In the 1960's, the Council for Child Welfare proposed that services of daycare centers should be provided to children who lacked parental care, but advised that for children under 3 years with family care, home care was preferred for their well-being. As a result, only a small number of facilities providing infant care were available. Therefore, if mothers of newly born babies wished to work, they had to seek relatives' help, hire a baby-sitter, or use private (non-approved by the government) daycare centers until their children reached the age of 2 or perhaps 3. Because the government was reluctant in providing care for infants, the number of private centers where babies were cared for under lacking conditions increased. Particularly in urban areas where a grandmother's help within extended families was less likely to be found, women had to resort to such care centers. In 1980, infant care of private centers became a national issue when consecutive deaths of babies occurred in "baby hotels". The provision of baby care, however, remained insufficient until the implementation of the "Angel Plan" of Ministry of Health and Welfare in 1994.

Today, we have government-subsidized daycare centers and nursery schools for children aged 0 to 6 years and 3 to 6 years respectively and non-approved daycare centers. The 53% of government-approved daycare centers (the welfare facilities under Child Welfare Law) have been municipally owned since 1999. All the government-approved daycare centers receive subsidies from the national, local and municipal governments. The subsidies constitute roughly 50% in total of the operating cost – the remainder is covered by parents using their service. The fee is income-related and suggested by the government. However, the actual operating cost often exceeds the amount estimated and provided by the national government, and therefore the municipal government has been allocating more of their funds to pay for the cost. In the past in urban areas where the municipal government had abundant budget in the past, the municipal government made more additions to the regulations set out by the central government, including higher children-to-staff ratio. Because of such history, the process of increasing the number of facilities for infants has been slow despite the planning by the Ministry of Health and Welfare since doing so would lead to the municipal government facing budget deficit.

Figure 2 Increase in Children in Approved Day Care Centers

