

Women's Labor Force Participation through Work/Life Balance



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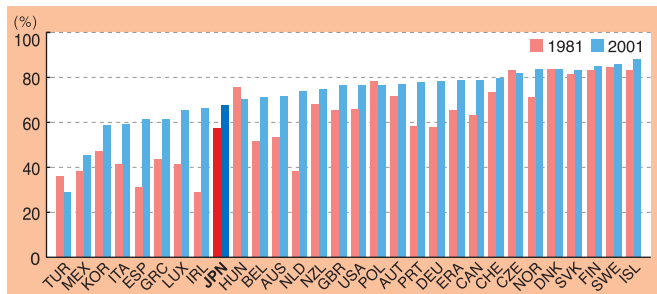
There is no need to emphasize a close correlation between women's labor force participation and economic growth. Women's labor force participation, however, has become one of the major factors leading to low fertility, resulting in decreasing economic growth. If women return home in order to increase the fertility rate, which is already impossible because of radical changes in social values with respect to gender relations, it would be a barrier to economic development. How can this ironic cycle be stopped and good relations recovered? The social values regarding equal gender roles and a family-friendly management culture should be spread and various policy efforts by the government should be pursued.

Relatively Low Women's Labor Force Participation in South Korea & Japan

All over the world, the close correlation between women's labor force participation and economic growth is very clear. South Korea (referred to Korea hereafter) and Japan are, however, somewhat deviant cases, as seen in *Chart 1* below. The two countries have achieved rapid economic growth that cannot be found in other countries, but their labor force participation rates of women are comparatively low. Several indicators of women's status also show women's low status in Korea and Japan. Korea is the 25th of 155 countries as measured by the Gender-related Development Index (GDI) and the 61st of 109 countries in the Gender Empowerment Measure (GEM) of the UNDP in 2009. Japan ranks 10th and 57th, respectively. Underutilizing female talent in Korea and Japan means that enhancing women's labor force participation could lead to a fast recovery of economic growth in these countries.

CHART 1

Labor force participation rates of prime-age women (aged 25-54) (1981 & 2001)



Source: "Labor Market Statistics," OECD

Barriers to Women's Labor Force Participation

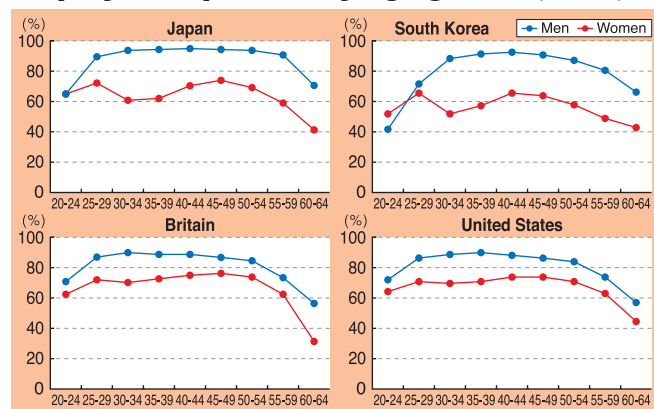
The increase in women's education level and consciousness of gender equality without much change in the traditional barriers to women's labor force participation has resulted in a slow decline of

women's labor force participation in Korea (from 28.0% in 1998 to 23.5% in 2008). An increase in the ratio of irregular jobs among women's work and a decrease in the employment of women college graduates also show that the barriers remain in place.

According to a report on 2007 Korean Social Indicators, published by the Korean National Statistical Office, people think that childbearing is the most important obstacle to women's labor force participation. The next important barrier is social prejudice, and another is bad conditions for work and promotion. *Chart 2* shows that more women in Korea and Japan leave their jobs when they have children than in other countries.

CHART 2

Employment profiles by age/gender (2007/08)



Source: OECD Family Database

Problem of Low Fertility Rate

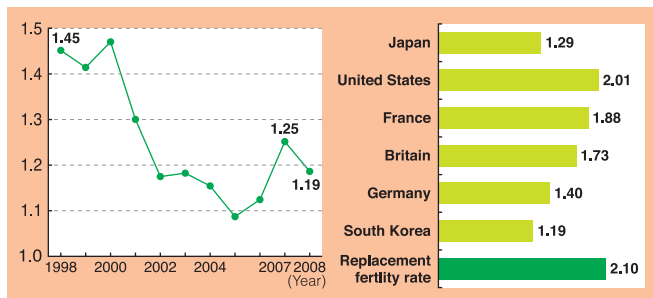
The 2007 Korean Social Indicators report also shows the overall changes in social norms with respect to women's work. In 1988, 21.2% of Korean people thought that women should focus only on family; the percentage had dropped to 8.7% by 2006. Another 26.3% thought that women should work only before marriage in 1988, but the percentage was 5.0% in 2006. Working by women regardless of marriage was preferred by only 10.8% in 1988, but the ratio had increased to 47.3% by 2006. The increase in women's will to work without significant improvement in job conditions has produced a serious social problem: low fertility.

Korea, where strong family planning policies were enforced by the government in the 1960s-1970s, now has the lowest fertility rate in the world. Low fertility is, of course, the result of various complicated factors. Economic burden due to the desire for higher education and a weak public education system is one of those factors. Women suffer in this situation and easily develop psychological problems. According to the WHO, the suicide rate among women in Korea is the second highest in the world, while Japan was ranked third in 2006.

In addition, Korea, like Japan, has become an aging society.

CHART 3

Total fertility rate of South Korea



Note: 2003 data for South Korea, Japan, Britain; 2002 for others
Source: Korean National Statistical Office

People aged over 65 comprised 7% of the population in 2000, and the percentage is expected to increase to 14% in 2018 and 20% in 2026. Aging and low fertility may crumble the economy.

Measures for Work/Life Balance

To enhance women's labor force participation while at the same time boosting the fertility rate is the key to revitalizing the economy in both Korea and Japan. How can it be done? The answer is to achieve a system that facilitates work/life balance in all aspects of society. Changes in family and gender values, the development of family-friendly culture in firms and more effective government policies for work/life balance are needed.

(1) Equal Gender Roles in Family

According to the Korean National Statistical Office, 37.5% of Korean women thought that housework should be done equally by husbands and wives in 2008. And 27% of men had the same opinion. In reality, however, the husband and wife shared housework in only 9% of families. In 35.7% of families wives did all housework. More important is that men and women in their 20s reported having different opinions on gender roles in the family. In the younger generation, men's participation in housework will be higher, but there will be more gender conflicts due to housework. If women are employed in this situation, they might have a dual burden in and out of the home. Thus, there will be a tendency for women to avoid getting married and having children. Accordingly, the value of equal gender roles in the family and an acknowledgement that this value is directly related with socioeconomic development are the most fundamental bases for the establishment of work/life balance.

(2) Family-friendly Corporate Culture

Long-term work in the workplace, especially among men, makes it difficult to achieve equal gender roles in the family. Korean workers spent 2,316 hours working in 2007, the highest number among 29 OECD countries. In most workplaces in Korea, work continues after official working hours at restaurants and bars. This type of corporate culture is fatal to gender equality in Korean society as a whole.

Corporations have made various efforts such as providing childcare facilities, offering flexible work hours, permitting work from home, and so on. The Korean government began to enforce a family-friendly corporate certification system in 2008. All of these are positive developments. The most important step is that corporate CEOs acknowledge that family-friendly management would bring more profits in the long term. In fact, if they securely utilize women work-

ers by providing facilities for them to maintain harmony in both work and family life, it would result in profits. To a certain degree, that should be encouraged by the government. The Presidential Committee for Social Cohesion is now working on proposals for more effective measures to promote family-friendly management, such as tax benefits.

(3) Childcare Policies

Appropriate governmental policies regarding childcare are most important for working women to bear and rear children. Japan established childcare facilities all over the country in the mid-1960s when the government realized that married women should be incorporated into the labor market, and the country has steadily improved childcare measures, while Korea began to implement improved childcare policies much more recently. After the Korean government included a clause mandating 60-day paid leave before and after childbirth in the Labor Standard Law in 1953, the next step was taken only in 1987 when the Equal Employment Opportunity Law was established. Since then the childcare policies have been gradually improved, and in 2007, the Equal Employment Opportunity Law was renamed the Law for Equal Employment Opportunity and Work-family Coexistence Support. These legal measures have contributed to enhancing women's labor force participation.

On the other hand, the Korean government has continuously established childcare facilities, but public childcare facilities comprised only 5.6% of all such facilities in 2009. In the cases of Japan and Sweden, the percentage of public facilities is over 50%. Between 2005 and 2009, the Korean government increased the childcare budget five times, but most of the budget is now providing funds to families to purchase private childcare. According to one research study, only 13% of the women receiving childcare support have jobs. Thus, the government's childcare spending does not lead directly to women's labor force participation, so the system needs reform.

(4) Flexible Working Hours (Purple Collar Jobs)

Recently, the Korean Ministry of Gender Equality and Family proposed "purple collar jobs," which means that workers pursue work-family balance. Purple is the color created by a mixture of red and blue. These purple jobs would be given mostly to women who want to shorten their working hours for the sake of their families, especially those who have young children. To avoid strengthening job segregation based on gender and the employment gap between men and women, regular job status and the guarantee of a return to full-time work are prerequisites of purple jobs. In this case, the political will to promote both women's labor participation and the fertility rate is clear.

Women's labor force participation has become a more and more widely accepted social value, and married women are the last labor force to be recruited. Especially in countries where women are underutilized, such as Korea and Japan, women's labor force participation is the key to economic revitalization. It is vital, however, to solve the conflict between women's labor force participation and low fertility rates.

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