

# Gender Disparity in Workplace

## What Can Japan Learn from France?

By Naoyuki HARAOKA

### France Eyes Greater Female Role in Decision-Making

Ever since the EU was created in 1957, the principle of equality between men and women has been an important factor in the EU's founding treaties. In 1977, an airline stewardess filed a lawsuit with an EU court against the airline company for paying her less than a male counterpart doing the same job. The court ruled that there must be no salary difference between men and women doing the same work. After the ruling, the EU issued several directives protecting the rights of women. The principle behind these directives is the prohibition of firing employees based on gender discrimination, offering of equal employment opportunities, equality in access to training and vocational education, and equal treatment for social insurance benefits legally applicable in cases such as illnesses and accidents.

In a recent move, the EU has adopted a road map for 2007-2010 to realize equal opportunities for men and women. The goal is to ensure equal rights for each in the workplace, their equal participation in decision-making (in corporate management, government, etc.), elimination of gender stereotypes in jobs and the promotion of specific and active measures to enhance the position of women. These active measures are supposed to be taken in all areas of life, including schools, workplaces, new technology, social insurance, household chores and enhancement of the image of women.

However, a report released by the EU in 2006 showed that women earned 15% less than men on average and the employment rate of women was 15 percentage points lower than that of men in the EU. The employment of part-time workers was more than 32% for women, but only 7% for men. In addition, the rate of women participating in decision-making at companies remained low, with women accounting for only about 10% of executives at large companies, and making up about 3% of presidents and other top executives.

In France, the situation is worse, with average pay for women 27%

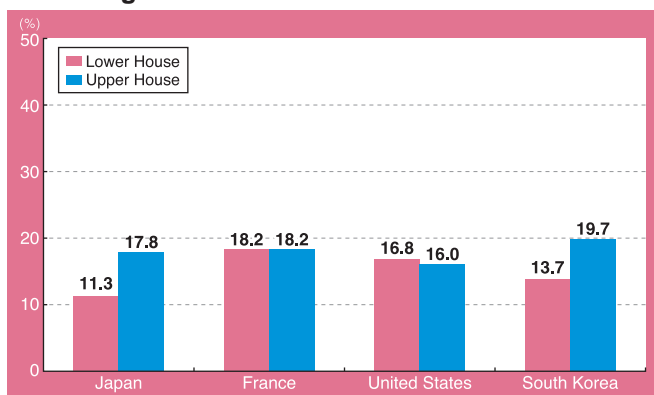
lower than that for men, although there were no big differences in figures in other areas compared with those for Europe as a whole. A report on social problems submitted to French President Nicolas Sarkozy in March 2009 noted the low rate of female participation in decision-making at corporate and government levels and described the reality as greatly embarrassing for France. The report proposed that an "obligation" be imposed on companies with 1,000 employees or more to have women constitute 40% of their executives within six years. The introduction of such a quota had been made legal by a revision to the Constitution in July 2008. The report also suggested imposing a fine on companies failing to meet the obligation to the tune of 1% of their total payroll. Sarkozy has expressed readiness to positively realize the proposed punitive action.

In this way, European countries, particularly France, are moving fast to aggressively promote the participation of women in decision-making at companies and in government. Let us now turn our eyes to the situation in Japan.

### Female Participation: Japan vs. Other Countries

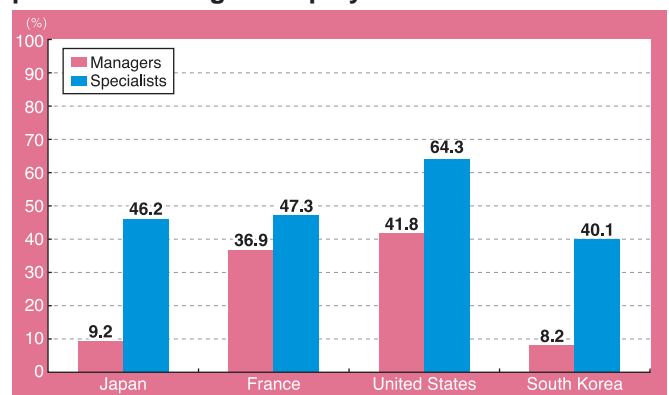
*Chart 1* on the participation of women in politics shows that the ratio of female legislators in Japan is not particularly low compared with those in other countries. *Chart 2* compares women's participation in decision-making in company management among four countries. On the premise that department managers and section heads are positions that allow decision-making, the ratio of women in such positions in Japan is slightly higher than in South Korea, but considerably lower than in France and the United States. The ratio of female department managers and section chiefs is 9.2% compared with 36.9% in France. In contrast, the figures show that the ratio of women contributing to companies with specialist knowledge (although not that much participating in decision-making) is not bad in Japan compared with other countries.

CHART 1  
Percentage of female lawmakers



Source: Japanese Cabinet Office

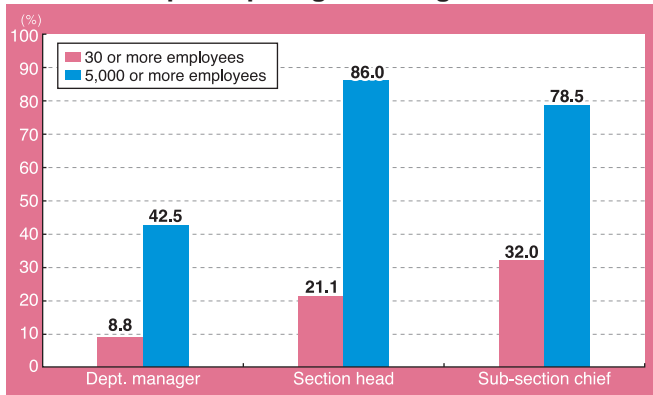
CHART 2  
Percentage of women in manager/specialist positions among all employees



Source: Japanese Cabinet Office

CHART 3

### Percentage of Japanese firms with women participating in management



Source: Japanese Cabinet Office

Chart 3 shows the ratio of companies in Japan which have at least one woman involved in management decision-making. It lists ratios for department managers, section heads and sub-section chiefs at companies with 30 employees or more and at those with 5,000 employees or more. One can see from these figures that the majority of large companies with 5,000 workers or more have women in supervisory posts of sub-section chiefs or above.

However, the ratio of such women among employees as a whole is low, regardless of whether the total number of employees is 30 or so or more than 100 (Chart 4). Of the three types of supervisory positions, sub-section chiefs constitute the largest female contingent, irrespective of corporate size, but they account for only a little above 10%. The ratio of women who are company presidents is 5.7%. While higher than the 3% in Europe, this is not a high ratio. The ratio of female executives is also low at business organizations, standing at 0.2% at the Japan Business Federation and 6.0% at the Japan Association of Corporate Executives. The ratio of women in the central executive committees of labor unions is also low, averaging 14.4%.

As we can see from these figures, the proportion of women participating in corporate decision-making is significantly lower in Japan than in France. Considering that France is thinking of introducing quotas and fines to promote improvement, it is clear that Japan also needs to consider taking similar measures.

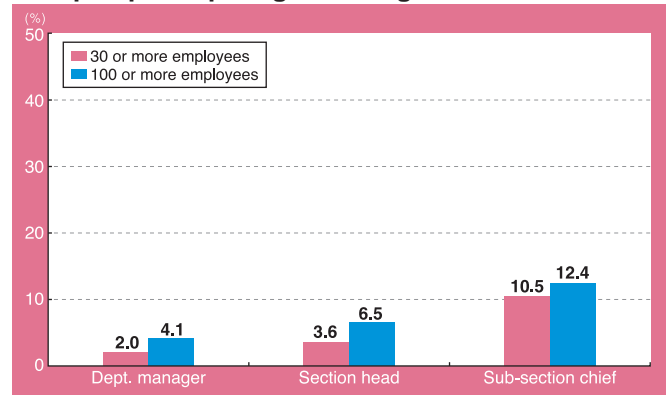
To encourage women to take part in management decision-making, I feel that discussions on reconciling work and family life, or achieving work-life balance, must come first before designing an institutional system for female participation. In France, 70% of female students and 59% of male students obtain the *baccalaureat* qualification for entering university. In other words, female students do better academically than male students. However, women tend to study in the humanities area even when they have good grades in math, and women who choose to study science and engineering are fewer than men. This seems to reflect fixed notions rooted in gender discrimination.

Furthermore, according to a French think tank survey which followed the careers of married men and women, 92% of women with *baccalaureat* qualifications worked full time if they had no children, but the figure dropped to 49% seven years later if they had two children or more. In the case of men, the number of children had absolutely no effect on their careers. The same survey shows that the length of time men in France spend with their children (putting them to bed, helping them change clothes, taking them to and from school, helping with their homework, etc.) is about a third of the time that women spend.

In France, 63% of children aged under 3 are taken care of by both

CHART 4

### Percentage of female employees in Japan participating in management



Source: Japanese Cabinet Office

parents, and only 10% are cared for at nurseries. While there seem to be more nurseries in France than in Japan, these figures can be seen as reflecting a heavy burden on French mothers in looking after their children. This burden can be surmised as being the factor that negatively affects French women's careers after they have children.

Apparently, we have the same sort of situation in Japan and this is an issue that we have to address. It is important to achieve improvement in this area first before we start introducing systems such as imposing quotas on companies and fining them when they do not meet their obligations.

### Women: Key to "Knowledge Economy"

In light of the falling population, there is a downward risk on the growth potential of the Japanese economy. And the rise of emerging economies will inevitably reduce the weight of Japan in the world economy. We need to try to curb the fall in Japan's growth potential by stepping up creative innovation in technology. And we should try to stop our country's status in the world economy from lowering through creative diplomatic policies (the government need not necessarily always be involved; creative global management strategies in the private sector also have a part to play). In both cases, it is clear that Japan needs to lead the world in the knowledge-intensive economy.

To do this, we must disregard the traditional notion that it is the men who are at the center and who should take on the leading role. Since there is no difference between men and women in their abilities, and if – as the French *baccalaureat* seems to indicate – the intellectual ability of women is higher than that of men, then we must work all the harder to boost the participation of women in decision-making. Considering that female participation has so far been insufficient in Japan, it is safe to say the growth potential of this country is huge. As we can see from the examples in Europe, the key to a country's competitiveness lies in how well women's abilities are employed in the knowledge economy. Diversity gives birth to creativity, invigorating not only companies but society as a whole.

To solve the environmental problems of our planet, we may need breakthrough technology that perhaps does not currently exist. However, given the gender disparity problem, we already have the resources of capable women, and it is all simply a matter of how we utilize these human resources. I believe that there is plenty of potential waiting to be tapped in Japan. **JS**

Naoyuki Haraoka is editor-in-chief, Japan SPOTLIGHT, and executive managing director, Japan Economic Foundation.