

Urgent Policies to Realize

a Society in Which All Citizens are Dynamically Engaged

-Toward a Positive Cycle of Growth and Distribution-

I. Determination of Basic Stance for Compiling the Plan to Realize the Dynamic Engagement of All Citizens

1. Basic Stance

(Achievements of Abenomics to date and Challenges)

The policies implemented to date through Abenomics (aggressive monetary policy, flexible fiscal policy, growth strategy that promotes private investment) have brought some achievements; (i) corporate ordinary profits have risen to their highest levels (19.2 trillion yen in the period of April to June in 2015), (ii) average wage increase has risen more than the previous year for the second consecutive year (2.20% for FY2015, which is the highest level in 17 years), and (iii) jobs to applicants ratio has reached the highest level in 23 years (1.24 in September, 2015). Now, the Japanese economy is almost at the point of overcoming deflation.

On the other hand, consumer spending is still showing slow recovery (consumer composite index in 2015 (month-to-month basis): 0.0% in July, 0.6% in August, 0.0% in September) and business investment is also showing weak movement compared to corporate earnings (private capital investments (3-year-average basis): about 72 trillion yen in the mid-1990s, about 68 trillion yen in the last 3 years). Real GDP growth rate has been negative for the second consecutive quarter. Since the existing economic condition shows some weakness while it is on a moderate recovering trend, flexible economic and fiscal management should be subsequently adopted. Also, the increase in jobs to applicants ratio and decrease in productive-age population have resulted in manifestation of labor shortage (-9.41 million people; difference between 87.26 million at its peak in 1995 and 77.85 million at present in 2014). For these reasons, the new first arrow or “a robust economy that gives rise to hope”, which is an enhancement of combination of prior “three arrows” of Abenomics to date, should be released to boost consumption by raising wages, expanding private investment through revolution in productivity and so on.

And at the same time, it should be noted that the structural issue of the declining birthrate and aging population is at the root of the obstacles in economic growth. Over the last 30 years or so, the birthrate has significantly decreased (decreased from 1.81 in 1984 to 1.26 in 2005 and has hovered around 1.3-1.4 up to now) and population aging rate has steadily risen (from 9.9% in 1984 to 26.0% in 2014). After the peak in 2008, the population has entered a decreasing phase and there is also an estimation showing that the total population will be little more than 80 million 50 years from now and approximately 40 million 100 years from now if the current declining trend continues. An awareness that this advance in the declining birthrate and aging population not only reduces the labor supply but also causes a reduction in the size of the economy and a lowered standard of living and therefore threatens the economic sustainability leads to anxieties and pessimism about the future. The declining birthrate and aging population is a structural issue and therefore cannot be resolved overnight. However, since the growth caused by Abenomics is beginning to bear fruits, it is precisely the time to tackle this issue head on without postpone.

(Sustainable Growth Driven by Inclusion and Diversity)

What a society in which all citizens are dynamically engaged means is a society with social inclusion in which everyone can play an active role, including youths, the elderly, women, men, people with disabilities, people fighting an illness and people who have experienced a failure. In other words, a society in which individuality and diversity are valued, enabling every Japanese citizen to live a life fulfilling their own hopes, showing their talents and finding motivation in their respective homes, local communities and workplaces should be created by eliminating all constraints standing in the way of everyone pursuing one's hopes and improving an environment in which everyone can play an active role.

Fostering people's feelings of security and consolidating future prospects will encourage a boost in consumption and the expansion of investment and further enhance the positive cycle of economy through these efforts. Also, through the attempts to realize a society where everyone can fully show their own various talents, diversity, which drives new idea and innovation, will be widely accepted and economic growth will further accelerate through improvements in productivity.

(Enhancing a Positive Cycle by Tackling High Priority Issues)

One of the high priority issues in the process of creating a society in which every single Japanese citizen can play an active role is to overcome the current situation preventing people from fulfilling their hopes for marriage and childcare. Although the total birthrate in 2014 remains at 1.42, the rate is expected to lead to 1.8, which is the level the public has indicated as desirable, by improving an environment enabling everyone to satisfy their hopes for marriage, childbirth and childcare.

The other high priority issue is to overcome the current situation preventing people from balancing nursing with working as the population continues to age. The number of people leaving or changing their jobs due to providing their family members with nursing care reached 101,000 during the period from October 2011 to September 2012. Balancing nursing with working, as the population continues ever more rapidly to age, has become an urgent issue.

Hence, in order to realize a society in which all citizens are dynamically engaged, the new second arrow or “dream-weaving childcare supports” and the new third arrow or “social security that provides reassurance” are going to be released toward clear targets: (i) raising the birthrate to 1.8 children per woman, which is the level the public has indicated as desirable, and (ii) eliminating cases in which people have no choices but to leave their jobs to provide nursing care. From fruits of growth obtained through the efforts to realize a robust economy (the first arrow), foundation of childcare and social security (the second and the third arrows) is going to be enhanced. And since future prospects shall become brighter by eliminating anxieties toward childcare and nursing care, the expansion of consumption will be encouraged. Also, diversity shall be generated in a society through the participation of various human resources due to an environment enabling them to balance childcare or nursing care with working. This change will not only improve the labor participation rate but also encourage improvement in productivity through innovation, and enhance the positive cycle of economy.

Enhancing and sustaining this positive cycle of growth and distribution will lead to the maintenance of the population at 100 million people 50 years from now, as well as to an economic society in which everyone can

participate – that is, a society in which all citizens are dynamically engaged. It is important to promote this vision with wide range of understanding and participation of citizens.

2. Directions to be Examined toward the Plan to Realize the Dynamic Engagement of All Citizens

(1) A Robust Economy That Gives Rise to Hope

With an eye toward a “nominal GDP toward 600 trillion yen”, in order to create a society in which everyone can play an active role, the economic foundation must be enhanced and it is necessary to make the prior economic policies of “three arrows” even more solid, establish positive cycle of economy led by private-sector demand and therefore to realize economic growth with higher growth rate than around 2% in nominal terms and around 3% in normal terms. For this reason, it is important to raise potential growth rate and, for instance, the following attempts are going to be examined.

The Government will encourage consumption through continuous raise of wages and the minimum wage. In order to realize this, the Government will improve the environment enabling small and medium-sized businesses to raise wages through making business conditions more favorable. Also, creation of innovation brought by diversity will be promoted through the efforts to improve an environment enabling everyone to play an active role by working-style reforms. Moreover, the Government will promote an expansion of investment and a revolution in productivity in order to enhance the growth potential of the Japanese economy, enhance creativity for innovation through attracting direct inward investment and utilizing foreign human resources and incorporating demands of foreign tourists. In addition to these attempts, the Government will systematically promote social capital improvement based on the viewpoint of national resilience for pre-disaster prevention and activate local communities utilizing various regional resources by shifting regional revitalization into high gear.

(2) Dream-weaving Childcare Supports

With an eye toward achieving the “desirable birthrate of 1.8”, in order to fundamentally improve the current situation preventing youths from getting married as they wish and having the number of children they desire, it is necessary to enhance employment and the economic foundation of youths,

improve the environment enabling them to balance working with family life and ceaselessly support them in each stage, from marriage, pregnancy, childbirth to childcare. For instance, the following attempts are going to be examined.

In order to enhance employment and economic foundation of youths, the Government will make efforts to stabilize employment and improve the income levels of youths through helping them smoothly find employment, promoting non-permanent employees to permanent positions and improving their working conditions, and further expanding the coverage of employment insurance.

In order to enable people to balance working with family life, the Government will improve an environment in which all people having hopes for marriage, pregnancy, childbirth and childcare can fulfill them, and women can play active roles. In addition, practices of long working hours will be improved and various flexible styles of working, including telework and flexible work time, will be promoted. In addition, the Government will promote reforms in consciousness and behaviors of men and improve a working environment that enables workers to take childcare leave. Also, an environment enabling both men and women to develop their own careers through a relearning process will be improved.

The Government will also promote ceaseless and comprehensive support resolving various worries and challenges of youths having hopes of marriage and families with children; securing preparation and various services of childcare to ensure elimination of childcare waiting lists, cultivating and securing human resources for childcare, and other support regarding marriage, childbirth and childcare. Plus, an environment enabling three generations of a family to live under one roof or nearby each other for mutual assistance in childcare will be improved. Moreover, in order to offer educational opportunities regardless of economic conditions, the Government will expand the range of early childhood education offered free of charge and reduce the burden of education costs while securing revenue resources at the same time. Support for single-parent families and families with multiple children, and measures to support children themselves will also be promoted. Furthermore, multi-stream education systems for children who cannot settle into existing schools due to various reasons, including bullying and developmental disabilities, will be enhanced.

(3) Social Security That Provides Reassurance

The Government will promote reforms in social security systems, including pension, medicine and nursing care so that everyone feels secure, including not only the elderly but also the generations still working to live their lives.

With an eye toward “no one forced to leave their jobs for nursing care”, in order to improve the current situation preventing people from receiving desirable nursing services and forcing them to leave their jobs to provide nursing care against their wishes, it is necessary to secure sufficient supply of nursing services meeting user’s needs, promote support with the mindset of those in need and extend healthy life expectancy. For instance, the following attempts are going to be examined.

Based on the viewpoint of securing sufficient supply of nursing services, the Government will improve facilities and housing for nursing care which meet user’s needs, cultivate and secure human resources for nursing services as well as improve their working conditions and improve productivity of nursing care business.

Also, in order to promote support with the mindset of those in need, the Government will enhance consulting and supporting systems in response to various working styles and lifestyles of families, improve practices of long working hours and promote various flexible styles of working, including telework and flexible work time. In addition, an environment enabling workers to take care leave will be improved.

In addition, through reforms in social security systems focusing on preventive care, the Government will promote extension of healthy life expectancy. Also, in order to expand the stage for the elderly, the Government will offer various employment opportunities and raise the level of the overall incomes, including pensions, and therefore encourage elderly households to stand on their own both from the health and economic aspects.

Furthermore, the Government will support people with disabilities and those fighting an illness both for their independence and social involvement by improving an environment enabling them to live their lives feeling secure and helping them realize various working styles and social involvement as they wish.

(4) Efforts Expected to be Made by the Private Sector

In order to realize a society in which all citizens are dynamically engaged, the attempts to adjust the environment by the Government alone are not enough. Therefore, efforts of mutual assistance should be promoted to extensively deal with various daily issues which public services alone cannot cope with (e.g. monitoring of the elderly) in local communities with resident participation. For families mutually supporting each other, the Government will help them do so.

In addition, it is essential for each private body to undertake new actions as bearers of the economic society. Since all new “three arrows” toward a society in which all citizens are dynamically engaged are perceived to share working-style reforms to realize various and flexible working styles as their commonly important attempt, businesses, which hire labors and therefore have significant influence on the economic activities and social lives of every single citizen, are expected to act proactively. The following attempts are expected to be made for instance.

First of all, businesses are expected to promote non-permanent employees, often consisting of youths and women, to permanent positions and improve working conditions through continuous wage raises for employees, including non-permanent positions. The promotion of women’s active roles and improvement of working environment toward the establishment of work-life-balance (harmonization of working and daily life) and positive disclosure of information regarding these attempts are also expected. Businesses are furthermore encouraged to help individuals formulate their career plans so that they can work throughout the entire lives if they wish and offer employment opportunities.

In addition, since equipment vintage has increased by 5-6 years in the last 20 years, while corporate earnings are at their highest levels because of achievements of Abenomics to date, businesses are strongly expected to improve their productivity through drastic investments in equipment, R&D activities and human resources in order to enhance their earning power.

Plus, attempts toward extension of health life expectancy, including promotion of collaboration between health insurance societies and businesses (referred to as “collabohealth”) and “Healthy Company” management.

(5) Securing Essential Policy Resources

In order to realize a society in which all citizens are dynamically engaged, long-term and continuous efforts should be made, prioritizing truly effective policies. Therefore, it is important to secure stable and permanent revenue resources and to enhance needed policies.

II. Urgent Policies

Since the growth caused by Abenomics is beginning to bear fruit, now is precisely the time for Japan's economic society to put a break on the structural issue of the declining birthrate and aging population, eliminate anxieties of every single citizen toward the future and get rid of fundamental constraints preventing expansion of consumption and investments.

From these viewpoints, continuously working on realizing a robust economy, the Government will focus on policies directly linked to the two targets of achieving the "desirable birthrate of 1.8" and "no one forced to leave their jobs for nursing care".

In particular, the following policies should be implemented urgently and the Government will enforce them promptly.

1. Urgent Policies to Realize "a Robust Economy with GDP toward 600 trillion Yen"

■ Promoting Investments and Realizing Revolution in Productivity

- As for reform of corporate tax, the Government will steadily cut the tax rate with larger reduction in FY2016, and set a course for an earlier reduction in the rate to within the 20% range. In addition, continuous expansion of business investment as well as wage raise by businesses will be also encouraged.
- Through the scheme of "Public-Private Dialogue towards Investment for the Future", the Government will continue encouraging businesses to make aggressive investments in equipment, technology and human resources. Also, the Government will implement reforms of regulations preventing these investments.
- The Government will promote industrialization of advanced technologies including IoT (Internet of Things), competition in

mobile-device industry, cyber security measures, labor-saving activities and introduction of energy-saving equipment of small and medium-sized businesses as well as investments utilizing public-private funds.

- As for the service industry, the Government will generalize productivity improvement best practices in each sector through the creation of role models and standardization. Also, the Government will support productivity improvement efforts through development of new service model made by small and medium-sized businesses.
 - The Government will promote housing investment and consumption of consumer-durable goods which are thought to have major spillover effects through reduction of burdens of purchasing housing and buildings with higher energy-saving performances as well as next-generation automobiles.
- **Driving Consumption through Raise of the Minimum Wage and Wages**
- In the process of increasing nominal GDP to 600 trillion yen toward 2020, the Government will raise the minimum wage at the rate of 3% per year, considering the growth rate of nominal GDP. The goal of this effort is raising the weighted average of the minimum wage nationwide to 1,000 yen. The Government will encourage small and medium-sized businesses to improve productivity and improve business conditions.
 - On the basis of the determination expressed by industry in“Public-Private Dialogue towards Investment for the Future”, the Government will improve an environment realizing the goal and encourage businesses to raise wages in accordance with corporate earnings at their highest levels.
 - From the viewpoint of distribution of achievements brought about by Abenomics, the Government will support recipients of small amounts of pensions who are thought to have difficulties enjoying benefits arising from the wage raise.

■ **Promoting the Engagement of Women, Youths, the Elderly and the Disabled etc.**

- From the viewpoint of employment promotion, the Government will examine how the present schemes of tax, social security and marital tax deduction (which are currently thought to cause the so-called “Policy Wall” of 1.03 million yen and 1.30 million yen) should be reviewed, considering how to secure equitability among people.
- The Government will accelerate efforts to establish work-life-balance, improving practices of long working hours as well as utilizing public purchases.
- The Government will enhance support systems for employment of the disabled.
- The Government will urge businesses and schools to implement major overhauls of their own criteria of employment and admission to check whether their phraseology uniformly excludes people with disabilities or people fighting an illness. The Government will encourage them to improve the criteria when needed.

■ **Strengthening Added-Value Creativity in Local Communities through Promoting Local Abenomics**

- The Government will provide supports, in terms of human resources and information, for pioneering efforts (e.g. promotion of improvement in productivity and new businesses by small and medium-sized businesses utilizing IT, expansion of exports of agricultural and fishery products, promotion of tourism and attraction of inward investment etc.) in local communities which have concrete output goals as well as PDCA cycles based on their own regional comprehensive strategies.
- The Government will promote national resilience for pre-disaster prevention, encouraging the formulation of regional plans for national resilience.
- The Government will promptly examine how to set goals for the tourism industry and make efforts toward the elimination of constraints in accommodations, traffic accessibility, passenger

acceptability and attraction of tourists toward local regions, utilizing public-private funds. Additionally, improvement in the productivity of the tourism industry will also be promoted.

- The Government will make efforts to realize an IT environment where everyone can be connected everywhere, helping local governments cultivate human resources promoting IT strategies (e.g. Chief Information Officer, CIO) and encouraging operational reforms as well as new business deployment in private sectors utilizing IT.
- In order to build “aggressive agriculture”, the Government will accelerate aggregation of farmlands (e.g. visualization of functions of farmland consolidation bank system, utilization of taxes on farmlands) and encourage agriculture to be export-oriented and focused on creating value-added industries through the integration of processing, retail, and other functions and local brands.

2. Urgent Policies Directly Linked to Achieving the “Desirable Birthrate of 1.8”

■ Stabilizing Employment and Improving Working Conditions of Youths, Which are Fundamental for Having Hopes for Marriage and Childbirth Fulfilled

- In order to fulfill hopes of youths having difficulties getting married due to their unstable employment and low incomes, the Government will help them smoothly find jobs through securement of opportunities for people who have already graduated or dropped out of schools. In addition, the Government will also make efforts to promote non-permanent employees to permanent positions and improve their working conditions.
- The Government will reconsider the present scheme in order to enable non-permanent employees to take childcare leave and continue working.
- In order to prevent disadvantageous treatment of employees when they leave works due to pregnancy, childbirth and childcare, the Government will consider responses including legal systems.
- In order to reduce economic burdens of self-employed workers and part-time workers before and after their childbirth, the Government

will consider absolving them of payment of national pension premiums.

- The Government will create an institutional framework leading to further expansion of the coverage of employment insurance so that employees in small and medium-sized businesses can also be included.

■ **Enhancing Support to Ceaselessly Eliminate Burdens, Worries and Anxieties in Each Stage of from Marriage, Pregnancy to Childcare**

- In order to enable couples suffering from infertility to fulfill their hopes of pregnancy and childbirth, the Government will expand financial aid for fertilization treatments.
- The Government will encourage youths to get married, offering various matchmaking opportunities in local communities and reducing their housing burdens at the beginning of their married lives.
- In order to eliminate anxieties regarding pregnancy, childbirth and childcare, the Government will improve systems, including comprehensive support centers for childcare generation, ceaselessly supporting them in each stage of from pregnancy to childcare.

■ **Promoting Working-Style Reforms Harmonized with Actual Cases in Local Communities Where People Give Births and Raise Children**

- Since the birthrate varies depending on local communities and working styles, which assumes influence on the rate is also different, the Government, with full cooperation among related ministries and agencies, will make efforts to set up a meeting consisting of a local government, labor unions and managements in each local community and promoting working-style reforms.

■ **Enhancing Various Childcare Services Enabling Employment After Childbirth and During Childcare**

- In order to ensure elimination of childcare waiting lists, the Government will extend its goal of increase in the number of children accepted from 400,000 to 500,000 by the end of FY2017 and accelerate preparation of certified childcare centers based on “Plan

to Accelerate the Elimination of Childcare Waiting Lists”.

- Under the Comprehensive Support System for Children and Child-rearing, the Government will enhance various facilities, accepting children other than certified childcare centers, supporting improvement of small-sized childcare centers for instance. In addition, soundproof measures for neighboring residents will be supported.
 - As for efforts made by businesses, in the budget-making process for FY2017, the Government will consider enhancing the current scheme contributing funding to businesses for childcare supports to encourage enhancement and operation of childcare centers led by corporations.
 - In order to secure human resources for nursery teachers, the Government will help them obtain qualifications, improve working conditions by employing nursery assistants and support re-employment of nursery teachers who have once quit their jobs. In addition, the Government will promote increase in efficiency of workflow utilizing ICT so that nursery teachers can concentrate on highly-specialized services with less amount of office works like preparing documentations. Furthermore, by the end of the year, the Government will formulate policies to secure various workers in the field, such as allowing more flexibility in the placement of nursery teachers in morning and evening time.
- **Improving Environment Enabling Three Generations of a Family to Live Under One Roof or Nearby Each Other for Mutual Assistance in Childcare**
- In order to improve an environment enabling three generations of a family to live under one roof or nearby each other, the Government will support construction of mutigenerational housing and help families live nearby each other utilizing UR-housing.
- **Overcoming Various Constraints Preventing Access to Desirable Education Including Economic Status**
- In order to enable everyone to receive desirable education regardless of their economic conditions, the Government will

gradually expand the range of early childhood education offered free of charge. In particular, supplementary classes for junior high-school students who tend to be left behind academically will be promoted.

- As for scholarships for higher education, the Government will make efforts to enhance them and introducing scholarship with its amount of monthly payment linked to recipient's income after graduation, utilizing My Number System.
- In order to enable children who cannot get used to lives in existing schools due to various reasons including bullying and developmental disabilities to restore confidence, the Government will help children in families having economic difficulties in particular gain opportunities of multi-stream education.

■ **Enhancing Consideration and Measures for Families and Children Having Difficulties in Childcare**

- As measures against poverty of children, the Government will steadily promote policies addressed in “Project for Promotion of Independence of Single-Parent Families and Families with Multiple Children”, utilize foundation built with private funds and offer support through local governments to enhance effectiveness of the project.
- In order to support single-parent families, the Government will make efforts to make local government contacts one-stop, supporting children's studies and providing places for them. In addition, the Government will urgently create a lending system to help single parents become independent and extend support for them trying to obtain qualifications for employment. Furthermore, the Government will encourage them to come to an agreement regarding child supports in advance upon divorce and enhance functions of childcare allowance based on results of recheck of the present scheme from the viewpoint of stabilization of lives and promotion of independence while securing revenue resources at the same time.
- The Government will strengthen measures against child abuse, including enhancement of children's consultation offices.

3. Urgent Policies Directly Linked to “No One Forced to Leave Their Jobs for Nursing Care”

■ Securing Foundation of Nursing Services Meeting the User’s Needs of the Elderly

- By the beginning of the 2020s, the Government will eliminate cases in which people are unable to receive nursing services and therefore have no choice but to leave their jobs. In particular, in order to eliminate cases in which the elderly are forced to stay at their own homes although they should be admitted to special elderly nursing homes, the Government will accelerate accomplishment of its goal of extending the numbers of elderly accepted to more than 380,000 people (increase in the period of FY2015 to FY2020), which is addressed in the present nursing insurance activity plans. In addition, the Government will set an extra acceptance goal which is relevant to 120,000 people by accelerating improvement of nursing facilities, home-nursing services and elderly housing with supportive services. In total, around 500,000 people will be additionally able to receive desirable nursing services.
- The Government will make efforts to improve nursing facilities through further utilization of government-owned sites including decrease in rent fee, reduction in burdens of acquiring sites and relaxation of relevant regulations. Also, improvement of facilities utilizing advantage of scale gained by combining multiple foundations of different nursing services, renovation of facilities effectively utilizing existing resources are also supported.
- Furthermore, toward the 7th nursing insurance activity plan, the Government develop research methods as well as promote researches conducted by local governments in order to precisely grasp how to realize effective nursing services to enable families providing nursing care to keep on working.
- The Government will accelerate improvement of elderly housing with supportive services. In addition, improvement of local hub functions accompanied to these housing are also supported.

■ **Cultivating and Securing Human Resources for Nursing Services Needed as Well as Improving Their Productivity**

- In order to secure human resources for nursing services, the Government will support re-employment of nursing staffs who have once quit their jobs, vastly expand the coverage of forgivable student loans for students aiming to become certified care workers and enhance financial aid to businesses who improve career paths of their employees.
- In order to prevent human resources for nursing services from quitting their jobs, the Government will reduce their burdens through promotion of utilization of nursing robots, supporting the development of manufacturers of nursing-care equipment. Additionally, in order to improve productivity of nursing businesses, the Government will promote reduction in burdens of office works and improvement of workflow by utilizing ICT and reducing amount of documentation.

■ **Enhancing Consulting Function and Support System in Response to Anxieties and Worries of Families Providing Nursing Care**

- The Government will enhance comprehensive consulting function across regions and across occupational fields for families providing nursing care. In addition, as for the balance of working with nursing, the Government will enable nursing care managers at local comprehensive support centers to give advice to families in need. Also, support for families, including volunteers' home visit for people with dementia, development and deployment of surveillance services by private sectors will be promoted.
- In order to enable people to promptly receive nursing services when they need, the Government and local governments will enhance their activities of publicizing contents and procedures of the scheme of nursing insurance.

■ **Improving Working Environment Enabling Families Providing Nursing Care to Take Care Leave**

- In order to enable families to easily take care leave, the Government

will reconsider the present scheme allowing families to take 93 days of care leave in total per person so that they can take leave in installments. In addition, as for temporary care leave, the Government will consider how to enable people to take them more flexibly.

- In order to stabilize incomes before and after taking care leave, the Government will consider raising the levels of care leave benefits (currently set at 40%), taking account of childcare leave benefits (currently set at 67%).

■ **Enhancing Efforts to Extend Healthy Life Expectancy to Realize Lively and Prosperous Retirement**

- The Government will make efforts to extend health life expectancy, like prevention of adult diseases utilizing know-how of private sectors through improvement and enhancement of foundation of national database of medical information and generalization of advanced practices of “Data Health” including providing health consultation for individuals based on their receipt data.
- The Government will expand its efforts to give incentives for prevention of disease and promotion of health to individuals.
- The Government will promote health instructions to the elderly to prevent them from facing poor nutrient conditions and mental physical depression.
- The Government will promote the generalization of advanced cases of effective care prevention at the municipal level.

■ **Securing Various Employment Opportunities and Giving support toward Economic Independence for the Elderly Seeking to Participate in Society with Motivation in Life**

- From the viewpoint of distribution of achievements brought by Abenomics, the Government will support recipients of small amounts of pensions who are thought to have difficulties enjoying benefits caused by wage raise.
- In order to improve an environment enabling the elderly to continuously work feeling secure, the Government will support corporations and NPO activities arranging such an environment

and the elderly starting their own businesses. In addition, the Government will reconsider the current range of qualifying age for employment insurance.

- In order to create local communities in which the elderly can play active roles interacting with other generations, based on the vision of town in which everyone can be active throughout the entire lives, the Government will consider establishing necessary schemes including legal systems.
- In order to enhance employment referral for the elderly, the Government will reconsider the current scheme to promote social involvement of the elderly, harmonized with the reality of each local community. For instance, relaxation of current conditions presented by Silver Human Resources Centers that impose limitations on the scope of work done by the elderly as “temporary”, “short-term” and “simple and easy” will be considered.
- The Government will make efforts to secure the pension level regarding both public and private pensions, promoting and expanding corporate and private pensions as well as accomplishing reforms in public pensions.

A Society in Which All Citizens are Dynamically Engaged will Vitalize Japan's Economy Facing the Declining Birthrate and Aging Population

-A Positive Cycle of distribution and sustainable growth driven by inclusion and diversity-

15 years of Continuous Deflation

Prior "Three Arrows"

- Corporate ordinary profits at their highest levels (19.2 trillion yen in the period of April to June in 2015)
 - Average wage increase larger than the previous year for the second consecutive year (+2.20% for FY2015, the highest level in 17 years)
 - Jobs to applicants ratio at the highest level in 23 years (1.24 in September, 2015)
- Japan's economy is almost at the point of overcoming deflation.

Enhancing prior economic policies of "three arrows" and establishing positive cycle of economy led by private-sector demand (Improvement in potential growth rate)

- Enhancement of childcare and social security foundation from fruits of growth

Consumer spending showing slow recovery
(consumer composite index in 2015 (month-to-month basis): 0.0% in July, 0.6% in August, 0.0% in September)

Business investment showing weak movements compared to corporate earnings
(private capital investments (3-year-average-basis): about 72 trillion yen in the mid-1990s, about 68 trillion yen in the last 3 years)

Manifestation of labor shortage and decrease in labor supply
(decrease in productive-age population: -9.41 million people, difference between 87.26 million at its peak in 1995 and 77.85 million at present in 2014)

The new first arrow: A robust economy that gives rise to hope

- Increase in labor share by raising wages
- Expansion of private investment through revolution in productivity
- Increase in the labor participation rate through working-style reforms and improvement in productivity through innovation

The target of the new first arrow
Nominal GDP toward
600 trillion yen

**The root of the obstacles in economic growth:
Reduction of the labor supply and anxieties and pessimism about the future caused by the declining birthrate and aging population**

(Decrease in productive-age population: 81.78 million in 1984 → 87.26 million in 1995 (peak value) → 77.85 million in 2014)
(Increase in population aging rate: 9.9% in 1984 → 26.0% in 2014)

Creating a society enabling everyone, including youths, the elderly, women, men, people with disabilities, people fighting an illness and people who have experienced a failure to live a life fulfilling their own hopes, showing their talents and finding motivations in their respective homes, local communities and workplaces.
(Inclusion and diversity)

- A boost in consumption and the expansion of investment by fostering people's feelings of security and consolidating future prospects
- Improvement in the labor participation rate and creation of innovation brought by realization of talents of various individuals

Difficulties in fulfilling hopes for marriage and childcare
(the total birthrate in 2014: 1.42)

Difficulties in balancing nursing with working
(The number of people leaving or changing their jobs due to providing their family members with nursing care: 101,000 during period of October, 2011 to September, 2012)

The new second arrow: Dream-weaving Childcare Supports

- Stabilization of youth employment and improvement in working conditions
- An environment enabling balance of working with childcare
- Ceaseless supports in each stage from marriage, pregnancy, childbirth to childcare including childcare services

The new third arrow: Social Security that provides reassurance

- Securement of nursing services
- An environment enabling balance of working with nursing
- Consulting and supporting systems for families
- Extension of healthy life expectancy

The target of the new second arrow
Desirable birthrate of 1.8

The target of the new third arrow
No one forced to leave their jobs for nursing care

Enhancing a positive cycle of new "three arrows" and sustaining it in the long run to maintain the population at 100 million people 50 years from now