

# Keynote speech

# "Future of Asia"



2014

**1/21** (Tue.)

## Surin Pitsuwan

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The East Asia Local and Regional Government Congress was established in 2009, and after the first congress the Nara Charter was adopted. It advocates that as a result of regularly holding this congress, local and regional governments can mutually exchange knowledge and experiences, deepen their friendships and trust, contribute to the stable relationships among the countries in East Asia, and ultimately bring about the stable development of East Asia as a whole.

2009 was a year in which each country faced the global financial crisis that began the previous year. At the end of 2008, a Japan-China-ROK Trilateral Summit was held in Fukuoka, and an action plan for promoting cooperation among the three countries was announced in order to protect the East Asia region from the effects of the financial crisis. This was in accordance with the point of view formulated at the ASEAN+3 summit held in Cebu, Philippines in 2007, which

indicated that each of the countries in East Asia should cooperate, coordinate, and promote integration. It can be said that this East Asia Local and Regional Government Congress is a grassroots-level response to such requests by the leaders of each country.

The leaders of countries and international organizations formulate large visions. In contrast, it is the leaders of local and regional governments who actually move. Local and regional governments are definitely not small presences. Large visions can be realized only by conducting the specific and substantial actions such as social security, infrastructure preparation, and school construction at the grassroots level. The countries of East Asia are now facing various tasks such as social security in an era of declining birth rates and aging and declining populations, and balancing regional economic stimulation and promotion of employment with sustainability. The roles that local and regional governments should play in resolving such tasks are extremely large.

Nara is a region that is appropriate for holding a local and regional government congress for exchanging knowledge. Nara has a long record of history, culture, and civilization. It also has Governor Arai, who is an excellent leader. Governor Arai accumulated specific experiences related to the economy, industry, and trade at the former Ministry of Transport, and he is combining that knowledge with a deep understanding of Nara's history and culture and linking those things to specific activities. Things such as trade, investment, and the economy are certainly important, but it is necessary to also promote growth and development of the entire region through cultural exchanges.

I expect that from now on the East Asia Local and Regional Government Congress will go beyond meetings among only heads of governments, and that a network of human exchanges will be built for participation by various organizations, entities, and grassroots-level groups. I also hope that in the near future each local or regional government will become a region, under the large umbrella of East Asia, in which all women are protected in a community, all children will play a role in the future, and all people will be able to obtain safety and prosperity. Group discussions

(heads of local and regional governments)

Theme 1: "Social Security in terms of Aging Population and Decreasing Birth Rate"	
Participating local and regional governments	<ul> <li>People's Republic of China: Shandong Province</li> <li>Republic of Korea: Gyeonggi-do Province, Buyeo County in Chungcheongnam-do Province, Jeollanam-do Province, Gyeongju City in Gyeongsangbuk-do Province</li> <li>Japan: Fukui Prefecture, Nagano Prefecture, Tottori Prefecture, Nara Prefecture, Dazaifu City in Fukuoka Prefecture, Tenri City in Nara Prefecture, Kashihara City in Nara Prefecture, Gose City in Nara Prefecture</li> </ul>
Lecturer	MIYAMOTO, Taro Professor, Faculty of Law, Chuo University
	AHN, Sang Hoon Professor at the Department of Social Welfare, Seoul National University, Korea

## Lecturer's speech



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## "Concept for a New System of Mutual Support - Going beyond increasing difficulties and aging"

MIYAMOTO, Taro Professor, Faculty of Law, Chuo University

Tasks related to the declining birth rate and aging population are broadly divided into the issues of the supporting side and the supported side. As an issue of the supporting side, combined with the decline of the total fertility rate, the decrease in the number of women is serious. The number of women in Japan between the ages of 20 and 34 decreased from 13.2 million in 1995 to 10.9 million in 2012. Consequently, in order to maintain the population a birth rate of 2.8 to 2.9 will be necessary.

At present, more than 60% of people give economic issues as the reason why the number of children they plan to have is less than the number of children they would like to have. For that reason, many local governments are providing economic support such as aid for children's medical expenses and childcare expenses. 60% of women also

quit their jobs when they give birth for the first time. Kashihara City is working to combine kindergartens and nursery schools in order to provide high-quality childcare and pre-elementary school education. Increasing poverty of the working-age generation is also becoming a problem. The number of young people who cannot get married due to factors such as non-regular employment or low wages is increasing, and in the case of people whose first job is non-regular employment the ratio of people in their early 30s who are married is lower than 30%. I would also like to emphasize the fact that a major premise for people of the working-age generation to have families and children is for them to get economic power.

Meanwhile, as an issue of the supported side, at the same time as the proportion of elderly people is increasing, support has become difficult due to things such as people living alone, incomes becoming lower, and dementia. For that reason, it is desirable for elderly people to go over to the supporting side by maintaining their health and participating in society. Local governments should work to create opportunities for elderly people aged 65-74 in particular to be active. When doing so, combining support for employment of young people with support for the daily lives of elderly people can be one of the solutions. For example, efforts to use empty houses as residences that provide care and efforts to employ, for jobs supporting the daily lives of elderly people, young people who cannot find places to work, are already being conducted.

If we create a society in which it is easy for anyone to work, people who were on the supported side, such as women, elderly people, and people who have difficulties in daily life, will move to the supporting side. The government promoting and supporting a new form of mutual support and creation of a society in which everyone participates will surely lead to an East Asia model for a new era.



## "Bevond Population Onus Towards East Asian Welfare Capitalism"

### Professor at the Department of Social Welfare, AHN. Sang Hoon Seoul National University, Korea

The keys to resolving the issues of the declining birth rate and aging population are dismantling the paternalistic labor market and reconsidering the retirement age. In Korea, women's employment ratio is lower than men's, despite the fact that women have a higher ratio of going to university than men do. If the current paternalistic labor market continues amid an increase in the ratio of women participating in economic activities, the number of women who do not want to have children will increase and the birth rate will decline even further. From now on, "redistribution of time" between men and women will be a bigger task than redistribution of income, and it can be said that the importance of supporting a work-life balance will increase.

In light of the fact that in 2040 we will be in a situation where 2 working-age people must support 1 elderly person, it is necessary to increase the productivity of the young generation and increase their abilities to take on burdens. In addition, if healthy longevity is extended, it

will also be possible for elderly people age 65 or older to participate in the labor market. Because there are large individual differences in the health conditions and productivity of elderly working people, retirement age should be determined according to individuals' physical and mental capabilities. In addition, if all care for elderly people is left to medical treatment we will become unable to cover the increase of medical treatment expenses, and therefore we must work to change from medical treatment to nursing care. In doing so, local and regional governments that are in charge of nursing care services will carry out a large role.

Currently, Korea's welfare expenditures are at a low level of less than 10% compared to GDP, and there is little employment in social service fields compared to other advanced countries. That is not because there is no demand for welfare, but instead because women are handling nursing care within their households. This hinders the social participation of women who have received higher education and is a factor in delaying childbirth. Therefore, from now on we should change from income security through cash benefits to social security services in which local and regional governments provide welfare-related services. Cash benefits hold down GDP, but service benefits conversely lower the unemployment ratio and have the effect of extending GDP.

By taking an employment and welfare strategy that focuses on service benefits, it will be possible to have human resources such as women who were conventionally overlooked and energetic elderly people participate in the labor market. This can become an economic infrastructure that will lead a new Asian era.

## **Presentations**



## Gyeonggi-do Province, Republic of Korea

LEE, Eul Jook Director General, Women and Family Bureau

The causes of the low birth rate in Korea can be divided into economic factors and environmental factors. Economic factors are that the employment ratio for young people is extremely low at 24.2%, and unstable employment and incomes are causing people not to marry or to marry at later ages. Environmental factors are that it is difficult to balance work and family life, and the ratio of women participating in economic activities forms an M-shaped curve in which women interrupt their careers after marriage or childbirth. In addition, the fact that education expenses borne by individuals are high is leading to an economic burden for child-rearing and a low birth rate.

Since 2006, Gyeonggi-do Province has been formulating a basic plan for the low birth rate and aging population every 5 years. It consists of a framework of the following 3 things: creating an environment in which it is easy to give birth and raise children, creating a base to improve the quality of life for elderly people in an aging society, and securing growth engines and improving systems for each field. As original projects, the province is conducting things such as a project in which nursery staffs visit households in which both parents work and provide childcare services, and lessons that also provide food and snacks for children whose parents are not home after school, and conducting projects to support the work-life balance of workers.

In addition, we think that a task is to form consensus through education to improve citizens' awareness about marriage, pregnancy, and childbirth.



### Nara Prefecture, Japan — ARAI, Shogo Governor

In order to control social security expenses caused by aging, Nara Prefecture is promoting "creation of healthy longevity in Nara Prefecture." In order to extend healthy longevity, it is necessary to prevent illness, recover abilities after illness, provide appropriate medical treatment so that people do not die young, and maintain mental health, including suicide prevention.

In order to promote creation of health, efforts based on scientific observation and evaluation that utilize statistics are necessary. The most common cause of death among residents of Nara Prefecture is cancer, and of that the mortality rate for lung cancer is high. The prefecture is therefore making efforts to improve the ratio of people undergoing examinations for lung cancer, which is currently at the lowest level in Japan. In addition, because the mortality rates for heart disease and cerebrovascular disease increase when the ratio of people with fitness habits is low, we are creating statistics for each municipality, conveying the results, and working to educate people.

In order to achieve healthy longevity, it is necessary to comprehensively promote related plans for things such as dietary habits, sports, and measures against cancer. We would also like to promote undertakings with medical institutions that are changing the emphasis of medical treatment from "cure" to "care" and putting efforts into preventing illness, nursing care, and rehabilitation. From now on, an important task will be establishing a community-based integrated care system by which housing, medical treatment, nursing care, prevention, and support for daily life will be provided in an integrated manner in the region. Medical treatment and nursing care are also fields that support the local economy, and therefore the prefecture thinks that another task is to develop them as sustainable economic models.



## Tottori Prefecture, Japan — HAYASHI, Akio Vice Governor

In order to improve the child-rearing environment, Tottori Prefecture established "Tottori as a kingdom for child-rearing" in 2010, and it is aiming to establish an "Ordinance on Tottori as a kingdom for child-rearing." Specifically, as policies to create an environment for child-rearing it is improving childcare for sick and recovering children, expanding the scope of aid for children's medical expenses, providing assistance for spousehunting events, promoting projects for men to take care of their children, certifying and awarding companies that promote gender-equality, and working to create an environment in which it is easy to work. It is also conducting various projects such as providing aid for fertility treatment, giving correct information about sex, providing care for children with disabilities, and preparing safety nets for victims of abuse or domestic violence. A "Child-rearing association" was also formed mainly by young governors of 10 prefectures throughout the country, and they are asking the national government for aid for child-rearing.

In addition, as a step prior to social security services or community-based integrated care, the prefecture is implementing policies in order to build a symbiotic society in which everyone from children to elderly people and people with disabilities can live in the region with peace of mind. In addition to efforts to establish an "Ai-Support Movement" to support social participation by people with disabilities and Japan's first "sign language ordinance," this fiscal year a "Tottori National Disabled Persons' Art and Cultural Festival" will be held with a theme of "living together." The intention is for people to enjoy works and art created by disabled people and also understand and respect disabilities.

## Kashihara City, Japan — MORISHITA, Yutaka Mayor

In Japan, until the Meiji period village communities consisting mainly of agriculture were built, and regions had child-rearing abilities based on large families. However, during the period of rapid growth after World War II, the working population concentrated in cities and therefore there was an increase in nuclear families, the large-family system collapsed, women increasingly entered society, and there was an increase in the needs for nursery schools in cities.

Meanwhile, in Japan women make up approximately 40% of employed people, but their ratio in manager positions is noticeably low. Approximately 70% of women stop working when they become pregnant or give birth, and this is a factor hindering the hiring of women. Amid the declining birth rate and insufficiency of labor power, we must reduce the losses caused by sufficiently educated women not working, and make changes so that women can be active in society.

In Japan there are two types of facilities, kindergartens and nursery schools, and children are educated at kindergartens and taken care of at nursery schools. At present the number of children who attend kindergartens is decreasing, while the number of children waiting to enter nursery schools is increasing. Therefore, Kashihara City is working to combine municipal nursery schools and kindergartens and create children's centers. We think that at children's centers ways of thinking and movement will be broadened and cooperativeness and sensitivity will be cultivated through interaction with children of a broad range of ages and contact with local elderly people.

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In Japan, infrastructure assets such as public facilities, water, and sewerage were prepared in a concentrated manner from the reconstruction period after World War II through the period of rapid economic growth, and through economic measures after the collapse of the bubble economy. It is time for a large amount of those assets to be renewed, and a large amount of expenses for renewal, etc. will be necessary. In the case of Gose City, expenses for things such as maintaining and repairing public housing in particular are increasing pressure on finances. From now on it is expected that due to the decrease in the working-age population there will be a decrease in tax revenue and increases in expenditures for things such as expenses for benefits, and it will be difficult to keep current public properties in their conventional manner. Therefore, in order to shift from maintenance of buildings themselves to maintenance of functions, we have to reexamine the ideal method of public services.

First, we will prepare a public property database and analyze stocks, costs, and use frequency. Then we will decide to shrink the total amount of public properties in general, and eliminate, consolidate, extend life, and plan relocation of them in particular situations. It is important to share information with neighboring local governments, integrate functions when possible, and use things together. Rearrangement and consolidation of public facilities through things such as combination of nursery schools and public housing and creation of compound facilities consisting of child-rearing facilities, elderly people facilities, and private commercial facilities will invigorate central city areas, contribute to promoting use of public transportation, and improve convenience for the daily lives of elderly people.

From now on we would like to broadly reconsider public properties and operate the administration from a perspective of not leaving financial burdens for the future.

## Participants for group discussions



Shandong Province, People's Republic of China SU, Daoyi Director, Department of Civil Affairs



Buyeo County, **Republic of Korea** RHI, Ryong Woo Mayor





Jeollanam-do Province, Republic of Korea KIM, Yang Soo Director, Social Welfare Division



# Gyeongju City, Republic of Korea

Nagano Prefecture,

SHIMIZU, Fukashi

Associate Director General,

Health and Welfare Department

Japan

JEONG, Kang Soo Vice Mayor



Fukui Prefecture, Japan TAKEUCHI, Naoto Executive Officer, Department of General Affairs





Dazaifu City, Japan HIRASHIMA, Tetsunobu Deputy Mayor



Tenri City, Japan NAMIKAWA, Ken Mayor



Nara Prefectural Assembly KOIZUMI, Yonezo Chairperson, Committee on Public Welfare



Nara Prefectural Assembly YAMAMOTO, Nobuaki

Vice Chairperson, Committee on Public Welfare



