | 2.61 | 2.23 |
| 1982 | 2.62 | 2.20 |
| 1987 | 2.66 | 2.22 |
| 1992 | 2.64 | 2.18 |

Source: Koseisho (1993a).

There is an increasing resistance of men and women to rearing children. A recent governmental survey indicated that a large percentage of men (33.6 percent) and women (35.3 percent) said it was financially difficult to raise children. Also, 21.2 percent of men and 19.9 percent of women thought they were too old to have the number of children they desired, and a sizable proportion of men (18.1 percent) and women (13.2 percent) pointed to the shortage of adequate housing. Other reasons were the concerns about educating children properly and providing for their future, as well as about the lack of an adequate environment for raising children (see Table 8). Probing the housing problem, other studies have found that a greater number of children are being raised by families who live in prefectures with a high prevalence of large houses (Koseisho 1993d) and that there is a direct correlation between the size of families and the proportion of substandard housing (Somucho 1991).

Women's changing role in the workplace is also causing total fertility to fall. For young women who pursue careers, having children creates enormous obstacles. As Nakajima (1989) noted, Japanese corporations recruit workers under two different terms of employment: *sogoshoku* (comprehensive employment) and *ippanshoku* (general employment). *Sogoshoku* workers are expected to be upwardly mobile throughout their careers, and

Table 8: REASONS FOR PLANNING TO HAVE FEWER CHILDREN THAN DESIRED
(In Percentages)

| Responses | Male | Female |
|-----------------------------------------------------|------|--------|
| Child rearing costs too much money | 33.6 | 35.3 |
| Too old to have children | 21.2 | 19.9 |
| Concerned about the physical well-being of children | 16.4 | 23.0 |
| Housing problems | 18.1 | 13.2 |
| Worried about educating children properly | 12.6 | 14.0 |
| Do not have a good environment to raise children | 15.2 | 11.2 |
| Concerned about children's future | 6.9 | 10.1 |

Source: Keikakucho (1992).

corporations ensure that workers follow such career paths by investing heavily in on-the-job training and frequent changes in job assignments, which inevitably lead to changes of residence. In contrast, *ippanshoku* workers are destined for dead-end jobs: they move horizontally among similar jobs, using similar skills and living in the same locations. While under the 1986 Law of Employment of Men and Women (*Danjo Koyo Byodo Ho*), corporations ostensibly can no longer discriminate against women in terms of *sogoshoku* and *ippanshoku*, in reality few married women work under *sogoshoku* because it is impossible for them both to pursue such employment and to have families. Thus, young women in *sogoshoku* must delay or forego marriages and opportunities to have children.

Women's increasing work outside the home and their growing economic self-sufficiency compound women's decision to marry late in life or not at all. In response to a survey on the reasons for late marriage, 73 percent of the women mentioned their economic self-sufficiency, 41 percent mentioned the freedom that independent living provides, and 24 percent mentioned the obstacle that children create to advancing in careers (Sorifu 1991).

Women's economic self-sufficiency is closely related to the increasing divorce rate (Ellwood and Crane 1990; Ross and Sawhill 1975), which, in turn further diminishes the likelihood that women will bear children. Table 9 shows the increasing divorce rate and the declining marriage rate, both of which contribute to a falling number of children.

Table 9: MARRIAGE AND DIVORCE RATES
(Per 1,000 Population, 1947-1992)

| Year | Marriage Rate | Divorce Rate |
|------|---------------|--------------|
| 1947 | 12.0 | 1.02 |
| 1950 | 8.6 | 1.01 |
| 1955 | 8.0 | 0.84 |
| 1960 | 9.3 | 0.74 |
| 1965 | 9.7 | 0.79 |
| 1970 | 10.0 | 0.93 |
| 1975 | 8.5 | 1.07 |
| 1980 | 6.7 | 1.22 |
| 1985 | 6.1 | 1.39 |
| 1990 | 5.9 | 1.28 |
| 1991 | 6.0 | 1.37 |
| 1992 | 6.1 | 1.45 |

Source: Koseisho, Daijin Kanbo Tokei Honbu (1993).

IV. LIVING ARRANGEMENTS OF CHILDREN

As Japanese families have fewer children, the proportion of all households that have no children has increased greatly. As Table 10 shows, in 1992, 63.6 percent of all households had no children, compared with 47.0 percent in 1972. The reverse was also true: Whereas the majority of households (53.0 percent) had at least one child in 1975, only 36.4 percent of families did so in 1992.

Although the divorce rate has risen steadily, the proportion of female-headed households with children has fluctuated only slightly during the past two decades, involving 1.1, 1.3, 1.4, 1.3, and 1.2 percent of all households in 1975, 1980, 1985, 1990, and 1992,

Table 10: HOUSEHOLDS WITH AND WITHOUT CHILDREN
(In Percentages, 1975-1992)

| Year | Total | With Children | Without Children |
|------|-------|---------------|------------------|
| 1975 | 100 | 53.0 | 47.0 |
| 1980 | 100 | 49.9 | 50.1 |
| 1985 | 100 | 46.7 | 53.3 |
| 1990 | 100 | 38.7 | 61.3 |
| 1991 | 100 | 38.3 | 61.7 |
| 1992 | 100 | 36.4 | 63.6 |

Source: Koseisho (1993c).

respectively (Koseisho 1993c; Koseisho, Daijin Kanbo Tokei Johobu 1986).

Not only are children more and more concentrated in a smaller proportion of households, their living arrangements are also changing. The most noticeable change is the proportion of children who live only with their mothers. As Table 11 shows, from 1980 to 1990, the proportion of children under age 18 who lived with only their mothers increased from 3.3 percent to 4.4 percent. Among children under age 6, the proportion increased from 1.4 to 1.9 percent during the same period. The offsetting trend is the declining proportion of children who live in intact nuclear families. From 1980 to 1990, for example, the proportion of children under age 18 who lived in such families declined more than one percentage point – from 65.8 percent to 64.2 percent. The proportion of children in the same age bracket who lived in three-generation families was stable at about 27 percent during that decade, although the share of three-generation households declined from 16 percent to 13 percent (Koseisho 1993c).

Table 11: LIVING ARRANGEMENTS OF CHILDREN
(In Percentages, 1980-1990)

| Type of Household | Children Under 6 | | | Children Under 18 | | |
|---------------------------------------------------------------|------------------|-------|-------|-------------------|--------|--------|
| | 1980 | 1985 | 1990 | 1980 | 1985 | 1990 |
| Population of Children (in thousands) | 10,426 | 9,042 | 7,920 | 32,405 | 31,511 | 28,333 |
| I. In nuclear households | 68.6 | 67.3 | 69.4 | 69.7 | 69.3 | 69.3 |
| (1) Married couple | 67.1 | 65.5 | 67.4 | 65.8 | 64.8 | 64.2 |
| (2) Mother only | 1.4 | 1.7 | 1.9 | 3.3 | 4.1 | 4.4 |
| (3) Father only | 0.1 | 0.1 | 0.1 | 0.6 | 0.7 | 0.7 |
| II. In three-generation households with married couples | 29.3 | 30.4 | 28.4 | 27.1 | 27.4 | 27.4 |
| III. With other relatives | 2.1 | 2.3 | 2.2 | 3.0 | 3.1 | 3.1 |
| IV. In one-person households | - | - | - | 0.3 | 0.2 | 0.2 |

Source: Japan Statistics Bureau, Management and Coordination Agency (1990); Japan Statistics Bureau (1991).

V. PERSONS AND FAMILIES IN NEED

The Japanese government has not developed official poverty thresholds to measure the degree to which the incomes of households fall below a poverty line. However, unofficially, the public assistance payment level is widely used to distinguish between the poor and the

non-poor. The public assistance payment levels differ according to the size and the composition of families, as well as to residential location to account for the differences in the costs of living in different locations. In 1993, for example, families of three with no income who lived in large metropolitan areas were entitled to receive ¥166,265 a month. In addition, payments for special expenses, such as school lunches and transportation to school, were provided.

In the absence of official poverty figures, proxies can be used to assess the economic status of vulnerable segments of the population. In particular, we describe the economic conditions of children and families who are at risk of poverty by presenting data on household expenditures, household incomes, and the rate of participation in public assistance programs.

Household Expenditures

Whereas rapid economic growth since World War II has lifted the economic status of all families, its impact has been uneven. Table 12 presents mean household expenditures for persons by age. In developing this table, we divided the total monthly household expenditures of each household by an equivalence scale that corresponds to the size of each

Table 12: MEAN MONTHLY HOUSEHOLD EXPENDITURES, BY AGE OF PERSONS
(In ¥1,000, 1975-1990)

| Age | 1975 | 1980 | 1985 | 1990 | Percentage Change 1975-90 |
|-------|-------|-------|-------|-------|---------------------------|
| 0-1 | 219.4 | 222.3 | 220.0 | 243.2 | 10.8 |
| 2-4 | 214.3 | 220.6 | 217.6 | 238.0 | 11.1 |
| 5-9 | 218.8 | 229.0 | 225.9 | 242.2 | 10.7 |
| 10-14 | 228.0 | 245.1 | 249.2 | 266.4 | 16.8 |
| 15-19 | 232.3 | 254.9 | 269.9 | 291.7 | 25.6 |
| 20-39 | 238.5 | 250.6 | 255.6 | 285.5 | 19.7 |
| 40-59 | 253.2 | 278.4 | 293.7 | 319.5 | 26.2 |
| 60-64 | 221.8 | 250.0 | 276.5 | 310.9 | 40.2 |
| 65-74 | 206.0 | 230.6 | 249.4 | 280.2 | 36.0 |
| 75-85 | 203.5 | 226.2 | 246.7 | 261.7 | 28.6 |
| 85+ | 196.8 | 225.2 | 242.7 | 262.4 | 33.3 |
| All | 233.8 | 251.7 | 262.3 | 289.4 | 23.8 |

Source: Derived from Koseisho (1991c).

Note: Adjusted to 1990 yen; adjusted by equivalence scale based on the expenditures for a three-person household.

household (the same scale used by the United States to calculate poverty thresholds). The equivalence scale was set at 1 for a household of three, and hence the derived value represents the household expenditures that are equivalent to the expenditures of a three-person household. Then, persons in the households were cross-tabulated by age, and the expenditures of persons in the same age brackets were averaged. This value yields the level of expenditures for persons of different ages who live in three-person households. To make the figures for different years comparable, we adjusted for inflation and expressed all values in 1990 yens.¹

Table 12 indicates that the level of expenditures for children were higher than that for the elderly in 1975, just about the same for the two groups in 1980, and lower by 1985. In general, from 1975 to 1990, expenditures for children (aged 1-14) increased by only 10.7 percent to 16.8 percent, but expenditures for the elderly (aged 65+) increased by 28.6 to 36 percent, and those for non-aged adult persons (aged 15-64) increased by 19.7 to 40.2 percent, depending on the age brackets.

Table 13 presents the percentage of persons living in households with monthly expenditures below ¥150,000, which is comparable to the level of public assistance payments in 1990 for a family of three in large metropolitan areas, such as Tokyo. In contrast, in 1990,

Table 13: PERSONS LIVING IN HOUSEHOLDS WITH
MONTHLY EXPENDITURES BELOW ¥150,000, BY AGE OF PERSONS
(In Percentages, 1975-1990)

| Age | 1975 | 1980 | 1985 | 1990 | Percentage Change 1975-90 |
|-------|------|------|------|------|---------------------------------|
| 0-1 | 24.5 | 17.1 | 18.7 | 14.3 | -41.6 |
| 2-4 | 25.8 | 17.7 | 19.0 | 13.7 | -46.8 |
| 5-9 | 24.4 | 14.8 | 16.6 | 12.0 | -50.8 |
| 10-14 | 23.6 | 12.7 | 11.9 | 9.3 | -60.6 |
| 15-19 | 26.2 | 14.2 | 12.4 | 9.0 | -65.6 |
| 20-39 | 21.2 | 12.2 | 13.2 | 9.1 | -57.1 |
| 40-59 | 21.8 | 10.6 | 10.1 | 6.6 | -69.7 |
| 60-64 | 32.1 | 18.1 | 16.0 | 9.7 | -69.8 |
| 65-74 | 37.7 | 22.9 | 19.3 | 12.3 | -67.4 |
| 75-85 | 39.7 | 24.9 | 21.6 | 16.1 | -59.4 |
| 85+ | 42.2 | 25.6 | 21.7 | 18.3 | -56.6 |
| All | 24.3 | 13.6 | 13.6 | 9.3 | -61.7 |

Source: Derived from Koseisho (1991c).

Note: Adjusted to 1990 yen; adjusted by equivalence scale based on the expenditures for a three-person household.

the average expenditure for a three-person family was ¥277,253. Thus ¥150,000 was about 45.1 percent of the average expenditures. The method used to develop this table is the same as was used to develop Table 12.²

The percentage of persons living with the minimum level of expenditures decreased most noticeably among middle-aged persons, followed by the elderly. Children fared the worst. Thus, although children traditionally were less deprived than the elderly, the proportions of children and the elderly with such low-level expenditures converged greatly during the 1975-90 period. In 1990, 9.3 percent of all persons lived in households with monthly expenditures below ¥150,000 yen. About 11.6 percent of all children and 14.1 percent of all elderly were below this level.

Household Income

Table 14 presents the average annual income of elderly households, of female-headed households with children, and of other households. Average annual income was transformed into adjusted annual income using the equivalence scale, which sets the scale at 1 for a three-person household, as described earlier. A quintile distribution of all households, based on unadjusted annual incomes, is also presented, as are the size of households and the number of earners in the households.

As the average adjusted annual income indicates, female-headed households with children are the most economically deprived group. In 1992, their adjusted annual income

Table 14: HOUSEHOLD INCOME, BY TYPE OF HOUSEHOLD
(1992)

| | Type of Household | | |
|---------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| | Elderly | Female-Headed with Children | Other |
| Annual income | ¥3,053,000 | ¥2,490,000 | ¥6,837,000 |
| Adjusted annual income | 4,090,300 | 2,672,820 | 6,102,285 |
| Household size | 1.59 | 2.62 | 3.43 |
| Number of earners | 0.44 | 0.99 | 1.72 |
| Quintile distribution of all households by order of unadjusted income levels | 100.0 67.8 20.8 .65 4.9 | 100.0 72.0 21.6 6.0 0.5 | 100.0 17.8 25.7 28.1 28.5 |

Source: Koseisho (1993c).

was 65 percent of that of elderly households and 44 percent of that of other types of households. As many as 72 percent of female-headed households with children were located in the bottom 25 percent of the households, compared with 67.8 percent of the elderly households, and only 17.8 percent of other households. Female-headed households with children had fewer than one earner in that year.

Participation in the Public Assistance Program

Japan's public assistance program is non-categorical – all households, regardless of composition, can apply. The rate of participation in public assistance has decreased among all age groups since the mid-1960s. The decrease was fastest among children and the slowest among those over 60. As Table 15 shows, the children's rate decreased from 2.29 percent in 1965 to 0.63 percent in 1992, while the rate for those over 60 decreased from 3.04 to 1.52 percent.

Although children are less likely to be on public assistance than are the elderly, children who live only with their mothers are more likely to be on it. As Table 16 shows, the participation rate of female-headed households with children in 1992 was 11.83 percent, compared with 4.95 percent for elderly households. Also note that between 1965 and 1992 the participation rate among female-headed households with children declined more slowly (52 percent) than did the rate among elderly households (71 percent).

Table 15: RATE OF PARTICIPATION IN PUBLIC ASSISTANCE, BY AGE
(In Percentages, 1965-1992)

| Year | All Persons | 0-14 Years | 15-59 Years | 60+ Years |
|------|-------------|---------------|----------------|--------------|
| 1965 | 1.63 | 2.29 | 1.11 | 3.04 |
| 1970 | 1.30 | 1.47 | 0.89 | 3.20 |
| 1975 | 1.21 | 1.12 | 0.84 | 3.00 |
| 1980 | 1.22 | 1.19 | 0.89 | 2.52 |
| 1985 | 1.18 | 1.21 | 0.89 | 2.21 |
| 1990 | 0.82 | 0.74 | 0.59 | 1.65 |
| 1991 | 0.76 | 0.66 | 0.54 | 1.58 |
| 1992 | 0.72 | 0.63 | 0.49 | 1.52 |

Source: Koseisho (1993e).

Table 16: RATE OF PARTICIPATION IN PUBLIC ASSISTANCE,
BY TYPE OF HOUSEHOLD
(In Percentages, 1965-1992)

| Year | Type of Household | | | |
|------|-------------------|---------|-----------------------------|-------|
| | All | Elderly | Female-Headed with Children | Other |
| 1965 | 2.32 | 17.35 | 24.82 | 1.55 |
| 1970 | 2.11 | 16.52 | 17.59 | 1.30 |
| 1975 | 2.07 | 14.41 | 17.35 | 1.24 |
| 1980 | 2.04 | 9.72 | 20.10 | 1.22 |
| 1985 | 2.04 | 7.95 | 21.68 | 1.20 |
| 1990 | 1.52 | 5.72 | 13.17 | 0.84 |
| 1991 | 1.45 | 5.12 | 11.99 | 0.80 |
| 1992 | 1.38 | 4.95 | 11.83 | 0.76 |

Source: Kosei Tokei Kyokai (1993).

Because the number of elderly households has disproportionately increased over the years, the number of such households who depend on public assistance has increased as well, despite the rapidly declining rate of participation among them. In contrast, the number of female-headed households with children who receive public assistance has been steadily declining since 1985, following similar trends among households with disabled persons and households of other types (see Table 17).

The foregoing discussion indicates that children have been losing ground economically relative to the elderly, whether average household expenditures or the minimum level of expenditures is used as a measurement. Children are also losing ground in relation to the non-aged adult population, regardless of which measurement of consumption is used.

The likelihood of children participating in public assistance has been smaller – and has been decreasing faster – than that of the elderly. However, the likelihood for female-headed households with children has been consistently greater than that of elderly households. Furthermore, the income status of female-headed households with children is considerably lower than that of elderly households. Thus, though its incidence is still low, female-headship directly translates into economic hardship for children.

The reader should also note an anomaly. Although the rate of participation in public assistance among Japanese persons is low, 0.72 percent in 1992 (see Table 15), a sizable proportion (9.3 percent in 1990) of persons live in households with low-level expenditures (see Table 13). This anomaly is due, in part, to the fact that household incomes generally are higher than expenditures. Some households may consume below the minimum standards

Table 17: NUMBER OF HOUSEHOLDS ON PUBLIC ASSISTANCE,
BY TYPE OF HOUSEHOLD
(1971-1992)

| Year | Type of Household | | | | |
|----------------------------------|-------------------|---------|---------------------------------------|----------|---------|
| | All | Elderly | Female- Headed with Children | Disabled | Other |
| <i>Number (monthly averages)</i> | | | | | |
| 1971 | 666,051 | 204,293 | 65,894 | 272,274 | 123,590 |
| 1975 | 704,785 | 221,241 | 70,211 | 322,458 | 90,875 |
| 1980 | 744,724 | 225,340 | 95,620 | 342,777 | 80,987 |
| 1985 | 778,797 | 243,260 | 113,979 | 348,881 | 72,678 |
| 1990 | 622,235 | 231,609 | 72,899 | 267,091 | 50,637 |
| 1991 | 599,482 | 232,311 | 64,494 | 255,961 | 46,717 |
| 1992 | 584,821 | 235,119 | 57,847 | 248,038 | 43,818 |
| <i>Index (1971=100)</i> | | | | | |
| 1971 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1975 | 105.8 | 108.3 | 106.6 | 118.4 | 73.5 |
| 1980 | 111.8 | 110.3 | 145.1 | 125.9 | 65.5 |
| 1985 | 116.9 | 119.1 | 173.0 | 128.1 | 58.8 |
| 1990 | 93.4 | 113.4 | 110.6 | 98.1 | 41.0 |
| 1991 | 90.0 | 113.7 | 97.9 | 94.0 | 37.8 |
| 1992 | 87.8 | 115.9 | 87.8 | 91.1 | 35.5 |

Source: Koseisho (1993e).

even though their incomes exceed the public assistance payment levels. Another reason is statutory. Japan's public assistance program requires a broad range of relatives to be responsible for supporting needy families, including parents, children, siblings, grandparents, and grandchildren. Finally, the level of stigma attached to receiving public assistance is high. As a result, Japan has a low rate of participation in public assistance despite its relatively high payment levels. However, in light of the emerging economic deprivation of children who live only with their mothers, the current policy on public assistance needs to be scrutinized.

Because the government has not developed an official poverty line, it is difficult to estimate the percentage of children who are poor. On the basis of figures presented, however, it is safe to estimate that between 5 and 7 percent of children are poor.

VI. WELL-BEING OF CHILDREN

The demographic, economic, and social changes since World War II have affected the well-being of Japanese children enormously. Children's physical and material well-being has never been greater, and their educational attainment has far surpassed that of earlier generations. However, because children are pressured to do well in school, they are forced to live lives that largely revolve around passing exams. This single-minded orientation creates a world full of anxiety and difficulty for children to navigate, creating personality disorders unknown in earlier times. Children today increasingly feel dependent on their parents to make life-course decisions and feel detached from their peers. Those who cannot cope with the pressure of academic competition often resort to violence or simply refuse to go to school. The data that follow illustrate how difficult Japanese children's lives are, despite their material success.

Physical Well-being

The great improvement in the infant mortality rate in Japan is legendary. Table 18 shows how fast the infant mortality rate declined from the end of World War II to 1991. In 1947, the rate was 76.7 per 1,000 live births. It dropped to 30.7 in 1960, reached 10.0 in 1975, and further decreased to 4.4 in 1991, the lowest in the world.

Table 18: INFANT MORTALITY RATE
(1947-1991)

| Year | Deaths per 1,000 Live Births |
|------|---------------------------------|
| 1947 | 76.7 |
| 1950 | 60.1 |
| 1955 | 39.8 |
| 1960 | 30.7 |
| 1965 | 18.5 |
| 1970 | 13.1 |
| 1975 | 10.0 |
| 1980 | 7.5 |
| 1985 | 5.5 |
| 1990 | 4.6 |
| 1991 | 4.4 |

Source: Koseisho, Daijin Kanbo Tokei Honbu (1992).

The physical development of Japanese children has also been spectacular. As Table 19 shows, from 1960 to 1990, the heights of Japanese children increased by 2 percent to 7 percent, and their weights increased by 5 percent to 20 percent, depending on the age and gender of the children. The increase in weights of children aged 10 was especially great.

Table 19: HEIGHTS AND WEIGHTS OF CHILDREN
(1960 and 1990)

| | 1960 | | 1990 | | 1960-1990 change (%) | |
|--------|-----------------|-----------------|-----------------|-----------------|-------------------------|-----------------|
| | Heights (cm) | Weights (kg) | Heights (cm) | Weights (kg) | Heights (cm) | Weights (kg) |
| Age 1 | | | | | | |
| Male | 79.4 | 10.2 | 81.7 | 10.81 | 3 | 6 |
| Female | 77.8 | 9.6 | 79.9 | 10.01 | 3 | 4 |
| Age 2 | | | | | | |
| Male | 85.0 | 11.6 | 87.1 | 12.26 | 2 | 6 |
| Female | 83.7 | 11.1 | 85.9 | 11.73 | 3 | 6 |
| Age 3 | | | | | | |
| Male | 91.9 | 13.3 | 95.2 | 14.31 | 4 | 8 |
| Female | 90.7 | 12.9 | 93.8 | 13.64 | 3 | 6 |
| Age 4 | | | | | | |
| Male | 98.2 | 15.0 | 102.5 | 16.28 | 4 | 8 |
| Female | 97.3 | 14.6 | 101.4 | 16.03 | 4 | 10 |
| Age 5 | | | | | | |
| Male | 104.4 | 16.6 | 108.3 | 18.27 | 4 | 10 |
| Female | 103.3 | 16.2 | 107.7 | 17.91 | 4 | 11 |
| Age 10 | | | | | | |
| Male | 131.6 | 28.0 | 138.8 | 33.9 | 5 | 21 |
| Female | 132.0 | 28.2 | 139.5 | 34.0 | 6 | 20 |
| Age 14 | | | | | | |
| Male | 155.1 | 45.3 | 164.5 | 54.2 | 7 | 20 |
| Female | 150.7 | 45.3 | 156.4 | 50.2 | 4 | 11 |
| Age 17 | | | | | | |
| Male | 165.0 | 56.1 | 170.6 | 62.0 | 3 | 11 |
| Female | 153.7 | 50.4 | 157.9 | 52.8 | 3 | 5 |

Source: Koseisho (1991d); Monbusho (1993a).

Educational Attainment

Although high school education (10th through 12th grades) is voluntary, almost all Japanese children go to high school, and their attendance is fast becoming universal. As Table 20 shows, 94.8 percent of eligible children attended high school in 1992, compared with 82.1 percent in 1970. The percentage of eligible children who attended universities rose from 17.1

Table 20: ENROLMENT IN HIGH SCHOOL, UNIVERSITY AND TWO-YEAR COLLEGE
(In Percentages, 1970-1992)

| Year | High School | University | Two-Year College |
|------|-------------|------------|------------------|
| 1970 | 82.1 | 17.1 | 6.5 |
| 1975 | 91.9 | 26.7 | 11.0 |
| 1980 | 94.2 | 26.1 | 11.3 |
| 1985 | 93.8 | 26.5 | 11.1 |
| 1990 | 94.4 | 24.6 | 11.7 |
| 1992 | 94.8 | 26.4 | 12.4 |

Source: Monbusho (1993b).

Note: Eligible children are defined as those who are in the age group appropriate for particular levels of education.

to 26 percent between 1970 and 1975 and has been the same since then. The percentage of eligible children who went to two-year colleges increased from 6.5 percent in 1970 to 12.4 percent in 1992.

Both parents and children take college education seriously. According to a governmental study, 54.1 percent of parents want their sons to attend universities, and 4.8 percent want their sons to attend two-year colleges; 24 percent of the parents want their daughters to attend universities, and 24.2 percent want their daughters to attend two-year colleges (Sorifu, Koho Shitsu 1992).

Japanese children seem to respond to their parents' high aspiration for their education. By the time they reach fourth grade, over a quarter express the desire to go to universities or colleges, and by ninth grade more than half (58.8 percent) express such a desire (Somucho, Seishonen Taisaku Honbu 1988). More children believe that the value of diplomas from first-rate universities will increase; 22 percent of high school students believed so in 1992, compared with 13 percent in 1980 (Fukutake Shoten Kyoiku Kenkyujo 1992). Moreover, the percentage of fathers who believed that academic credentials are indispensable for workplace success increased from 69.8 percent in 1982 to 73.3 percent in 1987 (NHK Hoso Bunka Kenkyujo, Yoron Chosabu 1989a).

Material Well-being

The income source of Japanese students is secure and their material well-being is good. The greatest portion (72.4 percent) of the annual incomes of university students is given by their parents; the remainder comes from jobs (21.3 percent) and scholarships (5.8 percent) (Monbusho, Kotokyoiku Kyoku 1991). Furthermore, the students' daily lives are full of

gadgets and electronic toys and equipment. For instance, in 1990, 67.5 percent of university students had compact disk players, 65.9 percent had television sets, 38.8 percent had video tape players, 19.7 percent had word-processing machines, 12 percent had personal computers, and 44.1 percent had telephones (Monbusho, Kotokyoiku Kyoku 1990).

Upon graduation from high school or college, Japanese students can expect to find jobs relatively easily, as noted earlier. Their starting salaries are comparable to those in the United States and Western Europe. In 1991, the average starting monthly salary was ¥179,400 for male university graduates and ¥172,300 for female university graduates. Male high school graduates received 78 percent of the salaries of male university graduates, and female high school graduates received 77 percent of the salaries of female university graduates (Rodoshō 1992). All workers receive semi-annual bonuses in addition, the total of which generally is equivalent to three-months salary or higher.

After several years of work, young men and women generally have a sizable amount of savings. In 1989, accumulated savings among men under age 30 were 46.8 percent of their annual incomes, and among women under age 30, 54.3 percent of their annual incomes. Young people's savings, expressed as a percentage of their annual income, have increased since the mid-1970s (see Table 21).

Table 21: SAVINGS OF PERSONS UNDER AGE 30, BY GENDER

| Year | Male | | Female | |
|------|-----------|-----------------------|-----------|-----------------------|
| | Amount | As % of Annual Income | Amount | As % of Annual Income |
| 1974 | ¥ 514,000 | 38.2 | ¥ 494,000 | 45.7 |
| 1979 | 986,000 | 45.7 | 839,000 | 51.5 |
| 1984 | 1,014,000 | 41.3 | 1,153,000 | 55.4 |
| 1989 | 1,378,000 | 46.8 | 1,331,000 | 54.3 |

Source: Somucho, Tokeikyoku (1990).

Children and Parents under Pressure

The emphasis on educational achievement has adversely affected children and their parents. Children are spending too much time studying, are studying for wrong reasons, and do not have time for other activities that are indispensable for healthy socialization. Some who cannot keep up with others in school commit violence against other children or simply refuse to go to school. Many children develop personality disorders, and are devoid of a sense of independence, sensitivity to others, fulfillment in life and self-satisfaction.

Students study long hours outside the regular school hours – junior or senior high school students study 5.8 hours per day, and those in universities or graduate schools study 3.5 hours per day (Somucho 1988). Another study found that children aged 10-15 typically spend 108 minutes a day studying outside the regular school hours, compared with 72 minutes for French and U.S. children and 66 minutes for British children (Somucho 1979).

The institution of *gakushu juku*, or simply *juku* accounts for the extensive studying. A *juku* is a for-profit after-school school that children attend to supplement regular schoolwork. For children in higher grades, however, the objective of *juku* is the development of skills to pass high school and university entrance exams. Thus, daily activities at *jukus* revolve around developing skills to pass such exams. *Jukus* are open at night, on weekends, and during summer months, and many children go to more than one. It is not unusual to see elementary school children in subways in Tokyo at 10.30 p.m. returning from *jukus* (*Yomiuri Shinbun*, July 31 1994, p. 13). The attendance in *jukus* has increased greatly over the years. As Table 22 indicates, in 1993 41.7 percent of sixth-grade children went to *jukus*, compared with 26.6 percent in 1975, and 67.1 percent of ninth-grade children went to *jukus* in 1993, compared with 37.4 percent in 1975. Over half of all elementary school children spend at least three hours a week at *jukus* (see Table 23). And of course, *juku* children study additional hours at home to supplement the work at *jukus*.

Being trapped in the exam-oriented educational system, children find much less time for reading books not related to schoolwork as they become older. Senior high school

Table 22: ATTENDANCE AT *JUKU*, BY GRADE
(In Percentages, 1975-1993)

| | 1975 | 1985 | 1993 |
|---------------------|------|------|------|
| Grade 1 | 3.3 | 6.2 | 12.1 |
| 2 | 4.8 | 10.1 | 14.1 |
| 3 | 7.5 | 12.9 | 17.5 |
| 4 | 11.9 | 15.4 | 23.6 |
| 5 | 19.4 | 21.1 | 31.1 |
| 6 | 26.6 | 29.6 | 41.7 |
| Average: Grades 1-6 | 12.0 | 16.5 | 23.6 |
| Grade 7 | 37.9 | 41.8 | 52.5 |
| 8 | 38.7 | 44.5 | 59.1 |
| 9 | 37.4 | 47.3 | 67.1 |
| Average: grades 7-9 | 38.0 | 44.5 | 59.5 |
| Grand Average | 20.2 | 26.3 | 36.4 |

Source: Monbusho (1993c).

Table 23: HOURS PER WEEK SPENT IN *JUKUS* BY ELEMENTARY SCHOOL CHILDREN

| Hours | Percentage |
|-------------------|------------|
| Less than 2 hours | 23.4 |
| 2-3 hours | 24.3 |
| 3-4 hours | 16.1 |
| More than 4 hours | 35.7 |
| Don't know | 0.7 |
| All | 100.0 |

Source: NHK Hoso Bunka Kenkyujo, Yoron Chosabu (1989b).

children read only 1.9 books a month, compared with 2.1 books for junior high school children, 5.9 books for fifth-grade children, and 10.1 books for third-grade children (Yomiuri Shinbun, August 3, 1994, p. 1).

The impact of *juku* is so profound that the role of regular schools in educating children is undermined. Yuki, Sato, and Hashiseko (1990) found that both children and parents assess the effectiveness of the teaching at *jukus* more favorably than that of regular schools. For example, 71.6 percent of eighth-grade *juku* children consider *juku* teachers methodical in teaching, whereas only 36.1 percent consider regular school teachers methodical in teaching. Furthermore, 63.4 percent of these children find *juku* teachers easy to understand, whereas only 43 percent of them consider regular teachers as such (see Table 24).

Table 24: ASSESSMENT OF REGULAR SCHOOL AND *JUKU*
BY EIGHTH-GRADE *JUKU* CHILDREN
(Percentage of Positive Responses)

| | Regular School | <i>Juku</i> |
|------------------------|----------------|-------------|
| Methodical in teaching | 36.1 | 71.6 |
| Easy to understand | 43.0 | 63.4 |

Source: Yuki, Sato and Hashiseko (1990).

The same study found that proportionately more parents consider *juku* teachers easy for children to understand and capable of meeting their expectations, of motivating children to learn, and of enhancing their individuality. Parents think that regular school teachers perform better only in broad aspects of education, such as in enhancing children's sense of right and wrong and in developing cooperation among children (see Table 25).

Table 25: ASSESSMENT OF REGULAR SCHOOL AND *JUKU* BY PARENTS
(Percentage of Positive Responses)

| | Regular School | <i>Juku</i> |
|----------------------------------------------|----------------|-------------|
| Easy to understand | 59.0 | 81.6 |
| Meets the expectations of children | 60.1 | 82.4 |
| Meets the expectations of parents | 33.9 | 65.0 |
| Increases children's motivation to learn | 41.5 | 80.4 |
| Enhances children's individuality | 43.8 | 64.7 |
| Enhances children's sense of right and wrong | 73.4 | 62.1 |
| Enhances cooperation among children | 71.9 | 55.9 |

Source: Yuki, Sato and Hashiseko (1990).

Increasingly, the mission of regular school is questioned. If children leave school at 3.00 or 4.00 p.m., only to rush to not just one, but two or three *jukus* to study for high school and university entrance exams, what is the purpose of going to regular school? Furthermore, is education that merely prepares children for entrance exams conducive to creating "educated" people in the true sense of the term? Can children meet the challenges of the 21st century? (*Yomiuri Shinbun*, July 31 1994, p. 13).

As attendance at *jukus* has risen, household expenditures for children's education have increased. Thus from 1980 to 1993, the educational expenditures of households headed by persons aged 50 and over increased from 8.8 percent to 15.2 percent of disposable household incomes. These households typically have children who are just about to enter college or are already in college. Even for households headed by persons aged 40-49, educational expenditures are large and rising – 8.0 percent in 1993, compared with 4.6 percent in 1980 (Somucho 1994).

Because Japanese children are preoccupied with *juku*, they do not have enough time for play. Children aged 10-15 typically spend only 96 minutes a day for play, compared with 204 minutes and 156 minutes for children in the United States and the United Kingdom, respectively (Somucho 1979). Indeed, it is more likely for Japanese children to meet other children in the competitive *juku* environment than in play, which is more effective for socialization.

This lifestyle, concentrated in attending *juku* and studying for exams, is creating

children who are restless, frustrated, isolated and full of self-doubt. According to one study, 49.6 percent of fifth-grade children and 74.3 percent of ninth-grade children reported that they felt anxious and had deep problems, and 21.5 percent of fifth-grade children and 64.1 percent of ninth-grade children said they were worried about studying and passing entrance exams (Koseisho 1991b). With such general psychological uncertainty, Japanese children are finding it difficult to establish close friendships. In response to a survey on the nature of friendship, 65.4 percent of Japanese respondents reported that their friendships are "discreet", compared with only 8.5 percent of German respondents (Somucho, Seishonen Taisaku Honbu 1990). Japanese children are less likely to pay attention to what their friends are saying, share problems with them, and make sacrifices for them than are American children (Nihon Seishonen Kenkyujo 1991). Yet, paradoxically, Japanese children are more dependent on others – mainly their parents. As many as 46 percent of senior high school students consider themselves dependent on others, compared with only 23.2 percent of their American counterparts (Ibid.). In fact, Japanese children are not eager to become adults: as many as 65.1 percent of elementary school children expressed resistance to become adults (NHK Hoso Bunka Kenkyujo 1989).

Often children's pent-up frustration with schoolwork and other matters results in bullying other children – the phenomenon called *ijime*. Although the number of *ijime* cases declined considerably in recent years, still a total of 22,062 cases (0.6 cases per school) were reported in 1991, of which 2,422 cases (0.6 cases per school) involved senior high school students, 11,922 cases (1.1 cases per school) involved junior high school students, and 7,718 cases (0.3 cases per school) involved elementary school students (Somucho, Seishonen Taisaku Honbu 1993).

Whereas the number of *ijime* cases has declined, the proportion of children who refuse to go to school has increased considerably. As Table 26 indicates, from 1978 to 1991 the rate of refusal to go to school more than tripled among elementary school children, from 0.03 to 0.11 percent, and quadrupled among junior high school students, from 0.21 to 0.84 percent. Refusal to go to school is defined as absence from school for more than 30 consecutive days.

The foregoing discussion on the effects of the economic, demographic and social changes on children paints a complex, depressing picture about Japanese children. At the same time, for the adult population, the idea of having children increasingly signals a burden, especially in light of the changing role of women.

Women's work outside the home constitutes a profound change in their role in society. Traditionally, women cared for children and aging parents at home. Now they have entered the workplace, gaining an economic base and a new identity as workers. The

Table 26: STUDENTS WHO REFUSE TO GO TO SCHOOL
(1978-1991)

| Year | Elementary School | | Junior High School | |
|------|-------------------|----------------------|--------------------|----------------------|
| | Number | As % of All Students | Number | As % of All Students |
| 1978 | 3,211 | 0.03 | 10,429 | 0.21 |
| 1979 | 3,434 | 0.03 | 12,002 | 0.24 |
| 1980 | 3,679 | 0.03 | 13,536 | 0.27 |
| 1981 | 3,625 | 0.03 | 15,912 | 0.30 |
| 1982 | 3,624 | 0.03 | 20,165 | 0.36 |
| 1983 | 3,840 | 0.03 | 24,059 | 0.42 |
| 1984 | 3,976 | 0.03 | 26,215 | 0.45 |
| 1985 | 4,071 | 0.04 | 27,926 | 0.47 |
| 1986 | 4,407 | 0.04 | 29,673 | 0.49 |
| 1987 | 5,293 | 0.05 | 32,748 | 0.54 |
| 1988 | 6,291 | 0.06 | 36,110 | 0.61 |
| 1989 | 7,179 | 0.07 | 40,087 | 0.71 |
| 1990 | 8,014 | 0.09 | 40,223 | 0.75 |
| 1991 | 9,645 | 0.11 | 43,711 | 0.84 |

Source: Monbusho (1992).

Note: Refusal to go to school means absence from school for 30 consecutive days.

workplace is not yet organized to enable them both to pursue careers and raise children. Thus, some women – and men – are content to forego marriage and children. For some women, independent living and economic self-sufficiency have liberated them from their traditional subservient role. Independent living among women is expected to accelerate as their educational level increases and, as a result, the opportunity cost of having children rises.

If young people do marry and have children, they face many obstacles. Longer years of education and high housing costs delay their marriage, precluding their opportunities to have the desired number of children. When they have children, they have to spend time and money to raise the children and send them to *jukus*. It is estimated that parents must spend about ¥10,000,000 (\$100,000) to educate children from kindergarten to college, which includes expenses for *jukus* (Ogishima 1990).³ Parents have to do all this even though the economic standing of families with children has been declining, relative to families without children.

Parents' decision to send their children to *jukus* stems not only from their belief that education is inherently valuable, but from their desire to have children successfully navigate the triangle of education, the merit system; and the employment recruitment system. More than 1,000 years ago, the Japanese imported from China a merit system for civil service that recruited officers who administered matters pertaining to imperial family households and feudal lords, and instituted a caste system based on occupational status – warrior, farmer,

artisan and merchant. Modern national, prefectural and local governments and corporations have simply adopted the ancient merit system in recruiting new employees. In practice, however, the government has developed a two-tiered system, under which the graduates of a select, few universities are tracked into one path for promotion and the graduates of the other universities are tracked into another. Large corporations also search for new employees only from a few prominent universities. They have done so for two reasons: first, corporate recruiters believe that hiring employees from a few universities will perpetuate organizations composed of those with similar cultural roots and facilitate cooperation among employees. Second, opening up the selection process to graduates of all universities would be costly. Corporations believe that students have already been screened by the entrance exams to these universities. Thus, it is easy for children and their parents to understand that the path to the best jobs is found through doing well in exams.

Although all public schools are of high quality, the educational system creates a class system in which better-off children acquire extra knowledge and skills at *jukus* and poor children acquire little or none, giving the former even better odds of going to prestigious universities and landing the best jobs. Children who live only with their mothers have little chance to pursue a college education because it takes a great deal of money to educate them.

Many Japanese children are worried about going to *juku* – if their parents can afford the tuition – and concerned about passing a series of exams throughout their childhood. Some children cannot take the pressure and refuse to go to school. Many parents also feel frustrated. Thus, a major, current public concern is how society can be changed so that parents can raise children without fear. Perhaps the Japanese parents who decide to have few children and adults who decide to have none do not want to raise children under such pressure and hardship.

All this struggle with *shoshi shakai* is causing a ripple effect on people's expectations of old age. The percentage of non-aged adults who expect to depend on their children in old age declined from 51 percent in 1952 to 15 percent in 1990 (Mainichi Shinbunsha 1990). At the same time, 80 percent of the non-aged adult population worry about old age – especially about their long-term care – when they become afflicted with debilitating illnesses (Committee on Visions for Future Social Welfare in an Aging Society 1994).

These problems may be uniquely Japanese. However, that Japanese parents – rich by international standards – feel that they cannot afford to have as many children as they desire may signify a pathology of post-industrial society. Many countries aspire to have Japan's high economic growth and low birth rates. But Japan seems to have embarked on a downward path toward a demographic pathology.

As industrialization has progressed and family businesses and cottage industries have been replaced by employment outside the home, as individual-based economic sufficiency has expanded, as economic security in old age has been provided through the social security program, and as the cost of education has skyrocketed, the economic equation for having children has changed. Increasingly the direct and opportunity costs of having children outweigh the benefits of having them. The Japanese have followed that path for many decades now, only to reach a critical point of having too few children, which has created ripple effects on the social environment that is becoming more and more inhospitable for children.

We will now examine how the government has responded to the social welfare needs of children and assess whether current child welfare policies are appropriate and adequate for meeting the challenge of the emerging demographic crisis.

VII. SOCIAL WELFARE EXPENDITURES AND THEIR DISTRIBUTIVE EFFECTS

Japan lags behind other industrialized societies in social welfare expenditures. It spent only 5.8 percent of its national income for publicly supported social welfare programs in 1970 and 14.0 percent in 1989.

Among the six industrialized countries shown in Table 27, Japan spent in 1989 the lowest percentage of national income (14.0 percent) for publicly supported social welfare programs. Also, compared with other countries, Japan spent the lowest proportion — 10 percent — of its aggregate expenditures for social welfare programs to finance programs that come under the category “other,” which includes all social service programs and income support programs for children, except for social security benefits, as well as social service programs and means-tested income support programs for adults and the elderly (Social Development Research Institute 1992). Japan’s social welfare expenditures largely finance health care and social security benefits, leaving little for other programs (see Table 27).

Next, we examine the distributive effects of taxes and public income transfers on household incomes according to (1) the income level of households, (2) the age of householders, and (3) the type of households, viz., elderly households, female-headed households with children, and those on public assistance. Public income transfers include the value of health care provided by the government, as well as cash transfers. All data are for 1990. We then present the changes in the Gini coefficients as taxes are collected and benefits are distributed.

Table 27: SOCIAL WELFARE EXPENDITURES AS THE PERCENTAGE OF THE NATIONAL INCOME, BY COUNTRY (1989)

| Country | Total | Social Security | | |
|------------------------------------------------------|-------|-----------------|------|-------|
| | | Health Care | | Other |
| <i>Expenditures as Percentage of National Income</i> | | | | |
| Japan | 14.0 | 5.4 | 7.1 | 1.4 |
| United States | 15.8 | 5.5 | 8.1 | 2.2 |
| United Kingdom | 22.3 | 6.0 | 9.4 | 6.9 |
| West Germany | 28.4 | 7.4 | 13.8 | 7.2 |
| France | 33.7 | 8.2 | 16.5 | 8.9 |
| Sweden | 44.2 | 11.8 | 16.6 | 15.8 |
| <i>Percentage Distribution</i> | | | | |
| Japan | 100 | 39 | 51 | 10 |
| United States | 100 | 35 | 51 | 14 |
| United Kingdom | 100 | 27 | 42 | 31 |
| West Germany | 100 | 26 | 49 | 25 |
| France | 100 | 24 | 49 | 26 |
| Sweden | 100 | 27 | 38 | 36 |

Source: Social Development Research Institute (1992).

Japan's system of taxes and transfers redistributes financial resources from the households with pretax pretransfer, annual incomes over ¥4,500,000 to those with annual incomes of less than that amount. (Japan's tax system exempts low-income persons and those on public assistance from paying social security taxes). At the lowest household income level, the average net transfer (transfers minus taxes) represents 3,255 percent of the pretax, pretransfer household income. At the second lowest household income level, it represents 161.8 percent of the pretax, pretransfer household income. At the other extreme, households with annual incomes over ¥10,000,000 give up 15.1 percent of their pretax, pretransfer incomes, or net negative transfers (see Table 28).

Taxes and transfers redistribute financial resources from the young to the old. Households headed by those aged 60 and over are net winners, whereas those headed by persons under age 60 are net losers. However, the degree of redistribution across generations is relatively mild. For the oldest group, net transfers increase the incomes of households headed by persons aged 70 and older by 45.9 percent. Conversely, non-aged households give up 7 percent to 9 percent of their pretax, pretransfer incomes, partly because a sizable proportion (13.1 percent in 1992) of households are three-generation households (Kosei Tokei Kyokai 1993), which mitigates the differential pretax, pretransfer income status of the young and the old (see Table 29).

Table 28: EFFECTS OF TAXES AND TRANSFERS ON HOUSEHOLD INCOME,
BY LEVEL OF HOUSEHOLD INCOME AND TYPE OF HOUSEHOLD
(Annual Figures, in ¥1,000, 1990)

| Household Income (in ¥1,000) | Income Before Taxes, Before Transfers | Income After Taxes, After Transfers | Net Transfers | Net Transfers (percentage) |
|---------------------------------|---------------------------------------------|-------------------------------------------|---------------|-------------------------------|
| All households | ¥5,177 | ¥5,202 | ¥ 25 | 0.5 |
| Less than 500 | 59 | 1,968 | 1,909 | 3,255.0 |
| 500-1,000 | 737 | 1,930 | 1,193 | 161.8 |
| 1,000-1,500 | 1,210 | 2,076 | 866 | 71.6 |
| 1,500-2,000 | 1,731 | 2,403 | 672 | 38.8 |
| 2,000-2,500 | 2,226 | 2,714 | 488 | 22.0 |
| 2,500-3,000 | 2,713 | 2,985 | 272 | 10.0 |
| 3,000-3,500 | 3,202 | 3,310 | 108 | 3.4 |
| 3,500-4,000 | 3,701 | 3,824 | 123 | 3.3 |
| 4,000-4,500 | 4,193 | 4,292 | 99 | 2.4 |
| 4,500-5,000 | 4,702 | 4,645 | -57 | -1.2 |
| 5,000-6,000 | 5,435 | 5,302 | -133 | -2.4 |
| 6,000-7,000 | 6,426 | 6,168 | -258 | -4.0 |
| 7,000-8,000 | 7,423 | 6,961 | -462 | -6.2 |
| 8,000-9,000 | 8,410 | 7,888 | -522 | -6.2 |
| 9,000-10,000 | 9,400 | 8,523 | -877 | -9.3 |
| Over 10,000 | 15,313 | 13,000 | -2,313 | -15.1 |

Source: Koseisho Daijin Kanbo Seisakuka (1990b).

Although the degree of income redistribution across household incomes and across generations is relatively mild, the degree of income redistribution for particular segments of

Table 29: EFFECTS OF TAXES AND TRANSFERS ON HOUSEHOLD INCOME,
BY AGE OF HOUSEHOLDER
(Annual Figures, in ¥1,000, 1990)

| Age of Householder | Income Before Taxes, Before Transfers | Income After Taxes, After Transfers | Net Transfers | Net Transfers (percentage) |
|-----------------------|---------------------------------------------|-------------------------------------------|---------------|-------------------------------|
| All | ¥5,177 | ¥5,202 | ¥ 25 | 0.5 |
| Under 30 | 3,042 | 2,818 | -224 | -7.4 |
| 30-39 | 4,865 | 4,503 | -362 | -7.4 |
| 40-49 | 6,094 | 5,581 | -513 | -8.4 |
| 50-59 | 6,680 | 6,184 | -496 | -7.4 |
| 60-69 | 4,456 | 5,321 | 865 | 19.4 |
| 70+ | 3,197 | 4,664 | 1,467 | 45.9 |

Source: Koseisho, Daijin Kanbo Seisakuka (1990b).

the population – elderly households, female-headed households with children, and those on public assistance – is considerably large. (Elderly households are not necessarily the same as the households headed by persons aged 60 and over shown in Table 29. In 1992, 11.8 percent of all households were “elderly households” – defined as households composed only of men aged 65 and over and women aged 60 and over, whereas 30 percent of all households were headed by persons aged 60 and over [Kosei Tokei Kyokai 1993; Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993]). The pretax, pretransfer income of elderly households increased by 120.4 percent thanks to these provisions; that of female-headed households with children, by 25.3 percent; and that of households on public assistance, by 159.4 percent. It is noteworthy that after taxes and transfers, households on public assistance were better off than was the general population of elderly households or female-headed households with children (see Table 30).

Table 31 presents the changes in Gini coefficients as taxes are collected and public income transfers are distributed. For comparative purposes, U.S. figures are also presented (U.S. Bureau of the Census 1992).

Compared with that of the United States, Japan’s distribution of pretax, pretransfer income is considerably more equal. However, over the years, it has become more unequal at a faster rate than in the United States. Thus, between 1981 and 1990, the Gini coefficient of pretax, pretransfer income increased from 0.349 to 0.433, or 24.06 percent, in Japan, but 0.466 to 0.490, or 5.15 percent, in the United States.

Table 30: EFFECTS OF TAXES AND TRANSFERS ON HOUSEHOLD INCOME,
BY TYPE OF HOUSEHOLD
(Annual Figures, in ¥1,000, 1990)

| Type of Household | Income Before Taxes, Before Transfers | Income After Taxes, After Transfers | Net Transfers | Net Transfers (percentage) |
|-----------------------------|---------------------------------------|-------------------------------------|---------------|----------------------------|
| All households | ¥5,177 | ¥5,202 | ¥24 | 0.5 |
| General households | 5,759 | 5,564 | -195 | -3.4 |
| Elderly | 1,298 | 2,861 | 1,563 | 120.4 |
| Female-headed with children | 2,203 | 2,761 | 558 | 25.3 |
| On public assistance | 1,445 | 3,749 | 2,304 | 159.4 |

Source: Koseisho, Daijin, Kanbo Seisakuka (1990b).

Table 31: EFFECTS OF TAXES AND PUBLIC INCOME TRANSFERS
ON DISTRIBUTION OF HOUSEHOLD INCOMES
(1981-1990)

| Year | Gini Coefficients | | % Reduction in Gini Coefficients | | | |
|------|-----------------------------------|---------------------------------|----------------------------------|--------------|------------------|-------------|
| | Before Taxes, Before Transfers | After Taxes, After Transfers | After Taxes, After Transfers | Due to Taxes | Due to Transfers | Due to Both |
| | | | <i>Japan</i> | | | |
| 1981 | 0.349 | 0.330 | 0.314 | 5.44 | 4.58 | 10.02 |
| 1984 | 0.398 | 0.382 | 0.343 | 4.02 | 9.80 | 13.82 |
| 1987 | 0.405 | 0.388 | 0.338 | 4.20 | 12.35 | 16.55 |
| 1990 | 0.433 | 0.421 | 0.364 | 2.77 | 13.16 | 15.93 |
| | | | <i>United States</i> | | | |
| 1981 | 0.466 | 0.434 | 0.358 | 6.87 | 16.31 | 23.18 |
| 1984 | 0.477 | 0.453 | 0.378 | 5.03 | 15.72 | 20.75 |
| 1987 | 0.488 | 0.458 | 0.382 | 6.15 | 15.57 | 21.72 |
| 1990 | 0.490 | 0.461 | 0.382 | 5.92 | 16.12 | 22.04 |

Source: Koseisho, Daijin Kanbo Seisakuka (1990b); U.S. Bureau of the Census (1992).

Note: Transfers include non-cash benefits, such as medical care.

In Japan, the redistributive effect of taxes and transfers combined has become considerably stronger over the years. Thus, the combined redistributive effect was 15.93 percent in 1990, compared with only 10.02 percent in 1981. In contrast, in the United States, the redistributive effect of taxes and transfers combined has been stable over the years, ranging from 20.75 percent to 22.04 percent.

Japan's tax system has become less redistributive, while Japan's transfer system has become more redistributive over the years: the change in the Gini coefficient attributable to taxes was only 2.77 percent in 1990, compared with 5.44 percent in 1981, whereas, the change attributable to transfers was 13.16 percent in 1990, compared with 4.58 percent in 1981. No such trend took place in the United States.

Japan's Gini coefficient of after-tax, after-transfer income was 0.364 in 1990, compared with 0.314 in 1981, indicating a 15.9 percent increase. Comparable figures for the United States were 0.382 in 1990 and 0.358 in 1981, indicating a 6.7 percent increase. These figures indicate the convergence, over the years, of the two countries' Gini coefficients of after-tax, after-transfer income. The ratio of the U.S. Gini coefficient to Japan's Gini coefficient decreased from 1.140:1 in 1981 to 1.049:1 in 1990.

VIII. CHILD WELFARE POLICY AND PROGRAMS

Japan has established an elaborate system of child welfare programs since the end of World War II. The system provides health care services to all preschool children, a national minimum income to children who fall into certain categories, and social services to children who are disabled or have become wards of the government because of juvenile delinquency.

In describing child welfare programs in Japan, we use the terms "social welfare", "social security", "social welfare services", and "public assistance" as Americans generally understand them (they are defined differently in Japan). In this section, unless specifically noted, children are persons under age 18. Dollar figures are also shown in yen equivalents based on the exchange rate of \$1 to ¥100 yen.⁴

The Japanese Constitution requires that the government guarantee a minimum standard of living to all people. Article 25, Clause 1, states: "All people shall have the right to maintain minimum standards of wholesome and cultured living." Article 25, Clause 2 states: "the State must make an effort to promote and expand social welfare, social security, and public health services to cover every aspect of the life of the people." To meet these constitutional requirements, the government since World War II has passed seven major

social welfare laws. These seven laws are the Daily Life Security Law 1946 (revised in 1950); Child Welfare Law 1947; Law for the Welfare of Physically Handicapped Persons 1949; Social Welfare Service Law 1951; Law for the Welfare of Mentally Retarded Persons 1960; Law for the Welfare of the Aged 1963; and Law for Maternal and Child Welfare 1964.

The Child Welfare Law of 1947 was considered the foundation for subsequent legislative actions for children. Related laws that followed were the Juvenile Law of 1948, Juvenile Institution Law of 1948, Child Support Allowance Law of 1962, Maternal and Child Health Law of 1965, Special Child Dependent's Allowance Law of 1966 (previously, the Severely Mentally Retarded Child Dependent's Allowance Law of 1964), and Children's Allowance Law of 1971.

The Child Welfare Law of 1947 also laid the philosophical foundation for public intervention on behalf of the nation's children. Article 2, Clause 1, states: "It is the responsibility of all Japanese citizens to ensure the maximum physical and intellectual growth of all children and to ensure that all children have basic economic security" (Koseisho, Jido Katei Kyoku 1988).

The Child Welfare Law of 1947 and related laws that followed provide for various programs of income support and health and social services for children. Below, the major programs are described.

Income Support for Children

Income support for children is provided through various programs, each of which targets a specific category of children. Through a unique blend of income tests, these programs are coordinated, enabling some families to benefit from more than one program.

1. **Children's Allowances.** The Children's Allowance Law of 1971 aimed to alleviate financial burden by providing children's allowances to third and subsequent children until they completed the ninth grade, which is compulsory. After changes in the law in 1985 and in 1991, the coverage of children and the amount of allowances were expanded, but the cutoff age was lowered. The intent of the 1991 law was to support all children at early stages of their development with a larger amount of allowances. Thus, in 1994, the year of the full implementation of the 1991 law, children's allowances were provided to all children under age 3. The amount of allowances was ¥5,000 (\$50) a month for first and second children and ¥10,000 (\$100) a month for third and subsequent children. These amounts were twice as large as under the 1985 law. In 1992, 2,574,000 households received children's allowances on behalf of 2,939,000 children (or about 63 percent of children under age 3) (Kosei Tokei Kyokai

1993; Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993).

These allowances are not universal as they are restricted to families whose income does not exceed a stipulated amount, which varies according to the number of dependents. For example, in 1993 the annual income ceiling of a family with three dependents (a family of 4) was ¥3,589,000 yen (\$35,890) (Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993). This income level was about 52 percent of the median income of working families in that year (Kosei Tokei Kyokai 1993).

2. **Child Support Allowances.** The Child Support Allowance Law of 1962 aids children who are not supported by their fathers and who do not receive children's benefits under the Old-Age, Survivors, and Disability Insurance (OASDI). This program, similar to Aid to Families with Dependent Children (AFDC) in the United States, aids families with children whose fathers are deceased, absent or incapacitated. However, it differs from AFDC in its philosophy and benefit structure, which are like a mothers' pension program. Its income test operates differently, there is little or no stigma attached to receiving allowances, and families with relatively high income remain eligible. Children are eligible up to age 18, or until 20 if the child is disabled.

In 1993, the first child received ¥38,860 (\$388) a month, the second child received ¥5,000 (\$50), the third and subsequent children received ¥2,000 (\$20) each. For the first child's allowance, an automatic cost-of-living increase was introduced in 1989. The provision of allowances involves an income test. For instance, in 1993, a family of two (one child and the mother) with an annual income lower than ¥1,929,000 received the full amount of allowances that the first child was entitled to (¥38,860). When the annual income was in excess of that amount but lower than ¥3,820,000, the allowance decreased by ¥12,850. When the annual income was higher than ¥3,820,000, no allowance was provided (Koseisho 1993d). When other persons, such as grandparents, who were legally responsible for supporting the child existed, their incomes were also included in the income test; however, in that case, the income thresholds were commensurably higher. In 1992, about 1.4 percent of all households received the allowances. Of the total recipient households, 86 percent were on this program because of divorce, and another 5 percent involved never-married women (Kosei Tokei Kyokai 1993; Koseisho 1993d).

3. **Special Child Dependent's Allowances.** The Special Child Dependent's Allowance Law of 1966 recognizes that families with mentally or physically disabled children experience added financial difficulties. To compensate for such difficulties, the program in 1993 provided a severely disabled child with a monthly allowance of ¥47,160 (\$461) and a moderately disabled child with a monthly allowance of ¥31,440 (\$314). Special child dependent

allowances are provided separately from dependent benefits for children under OASDI. That is, special child dependent allowances are provided in addition to benefits for children provided under OASDI as long as the family meets the income test in which benefits from OASDI are counted as income. However, children who receive dependent benefits under OASDI for the reason of disability (disabled children aged 18 and 19) cannot receive special child dependent's allowances. An automatic cost-of-living increase was instituted in 1989.

Mentally or physically disabled children under age 20 are eligible as long as they meet the income test. When a disabled recipient child lives in a family of four, for instance, the income threshold that makes the disabled child ineligible for the allowances was ¥7,121,000 (\$71,121) in 1993. If there are other persons legally responsible for supporting the child, their incomes are also included in the income testing. In 1992, about 0.4 percent of all children were receiving allowances. The ratio of severely disabled children to moderately disabled children was about 1.7:1 (Kosei Tokei Kyokai 1993).

It should be noted that disabled adults whose disability originated in childhood receive flat-amount (or first-tier) benefits under Disability Insurance, whether or not they have contributed to the system. Thus, the social security system now guarantees a basic benefit to all disabled adults, except those whose disability did not originate in childhood and who have not contributed to the system for a minimum required period. Disability Insurance and the Special Child Dependent's Allowance together guarantee a basic floor of income to virtually all disabled persons in Japan.

4. Children's Benefits under Old-Age, Survivors, and Disability Insurance (OASDI).

The social security system operates under the new National Pension Law of 1985. It takes a double-decker approach to providing benefits to eligible workers and their dependents. Insured self-employed workers receive only flat-amount (first-tier) benefits; insured employed workers receive both flat-amount benefits and earnings-related (second-tier) benefits. Benefits for dependents are flat-amount benefits; however, the primary surviving person (the spouse or the first child) of the insured, deceased worker receives a proportion of earnings-related benefits in addition to flat-amount benefits. Children are eligible for dependent benefits if they are under 18 years, and disabled children are eligible until they reach age 20. Flat-amount benefits of workers are a function of years of employment.

Under Survivors Insurance effective in 1993, surviving children received social security benefits as follows: when there was a surviving spouse, the first and the second children each received a monthly benefit of ¥17,708 (\$177), and subsequent children each received ¥5,900 (\$59). When there was no surviving spouse, the first child received a monthly benefit of ¥61,411 (\$614) – the same amount paid to a surviving spouse. The second child

received ¥17,708; each subsequent child received ¥5,900. As stated earlier, in both cases the primary surviving person of the deceased worker also received a portion (75 percent) of the earnings-related benefits that the worker would have received if he were alive and had retired.

Under Disability Insurance and Old-Age Insurance, children of disabled workers and retired workers received social security benefits. First and second children received a monthly benefit of ¥17,708. Each subsequent child received ¥5,900 yen. All social security benefits increase according to the rise in the consumer price index (Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993).

5. **Public Assistance.** Provided under the Daily Life Security Law of 1950, the public assistance program is the non-categorical residual income maintenance program. There are three national payment standards, which are applied to different prefectures according to the cost of living in the area. Standards of need are calculated on the basis of the sex and age of each family member, household expenses (which vary according to family size), housing aid, educational aid, medical aid, maternity aid, occupational aid, funeral aid and work expenses. When a child initially enrolls in elementary school or junior high school, a special one-time aid is provided to meet extraordinary educational expenses. When a family with children is headed by a female, an extra amount is added also. When a family on public assistance includes a disabled person, an additional amount is added on behalf of the person who is caring for the disabled person. The entire amount of children's allowances and a part of special child dependent allowances, discussed earlier, are disregarded from the calculation of public assistance payments. Income, net of disregarded allowances and disregarded income to cover work expenses, is counted yen for yen against public assistance payments. In 1993, a typical family of three (two parents and one child aged 4) with no income and living in a mid-level payment locale received a monthly payment of ¥152,471 (\$1,524). Assuming that families on public assistance use the entire assistance payment for consumption, the consumption level of families on public assistance is about 51 percent of that of 3-person families headed by an average worker. In 1992, 0.72 percent of the Japanese population were on public assistance (Kosei Tokei Kyokai 1993).

Loans for Female-Headed Families with Children

In addition to the elaborate system of income maintenance programs involving female-headed families with children, the government offers various low-interest loans under the Maternal and Child Welfare Law of 1964. Loans are granted for a variety of purposes such

as establishing or continuing a business; acquiring skills or vocational training; preparing for a new job; child-rearing, daily living, housing, moving and remarriage; the child's preparation for a high school education; and expenses for the child's high school and college education. Some loans, such as the one for establishing a new business, can be as much as ¥3,630,000 (\$36,300). Loans for children's educational purposes are as much as ¥44,000 yen (\$440) a month for a college student. No interest is paid on loans for education; 3 percent is paid for other loans. The duration of repayment ranges from 3 to 10 years. In 1991 alone, 59,520 women were granted loans, amounting to a total ¥15.7 billion (\$157 million). A less comprehensive system of low-interest loans exists for other low-income families.

Health and Social Services for Children

The government provides a wide range of health and social services to children to promote their optimal development. These programs are universal – benefits are provided, without an income test, to all children in certain categories.

1. **Health Services for Children and Their Mothers.** The Maternal and Child Health Law of 1965 provides health and related services to all children until they enter elementary school. Under the program, expenses are paid for medical services that are not covered under health insurance programs. Prenatal care, postnatal care, and subsequent periodic health check-ups are provided. Services by visiting nurses and physicians are provided to premature babies in their homes.

All women are required to report their pregnancy to local community health centers located in local welfare offices. There they are given health handbooks, in which they are required to maintain the results of health check-ups and diagnostic and treatment services until the child enters elementary school. Routine check-ups are given to all children at 3-6 months, 9-11 months, 18 months, and 36 months after birth, followed by routine, periodic check-ups specified in the handbook and required by law until the child goes to elementary school. When necessary, more comprehensive medical examinations are performed. Health check-ups of infants include special screening for metabolic malfunction and diseases. These periodic check-ups and special examinations are given at local community health centers. When necessary, children are referred to hospitals designated by the local welfare office. Medical care for premature babies and treatment for handicapped and chronically ill children are provided. Medical treatment for handicapped children lasts until age 20.

Periodic health check-ups are required by law, and their results are reported to the national government. Reporting at these intervals allows the government to detect abnormal

health conditions of children, for which immediate, outreach intervention is provided. The government can assess the health condition of an entire cohort of children, which makes it easy to make plans to enhance the health condition of children.

In addition, counseling on nutrition, health, family planning and parenting is provided. Workshops on child birth, child-rearing, and parenting are open to all women before marriage, after marriage, and after the birth of a child.

2. **Day Nursery Care for Children.** Under the Child Welfare Law of 1947, day nursery care is provided, until children reach school age, for children whose parents (such as single working mothers) or relatives cannot provide day care or children with a mental or physical disability. Recently, the coverage was expanded to include care for infants under age one, extended 12-hour care, and night care (until 10.00 p.m.). Fees are charged on a sliding scale. In 1992, there were 22,637 nursery care facilities – including public and privately-operated facilities, serving a total of 1.6 million children (Kosei Tokei Kyokai 1993). Fees that mothers pay are the same, whether they use public or private nursery care facilities. Private nursery care facilities operate under strict rules and regulations developed by the government, and are paid according to standard fees, minus the fees collected from the mothers of these children.

The dense living conditions in Japan make it all but impossible for parents to provide, on their own, play areas for children. For these reasons, the government has developed various types and sizes of children's centers and children's playgrounds. For example, a large-scale children's center provides classes on art, history and computers; an exhibit of scientific materials; a theater; a gallery; an indoor pool; and a short-stay dormitory. A typical children's playground is 200 square meters (roughly 2,200 square feet) and provides swings, a sand pit, a jungle gym, benches and bathrooms. Neighborhood mothers are encouraged to form mothers' clubs and children's clubs so they can use these grounds to the maximum benefit. In 1992, there were 3,217 public children's centers and 3,939 public children's playgrounds (Ibid.).

3. **Protective Services for Children.** Under the Child Welfare Law of 1947, child guidance centers, located in all prefectures and specially designated cities, are authorized to diagnose treatment plans for children who need protection for reasons of (1) mental or physical retardation, (2) undesirable environment and lack of care at home, or (3) antisocial behavior of children. The disposition of children by child guidance centers varies according to the ages of the children and the nature and severity of the children's problems.

Infants (under age 3) who need special care are placed in residential infant care facilities where they receive specialized medical, nutritional, and residential care. In 1993,

2,713 infants (or 0.07 percent of all infants under age 3) were living in 117 such facilities, 21 of which were public, and 96 private (Ibid.). Private facilities are paid by the government for the services they render in a similar way as private nursery care facilities are paid, as mentioned earlier. Older children and adolescents who need protection are placed in residential child care facilities that offer a protected living environment and opportunities to pursue athletic and academic interests. They commute from the facilities to regular schools in the community. In 1993, 530 such facilities (52 public and 478 private) were caring for 26,357 children (Ibid.). Again, private facilities are paid by the government for the services they render in a similar way as discussed earlier.

Child guidance centers pursue opportunities for foster care when appropriate. Families who provide foster care are registered with the national government. In 1992, 8,122 families were registered, and 2,159 families were actually providing foster care to 2,614 children, or 0.008 percent of all children (Ibid.). The number of registered families has been declining over the years, reflecting a growing unwillingness of families to provide foster care because of increasing housing costs and the expanding participation of married women in the labor force (Ibid.).

The disposition of delinquency cases by the child guidance centers depends on the age of the child and whether the child committed an unlawful act, such as larceny, arson and murder. Examples of lawful, but delinquent, conduct are bullying other children (*ijime*) and refusing to go to school. When the child is under age 14, he or she is sent to a residential educational facility, whether or not the child committed an unlawful act. When a child aged 14 or over commits an unlawful act, he or she is placed in a residential educational facility, a reform and training school, or a juvenile prison, depending on the severity of the unlawful act. A reform and training school differs from a residential educational facility in that the former attempts to reform juveniles by providing counseling services and other types of treatment such as vocational training, in addition to providing education, while the latter does not attempt to reform juveniles. The use of a reform and training school must always involve the family court; the use of a juvenile prison must involve the Ministry of Justice and the court. In addition, the child guidance centers have the authority to place juveniles who are likely to commit an unlawful act either in a residential educational facility (if the child is under age 14) or in a reform and training school (if the child is aged 14 or over). The use of a reform and training school must involve the family court. In 1986, 2,906 children were housed in residential educational facilities, 4,271 children in reform and training schools, and 71 children in juvenile prisons. The total number of children (7,248) in these three types of facilities was only 0.02 percent of the child population (Somucho Seishonen Taisaku Honbu

1986; Kosei Tokei Kyokai 1988). The Japanese government is now concentrating on after-care services for juveniles who return home from these facilities (Kosei Tokei Kyokai 1993).

4. **Residential Facilities for Mothers and Children.** Under the Child Welfare Law of 1947, female-headed families with children who the local welfare department considers are in need of a protected living environment are housed, at no charge, in residential facilities. The director of the local welfare department has the legal authority to place such families in residential facilities. A typical facility has apartments, a day care facility, a playground and a counseling office. Often, the director of the facility and the social service personnel reside at the facility. The objectives of residential facilities have changed over the years. Immediately after World War II, they offered housing to widows and children who had no other place to live. Now they house mothers and children who are estranged from their families because of divorce or birth out of wedlock, and teach social, parenting, and vocational skills, as well. In 1991, 325 such facilities provided services to 11,822 persons (Betaniya Home 1988; Sorifu, Shakai Hosho Seido Shingikai Jimukyoku 1993; Tokyo-to Shakai Fukushi Kyogikai, Boshi Fukushi Bukai 1985).

Special Services and Provisions for Disabled Children

Authorized by the Child Welfare Law of 1947, the Japanese government provides physically disabled children with a comprehensive package of goods and services. In serving these children, the government emphasizes early detection, immediate intervention and comprehensive care. To accomplish this objective, all physically disabled children are registered with local community health centers and given handbooks that ensure access to needed services and equipment at no charge. In 1991, there were 81,000 physically disabled children (or, 0.26 percent of all children) in Japan (Kosei Tokei Kyokai 1993).

Physically disabled children are given diagnostic services at local community health centers. They are also given consultation services regarding their right to medical treatment and equipment at the public's expense and are referred to appropriate institutions for further medical and rehabilitative services. Medical treatment is provided at 2,800 hospitals and other medical facilities, both of which are designated by the Ministry of Health and Welfare. Prosthetic appliances provided free of charge include artificial limbs, prostheses, wheelchairs, hearing aids and crutches.

Various types of institutions treat physically disabled children. They include homes for children with disabled limbs and bodies, homes for children with muscular dystrophy, homes for blind and deaf children, and homes for severely disabled children. In 1991, about

19,000 children (or, 0.06 percent of all children) were institutionalized (Ibid.).

For physically disabled children living at home, special equipment is provided to facilitate their daily living. Such equipment includes specially designed bathtubs, toilets and beds. Home helpers are dispatched as needed (Somucho, Seishonen Taisaku Honbu 1993.)

Mentally retarded children receive a similarly comprehensive package of services. To implement the policy of early diagnosis and treatment, the government provides a screening test for phenylketonuria (PKU) and health and social services to the mentally retarded. Also, as stated earlier, all newborn babies are screened for congenital metabolic malfunctioning, such as PKU and cretinism, and given urine and visual examinations. Guidance and counseling services are provided at child guidance centers, welfare offices and consultation centers for the mentally retarded. The national government provides special subsidies for municipal governments to provide day care services and develop educational camping programs for mentally retarded children. Home helpers are available for families with severely mentally retarded children. In 1990, 100,000 children (or, 0.32 percent of all children) were mentally retarded (Kosei Tokei Kyokai 1993).

It is important to recognize that the Japanese government's concerted effort to provide disabled children with goods and services is integral to its policy of providing adequately for the entire disabled population. Disabled adults are entitled to a similarly comprehensive array of goods and services and more. Adult disabled persons receive special tax exemption, waiver of resident taxes, waiver of fees for public radio and television, specially designed public housing, and low-cost loans to improve homes. National and local rehabilitation centers provide rehabilitation and vocational training to adult disabled persons so they may become physically and economically independent. Sheltered workshops of all kinds are available as well. Necessary equipment and prosthetic appliances are provided free of charge. Finally, the national government subsidizes local governments' efforts to train the disabled and volunteer and professionals' efforts to improve the quality of life of disabled persons (Japanese Society for Rehabilitation of the Disabled 1983).

Analysis of Child Welfare Programs in Japan

Japanese policymakers emphasize prevention. The preventive approach is clearly reflected in required health check-ups for all children, which continue until children enter elementary school. The elaborate loan system for female-headed families not only helps them to rejoin the mainstream of society but prevents them from becoming a public charge.

The preventive approach is possible partly because many programs take a universal

approach to providing benefits without an income test. Other programs such as the Child Allowance program, the Child Support Allowance program, and the Special Child Dependent's Allowance program are quasi-universal in benefit provision, even though they use income tests, because they have relatively high income ceilings and provide flat-amount benefits to families whose incomes fall within a certain range. Programs that take a universal or quasi-universal approach to providing benefits are effective in preventing poverty because such programs, by design, can reach out to the targeted groups of recipients before they become poor.

The Japanese income-support programs are effective in preventing child poverty. In part, their effectiveness is attributed to how the Japanese social security program provides for children. As described earlier, the program gives flat-amount benefits to all children of the insured worker without subjecting the beneficiary family to maximum family benefits practised in the United States. In addition, the provision of demogrant-type allowances for disabled children and flat-amount social security benefits for disabled adults whose disability originated in childhood is an effective tool for making the entire disabled population in Japan virtually poverty-free. Finally, three layers of allowances for children are effective in preventing families with children from becoming poor.

Even though many programs provide relatively high levels of benefits in comparison to those of the United States, Japanese policymakers seem unconcerned about work disincentive effects. This is attested to by the fact that the income support programs for children have relatively high income ceilings in comparison to the median annual family income, which was ¥6,763,056 (\$67,630) in 1992 (Kosei Tokei Kyokai 1993), and that these programs incorporate "level-income tests", instead of sliding-scale income tests widely used in American income support programs. Programs with level-income tests provide the same amount of benefits to all families who fall within a certain range of income, creating a notch problem at the top of that income range. A notch problem is created when families who earn one more yen through work in excess of the maximum income in that range will lose all benefits, making such families worse off than before they earned that one extra yen. Thus, the notch problem is associated with the issue of work disincentives. Nonetheless, Japanese income support programs for children use level-income tests, which potentially create work disincentives.

That the Japanese are not as concerned about the work incentive issue as are Americans may have to do with the persistently strong economy in Japan. When the economy is strong, those who are able to work can participate in the labor market and become self-sufficient. As a result, able-bodied adults can be effectively excluded from the

pool of recipients of public income support. When these adults are excluded, there is no ground to raise the work incentive issue. Furthermore, when the economy is strong, taxpayers can afford to pay higher taxes for income support programs and can still improve their living standards. When their economic lot is better, they pay less attention to those who are supported by public income support programs. Finally, taxpayers are relatively indifferent to the issue of work incentives because the aggregate amount of fiscal resources that is used to redistribute income through transfer programs is relatively small in Japan, in comparison to that in other industrialized countries.

Female-headed families are not looked at with disdain and scorn, as is often the case in the United States. The special provisions for them indicate that Japanese society does not consider them potentially permanent social dependents. Rather, the society seems to be sending a message that not only are they welcome to get back into the mainstream – the world of work – but that the society is ready to help them do so.

The effectiveness of child welfare programs should not be measured in isolation. These programs can focus effectively on problems of children because programs outside the child welfare sphere deal effectively with the general problems of health and income security. For example, the Japanese system of national health insurance programs virtually guarantees the entire population access to needed health care. Thus, health care programs for children can target their resources to deal with disabilities and illnesses that are uniquely related to childhood.

The foregoing discussion indicates that child welfare programs effectively provide health care services to all preschool children, income support to children who fall into certain categories, and social services to children who are disabled or who need protection. However, they do not meet the emerging needs of normal families with children whose lives are increasingly trapped in the triangular complex of education, the merit system and recruitment. Furthermore, income transfer programs merely provide a national minimum income to children and, therefore, are insufficient to abate the erosion of the relative economic status of children.

Thus, for policymakers to meet the challenge of *shoshi shakai*, they must make a conceptual breakthrough about the nature of the welfare state in Japan. Japan's welfare state has meant the societal commitment to provide health care for all and to assist the elderly and the disabled with income support and social services. With only a fraction of the social welfare expenditures devoted to programs for children, the Japanese government has provided (1) services to special categories of children who need services on the basis of diagnostic criteria and (2) differential national minimum incomes for children, depending on

which categories children belong to. In the future, the welfare state must focus on redistribution from families without children to families with children. On the service front, the issue will be how best to assist normal families with children so they can have as normal a life as possible.

IX. TOWARD A CHILDREN-CENTERED SOCIETY

Japan is obsessed with the problems that *shoshi shakai* is expected to create. The public and the government recognize that addressing them requires a major national commitment to building a new welfare state.

There are signs that the Japanese indeed are articulating a vision of a new type of society. Leaders from business, labor, academia, media and the arts in June 1994 issued a report, *Visions for Social Welfare in the 21st Century*. The report proclaimed that the costs for and the task of nurturing children should be the responsibility of the entire society; that having children should not disadvantage people in work and in cultural and civic activities; that families with children should not be at a financial disadvantage in acquiring homes; that the educational system must be reformed so children are not pressured into studying merely to pass exams; and that business establishments should develop new employment policies that address the support and care of children as their central issues, such as flextime, shortened work hours, day care centers at the business site, and guaranteed reentry to previous jobs, together with the job training needed for reentry. The committee's report advocates community-based social services to assist families with children in solving their daily problems. To expand public expenditures for social services vastly, the report recommended that the share of total social welfare expenditures that is devoted to programs that fall under the category of "other", which includes all child welfare programs, should be increased from the current 10 percent to 20 percent by 2025.

The Office of the Prime Minister created an Interministerial Committee that, in June 1992, issued a report, *Developing a Better Environment for Raising Children*. It enunciated four goals: (1) to establish a better balance between work and family, (2) to improve the living conditions of families, (3) to support children, and (4) to initiate a national movement for public education on strategies to address the problem of *shoshi shakai* (Inter-Ministerial Committee on the Development of a Better Environment for Children 1992; Kosei Tokei Kyokai 1993).

- *Establishing a better balance between work and family*. The committee recommended that

the number of days and hours of work per week be shortened; that the Family Leave Act of 1992 be strengthened; that a comprehensive child care system, which includes care for sick children and child care at night, be developed and/or expanded; and that a course on family science be required for both male and female students in junior and senior high schools, so future generations of men can play a larger role in taking care of their children.

- *Improving the living conditions of families.* The committee also recommended that a comprehensive program should be established to enable families with children to acquire land and housing without undue financial difficulties; that special consideration should be given to families with children – especially those with a large number of children – to live in public housing located in metropolitan areas; that the government should diversify the use of land to meet the needs of families; that more playgrounds and children’s centers should be built; and that public facilities should better meet the needs of children by building, for example, “baby rooms” and “baby cars.”

- *Supporting children.* The committee recommended that the educational system should be made more flexible and more responsive, that individual-based education should be developed, that more elective courses should be offered, that classes should be limited to 40 students, that the school week should be five days, and that extracurricular volunteer activities should be encouraged. The committee also recommended that the financial burden of parents should be mitigated by increasing children’s allowances (which was done in 1992), that the copayment for medical treatment of children under the national health insurance should be lowered, and that the scholarship system for kindergarten children should be expanded. In addition, the committee suggested that medical and social services for pregnant women, prenatal care, and postnatal care should be improved, that all cities and townships should provide such services, and that the operation of child guidance centers and child care centers should be improved.

- *Initiating a national public education movement.* The committee recommended that steering committees be established across the country to create a better environment for children, that public forums on family education be conducted across the country, and that good songs about infants and children should be solicited and broadcast.

In addition, the Bureau of Children and Families of the Ministry of Health and Welfare developed a steering committee to develop communities in which families can be a vibrant institution and in which children can be strong and healthy. Future child welfare programs will establish all types of readily accessible services for families with children. Such services would include 24-hour hotline services to connect families to relevant services – services for withdrawn children and those who refuse to go to school and professional

services in counseling, in family therapy, and in physical and psychological treatment of children (Matsubara 1994).

All these initiatives signal a strong commitment to change public policies to provide better living conditions for families with children. As such, they are a great step forward. Specific recommendations made by these committees should be studied toward implementation in whole or in part. No doubt, these recommendations, if implemented, would improve the quality of life of families with children.

However, they still would not alleviate the problems that many women are facing in the workplace. How can women pursue careers and have families at the same time? Why can't they participate in *sogoshoku* (comprehensive employment) and still form families and have children, just like men can? Ultimately, corporate Japan has to find answers to these questions.

The mandate for Japan's future actions is clear. Japan needs to use its resources to equalize the quality of life and the standards of living between families without children and families with children and to maintain a decent minimum standard of living for those who are on the bottom of the economic ladder. The former requires the horizontal redistribution of resources, and the latter requires the vertical redistribution of resources. Maintaining a decent minimum standard of living as a national goal will be increasingly important as the divorce rate continues to rise and more children live with single parents.

Policymakers should consider a package of income support programs to accomplish the horizontal and vertical redistribution. First, children's allowances should be further increased and should be made universal. Second, the earned income tax credit (EITC), such as the one that is implemented in the United States (U.S. House of Representatives 1994), should be adopted. Under the EITC, an individual or a couple could claim a percentage of earnings as a tax credit for children that varies according to the number of children – one or two or more children. At a certain threshold, the EITC begins to phase out, so it eventually becomes zero. The combination of children's allowances and the EITC could constitute a double-decker scheme of income support for children. On the bottom would be children's allowances, providing a basic floor of income to all children, and on the top would be the EITC, providing higher tax credits to high-income families, up to a point. Thus, this double-decker scheme could accomplish horizontal and vertical redistribution simultaneously: providing a basic floor of income to all children and redistributing income horizontally from childless families to those with children.

A tax credit for child care, such as the one implemented in the United States, would further benefit working families with children. Under this tax credit, working families can

claim a percentage of child care expenses – subject to a maximum – as a tax credit. Such a credit would help mothers continue to work without incurring undue financial burden of child care.

One way to mitigate the financial burden to pay for *juku* would be to let taxpayers claim a percentage of the *juku* tuition as a tax credit. The percentage should vary inversely with income level. However, this seems to be only a short-term solution. To find a long-term solution, the Japanese public must debate and come to an agreement about the fundamental goal of education and the country's approach to educating children. Finding such a solution would require a cultural revolution.

As Japan enters the highest level of industrialization in the world, the traditional division of labor between men and women will no longer exist. Men will no longer have the relative economic advantage in the labor market because the highly developed economy will demand skills and knowledge that transcend gender differences (Becker 1981; O'Neill 1994). In such an economy, the individual will increasingly be the entity for production and consumption. As a result, many economically capable individuals will consider it in their interest not to form families and not to have children, which will be akin to a death sentence for a society that does not permit immigration. In this way, the interests of individuals and of the society will diverge. Thus, it would be to the benefit of the Japanese society to encourage and assist, in a variety of ways, persons to form families and to have children.

ENDNOTES

1. Since 1990, Kokumin Seikatsu Doko Chosa (Basic Survey on People's Living), has used a smaller sample than has Kosei Gyosei Chosa (Basic Survey for the Health and Welfare Administration), the forerunner of Kokumin Seikatsu Doko. Because of the smaller sample used in the survey, it has been informally recognized among governmental officials connected with the survey that in the 1990 survey, disproportionately more low-income households were included in that survey, compared with those in pre-1990 surveys (see Preston and Kono 1988). As a result, average expenditures for 1990 were underestimated to some degree. However, because the intent of Table 12 is to compare the level of expenditures for persons of different ages, the underestimation of the 1990 average expenditures does not result in a biased interpretation of the data.
2. Since the 1990 average expenditures were underestimated, the percentage of persons living in households with the ¥150,000 expenditures may be overestimated to some degree. See Endnote 1.
3. In 1992, average annual household income was ¥6,766,260; so these expenses amount to 1.5 years of average household income.
4. Income ceilings applied to income tests relate to gross annual income, which includes bonuses. Key Japanese terms are translated according to the *Social Welfare and Related Services Glossary: English-Japanese Japanese-English Dictionary* (Nakamura, Kojima, and Thompson 1981).

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