

**The Comparative Impact of Family Policies in
Sweden and Japan**

Ida Puskas-Seeboeck

Thesis submitted to the faculty of the Virginia Polytechnic Institute and
State University in partial fulfillment of the requirements for the degree of

Master of Arts
In
Political Science

Deborah J. Milly, Chair
Ilja A. Luciak
Charles L. Taylor

May 3, 2010
Defense: Blacksburg, VA

Keywords: family policy, fertility rates, women, Japan, Sweden

Copyright, Ida Puskas-Seeboeck

The Comparative Impact of Family Policies in Sweden and Japan

Ida Puskas-Seeboeck

ABSTRACT

What impact do family policies have on women's ability to have a family and participate in the labor market? Drawing on two cases, Japan and Sweden, I will identify different patterns of family policies' impact on fertility rates and women's participation in the labor market. Comparing the countries of Japan and Sweden, I ask how family policies influence choices about family and work life. Within this context, I will highlight the similarities we can find in both countries. Japan and Sweden are both industrialized nations with highly-developed economic structures and people enjoy high living standards. In both countries, we can also find similar elements of family policy. The three types of policies I study, (child allowances, parental leave legislation, as well as the establishment and expansion of childcare institutions) exist in both countries. At the same time, Japan and Sweden differ in the historical patterns of family roles reflected in each country's family policy framework. Due to these particular differences, the two countries show different outcomes concerning fertility rates and women's labor market participation. In my paper, I will closely examine the relationship between the existing circumstances and women's decisions in this context.

Acknowledgements

Writing this thesis has been one of the greatest challenges in my educational career so far. I would like to thank all people involved for giving me the necessary support to complete this research project. I would like to thank Dr. Milly for her guidance and remarkable dedication to her work. I also would like to thank Dr. Luciak and Dr. Taylor for their valuable contributions that lead to the completion of my thesis work. My mother has also supported me tremendously, I would like to thank her for taking care of my little daughter Elena, so that I was able to entirely dedicate myself to my studies. Without her help, I would have never been able to achieve a successful completion of all requirements involved. As I want to go on dedicating my career to project work in international surroundings, the Master's degree from Virginia Tech University is of enormous importance to me. The entire program has offered me a deep insight in the various concepts of Political Science and all the interaction and communication with professors and other students has provided me with a broad range of views with regard to international aspects. The international experience I have been able to gain during my Master's studies at Virginia Tech University, is definitely something I can benefit from in my future career.

Table of Contents

Abstract	1
Acknowledgements	iii
Table of Contents	iv
List of Tables	v
Chapter 1: Introduction	1
Research Question.....	1
Methods.....	3
Chapter 2: State of Research on Fertility and Women’s Labor Force Participation	7
The modern welfare state as a possible explanation for declining fertility.....	9
Culture Factors.....	11
Governmental Policies to Support Families.....	12
Chapter 3: The Case of Japan	16
Long term Trends.....	16
Employment Practices and Family Choices.....	20
The Development of Family Policies.....	22
Child Allowances.....	25
Childcare Institutions.....	27
Parental Leave.....	29
The Impact of Policy on Women’s Choices.....	30
Chapter 4: The Case of Sweden	35
Long term Trends.....	35
Employment Practices and Family Choices.....	37
The Development of Family Policies.....	38
Child Allowances.....	41
Childcare Institutions.....	42
Parental Leave.....	43
The Impact of Policy on Women’s Choices.....	45
Chapter 5: Conclusion	47
Works Cited	60

List of Tables

Chapter 1

Table 1: Fertility Rates and Women's Labor Market Participation in Industrialized Countries (2007).....	4
---	---

Chapter 2

Table 2.: Fertility Rates and Women's Labor Market Participation Rates in Sweden and Japan over Time.....	8
---	---

Chapter 3

Table 3: Fertility Rates and Family Policy Changes in Japan.....	19
--	----

Chapter 4

Table 4: Fertility Rates and Family Policy Changes in Sweden.....	36
---	----

Chapter 5

Table 5: Family Policies in Sweden and Japan Compared.....	49
--	----

CHAPTER 1

Introduction

What impact do family policies have on women's ability to have a family and participate in the labor market? The increase of women's workforce participation rates in recent years has occurred together with a reshaping of family policy. I argue that family policies have considerably affected fertility rates and women's participation in the labor market. I base my argument on the cases of two countries, Japan and Sweden, for which I identify different patterns of family policies' impact on fertility rates and women's participation in the labor market. In Japan, which has lacked substantial government policies for working mothers until very recently, fertility rates have been very low. In contrast, in Sweden, which has a well-developed parental leave system and a variety of generous allowances for parents of children, high fertility rates have occurred together with high female labor participation rates for decades.

Theoretical Approach

Family policies do not make up a single specific policy area. Furthermore, since family policies respond to family structures that may vary in different cultural settings, it is difficult to clearly define this policy area. Family policies rather comprise a variety of different policies, such as maternity policies, parental-leave policies, child-care policies, or family law. They are often incorporated into other policy areas and may thus be spread over a number of policy fields that differ historically and institutionally, such as health care, social security, housing, welfare, taxation, civil law, and so forth (Neyer and Andersson 2007).

As well, cross-nationally, family policies are not necessarily the same, because they respond to conditions in a specific country and particular cultural setting. Whether or not family policies are effective for influencing fertility rates ought to depend on how they fit

with other conditions, such as labor market practices and generally accepted gender roles. This implies that if we want to investigate the effects of family policies on demographic behavior, we also need to consider the effects that family policies have on creating, maintaining, or altering social, gender, race, class, and other relationships in society (Neyer and Andersson 2007).

The approach that I take here is that family policies are mechanisms that intervene between historical patterns of welfare state development or cultural dimensions of contemporary countries to influence family choices and women's labor market participation. The post-war woman was assumed to be a housewife, and the male a "standard production worker," meaning a semi-skilled, manufacturing worker who is sole provider of family income and social entitlements. The post war welfare regime was further built on a life course prototype: women would cease work with marriage and childbirth, and thus be available to care for, first, children and, later, aged parents (Esping-Andersen 1999, 29). These post-war features do not exist anymore. Due to the variety of labor market structures that now exist, the effects of family policies on fertility rates and childbearing behavior have to be studied within a broader social, political, economic and normative context. Through using comparative study of two country cases, I will examine the impact of family policies in these broader contexts.

What is the general relationship between family policies, fertility rates and women's labor market participation? Along with the transformation of the welfare state and the decline of state-provided social security, fertility rates in most industrialized countries have declined. Family policy, fertility rates, and women's labor market participation arguably can have a variety of influences on each other, with several possible outcomes. Without family policies, if women work, fertility rates could go down, as women choose to devote themselves to activities outside the home. However, providing family policies could encourage women to remain in the labor market. In the absence of family policies, women may choose to work rather than have children. It could also be the case however, that family policies could cause

fertility rates to stay high and women's labor market participation to either remain low or decline. In other words, certain policies might encourage women to stay home with their children rather than convince them to return to the labor market. An additional possibility is that both factors, fertility rates and female labor participation rates, could stay high. For instance, this could occur if the country could offer a comprehensive family policy framework that focuses on women's return to work soon after childbirth, but that also provides considerable support in the area of childrearing.

Whether and how family policy affects fertility rates and women's labor market participation should depend on the focus of the policy framework. Some countries, such as France, concentrate on setting up family policies that enable women to return to work as soon after they give birth. Other countries, such as Austria and Germany, put more focus on maintaining family structures and emphasize policies that encourage women to stay at home and raise their children.

For this thesis, I am going to focus on two very different countries that will highlight how family policies complement one another and work within the particular country setting to influence behavior. By examining particular forms of family policy, such as childcare allowances, parental leave benefits, and childcare institutions, I will show how Swedish and Japanese family support policies differ in crucial aspects and that the policies affect how women combine family and participation in the labor market.

Methods

To assess how family policies influence fertility rates and women's ability to combine a family and participation in the labor market, I use a comparison of the countries of Japan and Sweden. I ask how family policies influence choices about family and work life. In both countries, we can find certain similarities. Japan and Sweden are both industrialized nations with highly developed economic structures and people enjoy high living standards. In Japan,

as well as in Sweden, we can find similar elements of family policy. The three types of policies I study here exist in both countries, namely child allowances (a monthly financial assistance for mothers or families), parental leave legislation (maternity leave policies for working mothers and fathers, as well as benefits given to them as an income replacement), and childcare institutions. At the same time, Japan and Sweden differ in the historical patterns of family roles in which each country's family policies are situated. Furthermore, the two countries have different outcomes in their fertility rates and women's labor market participation.

As seen in table 1, in an international comparison, the fertility rate and the rate of female labor market participation in Japan is remarkably low. Comparatively, Sweden possesses rather high fertility- and female labor participation rates.

Table 1. Fertility Rates and Women's Labor Market Participation in Industrialized Countries (2007)

Country	Fertility Rate	Rate of Women's Labor Market Participation
Japan	1.32	66.9
Switzerland	1.44	80.2
Canada	1.54	74.4
Belgium	1.80	60.7
Finland	1.83	74.5
United Kingdom	1.84	69.2
Sweden	1.85	77.8
France	1.98	63.4
USA	2.10	70.4

Sources: Organization for Economic Co-operation and Development (OECD) 2009. *OECD in Figures 2009*, Paris, France: 10, 30.

For the two countries, I especially examine how policies of child allowances, parental leave, and child care institutions are supportive of women's choices to have a family and continue to be part of the labor force. I examine the long term patterns of fertility and women's labor market participation in light of the availability of family support policies. Further, I ask a) how each family policy specifically relates to women's ability to have a family and participate in the labor market in each country; b) how political dynamics have

influenced the adoption of family policies; c) whether and how family policy has been structured to favor women's ability to combine childbirth and labor in each country; d) how family policy has or has not responded to social and economic change in each country. I hypothesize that the differences in Japan's and Sweden's family policy framework have influenced each country's fertility rates and female labor participation rates.

To conduct this research, I have relied almost entirely on English-language sources in the form of government white papers and other official documents and data; scholarly analyses, and social survey data. Government documents for Japan that have been especially important include governments white papers, such as the White Paper on Gender Equality 2009 and data provided in Annual Reports provided of the Ministry of Health, Labor and Welfare. For my research on Sweden, I have especially relied on scholarly work.

The Plan of the Thesis

To make my analysis, I have organized the thesis in the following way. Chapter 2 discusses possible explanations for contemporary fertility rates and women's labor force participation. Within this context, the chapter elaborates on historical patterns of fertility rates and women's labor market participation; it considers possible explanations for the phenomenon of declining fertility rates, such as the modern welfare state, cultural factors, and governmental support policies for families. Chapter 3 analyzes the case of Japan. It describes long term fertility rates and women's patterns of labor market participation. It then examines the historical development of family policy. Within this context, it highlights particular elements of Japanese family policy and their relationship to women's choices to have children and participate in the labor market. Similarly, Chapter 4 looks at the long term fertility rates in Sweden, describes the historical developments of Swedish family policy, and examines the same set of policies connected to fertility rates and female labor market participation in

Sweden. The concluding chapter compares the two systems of family policy in Japan and Sweden and it identifies the different outcomes of these policies related to women's decisions to have children and participate in the labor market. It further analyzes the advantages and the disadvantages of each family policy framework.

Chapter Two

Explaining Fertility Rates and Women's Labor Force Participation

What explains women's choices to combine having a family with participation in the labor market? With the increase in double-income households in industrialized countries, the number of women who wish to continue working after they have a child is growing. In Japan, where fertility rates have been in decline, roughly two-thirds of women quit their jobs after giving birth (Ministry of Health, Labor and Welfare 2001). In Sweden, however, fertility rates have remained relatively stable, and women's labor force participation rates have been high during the last two decades.

Within the context of long term perspectives, fertility rates in the two countries also differ. In Japan, fertility rates started declining sharply around 1950, when the first baby boom after the war was over. After going down to slightly over 2 in the mid-1950s, the rate remained mostly stable until the mid-1970s. Subsequently, it started declining again and, as seen in Table 2 below, has overall tended to decline to the present (see also Annual Report on Health and Welfare, 1999). In Sweden, after having been at replacement level in the 1940s, the fertility rate fell to just above 1.6 by the 1960s, when birth rates were high in the Anglophone world. Yet during the late 1980s and 1990s, fertility rose to 2.14, the highest in Europe. By 2000, however, this rate had fallen again to 1.65 (Morgan 2006, 14).

Table 2. Fertility Rates and Women's Labor Market Participation Rates in Sweden and Japan over Time

Year	Sweden				Japan			
	Fertility Rate	Women's Labor Market Participation			Fertility Rate	Women's Labor Market Participation		
		Total	25-29	30-34		Total	Total	25-29
1980	1.7	62.0	84.3	86.3	1.8	47.6	54.1	50.6
1985	1.91	61.2	86.9	88.7	1.8	48.6	54.1	50.6
1990	2.1	63.2	86.5	90.3	1.5	50.1	61.4	51.7
1995	1.7	59.1	80.9	84.6	1.4	49.9	66.4	53.7
2000	1.5	59.1	78.9	84.4	1.4	49.2	69.9	51.7
2005	1.8	58.7	78.4	83.9	1.3	48.3	74.4	62.6
2010	1.9	57.7	78	83.6	1.3	47.1	77.6	67.7

Source: International Labor Organization (ILO) 2010. URL: <http://data.un.org>

The general trend of declining fertility rates may be associated with difficulties in combining career and family obligations. As the number of women participating in the labor force has risen and double-income households have increased in industrialized countries, the number of women who wish to continue working after they have a child, is growing. As seen in Table 2, Sweden and Japan of the last three decades have experienced different outcomes. Despite some fluctuations, Sweden has managed to maintain stable fertility rates since the 1980's, whereas fertility rates in Japan have continued to decline. In Japan and Sweden, women's participation in the labor market differs. Female labor participation in Sweden has been always high. In 1994, the participation of Swedish single mothers in the labor market was 70 % and for married and cohabiting women it was 79 % (Morgan 2006, 40). As we can see from table 2 above, women between the age groups of 25 and 34 have always participated in the labor market in high numbers. Japan women are more likely to stop working to have a family; however, in recent years, changes have been occurring. As table 2 shows, women in the age groups of 25 and 34 have increasingly entered the labor market since the 1980's.

Although today, female labor participation rates in both countries do not differ extensively from one another, Japan's fertility rate is much lower than the one in Sweden. Why is this the case? Some explanations that might account for these differences are

differences among modern welfare states, cultural factors, and the government policies to support families.

The Modern Welfare State as a Possible Explanation for Declining Fertility

One explanation that could account for the general decline in fertility is the development of the modern welfare state. Esping-Andersen's book *Social Foundations of Postindustrial Economies* discusses the revolutionary transformations in relation to labor markets and families in our current century (Esping-Andersen 1999). One of the greatest dilemmas the welfare state faces, is its inability to achieve a successful combination of labor markets and families. Due to growing job insecurity and the diminishing returns in social benefits – a by-product of the modern welfare state, people are oftentimes struggling to survive and women consequently abandon their wishes to have children.

Today's women are now an essential component of a nation's full employment structure, but contemporary welfare states and labor market regulations have their origins in a society that does not reflect this. Welfare regimes originated in an economy dominated by industrial production with strong demand for low-skilled workers; a relatively homogenous and undifferentiated, predominantly male, labor force (the standard production worker); stable families with high fertility; and a female population primarily devoted to housewifery. Welfare regimes are built around a set of egalitarian ideals and risk profiles that predominated when our parents and grandparents were young. If we wish to understand the travails of welfare regimes today, we must begin with the recognition that the risk structure has changed dramatically (Andersen 1999, 5). As a consequence, current welfare states do not necessarily harmonize women's family and labor market roles.

In Esping-Anderson's typology of welfare regimes, broad differences exist according to the role played by family in the welfare mix. The Northern European states, for instance, have been favoring flexible employment adaptation through the promotion of full

employment schemes. In contrast, Southern Europe reflects an implicit familism in labor market management and focuses on the safeguarding of the male bread-winner's career stability. In our modern welfare state however, families in these different welfare regimes are facing the same dilemma – namely the increasing difficulties and obstacles in relation to the harmonization of working careers and family obligations. Esping-Andersen clearly asserts, “family welfare, in other words, depends on the bread-winner” (Andersen 1999, 18). Depending on how the welfare regime is structured, including the caregiving roles expected of women and labor market practices, women may find themselves outsiders to the labor market. Conversely, as women have increasingly entered the workforce, many have delayed or abandoned the decision to have children.

What does this explanation predict for Japan and Sweden? Esping-Andersen is not very clear on how the different welfare regimes will handle pressures that exist in welfare states today. Instead, he merely discusses the necessity of “a better conception of what, today, drives family behavior and service employment” (Esping-Andersen 1999, 5). Esping-Andersen sees the previous regimes that were established as laying the basis from which states develop new responses. As, according to Esping-Andersen (1999), “the household economy is alpha and omega to any resolution of the main postindustrial dilemmas,” we can conclude that, according to his explanation, the household economy will influence how the welfare regime will respond.

This means that, in the case of Sweden, the approach towards a welfare regime that has been developed in the changing Northern states, namely that its emphasis on the nation's full employment structure will be applied to new pressures. In other words, this means that women will keep working. For familistic states, such as Southern Europe and Japan, Esping-Andersen does not offer any predictions on how they will respond to the new challenges.

Culture Factors

Some other factors that could be related to differences in women's labor force participation and family structures are cultural factors, including gender roles. Countries that still favor different gender roles in the household show relatively low rates of female labor market participation. In contrast, gender gaps in labor force participation have been shrinking in countries where women are increasingly entering the workforce. In Japan, gender roles are still very distinctive. For a long time, Japanese women have been perceived to be the family care-takers, rather than the breadwinners. Despite Japan's economic transformation, gender roles have resisted change. The value placed on motherhood, for instance, has been very high, and a mother who devotes herself primarily to developing the potential of her children, fosters the economic productivity of the nation by producing disciplined, well-educated workers (Boling 1998, 187). However, women's own behavior and attitudes are significant as well - namely because many women feel fulfillment and happiness by staying at home and playing an active role in raising their children, in Japanese called "kotobuki taisha" (resignation with congratulations). In discussing this pattern, K. Okano, in his book, *Young Women in Japan, Transitions to Adulthood*, recounts that "many women gave up work when they married or had children, although employers often did not impose such restrictions. Female university graduates also followed this path. They learned of "kotobuki taisha" (Okano 2009, 145). In this regard, "kotobuki taisha" may also represent a reason for the high numbers of women who quit their jobs before the delivery of their first child. According to the data of the "First Profile Survey on New-Born Children in the 21st Century," conducted by the Ministry of Health, Labor and Welfare in 2001, "67.4% of women left their employment at the time of childbirth" (Cabinet Office 2010, 11).

In contrast, Swedish society is far more accustomed to a dual earner family model, which has prevailed since the 1970s. It seems that Swedish women incorporate and project an autonomous image to the outside world. Many women in Swedish society are financially

independent and women have been treated as essential and equal participants in the labor market. In 1994, the participation of single mothers in the labor market was 70 percent and for married and cohabiting women, it was 79 percent (Morgan 2006, 40).

Although these different approaches to gender roles in Japanese and Swedish culture could provide a reason for the differences in labor market participation and family choices, they offer no explanation for why some mothers in Japan have overcome the “burdens of the past” and have increasingly entered the workforce, no matter what company they work for.

What do these different perceptions of gender predict for Japan and Sweden? If gender roles in Japan were maintained, men would stay the breadwinners and women would increasingly quit their jobs and dedicate themselves to childrearing. This would mean that we could expect continuous high fertility rates. However, there is still another possible outcome, which is rather contradictory to the previous one. If gender roles in the home did not change as fast as other parts in Japanese society, women might increasingly resist these gender stereotypes of “good housewives” and “exit” from marriage and childbearing in order to become increasingly independent (Schoppa 2006, 183). As a result, female labor participation would increase, but fertility rates would decline further. As for Sweden, if it maintained its current structure of a gender-equal society, both women and men would keep working, and, in addition, women would have children and work and the same time. This way, high fertility rates and women’s labor market participation could be maintained.

Governmental Policies to Support Families

A third possible explanation for the differences in women’s labor-market participation and family policy could be the governmental policy framework in each country. Policies are institutional mechanisms that intervene between general characteristics of welfare states and culture to influence behavior. For instance, Sweden has been in the

forefront of social change in adopting policies to provide for the needs of working parents. It has managed to develop a broad spectrum of child care policies, such as parental leave insurance, publicly financed and subsidised child care, separate taxation of spouses, and so forth, that provided for a continuing high level of women entering the labor force, and high numbers of women returning to the labor force after childbirth. Japan has been developing a set of family policies since the 1990's, but the policies remain less comprehensive than in Sweden, and do not provide as much financial support for working mothers.

Unlike the modern welfare state and cultural factors as possible reasons for declining fertility, the legal policy framework constitutes a mechanism that intervenes between these broad explanations to affect choices over family and work. This paper will further explore the role of the policy framework, with the aim of providing a solid explanation for the differences in women's labor market participation and fertility rates in Japan and Sweden. Although both countries share some of the same policies, considerable differences exist. For instance, whereas Japan has lacked a widely-used childcare system and offers limited parental leave benefits, Sweden has a well-developed parental leave insurance system and an extensive childcare system. The characteristics of these policies, I argue, intervene to influence women's choices with regard to combining work and family life. In the following two chapters, I will closely examine the relationship between these policies and women's decisions in Japan and Sweden.

What would the explanation of family policy predict for both countries? If the size of the family policy framework and the extent of generosity did not change, Japanese women might stay at home and have children, rather than go to work. The outcome could then be higher fertility rates. On the other hand, due to the less generous family policy framework, Japanese women could completely abandon their wishes to have children and just work. The outcome then would be lower fertility rates, but higher rates of female labor participation. Taking these factors into consideration, we can hypothesize that, in the Japanese case, an

overall improvement of the family policy framework, and in particular of parental leave legislation, could lead to the achievement of both higher fertility rates as well as higher female labor market participation rates.

If the Swedish family policy framework was strengthened further towards the promotion of gender equality, it could lead to two different outcomes. If parental leave benefits were increased further, or leave periods prolonged, a higher number of women would stay at home temporarily with their children. In this case, fertility rates would rise and women's labor participation rates would decline. Another possibility is that, additional improvements in the family policy framework, particularly, the parental leave system, could lead to an increasing number of women entering the labor force. A situation like this would lead to high fertility rates and, at the same time, high rates of female labor market participation.

Depending on its characteristics, the family policy framework will likely produce different outcomes in fertility rates and female labor participation rates. For instance, how a family policy framework is structured, where a family policy's framework focus lies, and who in society primarily benefits from these policies (women? men? both? the state? all three?) are all factors taken into consideration in the case studies here.

Are there similarities or differences in relation to the possible outcomes based on all three explanations? As previously described, Esping-Andersen doesn't have clear predictions about how tensions in current welfare regimes will resolve themselves. As we have also elaborated on before, with regards to gender roles in Japan, there might be different outcomes, depending on whether or not gender roles change. Also in the area of family policies, there are some question marks. Taking these conditions into consideration, we can conclude that the similarities of these explanations is their inability to produce clear predictions.

Do any of these three explanations overlap? The first two explanations could explain some of the differences between family policies in Japan and in Sweden. Esping-Andersen's

different typologies of welfare states (the Northern model, such as Sweden, versus the familialistic model, such as Japan) could explain the differences in family policy. Cultural differences in gender roles could also explain the differences in family policies. The most important element in this discussion however, is the family policy framework. It is not the case that welfare regimes and culture have no role, but family policy could be an essential link between these two approaches and could also have an independent effect. Certain frameworks of family policy (such as certain policies focusing on gender-equality) might change cultural expectations for gender roles. Another possibility is that family policy might contribute to a departure from certain welfare regimes described by Esping-Andersen (such as Japan's gradual departure from the familialistic model in recent years). Family policy could thus also exert its own influences, not just on fertility rates and female labor market participation, but also on the broader shape of the welfare regime and on gender roles.

CHAPTER 3

The Case of Japan

Japan continues to face extremely low fertility rates. What has government done to try to rectify this situation? What kinds of policies has it enacted to support families? In particular, what kinds of policies has it adopted to make it easier for women to choose to have children and remain in the labor force? Are they likely to work? Family policies comprise a variety of different policies, such as maternity policies, parental-leave policies, child-care policies or family law. Specific features of these policies to a great extent influence women's decisions of whether or not to work and whether or not to have children.

So far, Japan's family policies have been inadequate to counteract Japan's low fertility rate. This chapter will argue that Japan's family policy framework has produced a negative impact on fertility rates and women's labor market participation in Japan. To demonstrate this, I will first survey the long term conditions of fertility rates and women's labor market participation in Japan, along with the employment opportunity structure for women that has accompanied these trends. I will then explain how Japan has adopted policies to support families with children. In doing this, I will especially focus on the design of three types of policy: child allowances, child care institutions, and parental leave policies. Finally, I will evaluate these policies in terms of their impact on women and families.

Long term Trends

Shortly after the end of the post-World War baby boom, which only lasted from 1947 to 1949, the fertility rate in Japan started its declining trend and reached a record low of 1.32 in 2002. In 1947, Japanese women were having an average of 4.5 children over their lifetime. Throughout the 1950s the total fertility rate further decreased to 2.1 in 1958. In the following years, the fertility rate remained relatively stable; however, after reaching 2.14 in 1973, it

started to decline again. (Chitose 2004, 2). After continuing to decline, according to Rosenbluth, “the drop in the total fertility rate from 1.66 in 1988 to 1.57 in 1989 attracted public attention and became widely known as the 1.57 shock” (Rosenbluth 2007, 37). The “1.57 shock” made the Japanese government finally realize that it had to assume an active role in improving the situation. As seen in Table 3, despite the fact that the government authorities responsible introduced a variety of countermeasures in the following years, the total fertility rate declined further from 1.54 in 1990 to a record low of 1.32 in 2002. According to more recent data, the total fertility rate in 2008 was 1.37, which reflected an increase of 0.03 point from the previous year for three consecutive years (Cabinet Office 2010).

Despite this decline in Japan’s fertility rate, the female labor participation rate (at that time around 50 percent) has not shown significant increases since the end of World War II. Between 1965 and 1975, the decrease of women entering the labor market can be ascribed to the fact that more and more women joined unpaid family businesses, which, in most cases, were their families’ farms. After 1975, an increase in the number of female employees could be observed in the secondary and tertiary sector. Thus, the female labor participation rate (measured as the percentage of working age population in the labor force) in Japan declined after World War II, hitting bottom in 1975 (the rate was as low as 45 per cent), before reaching 48.5 percent in 2002 (Rosenbluth 2007, 38).

Despite the fact that female labor force participation has not undergone any remarkable changes in the past decades, the breakdown of women’s employment status has changed substantially since 1960. In 1960, about 20 percent of working women were self-employed and about 40 per cent of working women were family workers; however, 40 years later, in 2000, more than 80 percent of working women were employees. Drawing on the above findings, Rosenbluth argues that although the form of women’s work relationship has

changed, their overall level of participation in the labor force has not changed much in that time (Rosenbluth 2007, 39).

Although an increasing number of women entered the labor force beginning in 1965, only a small number of women returned to work after giving birth. This pattern is distinctive among industrialized countries. Among mothers who have children aged three years and younger, only 28 percent are engaged in employment, including part-time work (Rosenbluth 2007, 39).

Table 3. Fertility Rates and Family Policy Changes in Japan

Year	Fertility Rate	Policy Changes
1947	not available	Child Welfare Law passed under the Labor Standards Act; provided for 14-week unpaid maternity leave for women
1972	2.1	Child Allowances established; income-based program that requires families to apply each year
1990	1.54	“Creating a Sound Environment for Bearing and Rearing Children”- report that set the basic policy stance for coping with declining fertility
1991	1.53	Childcare Leave Act-workers in regular employment entitled to one-year leave
1994	1.50	Introduction of the Angel Plan (1995-1999)
1995	1.42	Childcare and Family Care Leave Act-workers in regular employment can take leave to care for children or other family members; not applicable to workers in non-regular employment)
1999	1.34	New Angel Plan formulated (2000-2004)
2000	1.4	Child allowance system expanded to cover children up to the age of six; Parental leave benefits increased from 25% of normal pay to 40%
2003	1.3	Law for Measures to Support the Development of the Next-Generation passed (government formulates basic direction for local governments, firms and public organizations for harmonizing work and childcare) Amendment to the Child Welfare Law passed to cover children with child care providers Law for Basic Measures to Cope with Declining Fertility Society passed (established a Committee to Cope with a Declining Fertility Society under the Cabinet Office)
2007	1.32	Further expansion of child allowance system, child allowances doubled from the previous amount of ¹ ¥5,000 (\$55) to ¥10,000(\$110) per month for first and second child up to the age of three; the amount of ¥10,000 for third and additional children remained unchanged
2008	1.37	No policy changes
2010	not yet available	Child allowances increased for third and additional children from ¥10,000 (\$110) per child to ¥ 12,300 (\$136) per child Government-paid parental leave benefits increased from 30% to 50% of normal pay

Sources: Ministry of Health, Labor and Welfare, *Child Related Policies in Japan*, 2004; Cabinet Office, Gender Equality Bureau, *Women and Men in Japan*, 2010; Organization for Economic Co-operation and Development (OECD), *OECD in Figures 2009*, 11.

<http://www.oecd.org/document>; World Development Indicators 2009, *Fertility rate, total (births per woman)*, <http://data.un.org/>

¹ US dollar amounts stated according to current exchange rates

For the majority of Japanese women, dropping out of the labor force represents a usual consequence of childbirth. Ministry of Health, Labor and Welfare data show that in 2001, 67.4 percent of women left their employment at the time of childbirth (Cabinet Office 2007, 9). Although personal reasons play a certain role in women's choice to quit their jobs, the majority of women stops working because of marriage and childbearing. Government data show that, among the women in their 20s and 30s, 42.8 percent terminated their working contracts because of marriage, and 37.7 percent said they stopped working because of childbearing (Statistics Bureau 1997). In this regard, Lambert points out, "Japanese employment practices and social policy have relegated women to a peripheral yet critical role in the labor market. Women have typically provided most of the care work at home, releasing government from this responsibility and expense. The practices and policies of employers and policymakers encouraged or even forced women to quit their jobs upon marriage or childbirth and to re-enter the work force as irregular employees" (Lambert 2007, 26).

Employment Practices and Family Choices

Whether or not women have the chance to stay in the labor force after they have children depends on the type of employment they have. As referenced in Rosenbluth (2007), according to a study related to the 1998 National Survey on Family in Japan, women who are self-employed or who work in family businesses before having children are more likely to stay in the labor force compared to those who are blue-collar workers. The same study also found that respondents who worked as white-collar employees were more likely to withdraw from the labor market after childbirth than those who worked as blue-collar employees. White-collar work, which has developed in the course of industrialization, appears closely associated with an irregular work profile. For women who work in the private sector before the birth of their first child, firm size has been negatively associated with the proportion of

those who continue working after their children are born. Rosenbluth concludes that the larger the firm, the lower the proportion of those who continued to work (2007, 43).

In contrast, women who have worked in the government sector before the birth of their first child have a greater opportunity than those in the private sector to stay in their job when the child is born. The primary reason for this condition is better fringe benefits related to childbearing. Research findings have demonstrated that the government sector is one of the most favorable places for women to work due to higher attentiveness to gender equality in employment policies (Rosenbluth 2007, 43). The private sector, however, is a more challenging territory in relation to women's return to the labor force after childbirth. Within this context, it is significant to mention that, as one might expect the contrary, large firms have considerably lower retention rates than small ones. More clearly, in 1998, the re-entry rate in firms employing 1000 workers and over was only 15 per cent, whereas the re-entry rate in small firms employing between 1 and 9 employees was around 40 percent (Rosenbluth 2007, 43). Policy makers and managers are increasingly aware of the importance of family-friendly employment policy, and some large firms have a family-friendly work environment. Nevertheless, at the macro-level, it is difficult to see the effect of better fringe benefits in large firms on the mothers' work behaviors, compared with those in smaller ones (Rosenbluth 2007, 43).

Although policy makers and managers have become increasingly aware of the necessity to create family-friendly employment policies, the development of those measures is far from complete. My next section will focus on the various efforts and major actions taken by Japanese government authorities toward the declining fertility rate since the beginning of the 1990s.

The Development of Family Policies

Although some early post war innovations aimed to develop a solid family policy framework (such as the Child Welfare Law, which was passed in 1947 and provided a 14-week unpaid maternity leave for women), the main undertakings were carried out several decades later, in the 1990`s (Lambert 2007, 8). For most of the post war period, women were encouraged to work only so long as it did not interfere with their caregiving obligations – policy rarely facilitated women`s continuous or full-time employment. (Lambert 2007, 3). The lack of support policies to encourage full-time female employment indicates that the Japanese government did not pay much attention to the promotion of gender equality in the post-war period. At that time, policymakers were still not aware of the fact that disregarding the improvement of women`s status in society would later on develop into a serious problem. As women became increasingly independent and started entering the labor market in the 1970`s and 80`s, the drop in fertility rates continued. After the “1.57 shock” happened in 1990, declining fertility became one of the primary concerns of the Japanese government. It thus took a considerable amount of time before any meaningful revision of the post-war family policy framework was considered necessary.

Post war politics was dominated by a single majority party, the Liberal Democratic Party (LDP), which was also on the side of business when it came to keeping women out of the core workforce. Early party platforms of the LDP stated explicitly that women should stay at home to help their husbands to be good workers (Rosenbluth 2007, 12). Since the promotion of gender equality seemed to disagree with the post war political discourse, women were entirely deprived of their right to become independent participants in the labor force. Women with children had no secure family policy framework to fall back on. Having promised to businesses to keep government expenditures to a minimum, the LDP refrained from making funds available for the setting up of childcare institutions that would have considerably supported working women.

In addition, politicians made sure that companies would not have to offer lifetime guarantees, which would have served as job security for female workers. Oftentimes, the introduction of bills for several support policies (such as the extension of post-natal maternity leave from six to eight weeks, the legislation of childcare leave for workers in all firms, and the expansion of childcare facilities) was terminated due to the powerful influence of Japan's economic protagonists in relation to political decision-making. Lambert recounts that

when it became apparent that the proposed legislation was gaining momentum both within the Ministry of Labor and the LDP, business groups took action. In October 1981, the four largest business groups – the Japan Federation of Employer Associations (Nikkeiren), the Japan Chamber of Commerce (Nissho), the Japan Committee for Economic Development (Keizai Doyukai), and the Federation of Economic Organizations (Keidanren) – submitted a joint statement opposing legislation of childcare leave on the grounds that it would place too heavy a burden on firms and that a single standard should not be applied to all firms. The LDP response was swift: it immediately abandoned any attempt to legislate childcare leave and delayed or voted down all subsequent childcare leave bills presented by opposition parties until it took up the issue again in 1991 (Lambert 2007, 23).

In response to the 1.57 shock of 1991, however, the Japanese government started to introduce a series of countermeasures, hoping to cope with the falling birth rate. As a first step, the government established an inter-ministry liaison committee for “Creating a Sound Environment for Bearing and Rearing Children.” The committee submitted a report that set the basic policy stance and direction for coping with declining fertility (Chitose 2004, 14). Containing rather vague view points on the issue, the report confirmed that the declining fertility was a consequence of individuals' and couples' private decisions. As a solution, the report stated that the government should therefore cope with this new phenomenon to promote

a social environment to support individuals who hope to marry and establish a family with children.

Along with this perspective, the “Basic Direction for Future Child Rearing Support Measures,” more commonly known as the “Angel Plan,” was formulated in December 1994. The Angel Plan represented a summary of comprehensive policies and plans to be pursued between 1995 and 1999. Although the Angel Plan was meant to create useful improvements in relation to, among other goals, reconciling work and family responsibilities, the fertility rate further declined in the following years and dropped to 1.34 in 1999 (Chitose 2004, 14). The New Angel Plan that was implemented from 2000 to 2004 focused on making daycare centers and childcare services more accessible, making the employment environment more flexible for workers with children, changing traditional gender-role values and the work-first atmosphere in the work environment, and so forth. These efforts, however, did not prove effective. Despite the introduction of both Angel Plans, a further decrease in fertility could not be avoided. The fertility rate reached a record low of 1.32 in 2002.

In 2003, three bills formulated in response to declining fertility were passed. These were: the Law for Measures to Support the Development of the Next Generation, Amendments to the Child Welfare Law, and The Law for Basic Measures to Cope with Declining Fertility Society. The Law for Measures to Support the Development of the Next-Generation states that the government formulates a basic direction for local governments, firms and public organizations to map out a concrete plan to reconcile work and childcare. Following the basic direction, local governments, firms and public organizations are to make a plan that includes objectives and specific action plans to attain these stated objectives. The Law also stipulates that business federations should establish a Center for Promoting Measures (such as informational and consulting services) to Support the Development of the Next-Generation in order to help firms formulate action plans. Local governments, firms and public organizations that are working to promote Measures to Support the Development of the

Next-Generation are also allowed to organize Local Commissions for Measures to Support the Development of the Next-Generation (Chitose 2004, 16). Prior to the amendment of the Child Welfare Law, the law focused on children who lack care providers; according to the latest amendment, the welfare law considers welfare of children even for those who do not lack care providers. The Law for Basic Measures to Cope with Declining Fertility Society stipulates the establishment of a Committee to Cope with a Declining Fertility Society under the Cabinet Office. The committee's responsibilities include the formulation of comprehensive policies to cope with declining fertility from a long-term perspective (Chitose 2004, 16).

Taking into account that the abovementioned policy efforts do not appear successful, the prognosis for an increase in Japan's population size does not look too promising. According to Schoppa, Japan's latest projections of a sustained 1.4 fertility rate promises to reduce by one-third the size of the working age population by 2044 and cut it in half by 2072 (Schoppa (2006, 153). Can the shrinking of the Japanese population be avoided? Due to variety of efforts that were undertaken by government authorities to improve the situation, these policy changes may be slightly improving the situation; however, it is questionable if they will have the impact that is needed.

Child Allowances

Although child allowances exist in Japan, they do not apply to the whole population. Child allowances were established in Japan in 1972. As in other industrialized countries, child allowance in Japan represents a kind of income support for families. Child allowances can be useful in two ways. On the one hand, child allowances encourage families to have children since these financial benefits help women cover a part of their living expenses during maternity leave. On the other hand, childcare allowances can help women return to the labor market since mothers can use these allowances to pay for their childcare.

Child allowances are granted to parents and guardians raising children who have not finished elementary school, up to March 31 of the school year in which they reach twelve years of age (Ministry of Health, Labor and Welfare 2007). Due to the rapid decline in Japan's birthrate, as of April 1, 2007, policymakers agreed to double the child allowance per child to ²¥10,000/\$110 per month, paid for first and second children to the parents or guardians of children aged under three years of age, regardless of the number of children. Compared to the previous system, (¥5,000 / \$55 per month for first and second children and ¥10,000 /\$110 per month for third and additional children), the revised system comprised the following amounts: ¥10,000 / \$110 (double) paid for first and second children, and ¥10,000 /\$110 per month (unchanged) for third and additional children. No changes were introduced for children aged three and above (¥5,000 per month for first and second children, and ¥10,000 per month for third and additional children) (Ministry of Health, Labor and Welfare 2007). When the Democratic Party of Japan took control of the government in August 2009, the amounts of child allowances slightly increased. As of April 1, 2010, childcare allowances amount to the following: ¥10,000 (\$110) per child, up to the age of three; from 3 to 12, ¥6150 (\$68) per child. If a woman has more than 3 children, she receives ¥12,300 (\$136) per child (Policy Information, Children and Childrearing, Ministry of Health, Labor and Welfare 2010).³

Receipt of child allowance, however, is not automatic. First of all, there is an “income-ceiling” above which families are not eligible. The income ceiling threshold is based upon the previous year's income (or income from two years previous between January and May) (Ministry of Health, Labor and Welfare 2007). Furthermore, the benefit must be applied for at a local town office, which determines whether the family meets the income threshold.

² USD amounts stated according to current exchange rates

³ USD amounts are stated according to current exchange rates

Recipients of child allowances must submit a yearly “notice of current situation” in order to continue to receive the allowance (Rosenbluth 2007, 132).

Since the Democratic Party of Japan (DPJ) came to power in September 2009, policymakers have undertaken efforts to reduce the economic burden placed on families raising children in a way that creates an indirect form of child allowance. The party has succeeded in making high-school education tuition-free. According to a press release by the Democratic Party of Japan (DPJ), the Minister of Education, Culture, Sports, Science and Technology, Tatsuo Kawabata announced the government’s decision to eliminate the tuition fees for state high schools. He noted, “from April (2010) of this year, we will provide financial assistance to students attending private high schools that is of the same amount as the sum which no longer needs to be paid by those attending public high schools” (Democratic Party of Japan, 2010). He added that in the majority of countries the provision of a free secondary education is stipulated and that this is a global trend.

Childcare Institutions

The Childcare Welfare Law established a non-profit childcare system in 1947 to care for children whose parents are ill or working. Under the Child Welfare Law, the Japanese government expands child welfare facilities, such as nursing facilities and day-care centers (Ministry of Foreign Affairs of Japan 1996, 1). Since its introduction, government support for childcare has increased or decreased according to labor surpluses and shortages. Childcare centers in Japan are divided into licensed and unlicensed centers. The prerequisite for licensed centers is to meet minimum government standards in relation to space, play areas, kitchens, training, number of teachers etc. Not all licensed centers however, are publicly run. In recent years the government has been encouraging a move toward more private-run centers in order to provide more flexible, user-friendly services and to save money (Boling 2007, 135). All

licensed childcare centers, public and private, are supported by government subsidies from the national prefectural and local governments.

The increase in childcare institutions in recent years reflects the need for further policy change in this regard. The number of licensed day care centers increased from 22, 214 in 2001 (in 2001, 1,828,227 children were enrolled) to 22, 848 in 2007 (in 2007, 2,015,382 children were enrolled). In 2001, 21, 201 children were on waiting lists for child care centers; this number had fallen to 17, 926 in 2007. The number of unlicensed day care centers also rose from 6, 111 in 2003 to 7, 178 in 2007 (Ministry of Health, Labor and Welfare 2009). Despite these improvements, the number of childcare institutions still does not meet the necessary demands. Although women by law are entitled to a maternity leave period, the lack of infant care forces many women to quit their jobs in order to raise their children. In this regard, Boling (2007) draws on the condition of children under three, which, as she asserts, are the most affected. She points out that, when considering the total number of children enrolled in childcare centers between 1991 and 2002, the enrollment figures for children under the age of three are most significant because this is one of the areas of highest unmet demand: “mothers who want to return to work often find that there are no spaces available in the groups for infants under age one, which of course are the most expensive and labor-intensive childcare cohort because of the three-to-one baby-to-teacher ratio required by law. If more spaces were available, enrollment figures would surely be higher” (Boling 2007, 136). Since the 1990’s, the problem surrounding the shortages of childcare centers has created a lot of discontent among those in need of daycare and to the present no significant improvement seems to have happened (Boling 2007, 136).

The regulations concerning unlicensed childcare centers are rather loose; these particular institutions are not required to meet the standards set by the national government. According to Boling, “unlicensed childcare centers and providers have been the biggest source of scandal and complaint about inadequate and dangerous care for babies and children.

In particular, 'baby hotels' are often nothing more than rooms in an apartment where a woman cares for babies and children in cramped conditions, unable to take them outdoors to play or for a walk, or to provide appropriate attention and stimulation to the children in her care" (Boling 2007,138). Rather than put their children in one of those run-down institutions, it appears that many mothers prefer to quit their jobs prior to childbirth.

Parental Leave

A solid and secure parental leave system that offers sufficient benefits for the purpose of substituting for lost working income during maternity leave is very important for women's harmonization of work and family. Before the reforms on childcare leave were enacted in 1991, women were entitled to a fourteen-week maternity leave (six weeks prior to childbirth and eight afterward) under the Labor Standards Act. In 1991, Japan passed a parental leave law that provided a year-long job-protected leave for parents taking care of infants. In theory, the childrearing leave law was supposed to support women wanting to return to the labor force soon after childbirth. There were however, some serious limitations. First of all, the leave was only available to those in regular employment. Secondly, workers in firms with less than 30 employees were exempted from the law until March 1997 (Chitose 2004, 19). Furthermore, the benefits given were quite low. In 1995, the Childcare and Family Care Leave Act was enacted. Workers are able to take leave for childcare as well as care for other family members. However, again, the law was not applicable to workers in non-regular employment. Until 2000, government regulations provided that persons taking parental leave would receive 25 % of their normal pay; after April 2000, this was increased to 40 %. (Boling 2007, 140).

There are further problems connected to the parental leave law. The law relies on "administrative guidance" and persuasion - for this reason, the lack of meaningful enforcement mechanisms, such as lawsuits, make it very difficult to force employers to obey

the law. As Boling states, “nothing serious happens to a firm that refuses to grant the leave or otherwise penalizes employees who claim these benefits. Although the firm’s name can be made public in a quasi ‘hall of shame’, there are no monetary or other sanctions” (Boling 2007, 140).

Although government guidelines exist, the amount of childcare leave benefits are primarily determined by the company a person works for. Benefits given by the company can add up to 80 % of the monthly salary, which are paid for one year. As of April 1, 2010, those who are not granted company benefits, receive 50% of their salary for one year, according to the latest policy agreement stipulated by the government (Ministry of Health, Labor and Welfare, April 2010). In other words, if, for whatever reason, women cannot obtain the generous company benefits, they have to get by with the governments’ allowance. In this case, however, it is almost impossible for them to cover their living expenses during their absence from work.

The Impact of Policy on Women’s Choices

Schoppa characterizes the policy challenge posed by low fertility rates as that “politicians now have to beg women to have children” and these policymakers have discovered that “nothing less than equality will do the trick” (Schoppa 2006, 150). As seen in Table 3, despite the introduction of a series of policies in the past two decades, these have failed to produce higher fertility rates. The family policy framework does not fit well with the choices women have to make.

It is unlikely that child allowances will help very much. The usage rate has been very low: only 20 per cent of households with children under the age of three that met the income threshold received this benefit in 1996 (Boling 2007, 132). As child allowances are means-tested, they are only supporting a small number of households. Furthermore, oftentimes, families are reluctant to apply for special programs since exposing themselves financially can

lead to stigmatization. As Japanese society is changing slowly and as women increasingly enter the labor market, there is a chance that usage rates for child allowance will rise. Within this context, the introduction of universal child allowances, or higher income ceilings might make a difference, however, it is still too early to make any predictions in this regard.

The parental leave system in Japan has been another policy approach that has undergone considerable changes in recent years. As of April 1, 2010, either 80 % of a person's salary is paid by the company or 50% of the person's salary is paid by the government, versus 30 % in the previous years. Although a raise in childcare leave benefits went into effect on April 1, 2010, the extent of financial support for mothers does not suffice to enable them decide to interrupt their work lives to have a child and then resume their careers. Another possibility is that, since parental leave benefits hardly cover a person's living costs, women keep working without leave if they have a child. Even though the childcare leave does not serve as many women as it could, there is reason to expect that strengthening and expanding the childcare leave system in Japan are good ways to raise fertility. In response to the 2007 National Survey on Work and Family, when asked how important childcare leave was for having a child, forty per cent of female respondents said "very important", and another 35 per cent said "relatively important" (Lee, Ogawa and Matsukura 2009, 352).

Our findings within this context show that, in the past decade, demand for an expansion of the child care leave system increased considerably. According to a survey conducted by the Ministry of Health, Labor and Welfare in 2008, significant changes in the child care leave taking rate have occurred recently. Whereas in 1999, only 56.4 per cent of women took parental leave, in 2008, the figure increased to 90.6 per cent. Concerning the change in the child care leave system establishment rate, the percentage of companies that have set up rules for the child care leave system, increased from 36.4 per cent in 1999 to 66.4 per cent in 2008 (Ministry of Health, Labor and Welfare 2008, 12). In response to the 2007

National Survey on Work and Family, when asked how important childcare leave was for having a child, forty per cent of female respondents said “very important”, and another 35 per cent said “relatively important” (Lee, Ogawa and Matsukura 2009, 352). The significant increase of these figures supports the assumption that there is a demand and considerable readiness for a solid family policy framework incorporating such regulation in order for women to harmonize work and family.

Until recently, high numbers of children on childcare centers’ waiting lists has meant that mothers face serious obstacles if they wished to re-enter the labor market after childbirth. Compared to 1,798,292, the total number of children enrolled in childcare centers in 2001, the total number of children on waiting lists was 35,144 (Boling 2007,136). In recent years, some improvements in day care services have occurred. Policymakers succeeded in achieving improvements to reduce the children on waiting lists and to expand the overall services related to the setting up of childcare institutions. According to the Ministry of Health, Labor and Welfare, in accordance with the “Child and Childrearing Support Plan,” the number of children on waiting lists decreased for 4 consecutive years to 18,000 as of April 2007 (Ministry of Health, Labor and Welfare 2007, 1).

What are the alternatives for women? Women who have either opted to remain single and childless or opted to give up careers after having children have lost personal incentives they might have had to mobilize in the political arena to make it easier for women to balance work and family roles. Schoppa interprets these choices women have made as a form of “quiet rebellion” (Schoppa 2006, 182).

It is undisputed that the entire discussion surrounding declining fertility is a complex one. Government authorities were undoubtedly uncertain how long the decline in fertility rates would last. In this regard, selecting or creating the most effective programs, services and policy changes, has so far been one of their greatest challenges. Besides the relatively late adoption of effective government policies for working mothers, Japan’s employment system

has not worked in favor of working mothers. Even with childcare leave and childcare services, mothers of young children were finding it difficult to meet the expectations of their employers, such as maintaining a normal work schedule or even the need to work overtime. The system provided little room for such mothers to slow down or take a break while their children were young. If they quit or went part-time, they were likely to find it difficult to move back onto the career track (Schoppa 2006, 173).

Despite the existence of so-called “family-friendly” programs, many working women are discriminated against by their employers. According to a survey conducted by Mitsubishi UFJ Research and Consulting Co., Ltd, on the reasons for leaving jobs on the occasion of childbirth, working hours that make childcare infeasible (65.4 per cent of women were in agreement) represent the number one reason why women quit their jobs before they have children. As the second main reason, 49.5 per cent of women responded that “the workplace lacked the willingness to support mothers” (Ministry of Health, Labor and Welfare 2008, 17). The 2007 National Survey on Work and Family reveals additional data in this regard. According to the survey, many women experienced problems when they took childcare leave, due mostly to silent pressure from peers and employers. In response to a survey question about such problems, 18 per cent of respondents who took childcare leave said that “there were no particular problems,” 35 per cent noted that “during the childcare leave, I had no income or my income was reduced to a considerable extent,” 11 per cent pointed out, “while on childcare leave, I felt uneasy because information on my company and work was not available to me,” while 8 per cent asserted, “after returning from the leave, I could not keep up with my colleagues in the work” (Lee, Ogawa and Matsukura 2009, 352).

When analyzing the reasons for the less generous family policy framework compared to Sweden, it is also useful to take people’s perceptions of gender equality and stereotyped role-sharing into account. When asked for their views on gender equality in society as a whole, both women and men say that disparities exist between the status of women and men.

According to an opinion poll on a gender-equal society conducted in 2004, approximately 74 per cent of all Japanese women and men hold the perception that men are treated more favorably. Some other related results, however, are quite astonishing. On the question on whether or not the husband should be the breadwinner and the wife should stay home, figures show that men and women are starting to develop rather similar attitudes in relation to the promotion of gender equality. Merely 35.1 per cent of men out of 100, and 29.5 per cent of women supported this idea in the poll (Cabinet Office 2004).

As I have observed, working women in Japan have continuously been coping with many obstacles connected to their career path. The weak parental leave system, which certainly does not provide strong incentives for women to stay away temporarily from their jobs, represents one of the main obstacles. For many women, having children becomes too complicated, and given the framework of government support policies, many women feel that they have to “trade in” their job and their financial independence for having a family. This concern indeed plays a very significant role in relation to their decisions to have children.

My research and findings however, have also shown that men and women are in fact slowly abandoning their traditional views and have started opting for more gender-equal living conditions in the Japanese society. Due to this fact, a solid and secure family policy framework that could give women more opportunity to harmonize work and family is of great necessity. In this regard, it is not a question of whether or not the resources for the achievement of this goal exist; it is much more a question of whether or not to use these resources effectively in order to create gender-equal conditions everyone can benefit from.

CHAPTER 4

The Case of Sweden

In recent decades, Sweden has been able to combine relatively high fertility levels with high female labor participation. In this chapter, I will argue that the main reason for these circumstances is the well-developed parental insurance legislation, solid earning-related benefits and long leave periods for working mothers. Sweden's pro-natalist policies always favored a gender equal society. Since the entire discourse concerning gender equality in Sweden started rather early, policymakers were able to develop a substantial family-policy framework over a long period of time. In the late 1960s, the Swedish government adopted a policy with the aim of giving women and men equal standings in economic and social life by emphasizing equality in the labor market as well as in the household. Since then, efforts have been made to create equality between men and women through direct political measures, institutional change, and universal public sector programs (Dribe and Stanfors 2008, 34). Due to the well-developed family policy framework, Sweden has been able to maintain stable fertility rates in the past years. In 2008, the total fertility rate of Sweden was 1.91.

Long term Trends

Due to the establishment of a solid family policy framework comprising generous parental leave benefits and a well-developed insurance legislation, Sweden has been able to combine relatively high fertility levels with high female labor force participation rates and low child poverty in the past decades. (Duvander, Ferrarini and Thalberg 2005, 2). As seen in Table 4, despite some fluctuations, fertility rates in Sweden have remained stable in the past decades and have even risen in line with several policy changes after 2000.

Table 4. Fertility Rates and Family Policy Changes in Sweden

Year	Fertility Rate	Policy Changes
1937	not available	Adoption of unpaid parental leaves of absence
1948	not available	Introduction of universal child allowances for children under the age of 16
1960's	not available	Construction of day nurseries begun through municipal authorities (enacted by Swedish policymakers)
1970	1.9	Expansion from 50,000 child care spaces in 1960 to 158,000 in 1970 Introduction of paid parental leaves of absence
1974	1.9	Gender neutral parental insurance introduced
1995	1.7	Introduction of "Daddy quota" (earmarking of one month of the parental insurance) for each parent Replacement level in parental insurance lowered in steps from 90 to 80% due to high unemployment and large state budget deficits
1996	1.6	Replacement level in parental insurance lowered in steps from 80 to 75 % due to high unemployment and large state budget deficits
1998	1.5	Replacement level of parental insurance subsequently restored to present level of 80 per cent
2002	1.7	"Daddy quota" increased to 2 months
2004	1.8	Commission to investigate effects of current parental insurance; new model of parental leave insurance (currently the one existing in Iceland) is being debated where parents can share the three thirds of total parental leave benefits equally among themselves; so far there have been no results yet
2008	1.91	Introduction of gender-equality bonus as an incentive for parents to share parental leave as evenly as possible between themselves; based on how a child's parents divide parental leave and parental benefits; parents who share parental leave equally receive the maximum bonus on condition that they work when the other parent takes parental leave

Sources: World Development Indicators 2009, <http://data.un.org>, accessed May 2010; Duvander, Ferrarini, and Thalberg (2005,9); Ministry of Health and Social Affairs, Sweden, "The Swedish Family Policy," <http://www.sweden.gov.se/sb/d/2061>, accessed May 2010; additional information provided by Social Insurance Division, Unit for Family Policy and Children's Rights, Ministry of Health and Social Affairs, Sweden, May 2010.

Over the years, as women increasingly entered the labor force, policymaking authorities continuously revised and altered the family policy framework. As the series of policy changes in the 1980s created more favorable conditions towards parenthood and reconciliation of work and family life, an estimated 85 per cent of mothers of children under seven were in the workforce by 1984. The percentage of women working part-time was also

high, and by 1981, 46 per cent of women employees worked part-time (Morgan 2006, 53, 54). What is perceived as part-time work however, is also important to note, as a substantial proportion of women in Sweden works 30-35 hours per week (Julkunen and Malmberg-Heimonen 2002, 122). In sum, female labor market participation has increased from 50 per cent in the mid 1960s to more than 80 per cent in the early 1990s. Although recent figures reveal a minor decline in women's labor force participation, overall it has been strong.

Employment Practices and Family Choices

For a considerable amount of time, Sweden has been supporting the dual-earner family. Because Sweden provides a parental leave policy with strong incentives to return to work after the leave, women do not leave the labor market entirely, but they still reduce the number of working hours during their child-bearing years. When the children get older, most women go back to longer working hours and stay in the labor market. Leave programs were considerably extended in the 1970s, and by 1980 employed parents could take a full year's leave after childbirth (Ronsen, Sundström 2002, 123).

The early introduction of these leave policies enabled women to increasingly re-enter the labor market after childbirth; female participation rates therefore rose strongly during the 1970s and 1980s. A special characteristic of the Swedish leave program is its high degree of flexibility. Benefits may be used full-time or part-time or saved and used any time before the child is eight years old (Ronsen and Sundström 2002, 126). Due to these flexible working-time adjustments, Swedish women are able to return to the labor market after they have children. As Ronsen and Sundström explain, "labor-force participation among Nordic mothers of pre-school children is high in comparison with other countries; in 1999 the participation rate of Swedish mothers in the labor force was around 80 per cent" (Ronsen, Sundström 2002, 127).

Due to the high flexibility of the Swedish leave system, part-time work is also a popular option among working women; about 40 per cent of Swedish women work part-time. A substantial proportion of women in Sweden works 30-35 hours a week, which is considered part-time (Ronsen, Sundström 2002, 122). These high employment figures of mothers in the labor force are evidence of the well-developed social policy framework that allows for the balancing of work and family life in Sweden. In my next section, I will look at specific policy examples, such as child care allowance, the availability of childcare institutions, as well as the Swedish parental leave system. These programs have considerably contributed to the strengthening of women's position in the Swedish labor market after childbirth.

The Development of Family Policies

The efforts to promote gender equality in terms of Swedish family policy started in the first half of the 20th century. Already in the 1930s, awareness regarding the relationship between family policy and fertility was raised among policymakers and social scientists. The most significant influence, which shaped Swedish social policy from the beginning of the 1930's, came from the Swedish Social Democratic Party. As the party had gained ascendance by 1932, the party's "universalist" philosophy of setting up a welfare state for all citizens (such as providing universal health care, education, child care and other social services for its population) dominated the political agenda. The entire policy discussion was further strengthened by Alva Myrdal and Gunnar Myrdal, who urged policymakers to set up a secure network for families and offer financial incentives to women in order to increase fertility. The Myrdals' philosophy also was in line with feminists' ideas of maintaining that women should act as independent individuals and should be able to freely decide whether or not they wish to work.

At that time, other European countries were also struggling with low birth rates, which were a consequence of industrialization and the worldwide depression. According to Haas, "a

low birth rate spelled national suicide in the minds of many Europeans, and many governments tried to legislate a return to more traditional family patterns, believing that reducing married women's right to work and prohibiting contraception would solve the fertility problem" (Haas 1996, 48). The Social Democrats, however, opted for a different approach to family policy, which included measures to raise economic security and offer financial incentives to couples to have children (Haas 1996, 49).

The consecutive improvements of Swedish family policy legislation can be ascribed to policymakers' commitment to provide socially equal living conditions for its people. As government bureaucracy started to expand in the 1960's, the public sector needed workers. Not only did economists support the employment of additional workers in the labor force, the political dynamics to encourage women to work also came from activists lobbying for women's liberation. Consequently, due to the labor shortage and the support by women activists, women were given an opportunity to enter the labor market in high numbers (Haas 1996, 49).

Due to economic changes in the 1960s, Swedish policy makers had to develop new family policy initiatives. As women increasingly entered the labor market in the 1960s and 1970s, demand for child care became acute and the government set goals for providing full coverage. Haas sums up the developments, "at least by 1980, however, the major goals of Swedish family policy – family economic security, family members' physical well-being, voluntary parenthood, gender equality, and children's rights – were well established and enjoyed wide acceptance among the general population" (Haas 1996, 50).

Since its origin in the early 20th century, Swedish family policy has been dominated by values that emphasize universalism and pragmatic problem-solving. For instance, many family programs are offered to the entire population, such as child allowances. Furthermore, political conflict has been minimized through the problem-solving approach. Haas points out, "across the spectrum of political partisanship, in politics and administration, in public and

private sectors, Swedes typically adopt a problem-focused approach that is grounded in empirical detail and that seeks specific solutions to concrete problems. Political solutions are usually put above party politics” (Haas 1996, 51). This notion could explain why the Swedish family policy framework has been revised and improved constantly, without a great degree of political conflict.

The equal distribution of responsibilities between the state and the individual is also an important characteristic of Swedish family policy. Since the 1930s, Swedes have accepted the idea that there should be a partnership between the state and family in meeting the goal of family well-being (Haas 1996, 51). The uniqueness, the diversity, and the flexibility of the Swedish family policy framework may also be ascribed to the fact that historically, many voluntary interest organizations (such as labor unions, consumer cooperatives, adult education groups, organizations promoting family planning, groups supporting the rights of women, etc.) passed on their ideas for the creation of Swedish social life.

One social group that has considerably contributed to the shaping of family policy is women. Women’s key role concerning the setting up of family policy is very significant in relation to the outcome of fertility rates. Wishing to promote gender equality, women undertook great efforts in influencing Swedish family policy accordingly. Overall, Swedish family policy is a product that has been created through the participation of many actors, many of whom had a personal interest in the improvement of their own living conditions. In this regard, autonomous women’s organizations have played a meaningful role in the public debate affecting women and families (Haas 1996, 53). In order to achieve their goal of creating a women-friendly, gender-equal policy framework, women “stepped on the public platform” and spoke out. Women continue to influence political decision making processes in their favor and have consequently broadened their spectrum of choices in relation to the harmonization of work and family. Parental-leave insurance, child-care allowances, and the

provision of child-care facilities are only a few policy reforms that account for Sweden's comprehensive family policy framework today.

Child Allowances

Child allowances in Sweden are a well-working element of family policy that supports working mothers in the form of tax-exempt monthly payments. As the benefit is normally granted not only to mothers, but also to single fathers, child allowances promote gender equality. If the parents live separately, child allowances can even be split between both parents.

Child allowances are normally paid to all mothers, however, regardless of whether or not they participate in the labor market and consequently, regardless of the size of their incomes. Since 1948, mothers have received tax-exempt child allowances for each child under age 16 (20 if still in school). This annual allowance amounted to about \$1500 per child in 1991. To equalize the economic status of small and large families, families with more than two children receive supplementary child allowances, with the largest families receiving the largest subsidies. In 1991, for example, a family with four children under 16 received about \$8,000 from the government tax-free (Haas 1996, 55).

The amounts of child allowance and the length of time over which these allowances are paid provide considerable financial support for working mothers. If a child decides to attend senior high school, allowances are paid until the child reaches the age of 20 – a measure that helps parents cover children's schooling expenses until they reach graduation. Child allowances also had a positive impact on the promotion of gender equality. As Hiilamo notes, "in Sweden, the increase in cash child benefits in 1990 increased universalism, government responsibility, the horizontal and the vertical distribution of income, and gender equality" (Hiilamo 2004, 27).

Childcare Institutions

Child care institutions provide considerable support for women who want to return to the labor market after childbirth. Swedish family policy is directed towards the promotion of gender equality; in this regard, the measures for the advancement of the dual-earner model started in the second half of the 20th century. In the 1960's, Swedish policymakers took action by sponsoring the construction of day nurseries through municipal authorities which were required to provide education to all six year olds (if a child turns six years between the period of January and June, she or he still attends pre-school in the day-care facility). The system's total capacity of child care spaces grew from 50,000 in 1960 to 158,000 in 1970 to 407,000 in 1980 (Palley and Bowman 2002, 365). Despite this expansion, demand was not met.

The rapid expansion of childcare institutions in the second half of the 20th century, made it possible for women to increasingly re-enter the labor force after childbirth. Swedish family policy related to child care represents a significant area of responsibility for governments in terms of funding. Palley and Bowman (2002) found that the national government's spending for child care services in 1993 accounted for 2.13 per cent of Gross Domestic Product (GDP). While the national government establishes goals and guidelines and makes substantial financial contributions to early childhood services, municipalities develop unique programs and monitor program quality (Palley and Bowman 2002, 367). Decision-making power related to child care in Sweden mainly lies with the municipalities.

The financing for child care facilities comes from local tax revenues, parents' fees and state subsidies (which are financed through employer payroll taxes). In 1990, 79 per cent of children age 3 in Sweden were in publicly-funded day care; in 1998, the percentage of children 1-5 and 6 years of age enrolled in full-time care settings was as follows: 61 per cent of 1-5 year olds were involved in pre-school/leisure time centers, as were 68 per cent of six year olds; 12 per cent of 1-5 year olds were enrolled in full-time family day care, as were 6

per cent of six year olds. Taken together, this means that seventy-three per cent of 1-5 year olds were enrolled in full-time day care settings as were 74 per cent of six year olds. Between 1970 and 1998, the number of children in full-time child care increased ten-fold from 71,000 to 720,000 (Palley and Bowman 2002, 367). In 2002, 84 per cent of all children in the age group 1 to 5 years were enrolled in day-care organized by the municipality (Duvander, Ferrarini and Thalberg 2005, 11).

Parental Leave

Parental leave benefits are another element of family policy that strengthens women's position and involvement in the labor market after childbirth. Since the 1930s, Swedish women have not feared losing their jobs when they became pregnant or had children; maternity leave was made available to them in the post-war era (Haas 1996, 61). More clearly, Sweden enacted legislation providing for unpaid leaves for mothers as early as 1937, paid leaves in 1970, and paid leaves for both parents in 1974 (Moen 1989, 10). With the introduction of the gender neutral parental insurance in 1974, policymakers further strengthened gender equality in terms of the dual-earner family working pattern.

Parental leave today entitles parents to a total of thirteen months of job protected leave with 80 percent wage replacement, with a benefit ceiling of 646 SEK/day (equivalent to \$90 per day). Parental insurance benefits can be used until the child's eighth birthday. The earnings-related part has a high degree of flexibility and can be used partially on a daily basis by the parents (Duvander, Ferrarini and Thalberg 2005, 10). The high degree of flexibility related to the parental leave system creates considerable options for mothers regarding the combination of work and family life. Knowing that during the parental leave period they are guaranteed job security also helps mothers in deciding whether or not to return to the labor market soon after childbirth. If mothers decide to spend additional time with their children (longer than the assigned period of thirteen months), time on leave can be extended by

accepting a benefit lower than 80 per cent of earlier income. On average, a child stays at home with a parent for over 16 months before any other form of child care is introduced (estimated length for children born in 1999). Over a quarter of all mothers take 18 months of leave or longer (Duvander, Ferrarini and Thalberg 2005, 13).

In order to achieve a more gender-balanced distribution of care work and labor market opportunities through the increase of paternal involvement and to grant children the right to a close relationship with both parents, the “Daddy Quota” was introduced in 1995. The “Daddy Quota” represents an earmarking of one month of the parental insurance for fathers. In 1995, the replacement level in parental insurance was lowered in steps from 90 to 80 and then in 1996, from 80 to 75% due to high unemployment and large state budget deficits. Later in 1998, however, these cuts were reverted and the replacement level restored to the present level of 80%. In 2002, the “Daddy Quota” was increased to 2 months. In 2004, there was a commission appointed to investigate the effects of the current parental insurance legislation. Since then, it has been debated to introduce a new model of parental insurance (currently the one existing in Iceland), which gives both parents the opportunity to share the three thirds of total parental leave benefits equally among themselves. So far however, there have been no developments in this regard.

The most recent significant policy change, the introduction of the gender-equality bonus, occurred in 2008. The gender-equality bonus serves as an incentive for parents to share parental leave as evenly as possible between themselves. It is calculated on the basis of how a child’s parents divide parental leave and the days of parental benefit they take. Parents who share parental leave equally have the opportunity to receive the maximum benefit amount on condition that they work when the other parent takes parental leave (Ministry of Health and Social Affairs, 2010).

High fertility rates, combined with high numbers of female labor participation during the recent decades, demonstrate that parental leave legislation has positively influenced the

combination of work and family life in Sweden. In line with other parts of family policy legislation, the parental leave policy framework has remarkably enhanced women's choices in Swedish society.

The Impact of Policy on Women's Choices

The variety of policies discussed in the previous section certainly had considerable impact on women's choices in relation to their quality of life. These new family structures which were shaped by the most recent policy developments are no longer in line with the household division of labor with a homemaker and a breadwinner. Women have in fact taken advantage of these policy innovations and have continued on a course of experiencing increased gender equality.

One of these policy elements, the well-developed parental-leave system, has been providing generous benefits to working women during their maternal leave period. Receiving 80% of their gross income, mothers are not forced to cut back stringently on household finances when they are at home with their children. Another policy goal to improve gender equality and to enhance the conditions of working women was to legally involve fathers in the entire process of childrearing. The introduction of the gender neutral parental insurance in 1974, which enabled mothers and fathers to take parental leave, had a very positive impact on women's labor force participation. Granting the same leave rights also to fathers creates a more equal division of labor in the household and consequently eases women's work burden at home, which improves the combination of work and family. As Duvander, Lappegard and Andersson describe, "practically all mothers in Sweden, and 80 per cent of fathers take parental leave" (Duvander, Lappegard and Andersson 2010, 47).

Overall, female labor force participation increased from 50 per cent in the mid 1960s to more than 80 percent in the early 1990s (Duvander, Ferrarini and Thalberg 2005, 16). Duvander and Andersson suggest that a psychological effect of gender structures exists, by

stressing that “a higher degree of gender equality might also affect fertility positively, in a more indirect way, if it affects women’s well-being and marital stability positively.” Women in gender equal relationships may be more prone to continue childbearing in their present relationship (Duvander and Andersson 2006, 121).

More choices about how to combine work and family life were given to working women in Sweden through the setting up and the expansion of the child care system. Many Swedish women who wished to return to the labor force soon after their children were born already took advantage of this policy between 1960 and 1970 (as previously mentioned) and, as Palley and Bowman point out, “even this expansion could not keep pace with demand” (Palley and Bowman 2002, 365). Between 1970 and 1998, however, the number of children enrolled in child care in Sweden increased tenfold (Palley and Bowman 2002, 366).

As I have observed, an effective family policy framework enhances women’s choices in relation to the harmonization of work and family life. As discussed in this chapter, due to its generous allowances, its flexible parental leave system, and its well-functioning childcare institutions system, Sweden’s family policy framework indeed offers a variety of incentives. Within this context, in the past decades, high numbers of women have been taking advantage of these policies, which reflects in the countries’ stable fertility rates and high levels of female labor participation.

CHAPTER 5

Conclusion

Introduction

In the previous chapters, I have examined how the different family policy frameworks of Japan and Sweden have been associated with different outcomes in relation to fertility rates and women's labor market participation. Whereas the dual-earner model in Sweden has enabled the return of a large majority of women to the labor market after childbirth, Japan's less generous family policy framework, still to a great extent relying on the male breadwinner, considerably discourages mothers' return to the labor force. In comparison with the benefits that Swedish women are granted, Japanese women lack benefits that would allow them to have children and at the same time participate in the labor market.

In this concluding chapter, I will compare Japanese and Swedish family policy and present my main findings concerning the comparative impact of family policy on fertility rates and women's labor market participation in Japan and Sweden. Finally, I will discuss the possible reasons for the differences in family policy in the two countries.

Differences in Family Policies in Japan and Sweden

As summarized in Table 5, considerable differences exist between the two countries' policies. Child allowances in Sweden were introduced rather early (1948) whereas child allowances in Japan were created in 1972. While child allowances in Japan are income-based and not automatically paid out to everyone, in Sweden these allowances are universal and do not depend on a person's income. Unpaid maternity leave in Sweden was introduced as early as 1937, whereas in Japan, women were granted unpaid leave of absence ten years later

(1947). Paid parental leaves of absence were introduced in Sweden in 1970, whereas Japan only passed a leave law that provided job-protected leave for parents in 1992.

Although the rates of parental leave usage in Japan have increased in recent years, overall use is far from that of the Swedish system. In 1999, only 56.4 per cent of Japanese mothers of new-borns took parental leave, though by 2008, the figure had increased to 90.6 per cent (Ministry of Health, Labor and Welfare 2008). Compared to the Swedish parental leave system, which has widely promoted gender equality and even strengthened this notion through the introduction of the gender neutral parental insurance in 1974, the Japanese parental leave system has not been widely used by men. Andersson, Duvander and Lappegard (2010, 47) stress that, “practically all mothers in Sweden, and 80 per cent of fathers take parental leave,” but the most recent data shows that only 1.23 per cent of Japanese men do so (Ministry of Health, Labor and Welfare 2008).

Table 1. Family Policies in Sweden and Japan Compared

Type of Policy	Sweden	Japan
Child Allowances	1948: Child allowances introduced; applied universally.	1972: Child allowances introduced; income-based program that requires families to apply each year.
Parental Leave	<p>1937: Unpaid maternity leave of absence introduced</p> <p>1970: Introduction of paid parental leaves of absence</p> <p>1974: Introduction of gender neutral parental insurance</p> <p>Parental Leave benefits: Governmental benefits: 80 % of salary paid for one year</p>	<p>1947: Labor Standards Act provides for 14-week unpaid maternity leave</p> <p>1992: Introduction of paid parental leaves of absence; no gender-neutral provisions as in Sweden</p> <p>Parental Leave benefits: Company benefits can add up to 80% of the monthly salary; or Governmental benefits are 50% of a person's salary for one year</p>
Childcare Provision	<p>1960's: Construction of day nurseries for the first time sponsored through municipal authorities</p> <p>1970: Expansion from 50,000 child care spaces in 1960 to 158,000 in 1970</p> <p>1980: Further expansion to 407,000 child care spaces</p> <p>1990: 79 per cent of children age 3 in Sweden enrolled in publicly-funded day care</p> <p>1970 – 1998: Tenfold increase in the number of children in full-time child care, from 71,000 to 720,000</p>	<p>1947: Childcare Welfare Law passed (provides for the expansion of child welfare facilities including government-funded day-care centers)</p> <p>2001: Number of licensed public and private day care centers: 22, 214</p> <p>2003 – 2007: Expansion of unlicensed day care centers from 6,111 to 7,178</p> <p>2007: Number of licensed day care centers: 22, 848</p>

Source: Table was compiled by the author based on material presented in Chapters 3 and 4.

The distribution framework regarding parental leave benefits in Japan and Sweden

also differs. Parental leave benefits paid by the company in Japan can add up to 80 % of

income replacement; however, these amounts are not regulated by the government. Important

to note is that Japanese parental leave benefits paid by the government are considerably lower

(50 % of salary) than in the ones in Sweden (80 % of salary). If women claim parental leave in Sweden, they do not have to fear losing their job since they are protected by law and guaranteed job security during their leave period. In Japan, these laws that ought to protect employees are mainly absent. In recent years however, some changes have occurred. The need for an improvement of family policy in favor of working mothers has also made a number of companies aware of the necessity for change, and there has been a considerable increase in companies setting up rules for the child care leave system. As mentioned previously in the chapter on Japan, the percentage of companies that have set up rules for the child care leave system increased from 36.4 per cent in 1999 to 66.4 per cent in 2008 (Ministry of Health, Labor and Welfare 2008, 12). However, there are also those companies that do not offer any parental leave to working mothers. Since the laws, to a great extent, rely on “administrative guidance” and recommendation, rather than enforcement mechanisms, those employers who do not grant leave periods to people claiming the leave cannot be punished. This represents a severe disadvantage for women who wish to harmonize family and labor.

In Sweden, the construction of day nurseries through municipal authorities, which was mandated by national policymakers, began in the 1960's. Due to a high demand in the 1970's, child care spaces were further expanded from 50,000 in 1960 to 158,000 in 1970. Generally speaking, over a long period of time, Swedish policymakers have continued to expand childcare institutions to benefit the many women who wished to pursue their careers while also being mothers. In 2002, 84 per cent of all children in the age group 1 to 5 years were enrolled in day-care organized by the municipality (Duvander, Ferrarini and Thalberg 2005, 11).

As for Japan, the awareness regarding the need for child-care institutions occurred at a much later stage than in Sweden. Only in recent years have policymakers started to take fortified action in order to expand child care institutions. According to the Ministry of Health,

Labor and Welfare, in 2003, 86.9 per cent of children enrolled in child care facilities had been able to enter without any waiting period when the parents originally applied. In 2006, the figure was 87.6 per cent (Ministry of Health, Labor and Welfare 2006). Over the same years, in accordance with the “Child and Childrearing Support Plan,” the number of children on waiting lists decreased for 4 consecutive years to 18,000 as of April 2007 (MHLW Annual Report 2007-2008).

The Comparative Impact of Family Policies

With reference to the relationship between family policy, fertility rates and women’s labor market participation in Japan and Sweden, in considering the comparative impact of family policy in both countries I will demonstrate that all three factors are indeed interconnected. First, on the relationship between fertility rates and women’s labor market participation, I have demonstrated in Chapter 2 and as is also seen in Table 2, women’s labor market participation is clearly associated with fertility rates, especially in Japan. Among Japanese women ages 25-29 and 30-34, Japanese women’s labor market participation increased from 54.1 in 1980 (age group 25-29) to 77.6 in 2010, and from 50.6 in 1980 (age group 30-34) to 67.7 in 2010. At the same time, fertility rates in Japan decreased from 1.8 in 1980 to 1.3 in 2010; in other words, women’s labor market participation has increased, fertility rates have fallen.

Secondly, there is the relationship between family policy and fertility rates. As shown in Table 3 in the chapter on Japan, fertility rates have been declining (from 2.1 in 1972 to 1.37 in 2008) in recent decades. Why have fertility rates in Japan been declining despite the introduction of various policy changes on a continuing basis? There are two possible explanations for this. First of all, the policies may not have been in effect long enough to see a change, and secondly, the policies may be too limited to produce a change in patterns of

behaviour. For instance, child-allowances are one example of a limited policy, and they have not been claimed by many families yet. Since child allowances are means-tested, they are only supporting a small number of households, and usage rates have therefore been very low. Only 20 per cent of households with children under the age of three that met the income threshold received this benefit in 1996 (Boling 2007, 132). Unless child allowances are applied universally, they will not be of much help for working women in Japan.

The policies for parental leave also leave a lot of room for improvement; however, in recent years, changes in their use have become visible. According to a survey conducted by the Ministry of Health, Labor and Welfare, Japanese women have increasingly taken childcare leave in the past decade. Whereas in 1999, only 56.4 per cent of women took parental leave, in 2008, the figure increased to 90.6 per cent. Businesses also have started to adjust to the new circumstances. Concerning the change in the child care leave system establishment rate, the percentage of companies that have set up rules for the child care leave system increased from 36.4 per cent in 1999 to 66.4 per cent in 2008. (Ministry of Health, Labor and Welfare 2008, 12). The increasing provision and use of parental leave and child care policies certainly show that employers' understanding in relation to women's need for such policies is rising. Another essential component of a well-working family policy framework is the continuing expansion of childcare institutions. Due to the growing need for a change in family policy in the area of childcare institutions, Japanese policymakers achieved some successes in recent years. Whereas in 2001, there were still 21, 201 children on waiting lists for childcare centers, the number could be reduced to 17, 926. In sum, these policy changes are being adopted. Their use suggests that, as measures are expanded and more time passes, they could have an impact on choices about work and family.

What about the Swedish case? Table 4 in our chapter on Sweden indicates the same relationship, but from another perspective. In other words, the Swedish case clearly shows that effective change in family policy does indeed increase fertility rates. More clearly, as

seen in Table 4, in 1970, during the time child care spaces were expanded (from 50,000 to 158,000 in 1970) and as paid parental leaves of absence were introduced, fertility rates were rather high (1.9). Due to high unemployment and large government budget deficits in 1995, however, parental leave benefits had to be lowered (from 90% to 80% in 1995 and from 80% to 75% in 1996). With this policy change, fertility rates decreased from 1.7 in 1995 to 1.6 in 1996. Although parental insurance benefits were restored to the former level of 80% in 1998, fertility rates did not rise until 2002. In 2002, the “Daddy quota” was increased to 2 months and fertility rates increased again to 1.7. Another rise in fertility rates to 1.91 was achieved through the most recent policy innovation, the gender equality bonus (incentive for parents to share parental leave as evenly as possible). Drawing on the Swedish findings as another example, we can also conclude in this case that family policy and fertility rates are in fact closely related.

Due to its effective family policy framework, in recent years, fertility rates in Sweden have been stable. Child allowance is only one effective component of Swedish family policy. In contrast to Japanese child allowance, Swedish child allowances are universal and they have therefore been used by large numbers of people in Sweden. As the benefit is normally granted not only to mothers but also to single fathers, child allowances promote gender equality. The distribution of child allowances is also very flexible. If the parents live separately, child allowances can even be split between both parents. Taking these characteristics into consideration, child allowances will also in the future represent an income support for working parents in Sweden.

Since its introduction in 1974, as previously demonstrated, the gender neutral parental insurance framework has also proved successful. As female labor market participation has increased from 50 per cent in the mid 1960s to more than 80 per cent in the early 1990s, uptake rates of parental leave in Sweden have been high for a considerable amount of time. As previously mentioned, the introduction of the gender-equality bonus in 2008 was a further

step towards the promotion of equal working relationships between mothers and fathers (the gender-equality bonus serves as an incentive for parents to share parental leave as evenly as possible between themselves). Taking into consideration that Swedish women will increasingly enter the labor market also in the future, it is most likely that the expansion of legislation in this regard will further improve people's living conditions in relation to the harmonization of family and work life.

As another consequence of the well-working family policy framework, labor participation rates in Sweden have also been stable in the past decades. As previously mentioned, since 1970, the expansion of child care spaces has produced positive developments in relation to fertility rates and the number of child-care institutions has grown continuously. In 2002, 84 per cent of all children in the age group 1 to 5 years were enrolled in day-care organized by the municipality (Duvander, Ferrarini and Thalberg 2005, 11).

In summary, the different family policy frameworks in Japan and Sweden have indeed produced different outcomes in relation to fertility rates and women's labor market participation. In this regard, we can conclude that the more comprehensive the family policy framework, the more likely it is to encourage childbearing along with women's labor market participation. Overall, it is worth mentioning that, as the working population in many industrialized countries has risen considerably in recent years, fertility rates in most welfare states have been declining. Due to this fact, well-developed family policy frameworks will likely become increasingly important, not only for those women wishing to have children, but also for demographic developments in general.

Explanations for Why Japanese and Swedish Policies Differ

As I have demonstrated in the previous chapters of this paper, many differences between Japanese and Swedish family policy in fact exist. What are the basic explanations for

the differences in these policies? Within this context, I reviewed possible explanations in chapter 2 of this thesis. One of these explanations relates to Esping-Andersen's theory on the different typologies of welfare states. As previously mentioned, Esping-Andersen (1999) points out that broad differences exist according to the role played by family in the welfare mix. According to Esping-Andersen (1999), Japan would represent the type of welfare state that has been focusing on the male breadwinner's career stability, while Sweden would fit another type of modern welfare regimes described by Esping-Andersen (1999), namely, one that has long promoted the dual-earner model and, within this context, the independence of each individual in society.

However, there are reasons why this theory is not very helpful. As mentioned previously, Esping-Andersen sees the previous regimes that were established as laying the basis from which states develop new responses. Nevertheless, Esping-Andersen does not give a clear prediction of how welfare states will cope with contemporary pressures. In the Japanese case, however, changes are in fact occurring. Since women's and men's perceptions towards gender equality have been gradually changing in recent years, society is slowly dissociating itself from the male breadwinner model.

What about a cultural explanation for the differences in family policy? A cultural explanation could in fact be helpful and persuasive, however, it is rather difficult to say if this might also be the case in the future. By looking at the treatment of gender roles in the two countries of analysis, culture would have predicted that Japanese employers would want women to stay at home, while in Sweden, people would welcome women in the workforce. However, in recent years, significant changes have been occurring. As a society whose people have only been slowly abandoning their traditional views on women's and men's roles and responsibilities, Japanese are gradually becoming aware that gender equality is an important element for the improvement of people's living conditions. There is no doubt however, that Japan's Liberal Democratic Party (LDP), which dominated post-war politics, has left its traces

within the family policy framework. The gender roles that classified men as the breadwinners, and women staying at home as housewives, are only disappearing slowly. As stated in the chapter on Japan, on the question on whether or not the husband should be the breadwinner and the wife should stay home, figures show that men and women are starting to develop rather similar attitudes. Only 35.1 per cent of men out of 100, and 29.5 per cent of women supported this idea in the poll (Cabinet Office, November 2004).

And what about the last explanation? The final explanation, namely the timing and politics according to which both policy frameworks were introduced, most likely explains best why Japanese and Swedish family policies differ considerably. Compared to the Japanese family policy framework, Swedish family policy has been in place for a rather long time. Legislative actions regarding Swedish family policy were created as early as in the 1970s, whereas Japanese family policies are of much more recent character (Japanese policymakers only started taking action after the birth rates drastically dropped when the country was struck by the “1.57 shock” in 1989) and the benefits are limited. Although Japanese policymakers have been consecutively revising and improving these policies in recent years, in Japan, the outcome has not been as successful as in Sweden, to some extent because they have only been in effect for a short period of time.

Within the entire process, political dynamics have been of great relevance as well. In Sweden, the origins of a solid policy framework supporting gender equality date back to the 1930's. As early as 1932, when the Social Democratic Party gained power, policymakers started undertaking considerable efforts to promote social equality, as well as women's and men's individual roles in society. In addition, Swedish society enjoyed early support by the social scientists Alva and Gunnar Myrdal, who urged policymakers to improve social security benefits for families and offer financial incentives to women in order to increase fertility rates. In contrast, policy change in Japan was oftentimes delayed or even abandoned. Japan's Liberal Democratic Party (LDP), which had been in power since the post war era, did not

support the notion of promoting women in the workforce, and therefore refrained from creating a gender-equal policy framework.

Taking these political dynamics into consideration, the approach towards the individual versus the state is significant for how the overall responsibility is distributed in both countries. Whereas Swedish policymakers have always regarded family policy as a cooperation between the individual and the state, Japanese legislators have defended the idea that the establishment of a solid and secure framework for the harmonization of work and family life is primarily up to the individual, and not the state. However, as the state and businesses are slowly recognizing the demographic crisis they are facing, changes have been occurring recently (as we have discussed throughout this paper). The political dynamics may be the most convincing explanation for the differences in the policies. As we have thoroughly discussed and demonstrated in our previous two chapters on Japan and Sweden, these general circumstances considerably influenced women's decisions in relation to work and family life, and consequently produced different outcomes in connection to fertility rates and women's labor market participation.

These explanatory approaches are interconnected, and some similarities are recognizable among them. Although Esping-Andersen offers no clear predictions related to the developments of welfare states, his theory related to the different typologies of welfare regimes (the Northern model, such as Sweden, versus the Familialistic model, such as Japan) could explain the differences in Japanese and Swedish family policy. The most significant element however, is the structure of the family policy framework itself. Welfare regimes and culture may have certain relevance, however, family policy could be an essential link between these two approaches and could also have an independent effect. As discussed in the previous chapters, certain frameworks of family policy (such as certain policies focusing on gender-equality) might change cultural expectations for gender roles. Another possibility is that family policy might contribute to a departure from certain welfare regimes described by

Esping-Andersen (such as Japan's gradual departure from the familialistic model in recent years). According to this new field of vision, there is a chance that prospective family policy frameworks could exert their own influences, not just on fertility rates and female labor market participation, but also on the broader shape of future welfare regimes and gender roles.

Future Research and Limitations of the Study

Overall, my research has opened a lot more questions than I have been able to answer. Within the context of how family policy specifically relates to women's ability to have a family and participate in the labor market in each country, it would be interesting to conduct additional research on the changes of women's and men's perceptions on gender roles that are currently occurring. In this regard, an in-depth analysis of the main reasons for these changes in attitudes would be a worthwhile focus for further research work. Since our findings have shown that family structures are increasingly changing to dual-earner patterns also in Japan, there is indeed urgency for continued policy change. If it is able to retain its control of the government, the new leadership of the Democratic Party of Japan (DPJ) represents a great possibility for strengthening and further promoting gender equality.

This project has also suffered from limitations. Technical problems limited my access to online library resources, which could have considerably supported my research. Since I am not able to read Japanese or Swedish, I mainly had to rely on English languages sources. Even some of the English translations of Japanese documents sometimes were vague and general, and this was also a limiting factor. Additionally, for Sweden, I was not able to obtain related material that I originally anticipated having. Some of the working papers that I used for my research, only contained vague information related to some aspects about women. Because of this, for instance, I lacked helpful information on the most recent data related to women's labor market participation, which could have additionally supported my comparison between

my two case studies. In the books I obtained about Sweden, most recent data was also difficult to find, which limited my research.

Works cited

Ahlberg, Jenny; Roman, Christine; Duncan, Simon. "Actualizing the 'Democratic Family?': Swedish Policy Rhetoric versus Family Practices", *Vol. 15, Number 1, Spring 2008*, Oxford University Press (2008).

Björnberg, Ulla. "Critical Social Policy", *A Journal of Theory and Practice in Social Welfare; Special Issue: New Divisions of Labor: Alternatives for Caring and Working, Issue 70, Vol. 22 (1), February 2002*, Critical Social Policy Ltd., SAGE Publications (2002).

Boling, Patricia. "Policies to Support Working Mothers and Children in Japan" (2007), quoted in Rosenbluth, Frances McCall. "The Political Economy of Japan's Low Fertility", Stanford University Press (2007).

Boling, Patricia. "Family Policy in Japan", Cambridge University Press (1998).

Broadbent Kaye. "Shortchanged? Part-time Workers in Japan", *Japanese Studies, Vol.21, No.3*, Japanese Studies Association of Australia (2001).

Cabinet Office, Gender Equality Bureau, Women and Men in Japan 2010, http://www.gender.go.jp/english_contents/pamphlet/women-and-men10/1-1.pdf (accessed April 2010).

Cabinet Office, Gender Equality Bureau 2007, Formation of a Gender-equal society, http://www.gender.go.jp/english_contents/pamphlet/gender-equality07/01.pdf (accessed April 2010).

Chitose, Yoshimi. "Policies Targeted to Families with Children", *Policy Responses to Declining Fertility*, National Institute of Population and Social Security Research (2004).

Democratic Party of Japan, *Press Release, "DPJ's Ebata asks questions regarding education bill"*, February 2010. <http://www.dpj.or.jp/english/news/index.html?num=17780> (accessed April 2010)

Dribe, Martin; Stanfors, Maria. "Education, Work and Parenthood: Comparing the Experience of Young Men and Women in Sweden", Springer Science and Business Media, LLC (2008).

Duvander, Ann-Zofie, Ferrarini, Tommy, Thalberg, Sara. "Swedish parental leave and gender equality", Achievements and reform challenges in a European perspective, *Working Paper*, Institute for Future Studies (2005).

Duvander, Ann-Zofie; Lappegard, Trude; Andersson, Gunnar. "Family Policy and Fertility: Fathers' and Mothers' Use of Parental Leave and Continued Childbearing in Norway and Sweden", *Journal of European Social Policy, Vol. 20 (1): 45-57*, The Authors (2010).

Duvander, Ann-Zofie; Andersson, Gunnar. "Gender Equality and Fertility in Sweden: A Study on the Impact of the Father's Uptake of Parental Leave on Continued Childbearing", *Working Paper*, The Haworth Press, Inc. (2006).

Esping-Andersen, Gosta. "Social Foundations of Postindustrial Economies", Oxford University Press (1999).

Haas, Linda. "Family Policy in Sweden", *Journal of Family and Economic Issues*, Vol.17(1), Spring 1996, Human Sciences Press, Inc. (1996).

Hiilamo, Heikki. "Changing Family Policy in Sweden and Finland during the 1990s", *Social Policy & Administration Issn 0144-5596*, Vol.38, No.1 February 2004, PP.21 – 40, Blackwell Publishing Ltd. (2004).

International Labor Organization (ILO), 2010, *Economic activity rate by sex, 13 age groups, 1980-2020*. <http://data.un.org/Data.aspx?d=ILO&f=srID%3a4270> (accessed May 2010)

Lambert, Priscilla A. "The Political Economy of Post war Family Policy in Japan: Economic Imperatives and Electoral Incentives", *Journal of Japanese Studies*, 33:1, Society of Japanese Studies (2007).

Lee, Sang-Hyop; Ogawa, Naohiro; Matsukura Rikiya. "Is Childcare Leave Effective in Raising Fertility in Japan?" , *Asian Population Studies*, Vol.5, No.3, November 2009, Taylor & Francis (2009).

Malmberg-Heimonen, Ira; Julkunen, Ilse. "Equal opportunities, true options or hidden unemployment? A comparative perspective on labor-market marginality", *International Journal of Social Welfare* 2002: 11:120-131, Blackwell (2002).

Ministry of Foreign Affairs of Japan, *The Initial Report of Japan under article 44, paragraph 1 of the convention on the rights of the child* (May 30 1996) <http://www.mofa.go.jp/policy/human/child/initialreport/index.html> (accessed June 2010)

Ministry of Health, Labor and Welfare, "*First Profile Survey on New-Born Children in the 21 Century*" (FY 2001). http://www.gender.go.jp/english_contents/pamphlet/women-and-men10/1-3.pdf (accessed April 2010)

Ministry of Health, Labor and Welfare, Annual Report on Health and Welfare, 1999, chapter 5, *Measures to Cope with the Fewer Number of Children and Promotion of Measures to Support Child Rearing*, <http://www.mhlw.go.jp/english/wp/wp-hw/vol1> (accessed April 2010).

Ministry of Health, Labor and Welfare, *Policy Information, Children and Childrearing*, <http://www.mhlw.go.jp/english/index.html> (accessed April 2010).

Ministry of Health, Labor and Welfare, *Introduction to the Revised Child Care and Family Care Leave Law*, <http://www.mhlw.go.jp/english/policy/affairs/dl/05.pdf> (accessed April 2010).

Ministry of Health, Labor and Welfare, Annual Report 2007-2008, *Section 3, Promotion of Various Improvements in Day Care Services and Comprehensive Measures for After-School Children*, <http://www.mhlw.go.jp/english/wp/wp-hw2/part2/p2c6s3.pdf> (accessed April 2010).

Ministry of Health, Labor, and Welfare, “*Results of the 2006 Survey of Child Care Facilities*”, 2006, <http://www.mhlw.go.jp/toukei/saikin/hw/jidou/06/index.html> (accessed April 2010).

Ministry of Health, Labor and Welfare, *Expansion of child support allowance system* April 2007, <http://www.mhlw.go.jp/english/topics/child-support/index.html> (accessed May 2010),

Ministry of Health and Social Affairs/ Sweden, *General Allowances, Child Allowance*, <http://www.regeringen.se/sb/d/12092/a/129918> (accessed April 2010).

Ministry of Health and Social Affairs/ Sweden, *Financial Family Policy, Family Policy in Sweden, 12 April 2010*, <http://www.sweden.gov.se/sb/d/3827/a/129894> (accessed April 2010)

Ministry of Health and Social Affairs, Sweden, *Social Insurance Division, Unit for Family Policy and Children’s Rights*, May 2010

Ministry of Health, Labor and Welfare, “Child Related Policies in Japan”, February 2004, National Institute of Population and Social Security Research (2004)

Ministry of Health, Labor and Welfare, *Social Security Guide 2009*, <http://social-s.jp/child21.html> (accessed May 2010)

Moen, Phyllis. “Working Parents”, *Transformations in Gender Roles and Public Policies in Sweden*, The University of Wisconsin Press (1989).

Morgan, Patricia. “Family Policy, Family Changes”, *Sweden, Italy and Britain Compared*, The Institute for the Study of Civil Society (2006).

Neyer, Gerda R., Andersson Gunnar. “Consequences of Family Policies on Childbearing Behavior: Effects or Artifacts?” , *Working Paper*, Max-Planck Institute for Demographic Research (2007).

Organization for Economic Co-operation and Development (OECD), “OECD in Figures 2009”. http://www.oecd.org/document/47/0,3343,en_2649_34489_43896303_1_1_1_1,00.html (accessed May 2010)

Okano, Kaori H. “Young Women in Japan: Transitions to Adulthood”, London: Routledge (2009).

Palley Howard A.; Bowman, Elizabeth K., “A Comparison of National Family Policies: France and Sweden”, *Children and Youth Services Review*, Vol.24, No.5, pp. 345 – 373, 2002, Elsevier Science Ltd. (2002).

Ronsen, Marit; Sundström, Marianne. "Family Policy and After-Birth Employment Among New Mothers – A Comparison of Finland, Norway and Sweden", *European Journal of Population* 18: 121-152, 2002, Kluwer Academic Publishers (2002).

Rosenbluth, Frances McCall. "The Political Economy of Japan's Low Fertility", Stanford University Press (2007).

Schoppa, Leonhard J. "Race for the Exits", *The Unraveling of Japan's System of Social Protection*, Cornell University Press (2006).

Statistics Sweden, *Press Release on Gender Statistics*, August 2008.
<http://www.scb.se> (accessed April 2010).

Statistics Sweden, *Population Statistics*, March 2010,
http://www.scb.se/Pages/Product_25799.aspx (accessed April 2010).

The World Bank, World Development Indicators 2009,
http://data.un.org/Data.aspx?d=WDI&f=Indicator_Code%3aSP.DYN.TFRT.IN (accessed May 2010)

World Development Indicators 2009, Fertility rate, total (births per woman),
http://data.un.org/Data.aspx?q=Fertility&d=WDI&f=Indicator_Code%3aSP.DYN.TFRT.IN (accessed May 2010)