

Use Women Effectively as Human Resources in Japanese Economy



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Women's Big Role in Japanese Economy

The Japanese economy looks depressed these days, and actually has been hovering in a long slump of more than 10 years. As one of factors behind the lackluster performance, it would be safe to cite insufficient utilization of women as human resources, particularly their intellectual resources. Let me take up this matter in this report. In the first place, please look at the [table](#) below.

Based on government statistics, this [table](#) shows macroeconomic changes and those of employment by gender over the last 10 years or so. As Japan's fiscal year starts in April and ends in March the following year, statistical data are generally presented on a fiscal year basis. However, this [table](#) adopted calendar-year data (January to December). In the fall of 1997 and thereafter, a financial crisis plagued the world economy in the aftermath of an Asian currency crisis. The real economy evidently deteriorated as a result. However, this cannot fully be discerned on a calendar-year basis. According to the [table](#), Japan's nominal GDP grew every year, though modestly, over a little more than 10 years to 2008. On a fiscal-year basis, not in this [table](#), however, nominal GDP decreased by 7 trillion yen over the 10 years to fiscal 2008. This means the Japanese public received no payout of wealth during the 10-plus years. In per-capita GDP terms, each Japanese lost 90,000 yen over the decade.

Japan has never had such a long macroeconomic slump as this in its postwar history of some 60 years. As the economy has changed drastically, the labor market also has gone through a sweeping change. As shown in the [table](#), the male-to-female ratio in the number of employees in Japan other than those in the agriculture/forestry sector has been almost flat at 3 to 2 over a long period of time, with

TABLE
Macroeconomic changes & employment trends by gender

	Nominal GDP	Per capita GDP	No. of nonfarm male employees	No. of nonfarm female employees
Calendar year	1 trillion yen	1,000 yen	1,000 persons	1,000 persons
1995	495.2	3,947	31,950	20,340
1998	504.9	3,996	32,250	21,100
2008	507.5	3,975	31,860	22,920
1995-2008 change	12.3	28	-90	2,580
1998-2008 change	2.6	-21	-390	1,820

Sources: Annual Report on the Japanese Economy & Public Finance (July 2009), Cabinet Office; Annual Report on Labor Force Survey (2001 & 2008), Statistics Bureau, Ministry of Internal Affairs & Communications

the total number of nonfarm male and female employees ranging from 52 million to 55 million according to economic fluctuations. But when it comes to the 10 years under review, the number of male employees decreased sharply, and the drastic decline was covered by women's active participation in the labor market. Specifically, 1.82 million more women, or slightly less than 10% of the female working population, participated in the labor market during the 10 years. Approximately 80% of the increment was accounted for by not regular but nonregular employment (part-time and temporary work).

With regard to female employees, the ratio of nonregular workers started surpassing that of regular ones in 2002, and has since been following an upward trend, according to another government statistical report (*Employment Status Survey*, Internal Affairs & Communications Ministry). This means a growing number of male employees have been withdrawing from the labor market largely due to corporate restructuring, and women instead have been actively joining the market as nonregular employees. As a result, the Japanese economy, in macroeconomic terms, managed to limit the degree of stagnation to the current level. Without women's active participation, the economy would have plunged deeper into recession. In this way, the female labor force has been greatly contributing to the Japanese economy.

Gender-based Division of Labor: Loss of Human Resources

As mentioned above, it is the massive inflow of nonregular female employees into the labor market that has helped ease an economic downturn in the long cycle of slump. When examining nonregular female workers from the viewpoint of human resources, they have largely high educational backgrounds and good track records in practical business experience at corporations. According to the results of statistical surveys and other data, these women cited a lack of opportunities for regular employment as a reason for opting for nonregular jobs. Previously, they had been forced to give up jobs because of such family circumstances as marriage, child-bearing/rearing, nursing care and job relocation of their husbands. Most female nonregular employees in Japan used to engage in stereotyped, unskilled jobs that did not require heavy responsibilities and looked unattractive for high-caliber women. Accordingly, such employees generally worked for only a limited number of years. Over the last several years, however, the term of service for nonregular employees has been steadily growing longer. This starkly contrasts with sluggish growth in the length of service for regular employees. Given such circumstances, most nonregular female employees can be regarded as a treasure trove of potentially high-caliber human resources. For this reason, women were able to make up for the restructuring-induced loss of regular male employees in the midst of a long economic slump.

Against this backdrop, the question naturally arises why such potentially competent women were not given good employment opportunities. The answer is that there is still the deep-rooted perception among both men and women about gender-based roles in the division of labor in Japan. For instance, the results of an attitude survey conducted by the government in 2009 showed the percentage of husbands in favor of “man the breadwinner, woman the homemaker” exceeded, though slightly, that of those in the negative. Conversely, the percentage of wives not in favor of such a lifestyle was 10 points higher. Under this stereotypical division-of-labor system, even those women who have high educational backgrounds or good on-the-job (OTJ) training and practical business experience have no choice but to move out of the labor market, especially if they give birth. Alarmed by this, the Health, Labor and Welfare Ministry in 2001 started conducting a “Longitudinal Survey of Babies in the 21st Century.” The results of the annual surveys deserve much attention. They show only 20%-30% of women continue to work one year after giving birth to their first children. The remaining 70%-80% leave their jobs. Further, it was found that this trend had remained almost unchanged for some 20 years, even before the start of the survey.

Also, the results of a variety of internationally compared surveys on attitudes toward division of labor between men and women indicate a significant gap still exists between Japan and other industrialized countries. As a reason for this, some point out that Japan has traditionally been influenced by Confucianism. Another reason cited is that senior officials crafting social systems as well as business executives building corporate cultures are still dominated by conservative men. Thus, drastically changing attitudes of these highly placed men in all organizations is the key to opening the way for more effectively using women as human resources. Actually, many women are currently forced to give up their jobs due to child birth/care. Moreover, though fully blessed with education aimed at heightening the awareness of gender equality, women find themselves dismayed at inequality in the workplace upon jumping into the workforce. These are clearly in conflict with the constitutionally guaranteed right and obligation to work. As a way to find a breakthrough, the public and private sectors currently work in tandem to push forward a childcare leave system. But the leave is taken largely by female employees. The proportion of working fathers taking childcare leave is still extremely low.

Education for Upgrading Labor Quality & Resultant Employment

There is no question that a high-quality labor force is vital for economic growth. The question is how to upgrade the quality of the labor force. For that purpose, school education is indispensable for job-seeking students, while a variety of training programs, especially

OTJ training, are absolutely imperative for newly hired employees. However, with regard to school education, there is a wide gap between academic fields in which students major because of interests and those really needed by employers or society as a whole. The mismatch is particularly noticeable among female students. As shown in statistical data, female students, taking account of the importance of homemaking and childcare, largely specialize in such fields as household science, literature and sociology. Meanwhile, male students major in such subjects as law, economics, natural science, engineering and medicine – areas that are generally in accordance with the needs of employers or society as a whole. The mismatch naturally results in a significant difference in the state of hiring by corporations between male and female students. Of late, however, university faculties in which female students major have changed dramatically. In 2008, the ratio of female students in such social science departments as economics and law, in which only a few female students had specialized, surged to 22% from 6% in 1985. Although the ratio of female students is the lowest in the engineering department, this ratio also grew strongly to 7% against only 2% in 1985.

These survey results are also clearly reflected in the courses female students take upon graduation. More specifically, a greater number of them enter graduate school, thus directly leading to a larger number of female researchers and teachers. In 2008, female researchers made up 14% of Japan’s 830,000 researchers in total compared with 6% in 1985. What is further interesting from the viewpoint of gender is that a majority of male researchers (60% of the total male researchers) found jobs in corporations whereas slightly more than 30% of female researchers found employment in universities because some of them were given the cold shoulder by corporate employers. For female students, it is fortunate to see numerous female teachers working at universities. Citing the department of economics as an example, many female teachers have a wider variety of careers such as nonregular employment and job changes than male teachers. Frequent contact with such female teachers helps female students specifically draw up their respective ways of working in society prior to graduation. What should be done first is to boost the number of high-ranked female teachers in the world of education so that they will be able to provide the labor market with what they view as women needed by society. To bolster the vitality of its economy, Japan should start with reshaping the sphere of education that is the gateway to the labor market. **JS**

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