#### **ORIGINAL RESEARCH**



# Understanding fertility policy through a process-oriented approach: the case of Japan's decline in births

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#### **Abstract**

This article examines Japan's policymaking capacities necessary to address the issue of low fertility, while harnessing the process-oriented theories of policy studies. The author asks why Japan's policy to increase fertility has not worked as well as some other countries whose efforts have proven more successful. The focus of this study is on process-oriented capacities, which can be defined as an ability of actors involved to avoid conflicts and cooperate on solutions at each stage of the policy cycle. To explore these capacities, or the preconditions for enabling policy options available for the actors, the policy process is investigated using process tracing observations for causal inferences drawing on governmental data, insights from policymakers, comprehensive literature reviews, and pertinent news reports. The author contends that the involvement of broker-entrepreneurs, who recognize opportunities and navigate obstacles, plays a pivotal role in preventing conflicts among stakeholders. Nevertheless, empirical data indicates that merely sidestepping conflicts does not necessarily enable policy effectiveness.

**Keywords** Birth rate · Fertility · Family policy · Population policy · Policy capacity · Japan

#### Introduction

During 2015–2019, about half of 81 countries with fertility rates below replacement had adopted policies to raise fertility (UN, 2021). Over the past three decades, Japan has gradually expanded its family policies, reaching a key milestone with the 2003 passage of the Basic Act for Measures to Address the Declining Birthrate (*Shōshika*)

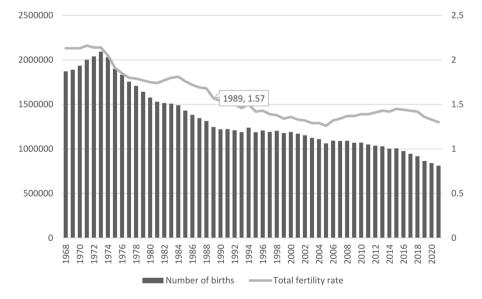
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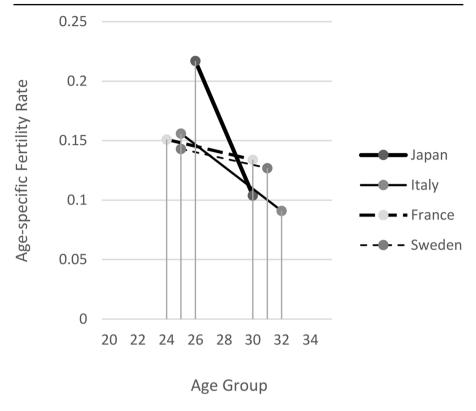
shakai taisaku kihonhō). The assessment of these policies' impact on fertility yields mixed results. On the surface, Japan's family policies seem largely ineffective in bolstering fertility rates: the period total fertility rate remains low (1.30 in 2021), completed fertility ranks among the lowest globally, and the number of live births reported in 2022 (estimated at 799 thousand) hit a record low (MHLW, 2023b). In contrast, the average total fertility rate among OECD countries (1.58 in 2021) remains much higher than that of Japan (OECD, 2023a). Figure 1 illustrates an even more critical trend of Japan, revealing a consistent decline in the number of live births since 1973 (ESRI, 2022). As depicted in Fig. 2, an examination of age-specific birth rates across different countries reveals a consistent trend of delayed childbirth. However, Japan, along with Italy, stands out due to a significant decline in the birth rate itself.

Efforts to exert political influence over individual preferences concerning fertility choices are generally considered as inappropriate in liberal democracies. Instead, policies targeting the family benefits associated with parenthood are typically employed to convince people to have babies, shaping fertility-related policy measures. In Japan, family-related social expenditures are quite low, but empirical research focusing on specific family policies have indicated a discernible positive impact on birth rates. A number of researchers attempted to provide evidence on the effectiveness of the following policies in Japan: childcare leave and employment policies (Nagase, 2014; Satō 2014; Yamaguchi, 2019), childcare services (Kamata, 2013; Lee & Lee, 2014; Fukai, 2017), and financial support such as reduction of educational expenses or child allowance (Miyamoto & Arawatari, 2013; Tanaka & Nakajima, 2015; Matsuda, 2019). The fertility trend in Japan, as depicted in Fig. 2, experienced a partial rebound to 1.45 in 2015 after reaching its lowest point of 1.26 in 2005. However, this rebound was short-lived, as the rate resumed its decline thereafter, extending up to



**Fig. 1** Number of births and fertility rate in Japan. *Source* Ministry of health, labour and welfare, *Jinkō dōtai tōkei* [Population Dynamics Statistics]. Various years





**Fig. 2** Shifts in the highest age-specific fertility rate and its age group from 1975 to 2020. *Source* Human fertility database. Max planck institute for demographic research (Germany) and vienna institute of demography (Austria). Available at <a href="https://www.humanfertility.org">www.humanfertility.org</a>

the present (ESRI, 2022). The temporary resurgence seems to be closely linked with a series of policy initiatives implemented in the early 2000s. Notably, Japan's initial comprehensive approach to address declining fertility, consisting of 130 implementation measures outlined in the 2004 Guidelines for Measures to Address the Declining Birthrate (*Shōshika shakai taisaku taikō*), played a pivotal role (MHLW, 2004).

How, then, does family policy influence fertility? In general, countries that provide significant public support to families also tend to experience higher fertility rates (e.g., Sobotka et al., 2019; Bergsvik et al., 2020). Furthermore, as Fig. 3 demonstrates, fertility intention often goes up when the government increases family welfare spending (McDonald, 2006; Rønsen & Skrede, 2010). The prevailing assumption guiding the modelling of causal connection between public spending and total fertility rates posits that policy measures collectively aim to assist families in managing dual employment and childcare responsibilities, ultimately reducing the trade-offs associated with these roles and potentially contributing to higher fertility rates. Nevertheless, it remains unclear whether the challenges they face while striving to balance these roles indeed leads to their fertility behavior or whether other factors are involved. Some research suggests that the challenge women encounter in balancing their work and family responsibilities may be one of causes contributing to



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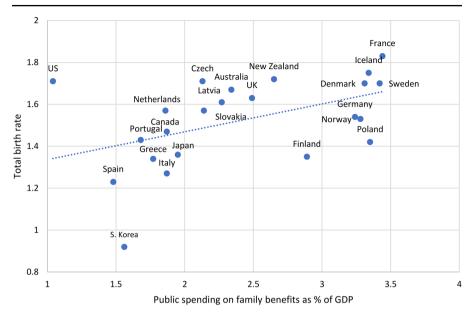


Fig. 3 Public spending on family benefits & birth rates. *Source* OECD Family Database (2019). Available at https://www.oecd.org/els/family/database.htm

the significant decline in fertility rates observed in various developed nations (Frejka & Calot, 2001; Lesthaeghe, 2001).

Figure 3 also presents intriguing features: birthrates remain high in countries renowned for their emphasis on individualism, such as France and Sweden, in contrast to the persistent low fertility observed in other countries like Japan, South Korea, and Southern European countries where the family is often perceived as a welfare agency. One might anticipate that cultural norms and practices emphasizing strong kin ties exert a major influence on fertility. However, France and Sweden have provided significant support for work-life balance and aimed to create an environment where women have a heightened awareness of economic self-reliance (e.g., Chen, 2011; Laroque & Salanié, 2004, 2014). The underlying causal mechanism linking public expenditure and fertility intentions could offer an elucidation for this enigma. Given such robust public support, if individuals perceive that their anticipated married or de facto partnership life would improve compared to their pre-union lifestyle, it will serve as an impetus for choosing cohabitation and parenthood. In contrast, in Japan, the entry of women into the workforce, driven by societal shifts, encounters traditional family values that disproportionately burden women with childcare responsibilities. This situation is likely to deter such choices unless the government furnishes substantial assistance aimed at enhancing the anticipated quality of married life (Meguro & Nishioka, 2004; Ishikawa, 2007). Delving into this causal mechanism holds promise for comprehending the policy impacts on low fertility rates.

Therefore, policy analysts have produced a large body of literature on how policies, in and of themselves, influence fertility. In other words, policy choices are largely given to disentangle their causal effects. This article, however, investigates



how the process of policy decision making has a qualitative effect on fertility. Simply, flawed decision-making processes result in poor effects. The study of decision-making processes, as a facet of organizational behavior, examines the actions and behaviors of individuals involved, their motivations, and the communication processes. It focuses on the capacity or necessary conditions that enable a diverse group of actors to successfully formulate and effectively implement policies. This article argues that the decision-making process is really all that important in influencing the levels of policy success. To explore the effectiveness of government policies, it considers a relatively extensive timeframe, spanning from the early 1990s to the present, given the complex and interconnected cycles of family policy in Japan involving multiple agencies and levels of government.

## Approaches

Studies on the effects of policy on fertility have overlooked the insights provided by process-oriented theories within the field of policy studies. One of the most well-established frameworks for comprehending the dynamics of policy change is an actor-specific theory, the multiple streams approach (MSA) (Kingdon, 1984; Zahariadis, 2014). In line with an adaptation of Kingdon's approach, this article takes a qualitative-interpretative approach to examine the dynamic, interactive, and emergent processes involved in ongoing policy phenomena. The ultimate goal is to uncover Japan's capacity for policymaking aimed at reducing its fertility rate. The policy process is investigated using process tracing observations for descriptive and causal inferences (Bennett, 2010). This investigation harnesses a diverse array of sources, including governmental data, insights from policymakers, comprehensive literature reviews, and pertinent news reports.

According to the MSA, the key role of agency within the multiple process streams, that is, problems, policy solutions, and politics, is played by policy entrepreneurs who can exploit "windows of opportunity" to influence others for policy change (Boin et al., 2009; Mintrom & Norman, 2009). A pioneer in the study of policy entrepreneurship noted that policy entrepreneurs "... could be in or out of government, in elected or appointed positions, in interest groups or research organizations" (Kingdon, 1984: 122). These windows can emerge as a result of multiple joining of the process streams in combination: a "problem" cannot be ignored, a "policy" solution may be available that is practical and viable to adopt, and "political" events may suddenly get the problem on to a government's agenda (Kingdon, 1984). Importantly, these streams are not rigidly compartmentalized, nor do they necessarily follow a linear progression from one stage to another. Policies emerge when policy entrepreneurs seize windows of opportunity to often link one stream with another (Kingdon, 1984).

The policy making process encompasses three distinct sub-processes: agenda setting, formulation, and implementation. Although initially proposed to elucidate only the agenda-setting processes, the MSA has progressively broadened its scope to encompass policy formulation and implementation as well (Exworthy & Powell, 2004; Ridde, 2009; Howlett, 2019). This article applies the expanded framework of the MSA to examine the process dimensions of policy effectiveness and success



(McConnell, 2010), rather than focusing solely on the policy contents, in and of themselves, of programmatic success. The foundation for both policy effectiveness and success lies in the intricacies of the process followed by actors/organizations involved. (McConnell, 2010: 349–350). The process-oriented examination captures the complex and interconnected cycles of policy making. This evolution is driven by an array of intervening variables, including financial availability, normative appeal, public consent, operational feasibility, and the ever-changing circumstances, such as political turnover and administrative reform. The policy process is not inherently automatic and requires a broker-entrepreneur who can seize opportunities to mediate disputes and suggest solutions. Process success involves more than just avoiding conflicts and accomplishing objectives; it also entails garnering support from all relevant organizations and their stakeholders.

Policy entrepreneurs thus play a crucial role in aligning the process streams of problems, solutions, and political will to effect changes in the existing status quo. Within agenda setting, the initial breed of policy entrepreneurs is anticipated to possess the knowledge and luck necessary to frame the issue of low fertility for policy attention. They facilitate the promotion of policy ideas, fostering connections among stakeholders with differing interests. During policy formulation, political leaders may assume the role of policy entrepreneurs, leveraging their legitimacy and resources, transcending conventional policy entrepreneurship (Zahariadis, 2014). They hold the potential to generate a range of policy alternatives addressing low fertility issues and propose viable solutions. Throughout the implementation phase, policy entrepreneurs navigate the quest for opportune moments, often arising from politicized events such as budgeting and elections, to align solutions with problems in a politically acceptable manner (Howlett, 2019). Getting involved in adjustments at the operational level, the leading advocacy coalitions, rather than political opposition, exert more influence over implementation at local or sectoral levels. The examination of the process streams in this article is based on a set of assumptions formulated within the extended framework of the MSA, encompassing the entirety of fertility-related policy processes: agenda setting, formulation, and implementation. The guiding assumptions are provided in the following subheadings.

## Agenda setting to address low fertility

During the agenda setting process, the progress of the three streams relies on a number of individuals or groups who try to get their issues onto the policy agenda, including political leaders, bureaucrats, interest groups, mass organizations or protests, and media attention. At this process, adept policy entrepreneurs occupy a strategic position to identify windows of opportunity, galvanize support, and mitigate obstacles.

The classic work of Cobb et al. (1976) offers a valuable framework for crossnational comparison of the agenda-setting process. They present three distinct typologies: the outside initiative model, the mobilization model, and the inside access model. These typologies effectively capture the different ways in which issues enter the agenda. The first model, prevalent in liberal-pluralistic political systems, involves external groups initially placing an issue on the public agenda, thereby compelling its inclusion in the policy agenda. Conversely, the second model pertains to centralized



political systems with relatively weak social organizations. Here, policymakers take the initiative to formulate a viable course of action, moving it from the policy agenda to the public agenda for successful implementation. The third model, frequently observed in state-led corporatist institutions, centers on issues emerging among policymakers or in influential groups closely associated with the government. The findings in this article are anticipated to align most closely with the second model. This anticipation stems from the intricate nature of the low fertility issue, which requires specialized knowledge to comprehend the interwoven challenges spanning health, welfare, employment, and education. The task of initially defining the intricate issue of low fertility as a problem falls upon policymakers. In essence, the envisaged policy entrepreneur is expected to comprise a collective of policymakers, especially trained bureaucrats, who mobilize expertise as a source of entrepreneurial influence and may draw upon academic discourses for guidance and support.

## Issue framing and agenda setting

In the agenda-setting process aimed at tackling the intricate issue of the low fertility, the envisioned policy entrepreneur takes on the role of a frame producer, leveraging their policy expertise. The recipients of these frames encompass a broad spectrum, including elected government officials and the general public's opinion.

Unsurprisingly, while Cobb's typologies provide leverage for analyzing changes in the welfare state, policy process is much more dynamic and complex. The concept of issue framing embraces and further expands the research of agenda-setting, providing a useful approach for analyzing the micro-process of political resource mobilization in the process of agenda setting. Issue framing can be defined as the act of presenting an issue in a manner that is likely to garner the highest level of agreement from others (Goffman, 1974). Put simply, issue framing constitutes a fundamental aspect of political persuasion. Its primary goal is to secure widespread support by defining the problem, assigning responsibility, and presenting potential solutions. Successful framing strategically places the actor involved in a favorable position to guide discussions about the issue, significantly enhancing the likelihood of achieving a successful solution.

While it is presumed that framing can influence opinion, the literature has primarily focused on the framing ability of the mass media to signal to the public what is important (e.g., McCombs & Shaw, 1972; Gitlin, 2003; Gans, 2004). In the issue area of low fertility, however, the mass media's role as initial frame producers becomes less pronounced. The more intricate the issues, the less they will be noticed and reported. Mass media tend to place emphasis on unambiguity as a news value, involving around topics that are familiar and easily comprehensible to the public. Instead, bureaucratic expertise assumes a pivotal role in recognizing the situation of low fertility as a public problem. It helps to frame this challenge and facilitates the connection of stakeholders who can cooperate to develop problem solutions.



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## Limitations of bureaucratic expertise

In the process of policy formulation, concerning a particular issue, distinct ministries discover that their interests and policy preferences align with or diverge from a multifaceted assortment of other ministries. Cross-jurisdictional formulation makes it less conductive to policy integration.

The impacts of low fertility posed widespread and continuing threats to the nation's future by causing sweeping economic and social repercussions such as affecting labour markets, intergenerational ties, and gender relations. The issue of low fertility proves challenging due to its interconnectedness with broader concerns like education, employment, housing, medical services, and social welfare. In cases where the policy area is extensive and diverse, policy formulation is assigned to multiple agencies within the bureaucracy. Policy solutions by administrative elites across different ministries then tend to be organizationally fragmented, piece-meal, and uncoordinated. Consequently, the capacity for effective policy making becomes constrained, particularly when proper policy coordination is lacking.

#### Political will and leadership

For effective policy formulation, in cases of bureaucratic fragmentation, the dynamics of policy process needs to favor the emergence of individual and collective entrepreneurs who possess the political will to realign focus towards the center through political leadership.

The pressing challenges facing the nation's future due to the declining birth rates appear to transcend the scope of bureaucratic discretion and incremental approaches. As a result, leaders like Koizumi Jun'ichirō advocated for a more cohesive government strategy. The complexities of low fertility necessitate more extensive integration efforts compared to relatively straightforward issues that neatly fall within the purview of a single government agency. Effectively tackling a challenge like low fertility demands the involvement of much of government. The alignment towards a more joined up government necessitates the timely convergence of proposed policy solutions and political will, in order for a coherent policy to emerge.

#### Values and norm constraints

Implementation often diverges from the intended policy solution. Rapid social and familial transformations among younger generations have an adverse impact on their fertility intentions, often leading to conflicts with established social norms and cultural values concerning living arrangements, marriage, and parental responsibilities.

Unwritten and non-mandatory norms and values have a lasting impact throughout the implementation process. These entrenched standards and principles sway both individuals' fertility aspirations and the policy convictions of leaders. If policy elites believe that families are crucial in providing support and services for dependent people, they thus allocate less family welfare spending. Even within a family-centric nation, younger generations must adapt to the rapid evolution of an employment-centered economy. Constrained by the limited allocation of family welfare spending,



they frequently face discouragement from cohabiting and having children, all the while encountering traditional family values that disproportionately burden women with childcare responsibilities.

## **Peripheral implementation**

The state uniformly guarantees and provides family benefits. However, effectively implementing policy measures requires localized responses that are tailored to the specific conditions of each region.

The state assumes a primary role in developing diverse institutional models for allocating responsibilities among the family, the market, and the state to provide public support. While low fertility is a nationwide issue, the birth rate situation varies significantly across localities. The factors and challenges faced by each community in relation to low fertility span across many fields, including childcare support, community development, town planning, and work style. Imposing conditions attached to national subsidies or enforcing top-down administrative directives can hinder the implementation of successfully localized policy measures. Additionally, policy learning contributes to the diffusion of localized policy implementation, as cities often adopt best practices from neighboring localities when making their own policy choices.<sup>1</sup>

The following process observations of Japan's fertility policy are guided by the expanded MSA framework to assess Japan's policymaking capacity of addressing the issue of low fertility.

## Policy core beliefs in the welfare state regime of Japan

The conservative view of the Liberal Democratic Party (LDP), which has held power almost continuously since 1955, has consistently focused on family values, making it challenging to implement policies that may undermine the centrality of family. One notable example is the LDP's introduction of the "Japanese-style Welfare Society," which was launched by the party in 1979. This initiative lauded Japan's strong adherence to family-oriented values, citing the high cohabitation rates with parents as evidence. The LDP report described this cohabitation as a unique strength of Japan, setting it apart from the Scandinavian welfare state model. In contrast, the report dismissed a system of state support guaranteed for all aspects of life as a "foolish case that we should avoid as much as possible" (LDP, 1979: 194). To be more specific, the LDP's official view posited that the growing tendency among women to prioritize working outside the home could weaken the family's role as a safety net in life, leading to the "de-familialization" of society (LDP, 1979: 194–195). Such a concern promoted the LDP to emphasize the sacred importance of childbirth and child rearing

<sup>&</sup>lt;sup>1</sup> Policy learning involves leveraging new information to update and refine policy-relevant knowledge (May, 1992). Learning agents can identify problems and propose policy ideas by learning how to enhance the political feasibility from lesson drawing. Policy diffusion can thus occur through communication among local governments to keep up with their policy innovation.



for the nation's future, closely linking this with population policies (Kojima, 1994). The imperative of maintaining an optimal population size became a critical priority for those in positions of authority. Their focus was primarily on ensuring the nation's survival and advancement. These core beliefs served as the binding force among conservative LDP lawmakers, exerting restrictive influences on the public endorsement of women's economic self-reliance. They advocated for the family as a pivotal welfare agency.

## Framing and the origins of shōshika (falling birthrate)

The term "shōshika," denoting the decline in the number of children in Japanese society, made its inaugural appearance in the 1992 edition of the White Paper on the National Lifestyle (EPA, 1992). Beneath this newly coined expression lies a concealed historical narrative. In 1941, during Japan's wartime era, the Konoe Fumimaro administration introduced a population policy under the banner of "Produce More, Increase More, for the Sake of the Nation" (Asahi Shimbun, January 16, 1941). In postwar Japan, this policy became a longstanding taboo as it contradicted the principle that marriage and childbirth should inherently stem from an individual's freedom of choice, devoid of external pressures. Despite this political climate, when the total fertility rate plummeted to an all-time low of 1.57 in 1989, the government could not overlook the impact of this "1.57 shock." To circumvent any wartime associations, a fresh term was requisite for this policy domain. Since fertility policy primarily came under the jurisdiction of the Ministry of Health and Welfare (MHW), the historically unprecedented level of 1.57 provided the MHW with an opportunity to define the problems of low fertility. Former Health and Welfare bureaucrats, in their memoirs, indicated a deliberate avoidance of the phrase "population policy" (Ōizumi, 2016: 2). Instead, as Table 1 indicates, the term "shōshika taisaku" (measures to counter the declining birthrate) was adopted to draw positive attention and underscore the urgency of the issue (Furukawa, 2005; Ōizumi, 2016).<sup>3</sup> In the 1995 edition of the White Paper on Health and Welfare, shōshika taisaku emerged as a subject of discourse, marking its introduction by Health and Welfare officials (MHW, 1995: 204–212). Notably, it distinguished itself from the pre-war ideological convention (Asahi Shimbun, January 16, 1941) by emphasizing that children should not be perceived solely as assets for production. In this manner, Health and Welfare officials leveraged the opportunities arising from the "1.57 shock" to reconcile the negative wartime experience with a forward-looking entrepreneurial approach.

<sup>&</sup>lt;sup>3</sup> Ōizumi Hiroko is former member of the House of Representatives and former Chief of the Planning Division of the Child and Family Bureau at the Ministry of Health and Welfare. Furukawa Teijirō is former Vice Minister of Health and Welfare and former Deputy Chief Cabinet Secretary.



<sup>&</sup>lt;sup>2</sup> In 1966 there was a sharp decline in the total birth rate to 1.58, attributed to the superstition of "Hinoe-Uma," which occurs every 60 years. This belief led to a significant number of families opting to abstain from childbirth entirely during that year. By 1989, the total birth rate further plummeted to a historically unprecedented level of 1.57, surpassing even the rate observed in 1966. This decline came to be widely acknowledged as the "1.57 Shock."

Table 1 Fertility policy entrepreneurship in the Japanese bureaucracy and the prime minister's office MHW entrepreneurship 1989-2001 Prime Minister's office entrepreneurship 2001-2023 From policy agenda to policy From policy formulation to formulation implementation Window of opportunities Critical Junctures "1.57 shock" in 1989 Central administration reorganization in 2001 Problem stream Perceived problems Urgency of the declining birthrate Unprecedented labor scarcity Issue Framing Shōshika taisaku as a subject of Bringing the policy agenda to public awareness discourse Policy stream Policy approaches More spending on family benefits Deregulation of the welfare sector Key Resources Information & knowledge on fertility Political legitimacy & centralized authority Policy Solutions Avoidance of the prewar ideological Employment-centric solutions to convention labor shortages Politics stream Political Feasibility Acceptance among LDP politicians Holding stakeholders together with conservative beliefs Political strategies Integrating socialized services with Aligning conservative beliefs conservative with social changes family values Budgeting low priority for the childcare sector Policy outputs Policy effects Bureaucratic fragmentation Labor supply rather than women's social advancement Policy coordination problems Barriers to producing Traditional family values Central control over local better services discretion

## MHW entrepreneurship in policy agenda setting

In the early 1990s, the MHW embarked on a new initiative to include the issue of declining birthrates in its policy agenda. This issue was placed at the forefront of the MHW's agenda setting exercise. In order to garner greater acceptance among LDP politicians, a strategic approach was employed, wherein they skillfully intertwined elements of social democratic discourse, such as the provision of socialized services for child rearing support, with the principles inherent in conservative discourse, namely the preservation of family continuity and values (MHW, 1990). Central to their strategy was the skillful presentation of the necessity for more spending on family benefits. This was positioned not only as a means to foster family continuity but also as a crucial step to mitigate the economic ramifications stemming from the decline in population.

Seeking to prioritize this pioneering effort, Director of the Child and Family Bureau of the MHW, Furukawa Teijiro, requested that Prime Minister Kaifu Toshiki (1989–1991), in his October 1989 policy speech, address the declining birthrate issue (Furukawa, 2005). Furukawa's strategy proved successful, prompting the then Minis-



ter of Health and Welfare, Toida Saburo, to begin discussing the importance of measures to address declining birthrates (*Shūkan Shakai Hoshō*1990: 10). The discourse on declining birthrates gradually spread to government actors and even the general populace through Prime Minister Kaifu's speeches and media coverage. Until then, the term "declining birthrates" had hardly appeared in newspapers. The creation of this new discourse owed much to the skillful framing strategy employed by officials in the MHW. This sequence of events highlighted the Ministry's role in overseeing child and family administration, thereby indicating its authority in related policies such as measures to combat declining birthrates. This process is considered a critical juncture for policy change.

In 1990 the government could not ignore the impact of this "1.57 shock" and established inter-ministerial meetings to "cultivate an environment conducive to promoting healthy childbirth and child rearing" (CO, 1991:1). Subsequently, the media began highlighting the potential consequences of the declining birthrate, including a shrinking workforce and increased strain on social security systems. For instance, the number of articles focused on "kosodate shien" (support for families raising children) published by Asahi Shimbun gradually increased from five articles in 1991 to 36 articles in 1994. By 2005, the term "kosodate shien" appeared a remarkable 614 times in Asahi Shimbun, indicating a growing public recognition of the issue. <sup>4</sup>As a result, the media helped to raise public awareness of the policy matter (CO, 2021). However, it is important to note that this agenda setting process was fundamentally about the state's efforts to engage with society, rather than a social movement involving input from society to the state. This was primarily because specialized knowledge about declining birth rates was required for policy attention. This policy of shōshika taisaku, as it is referred to today, was not so much constructed under the leadership of politicians based on their own awareness of the problem, but rather shaped by the Health and Welfare bureaucrats who prepared the groundwork.

MHW entrepreneurship shaped the problem to which elected officials eventually responded. In June 1990, the LDP took a positive step in responding to the alert from the MHW by establishing the Child and Family Issues Subcommittee within its Social Affairs Committee. Furthermore, the LDP approved the amendment to the Child Allowance Law ( $Jid\bar{o}$  teate  $h\bar{o}$ ) prepared by the MHW, which had been advocating for the need to comprehensively promote support systems related to childcare. The bill was passed by the Diet in May 1991. As Prime Minister Kaifu stated, the conservative forces recognized the declining population as a crisis to ensure a future-ready workforce (House of Representatives, March 2, 1990).

## Compartmentalized bureaucracy in policy formulation

In 1994 an agreement known as the "Angel Plan" was formulated as a collective effort between the ministries of education, welfare, labor, and construction. This agreement outlined future childcare support measures (MHW, 1994) and served as a blueprint

<sup>&</sup>lt;sup>4</sup> The figures are adopted from Kikuzo II Visual, which is one of the largest newspaper article databases in Japan.



for key policies in childcare, employment, education, and housing for the subsequent ten years starting from the fiscal year 1995. Notably, the Angel Plan emphasized the significance of "child rearing in the home as the foundation" of childcare support (MHW, 1994: Sect. 3). While childcare introduced a novel policy initiative, it remained aligned with the established principle of family self-reliance and a familycentered approach to care. Additionally, the plan's development was constrained by compartmentalized bureaucracy, as it emerged from negotiations among various relevant ministries and agencies. The former head of the Child and Family Bureau of the MHW recalled the situation, stating, "The Ministry of Construction participated due to its involvement in children's park development, and the Ministry of Labour aimed to improve working conditions for women. However, it was difficult to say that the Ministry of Education had any enthusiasm" (Ōizumi, 2016: 3). The lack of policy coordination hindered effective policy formation. MHW policy entrepreneurs thus encountered challenges in uniting the different ministries to collaborate on policy problems, such as fertility policy, which did not neatly align with the jurisdiction of a single government agency.

In many cases, the resulting policies tended to be a patchwork of measures under the jurisdiction of each ministry. For example, Education Ministry's policies related to what was then known as "yutori education," such as promoting relaxed education in schools or promoting a two-day weekend system, were incorporated in the collective effort (Masuda 2009: 28). The yutori education would alleviate the psychological burden on parenting households; however, it was primarily an educational issue and not directly related to measures against the declining birthrate. Another instance showcased the Construction Ministry's endeavors in establishing barrier-free infrastructure, which were cited as part of initiatives aimed at countering the declining birthrate (Masuda 2009: 28). Although these initiatives played a significant role in fostering a secure living environment, their direct relevance to addressing the declining birthrate was somewhat tenuous. Generally, related ministries tended to advocate for the inclusion of any measures they deemed even remotely relevant. This was because they believed that regardless of how distant a measure might be from the original goal of the plan, its inclusion could have some impact on acquiring budget allocations from the Ministry of Finance.

The implementation of the Angel Plan was left to the response of each ministry, with the Emergency Childcare Measures and 5-Year Plan (*Kinkyū hoiku taisakutō gokanen jigyō*) (1995–1999) promoted solely by the MHW. Following the 1991 bursting of the asset price bubble, the initial shock was a large drop in tax revenues and the Ministry of Finance was thus incapable of allocating funds for new measures to implement the 5-Year Plan. To tackle this predicament, the government turned to Special Account budgets, which had amassed funds that were not factored into the General Account. Typically earmarked for medical and pension insurance, Special Accounts were employed. A fraction of the employer's obligation was reallocated to child allowances to ensure that utilizing the Special Account would not strain the government's resources (Ōizumi, 2016: 3). In the 1990s, even though the budget

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was set to be allocated, priority was given to medical care and pensions over child allowances.

In 2001, due to the reorganization of the national ministries, a new ministry was established called the Ministry of Health, Labour and Welfare (MHLW) by integrating the MHW and the Ministry of Labour (MOL). While bureaucrats from the former MHW concentrated on child protection and nurturing in their administrative roles, Labour bureaucrats approached the matter from the standpoint of female labor. During this period, a prevailing notion within the national bureaucracy was that the responsibility for addressing the declining birthrate rested primarily with women, encapsulated by the sentiment, "the declining birthrate is a women's issue, so let women handle it" (Ōizumi, 2016: 5). The MOL boasted a relatively higher proportion of female employees compared to the MHW, leading to the selection of former female MOL officials for key positions within the Children and Family Bureau of the newly formed MHLW. In fact, all the directors of this Bureau appointed were from the former MOL. Within the Bureau influenced by Labour bureaucrats, children were even regarded as integral to the production landscape, culminating in the conceptualization of 24-hour daycare centers (MHW, 2000; Ōhe, 2019). Consequently, the issue of declining birthrates was then viewed from the perspective of improving female labor, neglecting the viewpoint of healthy child rearing, creating a system that lacks consideration for the latter.

## Policy formulation led by the Prime Minister's Office

In the early 2000s, as indicated in Table 1, entrepreneurship by the Prime Minister's Office became notable in policy formulation and implementation. As part of the 2001 ministry reorganization, authority was centralized under the Cabinet Office, which resulted in the placement of the Child and Family Bureau under its supervision. In July 2003 the Basic Act for Measures to Address the Declining Birthrate (Basic Act) was introduced by legislative members and passed to address the issues of the declining birthrate (JDA, 2023). The Basic Act only indicated the policy directions to follow in policy implementation and required the government to set out specific policy measures and goals to be implemented every five years. In accordance with the Basic Act, the Cabinet Office established the Council for Measures to Address the Declining Birthrate (CMADB), chaired by the Prime Minister and composed of all Cabinet members. Concurrently, LDP's Investigation Committee for Declining Birthrates was created to work with the Council. It involved policy formulation led by the Cabinet Office and the participation of both the government and the ruling party, thereby departing from the prior practice of diverse ministries proposing individual measures. In essence, the Cabinet Office combined the problem stream of bureaucratic fragmentation with the political stream of centralization, effectively kickstarting the policy formulation process.

In June 2004 the Cabinet approved the Guidelines for Measures to Address the Declining Birthrate, which encompassed the specific provisions and numerical goals of 130 action plans across four issue areas (MHLW, 2004). These guidelines encompassed not only childcare plans but also a spectrum of various implementa-



tion measures. For example, attention turned toward economic support through cash disbursements rather than merely establishing a conducive environment for the confidence-driven engagement of young individuals. Additionally, some measures were designed to increase regular employment for young people due to the rise of casual employment. By 2005, it became common to link the issues of non-regular employment and wage gaps with the decline of marriage and in fertility (CO, 2005: Chap. 2-1). In the midst of an economic downturn, there had been an increase in non-regular employment among young people. The instability of this status and the poor work environment made them hesitant to marry. Furthermore, it had been suggested that the decline in economic strength due to non-regular employment to sustain married life undermined the desire to have children. According to a survey of child rearing women's awareness conducted by the Cabinet Office in 2005, the most important measure to address declining birth rates (with multiple responses allowed) was "economic support, including subsidies for childcare, education, and medical expenses" (69.8%). Nevertheless, it is one thing to devise an array of family benefit schemes and an entirely different challenge to secure funding for their execution. Japan's spending on family benefits as % of GDP increased from 0.6% in 2000 to 1.6% in 2017. In comparison, Sweden's figure rose from 2.8 to 3.4%, while UK's increased from 2.4 to 3.2% during the same period (OECD, 2023b).

Prime Minister Koizumi Jun'ichirō (2001–2006) demonstrated notable commitment to addressing the declining birthrate issue through his initiation of the "Zero Waiting List for Daycare" campaign (House of Representatives, May 7, 2001). His objective was to realize this policy target by encouraging private sector involvement and deregulation within the childcare sector, thereby fostering job opportunities. As part of administrative reform, privatization of the childcare sector was promoted by the Koizumi administration. The government's Regulatory Reform Council (chaired by Kusakari Takao, Chairperson of Nippon Yusen) also advocated for relaxing regulations in the childcare field as a strategic move to fortify support for child rearing (RRC, 2006). Prime Minister Koizumi aimed to integrate the policy stream of deregulation into the political steam of garnering public backing for a leaner government.

In 2005 the Chief Cabinet Secretary facilitated the connection of influential groups who might cooperate to develop policies for childcare support. This endeavor notably inaugurated a high-level dialogue involving governmental officials and prominent business figures. In navigating this terrain, the Chief Cabinet Secretary encountered the intricate challenge of forging policy cooperation that could yield benefits for both conservative politicians and business leaders. While business collectives exhibited resistance to legally mandated childcare leave, their apprehension regarding the dwindling birth rate was palpable, which prompted the presentation of diverse propositions (Keidanren, 2007). During the 1980s, the Labour Issues Research Committee reports, released by the Keidanren (Japan Business Federation), endorsed LDP's conservative view of the family, showing reluctance towards advocating women's social advancement. However, in the 1991 edition and beyond, the Committee reports piv-

<sup>&</sup>lt;sup>6</sup>The Cabinet Office conducted a survey of child rearing women's awareness regarding measures for addressing the declining birthrate. February 17 to March 6, 2005 (*n*=2,260). https://www8.cao.go.jp/shoushi/shoushika/research/cyousa16/m pdf/pdf/gaiyo/gaiyo.pdf.



oted to promote "active workplace advancement for women" and the "active participation of women in society" (LIRC, 1991: 1–69). This transformation was spurred by the conspicuous dilemma of declining birth rates, accentuated by the unprecedented labor scarcity stemming from the bubble economy era. While conservative politicians adhered to their family-centric ideology, business coalitions found themselves unable to advocate for women's confinement to home duties due to the pressing labor dearth. Those business groups were driven by material interests and were more sensitive to "bottom-line" self-interest positions. The stated core belief of the Keidanren could be fluid. The business organizations did not consistently align with the normative commitments of LDP's conservative values, particularly when those values interfered with the imperative of corporate profitability.

## LDP's conservative beliefs and its adaptability to social transformations

The discourse surrounding the responsibility of family for child rearing, along with proposals that underscored family values rooted in conservative ideologies, endured even after the introduction of the Basic Act in 2003. This exchange of ideas and proposed policy measures became intertwined with newer claims, which were now embedded in LDP's conservative beliefs. The Basic Act stated the basic principle that "parents and other guardians have primary responsibility for child rearing" (Article 2). Additionally, the Guidelines for Measures to Address the Declining Birthrate (2004) highlighted the importance of family by arguing that "owing to individuals' pursuit of autonomy and convenience, there is a burgeoning apprehension that the value of establishing a family and perpetuating a way of life is eroding." This document specifically accentuated that "the prime responsibility for child rearing rests with parents and other guardians." The conservative stance towards the family, which was influenced by the LDP's Committee for Investigating the Decline in Birthrates (led by the polarizing senior figure, Mori Yoshirō), was conspicuous in both the Basic Act and the Guidelines. The Interim Report, compiled by this LDP Investigation Committee in 2004, urged, "statutes that have contributed to the rise of heightened individual self-awareness need to be re-evaluated" (Mori, 2004). Despite women's active participation in the workplace, the conservative politicians continued to engage in the politics stream to turn their beliefs into policy.

In 2006 the CMADB adopted the New Measures for Addressing the Declining Birthrate (*Atarashii shōshika taisaku ni tsuite*). These Measures added emphasis to reviewing workstyles (*hatarakikata no kaikaku*), taking into consideration the policy ideas of LDP's junior coalition partner Komeito. On the one hand, the "New Measures" were provided to create to an environment where "both men and women can work while raising children" and "support child rearing throughout society," aiming to move away from traditional family and child rearing perspectives (CO, 2006). On the other hand, the adopted Measures also stressed the importance of conservative family values, such as "understanding the importance of passing down life to future generations and the importance of strengthening family bonds through the joy of child rearing," while noting that "primary responsibility for child rearing lies with



the family" (CO, 2006). Komeito expressed dissent, contending that they found the emphasis on family bonds contradictory, given their advocacy for the socialization of child rearing. To find a compromise with the junior coalition partner, the expression "various forms of families exist" was added to emphasize that families come in different structures, not limited to traditional families with both parents (CO, 2006). While pursuing such policy compromise did make sense in the politics stream, Prime Minister's Office entrepreneurship failed to foster policy cohesion and cooperation among the involved parties.

In 2009 the Democratic Party of Japan (DPJ) came to power, defeating the longdominant LDP. This political realignment opened a window of opportunity for change, and the DPJ government attempted to reorient Japan's child rearing policy away from the conservative family-oriented ideology. In 2010, following its landslide victory, the Hatoyama Yukio Cabinet (2009-2010) approved the Children and Child Rearing Vision (Kodomo kosodate bijon) as a blueprint for action. Subsequently, in 2012 the Childcare and Child Rearing Support Act (Kodomo kosodata shien  $h\bar{o}$ ) was enacted with the aim of creating a new childcare support system. This encompassed strategies like streamlining subsidies for kindergartens and nurseries at the local government level. This step was part of a broader effort to integrate social security and tax reforms. However, these efforts faced backlash, particularly concerning the DPJ's introduction of a "child allowance" program without income restrictions. Prime Minister Abe Shinzō (2006-2007 and 2012-2020) famously criticized DPJ's childcare policies as "something Stalin or Pol Pot would do" (Sōsei Nippon, 2010: 54). During this period, the LDP, backed by their majority in the House of Councillors, forced the DPJ to accept income restrictions, among other things (Ishiba, 2011). The situation was further complicated by the occurrence of the Great East Japan Earthquake, which necessitated considerations of a tax hike to finance the post-earthquake recovery efforts. The DPJ's government was still unable to secure the budget for the compromised child allowance program. A policy drift by the DPJ-led Prime Minister's Office eroded public confidence in politics. Soon after, the national election of December 2012 returned power to the old guard LDP.

Shortly after the formation of the second Abe Cabinet, the "Task Force for Overcoming Population Decline" (TFOPD) was established in March 2013. They introduced "Proposals for Overcoming Population Decline" (Shōshika kiki toppa no tameno teian) highlighting three key strategies often referred to as the "Three Arrows": supporting child rearing, reforming work styles, and supporting marriage, pregnancy, and childbirth (TFOPD, 2013). In the following year, the Cabinet adopted a long-term plan with the aim of creating a society that is easy to have and raise children, promoting a "desired fertility rate of 1.8" (MHSSH, 2014: 11). The term "desired fertility rate" was promoted by the Abe administration, which referred to the number of children people wished to have if their desired circumstances were met. The policy goal itself was not flawed, yet its significance often eluded young people due to a lack of proper comprehension. Despite this slogan, the long-term decline in the birthrate persisted and the living environment for raising children saw limited improvements even for those who desired to do so. Internationally, Japanese adults exhibit waning faith in their government's ability to support child rearing. Japan's Cabinet Office conducted cross-national surveys in 2010 and 2020 to gauge



awareness of policies related to marriage, childbirth, and child rearing. The survey posed the question, "Do you believe your country provides a favorable environment for childbirth and raising children?" In 2020, the combined proportion of responses categorized as "strongly agree" and "somewhat agree," collectively referred to as the "agree" total, stood at 38.3% for Japan. This marked a decline of over 10% points from the 2010 survey, which reported a figure of 52.6%. In stark contrast, the 2020 survey revealed significantly higher figures for other countries: Sweden at 97.1%, France at 82.0%, and Germany at 77.0%, all outpacing Japan's results by a substantial margin (CO, 2021).

The contents of the TFOPD proposals were confusing and incomplete. Regarding workstyle reform, although introducing regulations on maximum working hours, Abe's government made exceptions for the Highly Skilled Professional System (Kōdo purofeshonaru sēdo), showing consideration for the business world (House of Councillor, June 29, 2018). While Prime Minister Abe promoted "women's active participation," but revision of an income tax reduction for spouses was delayed (National Diet Library, 2015). These piecemeal policy approaches made it challenging to assess the individual policies' effectiveness, and contradictory measures could potentially nullify their impacts. While there were reforms to promote work-style changes and support for dual-income households, conservative views on family, such as promoting three-generation households and official matchmaking, still existed. The inconsistent measures to address the declining birthrate were largely attributed to the fact that the Abe administration addressed operational-level challenges without fundamentally changing conservative policy beliefs at a broader level.

In September 2021, Prime Minister Suga Yoshihide (2020–2021) stepped down and the new leader of the LDP succeeding Suga was Kishida Fumio who led the prestigious faction Kōchikai within the LDP. At his press conference of March 17, 2023, Prime Minister Kishida (2021-) presented the "unprecedented measures to tackle the declining birthrate" (Asahi Shimbun, April 24, 2023). The longstanding LDP principle of "self-help," which had been a cornerstone of its social policies, seemed to be waning in these measures, giving way to a growing inclination towards "public assistance." The Kishida administration aimed to eliminate the income restrictions on child allowances and expand the age range to 18 years old. This marked a return to the DPJ's policy of "child allowances," which the LDP had strongly criticized in the past. This shift in policy raised concerns, particularly among conservative-nationalists within the LDP, including those within the largest Abe faction. Nevertheless, not only did Prime Minister Kishida champion this change, but also Motegi Toshimitsu, the Secretary-General of the LDP, altered his stance to support Kishida in eliminating income limits for child allowances (House of Representatives, January 25, 2023). Endō Toshiaki, Chairperson of the LDP's General Affairs Committee, acknowledged his past advocacy for income limits but stated, "if our past judgment was wrong, we

<sup>&</sup>lt;sup>8</sup> When considering households where the husband earns the main income and the wife earns supplementary income, the so-called "1.03-million-yen-wall" is considered a problem because the wife's employment is being suppressed beyond the spousal deduction limit of 1.03 million yen.



<sup>&</sup>lt;sup>7</sup> These surveys were conducted on individuals aged 20 to 49 years. The number of Japanese respondents was 1,248 in 2010 and 1,372 in 2020. For Sweden, there were 1,019 respondents; for France, there were 1,006; and for Germany, the number was 1,043.

should apologize and review it," indicating his alignment with the policy shift as well (*Asahi Shimbun*, February 2, 2023).

Since the Suga administration, there has been an ongoing discussion about creating a national agency to consolidate policies related to children. Initially, the plan was to establish an organization called the "Children's Agency," but during the process of enacting the establishment law, the agency name was changed to the "Children and Families Agency." The change in name reflects voices from the conservative groups within the LDP, including the parliamentary leagues of the LDP such as the Sōsei Nippon and the Hoshu Danketsu no Kai, emphasizing the importance of creating a nurturing environment for children akin to a family setting (Tokyo Shimbun, December 15, 2021; Mainichi Shimbun, January 23, 2022). These factions maintain that children's development is shaped primarily by their home environment. On December 15, 2021, a meeting was held within the LDP, during which it was decided to proceed with the establishment of the "Children and Families Agency." Yamatani Eriko, a conservative-nationalist figure representing the Abe faction, affirmed, "The inclusion of the term 'family' is beneficial. Children thrive within a familial connection" (Asahi Shimbun, December 15, 2021). However, the escalating emphasis on employment-centric solutions to tackle labor shortages posed obstacles to the preservation of traditional ideals. Arguments rooted in "family values" and advocating for a strategy of returning women to domestic roles encountered mounting challenges. Former Prime Minister Mori Yoshiro (2000–2001), known for his conservative view and lack of enthusiasm for gender equality and women's social advancement, showed a strong interest in supporting both work and child rearing. However, his support for such measures was motivated not so much by promoting women's social advancement as by an interest in labor supply (House of Representatives, January 31, 2001a). Even within the LDP, conservative members who prioritize "family values" find themselves navigating circumstances where endorsing or even encouraging women's employment becomes necessary. In short, the gradual de-familialization (women's inclusion in the labor market) through public provision is taking place alongside Japan's conservative values. Japan's capacity for policy solution aimed at advocating women's social advancement remains limited, partly because the LDP policy brokers need to align these values with broader social changes.

Kishida declared, "the next 6–7 years will be the last chance to reverse the declining birthrate" (PMO, 2023). Set to commence operations in April 2023, the Children and Families Agency plans to strengthen cash benefits for families in order to make child rearing less of a financial issue for young people. Nonetheless, the precise funding mechanism for these initiatives remains undisclosed. Despite these efforts, it is widely believed that the decline in births cannot be halted (e.g., Nozawa, 2023; Takeda, 2023). Close attention needs to be directed to the decreasing number of women who can give birth. As an illustration, although the total fertility rate experienced a temporarily uptick from 1.26 in 2005 to 1.45 in 2015, the actual count of births decreased during this period (MHLW, 2023a). This data implies that merely providing financial aid to households engaged in child rearing is unlikely to yield a significant upsurge in birth rates.



<sup>&</sup>lt;sup>9</sup> For the concept of defamilialization, see Esping-Andersen (1999).

In short, belief change among LDP politicians was very difficult and had a crucial impact on the nature and patterns of fertility policy. Prime Minister's Office entrepreneurship was able to only change the beliefs of conservative politicians incrementally to meet societal shifts and made minor alterations rather than rethinking their conservative core beliefs. In Japan, the limited public support for individuals who perceive that their prospective married life will not improve their current lifestyle serves as a deterrent to opting for cohabitation and parenthood. The growing involvement of women in the workforce, driven by societal shifts, clashes with the traditional family norms prevailing in the country. In stark contrast to Japan, where the family is viewed as a welfare agency, countries like France and Sweden, renowned for their emphasis on individualism, provide significant assistance geared towards enhancing the expected quality of married life, resulting in sustained high birthrates.

## Local adaptation and implementation

The above-mentioned section discussed horizontal coordination within the national bureaucracy, but in all political systems, vertical coordination by policy entrepreneurs also deserves closer examination. This is essential in federal systems in which subnational governments may have significant autonomy and, therefore central authority may need to engage in collaborative efforts with subnational governments to implement policy innovations. In principle, functions, where practical, need to be allocated to lower levels of government to ensure that the policy implementation reflects the unique conditions of each community (OECD, 2003: 161). However, many local governments in Japan are increasingly reliant on the national government's strategies and guidelines in order to obtain national subsidies to their local communities. Consequently, there is minimal divergence in the implementation of local projects across the nation, resulting in a sense of national uniformity. Measures to address declining birthrates should be guaranteed and provided uniformly to citizens and residents, regardless of where they live within the country. There is also a need to tailor to the specific conditions of each region. In other words, it is necessary to identify both macro-level issues that affect the country's future and micro-level challenges that call for localized solutions.

The New Angel Plan established specific targets to be achieved between the fiscal years 2000 and 2004. With the support of the "Comprehensive Support Project Subsidies for Childcare Measures" (Kosodate shien sōgō joseikin) from the national treasury, the groundwork for the expansion of childcare service policies was laid. Following the implementation of the New Angel Plan, state-guided projects, including extended-hours daycare, temporary childcare programs, and holiday childcare, had a three times higher chance of starting those projects than before (Kamata, 2010). <sup>10</sup>In 2005 Director General for Economic and Fiscal Management conducted a detailed investigation into the independent childcare initiatives being implemented by each

 $<sup>^{10}</sup>$ The figure is based on the results of a survey conducted by the Shōshika Kenyūkai (Research Society for Decreasing Birthrate) from November 1, 2007 to February 29, 2008, targeting all 1,821 cities and towns (n=1,058) in Japan.



city and town. The investigation found that they were implementing 2,583 programs known as "additional programs" (*uwanose*), which involved increasing benefit levels or reducing user burdens, rather than solely relying on the nationally defined standards (DGEFM, 2005). However, those local governments were not necessarily showing a conscious attempt to pursue a policy model, but simply following a direction of national policy. Furthermore, it is often reported that the diffusion of localized policy implementation among localities was predominantly propelled by mere copying or mimicking, as opposed to policy learning, wherein local authorities employ new information to develop their own policy ideas (e.g., Matsuda, 2013; JOIN, 2014; CO, 2022). Therefore, the presence of institutional guidelines and national subsidies largely determined the policy output of local governments, leading to a uniform pattern of projects observed nationwide. The politics stream of centralization thus dominates local policy solutions.

In the midst of a decline in birthrates, the Act on Promotion of Measures to Support the Next Generation (*Jisedai ikusei shien taisaku suishinhō*) was implemented in 2005 to establish an environment for children who would support the future society. This was a time-limited legislation that focused on intensive and planned efforts over a period of 10 years. The Act mandated local governments and employers to create action plans. For general employers, those with more than 301 employees were required to comply, while those with 300 employees or less were encouraged to do so. Furthermore, starting from 2011, general employers with 101 to 300 employees also became obligated to participate. The Joint Committee on Gender Equality in the National Governors' Association identified disparities in the implementation of next-generation child rearing support measures. They highlighted variations based on population size and financial resources, thereby advocating for the formulation of region-specific measures (APG, 2005).

In order to address the declining population caused by the decrease in birthrate, the Act on the Creation of Vibrant Communities, People, and Jobs (Machi hito shigoto sōseihō) was enacted in September 2014. To promote this law, the Cabinet created the Headquarters for the Creation of Vibrant Communities, People, and Jobs. The law served as the basis for the Comprehensive Strategy led by the Abe Cabinet, which outlined the policies and goals for a five-year period from fiscal year 2015 to 2019. Recognizing the criticism of the traditional policy approach, the strategy emphasized the importance of "supporting regional issues according to the characteristics of each region" as a fundamental principle (CO, 2014: 5). In the second period (from fiscal year 2020 to 2024), a revised Comprehensive Strategy is underway to take a "regional approach" where each local government clarifies the regional issues related to marriage, pregnancy, childbirth, and child rearing, and carries out initiatives for each field accordingly to address the declining birthrate (CO, 2019). It is crucial to note here that the emphasis of the revised Comprehensive Strategy lies not on decentralized decision-making for local communities to innovate policies, but on decentralized implementation under centralized control. In order to effectively promote measures addressing declining birth rates through this "regional approach," the national government developed a "Regional Evaluation Tool for Measures to Address Declining Birth Rates" (Shōshika taisaku chiiki hyōka tsūru) in fiscal year 2019, which encompasses a series of processes including the visualization of regional



characteristics and the examination of specific initiatives (CS, 2020). This tool is known as the goal-oriented control system, where the national government establishes evaluation tools for taking regional approaches, and local governments implement policies and projects towards their goals. The effects of these initiatives are then evaluated by these tools, and local governments that fulfill this process may receive national transfer payments such as local revitalization-related grants. In essence, the main intent of the system is not geared towards highlighting policy innovation within local regions, but rather towards maintaining centralized control over localities.

### **Conclusion**

In examining the issues contributing to Japan's low fertility crisis, this study high-lighted that the continuous flux of bureaucratic agenda-setting, operational and political feasibility, and local adaptation largely accounts for the country's limited capacities to effectively address these challenges. It is clear that the process-oriented capacities are driven by a set of skills, drives, policy beliefs, and resources across actors involved at each stage of the policy cycle. Above all, the role of the brokers-entrepreneurs who identify windows of opportunity and mitigate obstacles is a crucial ingredient in avoiding conflicts among stakeholders. However, empirical evidence suggests that simply avoiding conflicts does not necessarily enable policy effectiveness.

In the issue area of low fertility, MHW's policy expertise occupied a strategic position to exploit the opportunities arising from the "1.57 shock," mobilizing its expertise to frame the low fertility crisis for policy attention. At the broad organization level, however, the cross-jurisdictional issue of low fertility proved challenging due to bureaucratic fragmentation. Consequently, the fragmentation of the national bureaucracy among the fertility-policy-related line ministries, regarded as an outstanding characteristic of the Japanese government, tended to cause MHW's entrepreneurship to be incapable of coordinated action for proposing problem solutions.

The bureaucratic fragmentation requires the political will to restore the center. The 2001 reorganization of the national ministries opened a window of opportunity for change. The first Koizumi Cabinet brought the Child and Family Bureau under its supervision. Nonetheless, his pursuit for a more cohesive government strategy lay in deregulating the childcare sector, rather than increasing public spending on family benefits.

As rapid social transformations among younger generations had an adverse impact on their fertility intentions, the Prime Ministers after Koizumi were under pressure to raise state assistance. However, the conservative lawmakers' belief that the family should be a primary welfare agency continued to give funding priorities to other policy areas. Developing problem solutions has been far from effective.

During the implementation phase, micro-level challenges called for localized solutions. There was a need to tailor to the specific conditions of each locality in addressing low fertility. Yet the uniform national guidelines failed to incentivize local authorities to foster local knowledge and innovations. The politics stream of central control over local affairs undermined the inherent capacity for grassroots innovations.



Clearly, there is substantial variability in a country's policymaking capacity to address the issue of low fertility. The results of this country-specific study are not directly intended to establish cause/effect relationships between variables in different circumstances (generalizability), but rather to present the results of the countryspecific study that may be applied in other similar situations (transferability). This study presents the results of the country-specific study as "further investigation and questions" for enhancing the potential for broader understanding of fertility policy beyond this specific research context.

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Conflict of interest I would like to confirm that there are no relevant financial or non-financial competing interests to report.

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