

# Child Benefit Expansions and Cross-Border Spillovers: Evidence from Akashi–Kobe Municipal Border in Japan

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*We examine whether municipal childcare expansions generate net growth or merely reallocate childrearing households across municipalities. We study Japan’s Akashi City, which sharply expanded child medical-care and childcare-fee subsidies in the 2010s, widening benefit gaps with nearby municipalities. Using a Difference-in-Differences design—Akashi as the positive treatment group, adjacent wards in Kobe as the negative treatment group, and Himeji (a nearby city in a different commuting zone) as the control—we find preschool-related outcomes rise in Akashi but fall on the Kobe side; when the two treated areas are pooled, the average effect is indistinguishable from zero. A Geographic Regression Discontinuity design at the Akashi–Kobe boundary reveals a post-reform discontinuity, driven mainly by declines on the Kobe side near the border. Overall, the evidence points to cross-border spillovers and suggests that, at the broader Akashi–Kobe scale, Akashi’s gain may reflect a reallocation rather than a net increase.*

*Keywords: Welfare-Induced Migration, Cross-Border Spillovers, Childcare/Child medical subsidies, Fiscal Federalism, Border Discontinuity*  
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