

Gender Equality & “Abenomics”

By Parissa Haghirian



Author Parissa Haghirian

Gender equality in Japanese management is a topic not only discussed by researchers but one that has also become an important item on Prime Minister Shinzo Abe’s agenda for a new Japan. This is a discussion that is more than overdue. Japanese women have been discriminated against for decades and have only played a supportive role in the development of the country’s economic success since World War II. Compared to other industrialized countries, Japanese women are still under-represented in management, earn less, have less secured incomes and positions, and do not take the same role in public life.

This is not new. However, since Abe announced his reform ambitions for Japan the discussion on gender equality in Japan has become a bit more heated. The main question is how will the Japanese government ensure that women take a more influential role in the Japanese economy? The other question is whether this is a serious attempt or — as it has proved before — just a nice-sounding idea which will never be enforced.

Gender Equality in the Japanese Economy — Some Facts

So why is gender equality such a pressing issue? The discussion of equal rights for men and women is certainly a very needed and urgent one in most developed countries. However, even though Japan falls into the category of post-industrialized countries, when talking about gender equality Japan must be considered a non-developed country.

The World Economic Forum ranked Japan in 101st place in equality out of an overall 135 countries. Other Asian countries such as China and Indonesia scored better in this ranking. The salary differences between men and women in Japan are double the average in other industrialized countries. Female CEOs can hardly be found in Japan.

The only area of the Japanese labor market where women dominate are part-time and contract work. These jobs include working in convenience stores or supportive tasks in offices. Part-time work contracts are on the rise all over Japan, but more than 70% of part-time workers in Japan are women. And their share is increasing. This means that a rising number of women are working but are not enjoying benefits such as job security, pensions and health insurance that Japanese full-time employees enjoy.

Speaking to young female university graduates in Japan, one may get the impression that not working and becoming a full-time housewife seems quite an acceptable life choice for them. From a cultural and societal point of view, the traditional belief in the ideal family structure — men working outside as “salarymen” and women staying at home as housewives — still lingers, as working women usually quit their jobs after childbirth, and struggle even to get back to the same position because of obsolete skills and their attention

being distracted by family and children.

I personally think that every woman should be able to choose whether she would like to dedicate herself to her family, her career or both. But the question arises whether Japanese women actually *can* choose or whether they are raised in a system in which they hardly have the choice to fulfill their dream of a successful career.

Consequences of Gender Discrimination in Japan

Apart from projecting an image worldwide that is not really flattering of Japanese management processes, there are many other aspects why the low integration of women is creating challenges for the Japanese economy in the long run.

The truth is that Japan is running out of workers, as the population is steadily declining. In 2015, full employment will be reached and it will then become increasingly difficult for Japanese companies to find skilled employees. This will not only have an impact on salaries but will also lead to the declining competitiveness of local businesses. And the battle for the best employees has already begun.

One obvious solution would be to change and ease immigration laws. However, this is a topic that many Japanese see as very controversial, so the government is not very likely to risk a public discussion on it. But if you cannot bring foreigners into the country, the neglected work force must be enabled. So women are now on the agenda.

Neglecting Talent & Knowledge

Most women in Japan have higher education; the average university graduate ratio is extremely high. About 45% of all Japanese have a university education. However, the economy is not

using this potential as much as it should and is not only wasting billions of yen spent on education but also missing out on half the country's human resource talent. A year at university costs roughly 1 million yen in Japan, so a full four-year degree at a Japanese university comes to 4 million yen or more. In Japan, parents cover most of these costs hoping that their daughter will be able to find a job to support herself or find a suitable partner to provide for her in the future.

According to the latest OECD Report on Education, Japan's investment in education is heavily dependent on private sources. At the university level this would be 64.7% compared to an OECD average of 30% privately funded university education. This means that an average of \$30,000 of public money is spent on obtaining education (upper secondary plus tertiary/university education) per Japanese, but the public benefits only amount to \$67,411. In the United States these number looks different. Here a public investment in education of \$45,000 leads to public benefits of \$232,779. So the Japanese economy is wasting the knowledge that educated women could contribute to its development, and is also burdening its citizens with the cost of acquiring this knowledge.

Since educational costs are usually covered by families, it does not seem to matter to the government what happens to the knowledge accumulated or whether this knowledge can be used to benefit the overall economy. It is true that women still have jobs, but the percentage of women in higher management positions in Japan is relatively low. So most of the investment in their education either leads to secretarial work or to a one-bedroom apartment, this being the case even if female students score better than their male counterparts. Economically it means that a very big percentage of investment in knowledge and talent in Japan is not leveraged.

Societal Costs of Gender Inequality

But gender inequality has not only economic costs. It also reflects on the society and wellbeing of its members. The "housewife marriage" is not the original style in which Japanese families traditionally lived, but only became popular in the 1960s because it allowed families to show off their economic success. But it also creates a lot of problems in Japanese society. The man is the sole earner of the family, whereas the wife is responsible for all duties and tasks in the household, including childcare, shopping and managing family finances.

This attitude has a strong effect on the financial situation of Japanese families, who — even though Japanese salaries are often higher than in Western countries — have a lower quality of life because there is only one earner. It further puts a lot of pressure on all members of the family. Fathers need to perform well in their jobs and spend much time away from home, while mothers are often left alone with childcare. This creates a lot of stress for all family

members.

Many young Japanese families are therefore attempting to have a better work-life balance. This means both parents contribute to the family income and share family tasks as well. Another reason why many women attempt to return to their workplace is financial. Japanese salaries have not increased over the past decades, and in many companies salaries have even gone down. Even if Japan is not facing inflation at the moment, it becomes increasingly challenging to feed a family on a sole income.

Family as a Safe Haven?

But decades of institutionalized discrimination have left their traces not only on the mindset of Japanese women but on their families as well. Many young Japanese women are still looking for a husband who can provide for a family. Parents are very willing to let their daughters become housewives after spending millions of yen on their education, assuming that this is the best choice for them. Media and also government policies strongly support women who choose to dedicate their lives to their families, effectively training them to become financially fully dependent on their husband.

Most of these young women are told that it is fine to rely on their husband's income and position to be provided for. As long as Japanese labor laws are so very strict and the divorce rate is low, this may even be an understandable attitude. But the more that Japanese companies feel the pressure of globalization, the less secure jobs and family structure will become. Nobody can predict the future, but these conditions may change a lot faster than expected. What will become of these women if Japanese society changes?

Structural & Institutional Challenges for Gender Equality in Japan

So what is holding young Japanese women back from having a successful career and a family? Apart from traditional attitudes there are a number of institutional and structural barriers they have to face. There are several discriminatory practices toward women that reveal labor market inequality in Japan: women's concentration in small firms, women as part-time workers, job segregation based on gender, the wage gap or wage differentials for men and women, and the glass ceiling, which suggests meager opportunities for promotions.

Underlying these practices are the institutional factors that are deeply rooted in Japanese society. The tax system, which provides tax exemption if married women earn less than 1.41 million yen, encourages women to take low-paid jobs. In addition, the family is deprived of the provision of non-statutory fringe benefits to full-time workers if payment to the woman exceeds a certain amount. Also, certain laws and company policies on women's maternity leave,

child-rearing, and childcare seem to be lacking or deficient.

Weak Legal Support in Cases of Harassment & Unfair Treatment

Discrimination against women has long been a prominent issue in Japanese human resource management. The *danjo kōyō kikai kintō hō* (Equal Employment Opportunity Law) was enacted in order to promote gender equality in employment. The first form of this law was the *kinrō fujin fukushi hō* (Law for Welfare of Working Women). This was amended to the Equal Employment Opportunity Law in 1985 and became effective the following year. The number of working women continued to increase, and the law was revised twice, in 1997 and 2006, to adjust to the changing situation. By establishing regulations for hiring and working conditions, the Equal Employment Opportunity Law aims as far as possible to treat both women and men equally. It applies to full-time jobs, part-time jobs, and temporary jobs.

The role of this law is to create a workplace where everyone can work without unfairness. A serious issue in this connection is sexual harassment in the office, a problem which affects both women and men. The first revision of the law in 1997 dealt only with sexual harassment of women, while the 2007 revision expanded this to include harassment of men. The Ministry of Health, Labour, and Welfare runs an advice helpline in this respect. When a company detects behavior that can be considered sexual harassment, it is responsible for taking effective action to eliminate it. If the situation does not improve, the name of the company can be made public. The law also prohibits women from being forced out of a company in the event of pregnancy.

The term *sekuhara* was coined by the Japanese media, and became widely used in 1989 with a sexual harassment case in Fukuoka involving a female editor in a publishing company and her male boss. Three years prior to this Japan had enacted the Equal Employment Opportunity Law to improve equality and rights for women. However, many companies got around the law by instituting a dual system of hiring — a complex system consisting of *sōgōshoku*, a career track mainly for men, and *ippanshoku*, an administrative track mainly for women to take up secretarial and clerical jobs, or simply to serve tea for their male counterparts. The law was conceived to stimulate greater career aspirations among women, but it produced little impact on their working conditions and environment.

Sexual harassment can also be attributed to traditional employment practice in Japan — lifetime employment together with the crucial role of on-the-job training. In the area of lifetime employment, personnel mobility is almost static. This explains why sexual harassment is usually committed by male seniors or bosses against female subordinates, empowered with the knowledge that

their positions will not be threatened. Also, given the expectation that they will eventually be married and give up their jobs, women in the company usually gain the status of only irregular or contract workers, missing out on an equal chance of accessing training as compared to their full-time male counterparts.

Inflexible Company Career Paths

Japanese custom traditionally assigned men the superior position and expected women to be quiet and modest. Even after employment for women took off in the 1980s, their social status remained low and companies did not treat them as they did men. Women faced lower wages and had poor chances of promotion, amid claims that they were deficient as compared to men. The harsh treatment of women at work and discrimination against working women came to be seen as a social problem, resulting in the equal employment law. The law brought with it a new way of talking and thinking about roles at work. Women used to work as assistants and as secretarial support, with tasks such as copying material and making tea, while work that actually involved doing business was reserved only for men. With the new legislation, this classification of jobs according to gender became superseded by the terms *sōgōshoku* and *ippanshoku*, the former meaning managerial jobs and the latter encompassing more general office work.

In a standard Japanese company, full-time employees are separated into *sōgōshoku* (“managerial track”) and *ippanshoku* (“clerical”) workers, hired separately. The former are full-time employees who are engaged in core jobs that require “comprehensive” decision making and are expected to be future top executives in the firm, while the latter, by contrast, engage in general office jobs and are usually concerned with routine subsidiary tasks like paperwork or possibly working on a factory assembly line.

The terms *sōgōshoku* and *ippanshoku* came into use only after the establishment of the Equal Employment Opportunity Law, after which companies were no longer able to allocate all clerical and subsidiary jobs to women. But until recently it has been difficult for female employees to become *sōgōshoku*; women faced systematic disadvantages in attaining *sōgōshoku* positions since they needed to consider marriage, working location, and children. In theory, a *sōgōshoku* worker will be promoted in accordance with abilities and performance, but will also be liable to be transferred within the company. Depending on the company and the situation, *sōgōshoku* workers have a very high chance of sudden relocations, both domestic and overseas, or temporary transfers to subsidiary companies.

By contrast, *ippanshoku* workers have no hope of promotion but have the reassurance of knowing they will not be transferred, since they are usually hired by a specific branch office or factory unit. Wages are initially about the same, but *sōgōshoku* workers will get

Photo: AFL0



greater raises at a faster pace. At the same time, *ippanshoku* workers often receive fewer benefits. Today more than 94% of *ippanshoku* positions in Japan are held by women.

The prejudice persisted that women were deficient, however, and despite the raft of legislation intended to protect women's employment rights it remained the case that the majority of company employees were men. A program of positive action was therefore incorporated into the law. This program required companies to take measures to assist women in business — hiring more women, expanding the areas of responsibility open to them, and otherwise ensuring gender equality. Ensuring that women have more opportunities in *sōgōshoku* is also a part of this program. However, in general, *sōgōshoku* is still considered as work for men and there are fewer women working in that sector.

Tokyo Family Logistics

But there are not only legal aspects holding women back. Logistic problems also play an important role when trying to combine family and career. Even women who are trying to combine career and family are reporting what a very difficult and tiring task this is in Tokyo. To have a full-time job, women need to rely on full-time childcare, which is not only extremely expensive (up to \$900 per month) but also not

available everywhere in Tokyo. And even if one has money to invest in childcare, trying to carry an infant to a daycare center by subway is more than an adventure. In many cases it is not possible for women to leave the office by 6 p.m. despite improvement in regulations in this area. But new changes in the Japanese labor law do allow women with young children to leave the workplace a bit earlier. Private childcare in the form of a nanny, as is normal in other Asian countries, is quite a legal and organizational challenge. Japanese immigration laws make it difficult to hire a nanny from another Asian country.

Can Abe Change Things?

Looking at all these facts, it is obvious that changes are needed. Women need to become more integrated into the Japanese economy and labor market; otherwise not only the Japanese economy will suffer, but Japanese society as well.

Over the past years I have increasingly heard that the situation is improving as Japan gradually realizes how important the female workforce is, given that its population is both declining and aging. Moreover, younger and more career-minded working women are becoming more informed about the law regarding sexual harassment. Hopefully, in the future working women in Japan will speak out when their rights are violated, and gain more support from society as well as from the legal system.

However, I personally think the situation is more complex. It will not be sufficient to educate women even more and give them more rights if Japanese society does not provide the institutional structures to allow them to combine family life and careers.

So Prime Minister Abe has a lot on his plate. I strongly support the idea of integrating Japanese women more strongly into the workforce and allowing them to live financially more independent lives, but just talking about it is not enough. Women can be integrated only through structural improvements in their working environment and in their legal and tax situations. Structural changes are difficult and costly. So unless the government seriously supports cheaper and extensive childcare, improves the position of Japanese women in firms legally and promotes a more equality-oriented attitude, major changes will hardly happen.

As ambitious as Abe's program may be, these changes will take time and a long-term effort. Not only changing traditional Japanese attitudes but also breaking down the institutional and structural barriers of the last decades may not be as easy as many people imagine. It remains to be seen whether Abe has the power and honest intention to do so. In the meantime, it may be better not to have high expectations. **JS**

Parissa Haghirian is associate professor of international management at Sophia University in Tokyo, Japan. www.haghirian.com