

**Statement by Takeshi Niinami, Chairperson of Keizai Doyukai
on Cabinet Approval of Children’s Future Strategy**

The Children’s Future Strategy (the “Strategy”) has been approved today by the Cabinet. We welcome the government’s decision on the Strategy as relevant measures to reverse the declining birthrate are of significant importance to Japan. Meanwhile, to ensure the policy effect, we strongly request the government to properly address the crucial issues below going forward.

1. Although we have reiterated the necessity of the efficacy assessment of child and child-rearing policies, as well as the importance of the PDCA (Plan-Do-Check-Act) Cycle, the Strategy has not presented any concrete measures. Out of the policy measures presented in the “acceleration plan,” those previously implemented, such as child allowance, must swiftly go through the efficacy assessment, and its results are to be reflected in the “acceleration plan.” In addition, the forthcoming policy measures to be implemented should have their own clear KPIs (key performance indicators) in line with the efficacy measurement, which allows for a focused budget allocation to substantially promising policy measures. Furthermore, we request the government to set up a framework soon for a quick data collection and the efficacy assessment.
2. The Strategy is hardly comprehensible to the public in recognizing that the “child and child-rearing subsidy” would not increase the financial burden in real terms. The government must elaborate on the focal points to the public in a more comprehensible manner, and make efforts to gain their understanding and consent. The focal points include i) how to measure the mitigating effect of the social insurance contributions; ii) how to determine the social insurance costs based on i); iii) the concrete estimate of the social insurance costs per person; and iv) the use of the subsidy.
3. In the meantime, utilization of the social insurance contributions to finance child and child-rearing policies is far from rational from the perspective of the original objectives of the social insurance. Thus, the “subsidy scheme” should be a one-time measure, while the government must quickly pursue far-reaching expenditure reform in the medical/nursing care sector, as well as discussions on ensuring financial resources in the medium to long term.