

above procedure regulations, the regulations of a conflict of interest shall not apply.

② Regulations about the use of Outside Directors

(I) Delegation of execution of operation to outside directors

For example, in case of a Management Buyout (MBO), the outside director of the target company may negotiate with the acquirer, or consider the fairness of the transaction between the target company and the acquirer. In this case, the outside director's negotiation or consideration falls into to 'execute the operations of the Stock Company' (Companies Act Article 2 (15)), so there was the possibility not to satisfy the requirements of an outside director. This revision clarified that there was no such possibility.

(II) Mandatory appointment of an outside director

A Company with a Board of Company Auditors (limited to Public Companies and Large Companies) that must submit a securities report, must appoint an outside director. In going toward mandatory appointment, opinions are divided on the following two points; first, how we review the ratio of appointing an outside director in listed companies is increasing significantly, second, how we review the fact that it is not clear that in empirical research, the appointment of an outside director leads to an increase in a Company's value. However, the idea which supports mandatory appointments and reviews that the former point is the evidence that a listed Company recognizes the significance of an outside director, and that the latter point is not necessary for considering whether we should mandate the appointment.

5. Labor/Social Security Law

An Act on the revision of the act to promote measures against child poverty

Law No. 41, Jun 19, 2019

1. Background

In Japan, many children live in poverty. Like other countries, the

government has focused on “child poverty” in the 2010s. Living in poverty harms children in terms of health, social and intellectual development, and jobs in the future. So should children get opportunities to escape from poverty if the government supports them and their families financially.

There is the Public Assistance Act to ensure a minimum living level for Japanese people in Japan. The Public Assistance Act is a comprehensive legal system for poor families to support their housing, health care, care of the elderly, and employment. The public assistance system contains assistance for education in elementary school, junior high school and high school. The system partly assists to enter higher education. And the system contains additions for families with children and single parents. The public assistance systems are essential for children in poverty. However only the public assistance systems are insufficient for the support of children’s lives.

Public education is free of tuition fees for compulsory education (elementary school and junior high school). However children need various costs for compulsory education other than tuition. They need to pay for school supplies, club activities, and school trips. School expense subsidies help children cover these costs. The subsidies target families who receive public assistance and correspond to receiving public assistance. School expense subsidies are important for poor children whose families cannot receive public assistance.

In this way, social welfare systems and public education systems work together for poor children. However other systems and benefits do not cooperate with social welfare and education. So we need more comprehensive legal systems for poor children.

2. Act to promote measures against child poverty

The Act to promote measures against child poverty was passed in 2013. The Act aims to assist children to grow healthily, and have access to education equally. The act provides a basic principle, the responsibility of the government and basic matter for measures of child poverty (Article 1). The act proposes the recognition that child poverty is caused by the growth environment (Article 2). The act provides that the government has to formulate fundamental principles for measures to combat child poverty. The principles have to provide general rules, index and remedial measures

of poverty rates of children and high school education continuance rates of children whose families receive public assistance, and matters of assistance for education, life, work and finance (Article 8).

The act was epoch making for Japanese child welfare systems. The act was a comprehensive legislation for poor children and their families. The existing legal systems for poor families could be integrated based on the act in terms of the interest of children. However the act was only the base for developing the measures against child poverty. So the act had a provision for revision after five years.

3. Revision of the Act

The Act to promote measures against child poverty was revised in 2019. The revised act pays attention not only to the future of children but also to the current situation of children in poverty.

First, the revised act added that the act will enable children to have dreams and hopes. The revised act expands the target from children in poverty to all children. And the revised act add that the act complies with the spirit of the Convention on the Rights of the Child (Article 1).

Second, the revised act refers to social factors as causes of child poverty. The revised act adds new provisions that the measures of child poverty have to be promoted depending on the age and development of children in all society. The measures aim to respect children's opinions, consider the best interest of children and to raise children healthily (Article 2).

Third, the revised act expands the index and remedial measures. The index of the poverty rate of single parents and secondary education continuance rate of children whose families receive public assistance are added. And the revised act changes from support for parent's "work" to "steadiness and improvement of careers" (Article 8).

Fourth, the revised act provides not only investigation and research about child poverty but also verification and evaluation about the measures of child poverty (Article 8).

The revised act changed the old law to reflect the current situation of child poverty and fix the problems of the old law. The most important point is that the revised law constructs systems for research and evaluation. The testable indexes are needed for verification of the measures of child poverty. The measures cannot be evaluated only from numerical data.

However the measures of child poverty have neglected the evaluation based on the objective data in social welfare systems.

It is important for the measures to deal with child poverty that the government accompanies children and their families continuously over the long term. Japanese welfare systems have many gaps between one system and the other. Especially the education system and the child welfare systems creates gaps between one school grade and the next. And the support for the parents of poor children have to be generous for job losses and the difficulty of job hunting with little children. The public assistance systems set goals for single parents to get jobs. However, they need support for work life balance after getting jobs.

The act puts specific contents to the principle, so we need to overview the principle next.

4. The fundamental principle

The fundamental principle of the measures of child poverty was revised after the act was revised in 2019. The revised principle provides four categories, education, life support, work support, and financial support.

First, in the education category, schools are expected to be platforms for each community. For pre-school children (over three years old), the fees of kindergarten and day care are waived. This was a big step for universal education for pre-school children. High-quality education and day care are able to stop cycles of poverty. For high school students, a dropping out of high school is a big problem. A school social worker plays an important role to stop dropping out. And free study support for children are provided by NPOs and volunteers in each community. These kinds of support are partly based on the act of life independence support for needy persons.

Second, in the life support category, local governments have to support families from pregnancy for health, life and mental care. Providing child care services is needed for employment support for parents. And temporary day care and midnight child care are necessary for parents who are sick or tired from working and caring for their children. The employment support for children is also important. Children who seek jobs need to learn skills for work and life. And poor families need support for

housing. There is no universal housing benefit in Japan. The public assistance system had housing assistance, but some requirements of the public assistance are hard for poor families to meet. The life independence support for needy persons act has temporary housing benefit for people who lose jobs and are in danger of losing their houses.

Third, the career support for single parents is necessary for life steadiness. Especially, work conditions have to be compatible with care for children and families. And relearning and getting high school diplomas are important parts of the process for employment and independence.

Fourth, financial support is the basis for the life of poor families. The child allowance and the child support allowance are important for families with children and single parent families. And enforcement of child support is not sufficient to support single parents. Some parents do not make agreements for child support, others make agreements but they do not make them in writing. When child support is not paid, a parent with children lacks a financial base for child care. However single parents have no way to collect child support effectively. Some local governments attempt to make advanced payment systems for child support.

These forms of support for poor families are a combination of existing systems. While the public benefits and the charity by private sectors are mixed, the private sectors share a heavy burden. Free cafeterias for children are expanding to provide healthy and nutritious meals for poor children in Japan. Not only poor children, various children and people in each community come to the cafeterias. So the cafeterias play a role as one stop centers for public support. However many cafeterias pay for meals and staff by themselves. The government has delegated benefits and services for poor families to local governments and the local governments have delegated them to private sector and local communities. It is a big problem how to share responsibilities for the measures to deal with child poverty.

5. Editorial note

The revised act and the revised fundamental principle accent the research and evaluation for the measures to deal with child poverty. However, the revised principles do not order the indexes and the measures. It is a weak point of the revised principle that it stands the

measures in a line. On the other hand, the factors of child poverty are complex. Even though one index is improved, the effect for alleviation of child poverty is unclear on the whole. So we need the comprehensive and flexible measures to deal with child poverty.

Parents are often blamed for the poverty of their children. The child allowance act provides “the basic recognition Father, Mother and other guardian has primary responsibility for child care” (Article.1). This sentence means parents are responsible for the financial basis of children and families. However, even though parents of children play an important role, the government has a responsibility for education and life stability of all children in the nation. Especially poor families have difficulties supporting life and working because of economic factors. Targeting the children and families who have a heavy burden is important for the effective measures to deal with child poverty.

The concept of “child poverty” gave us a point of view that children’s upbringing is one of the most important problems in the social welfare systems. So the indexes for children are different from the indexes for adults. The government needs to update the indexes for poor families from the point of view of what children need for their health, education, and careers. The revised act accents “present and future” of children. The measures for child poverty have to support children’s current situation and growth in the future.

Refereces

“The comparison of the revised act and the old law”

https://www8.cao.go.jp/kodomonohinkon/pdf/kaisei_shinkyu.pdf (last visited on Jul. 29, 2020).

Overview of An Act on Revision of the act to promote measures against child poverty, https://www8.cao.go.jp/kodomonohinkon/youshikisya/k_13/pdf/s2.pdf (last visited on Jul. 29, 2020), “The comparison of the revised act and the old law”

https://www8.cao.go.jp/kodomonohinkon/pdf/kaisei_shinkyu.pdf (last visited on Jul. 29, 2020).

The fundamental principle of the measures of child poverty (2019).

<https://www8.cao.go.jp/kodomonohinkon/pdf/r01-taikou.pdf> (last visited on Jul. 29, 2020).