

# Women's Social Progress in Japan and Future Issues

By Iino Natsuko

Japan ratified the United Nations Convention on the Elimination of All Forms of Discrimination against Women in 1985. Since then, several laws have been passed in support of working women, such as the Equal Employment Opportunity Law (EEOL) and the Child Care and Family Care Leave Law (CCFCLL). In Japan, women are definitely making progress in the social arena. In 1999, the government enforced the revised EEOL, which called for more equal treatment of men and women in the workplace, and the Basic Law for a Gender-Equal Society, which urges the creation of a society in which every citizen is able to fully exercise their individuality and abilities regardless of gender. The revised CCFCLL is scheduled to be enacted in 2002, further creating a social environment conducive to women's progress.

On the other hand, more female workers than before are finding themselves in non-permanent positions. Especially over the last few years under the impact of the economic downturn, the movement of workers from permanent to non-permanent positions has accelerated, and the disparity in treatment between permanent and non-permanent employees has widened. While the number of women working alongside men has increased, it is impossible to ignore the fact that women are being used for convenient, low-cost labor. Also, because of the delay in creating an environment that supports women who want to both work and have a family, there is no end in sight to the declining birth rate.

As the aging of the population progresses and fewer children are produced, concerns are rising over Japan's inevitable labor shortage. This must prompt us to ask how we can promote women's social progress and improve



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*The number of Japanese women who have professional and technical jobs is increasing*

women's position in society. This paper examines the social progress women have made in the 16 years since the EEOL was enacted, and raises issues that need to be addressed.

## Quantitative and Qualitative Changes regarding Female Workers

How has the status of working women changed since 1985, before the EEOL was enacted?

First, the number of workers has increased. Over the past 16 years, the number of working women has risen by three million, to about 26 million. Nearly half of all women aged 15 and older have jobs, and women now account for 40% of the entire work force.

How do these statistics in Japan compare with other developed countries? The percentage of women in the labor force (working population/population

aged 15 and older) is 49.3% in Japan, while it is 57.7% in the United States, 55.2% in the United Kingdom, 48.3% in Germany and 48.2% in France. Japan is lagging behind the United States and the United Kingdom, but has higher ratios of working women than Germany and France.

What kinds of fields are women moving into? The most remarkable increase over the past 16 years has been in the number of working women employed by companies. Today, company employees account for 80% of the entire work force. A breakdown by industry shows that working women are most often employed in the service industry, followed by the wholesale, retail and food service industries. A breakdown by job type shows that most women are still in clerical jobs, but that the highest rate of growth is among women in professional and technical jobs. More women are obtaining a higher education, and companies are more often making hiring decisions regardless of gender. As a result, one in six female employees are being hired for professional and technical positions.

The number of women being hired for such high-level positions is increasing in other developed countries as well, but the greatest difference between Japan and other developed nations is the question of whether women in their childbearing and child-rearing years will quit their jobs or continue working.

Figure 1 shows the ratio of women in the labor force by age group. While the graph is reverse-U-shaped in other developed countries, it is M-shaped in Japan. This is because Japanese women in their childbearing and child-rearing years, from their late 20s to their 30s, tend to quit their jobs. Since



the EEOL was enacted, the entire curve has shifted upward, but the ratio of married women in their 30s to the total work force has fallen over the past 16 years.

However, just because women quit their jobs doesn't mean they do not want to work. If the potential labor force ratio is calculated by including the number of women who have left the work force but who still want to work, the M-shaped curve becomes reverse-U-shaped, just as it is in other developed countries. In other words, even though a woman may want to keep working, it is difficult in Japan to both work and take care of children. Even today, 16 years after the EEOL was enforced, little progress has been made in creating an environment that can support women who want to work and have a family. Herein lies Japan's problem.

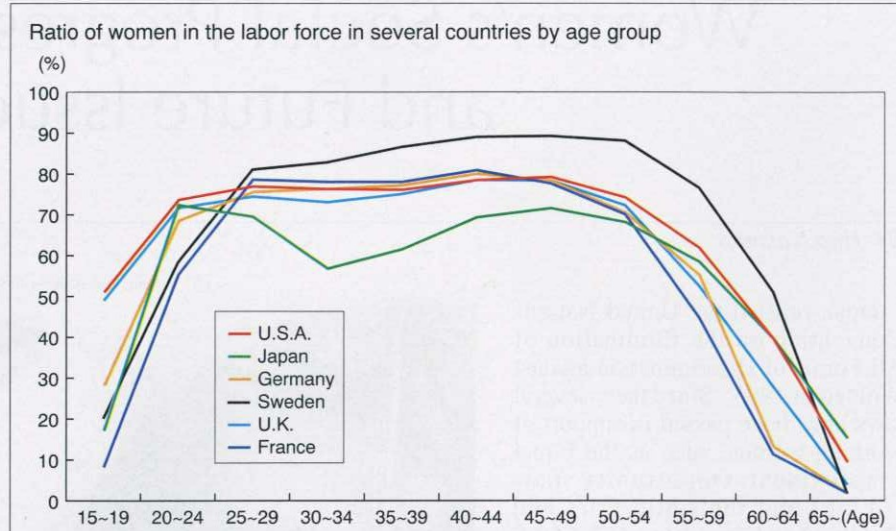
### Has the Gap Between Men and Women Narrowed?

Let us address the issue of working women by looking at the differences in the ways in which men and women are treated.

A study of wages for full-time workers, not including part-time workers, shows that women's regular salaries are only 65.5% of men's. That figure was 60% in 1985, so the gap has narrowed slightly. However, compared with other developed countries, it is easy to say that the gap is still quite large. The wage gap between men and women elsewhere, such as Australia, where women make 88% of what men do, and France where they make 81%, is nowhere near as large as in Japan.

What are the underlying causes of this gender-based wage gap? According to an analysis performed by the former Prime Minister's Office, this is mainly caused by differences in the rates of career advancement to management positions. Since the EEOL was enacted, female employees have been working for longer periods. Consequently, the ratio of female managers has just about doubled. Still, though, women only account for 2.1%

Figure 1



Note: U.S. is 16-19 years

Sources: U.S., Japan, Germany; International Labor Organization, *Yearbook of Labor Statistics* 2000  
Sweden, U.K., France; EU, Eurostat, *Labor Force Survey Result* 1997

of department directors, 3.4% of division managers and 8.2% of section heads. Even though the number of working women has increased, the fact that it is only the men who are being placed in positions of responsibility and being given training suggests that there is an imbalance in the number of men and women being hired for management positions.

### Impact of the 1999 Legal Revisions

To correct the remaining inequalities between men and women in the workplace, the EEOL and other related laws were revised in 1999. A brief explanation of the revisions follows.

First, the revised EEOL prohibits discrimination against female workers at all stages of the employment process, including recruiting, hiring, placement and promotion. Prior to these revisions, companies were obligated to try to make sure such discrimination did not occur, but now the law prohibits such discrimination and stipulates penalties: the names of companies that do not abide by the law will be released publicly.

The law also incorporates national government support for companies that take positive action to eliminate discrimination. Positive action means that if any discrimination is found between currently employed male and female workers, women will be given special

treatment to eliminate the existing handicap. For example, if there is an extremely small number of female managers, women who have the same level of skills as their male counterparts will be actively assigned to those positions.

The Labor Standards Law was also substantially revised. Prior to the revision, working on holidays or late at night was prohibited for women, in principle, except for professional women, but this "women's protection provision" was abolished in the name of treating men and women equally. With this law, anyone can now work at nights in principle.

The CFCLL has also been revised. It stipulates that since women and men are subject to the same working conditions, the worker responsible for child-rearing and nursing care can be protected regardless of gender. It incorporates a regulation stipulating that a worker responsible for childrearing and nursing care who does not want to work late may choose to do so.

With all these legal revisions, how has the employment situation for women changed?

To begin with, there are no more companies that recruit employees by posting notices that say "women only" or "men only." However, looking at the unofficial job offers made immediately after the revisions were enacted, the ratio of the companies that made





Over the past 16 years, the number of women employed by companies has increased remarkably

offers to only men was 60% in the technical sector, and 30% in the administrative sector. Especially given the country's continuing economic downturn in the past several years, it has become more difficult for female graduates to find jobs. The annual number of female graduates who cannot find jobs is 70,000, and has more than doubled in 16 years.

On the other hand, with women now able to work at nights and overtime, companies are accelerating efforts to use their female employees aggressively. Since the legal revisions were enacted, a growing number of companies have placed women on night shift factory lines and have assigned women who were once only in supporting roles to take on greater levels of responsibility. Single young women at these companies are doing their work with a great deal of enthusiasm, but middle-aged and elderly women seem to feel somewhat reluctant. Women with families are especially burdened. Those who work a lot of nights and overtime find after a while that they cannot do both, and end up quitting their jobs. There are also cases in which they are pressured to resign after taking child care leave. The aggressive use of women at work actually seems to be serving to prevent women from being able to have both work and a family.

Today's severe economic situation is also having an impact on the tendency of companies to use female employees in key positions. As was the case during the economic bubble, companies

can no longer hire women for mere supporting roles as permanent employees. Considering that greater levels of economic growth cannot be expected, the tendency to put women in key positions is surely going to accelerate. As this happens, the question of how to create a system that can sustain women who want to work and raise families is going to become increasingly important.

### Rapidly Increasing Number of Non-Permanent Employees

Along with the accelerating tendency to use full-time female employees more aggressively, there is also a rapidly growing number of non-permanent female employees, such as temporary or part-time workers. The shift from permanent employee status to non-permanent status has accelerated especially noticeably during the economic difficulties of the past few years.

As a result, although the percentage of permanent female employees out of the total female working population at the time the EEOL was passed was 70%, today it has dropped to 53%. By contrast, the ratio of non-permanent employees has reached nearly 47%. Of those, more than 80% are part-time workers.

Why do women choose non-permanent positions, such as part-time work? Surveys conducted by the Ministry of Health, Labor and Welfare (MHLW) and other organizations indicate that many women have positive reasons, such as: "Because I can work the hours that suit me," or "Because it makes it easier to balance my home life or my other activities with work." However, the number of those who responded negatively, "Because no permanent position was offered to me" account for 10%. More and more women recently are taking part-time jobs or temporary work immediately after graduating. With the hurdles to permanent employment growing tougher, the number of non-permanent employees is rising rapidly.

It is in companies' interest to reduce their number of permanent employees as much as possible, and to turn to the lower personnel costs afforded by non-permanent employees. Many companies, moreover, want to have non-permanent employees do the same level of work as their permanent employees. This trend indicates that the quality of non-permanent employees is rising, but the wage differential between permanent and non-permanent employees is widening. Taking the regular salary of the average full-time female worker as an index of 100, the wages of female part-time workers, which had risen to over 70 during the bubble period, has now fallen to only 66.9. As a result, there are a growing number of disgruntled part-time workers who feel that they are doing the same work with the same level of responsibility as permanent employees, and who are thus growing dissatisfied with the way they are being treated.

In Europe, where the number of part-time workers is growing as it is in Japan, laws are being framed that protect the rights of part-time workers. As a result, the levels of part-time wages as a percentage of full-time wages are as high as 90% in the Netherlands and Germany, 80% in France and 70% in the United Kingdom. These wage differentials are quite small compared to Japan. The time has surely come when we need to think about how to improve the way companies treat non-permanent employees who do the same quality of work as permanent employees.

### The Outlook and Future Issues Regarding the Employment Situation for Women

So what is women's social progress going to look like in the future? Let us conclude with a discussion of the outlook for the employment situation for women and the issues that will need to be addressed.

An organization affiliated with the MHLW conducted a survey that asked university graduates six months after they were hired about what they expect their job situation to be like in the



future. Among women, the most frequent response (about 40%) was, "If possible, I'd like to transfer to a company with better conditions, or which could make greater use of my skills." About 30% answered, "Even if I have to quit my job at some point for personal reasons, such as marriage, pregnancy or child care, I'd eventually like to come back to work." The next most frequent responses were, "I'd retire for marriage, pregnancy or child care," "I want to work until I reach retirement age," and "At a certain point, I'd like to start up my own company, or take over the family business." In an age of diversified values and lifestyles, we can surely expect to see women's future working patterns diversify accordingly.

The so-called "Japanese employment system," which was based on lifetime employment and seniority according to length of service, has collapsed. Inevitably, the system in which a man's salary could support his family, as was dominant during the high economic growth period, is beginning to reach its limits. With the Japanese population starts to decline in several years, the long-term outlook forebodes a serious labor shortage for the future. Given this, women's social progress is certainly going to advance beyond where it is today, and women's working patterns are going to diversify.

The key future issue for Japan, I think, is to figure out how to create an employment environment that takes into account these diversified needs and how to develop a structure in which fair non-gender-biased evaluations can be ensured regardless of the choices workers make.

In concrete terms, first, this means creating an environment where employees can both work and have a family. The Koizumi Cabinet is developing a "No Waiting for Childcare Strategy" and is actively promoting the improvement of childcare facilities. Also, by revising the CFCFL, the Cabinet is planning to introduce a system in which the parent – either mother or father – of a pre-school-aged child can request exemption from overtime work for a specified period of time. In addition to

making these adjustments, it is essential that both the company and the employees develop a deeper understanding of the importance of balancing work and family care. Today there is a child care leave system that allows a parent to take time off work for child care purposes until the child is one year old, but only about half of the women who are eligible take advantage of this system. Often this is because working mothers do not have the support of their workplaces to take this time off. Thus, no matter how many systems are created, they will be useless if people feel they cannot take advantage of them.

Women today are having an average of 1.35 children. Although the ideal number of children is two or more, there is still no end in sight for these declining birthrate numbers. If this trend continues, the future working population is going to decrease dramatically, leaving a mark on economic activities, increasing the burden on the members of the work force who are responsible for supporting the social welfare system, and increasing the likelihood that today's standards of living will not be sustainable. It is of the utmost urgency, for the sake of Japanese society as a whole, that a system be designed that allows people to work and raise a family at the same time.

It is also important to ensure better treatment for non-permanent employees. As the quality of non-permanent employees rises, how can we ensure that they are being treated in accordance with the level of performance they provide? As senior citizens and women start participating more in the workplace, even if only for shorter lengths of time, we need to make sure that they are treated appropriately in accordance with the level of work they perform.

It is also necessary to review the country's taxation and social security systems, which were designed on the premise of households with full-time housewives. Since the current system carefully protects the full-time housewife in a businessman-supported household, it is often more advanta-

Photo : Kyodo News



The Koizumi Cabinet is actively promoting the improvement of childcare facilities

geous for women not to work. For example, there is the tax deduction for spouses and the spouse's special deduction, and the national pension which exempts households from paying a full-time housewife's insurance premiums. Considering the fact that more women are starting to work and that it is becoming necessary for both a husband and wife to take responsibility for both work and the home, a system is needed that is at the very least neutral with regard to a women's choice to work.

For Japan to free itself from its economic woes, the government is promoting structural reforms in various fields. To promote the social progress of women, the traditional concept that "men work, and women stay at home" has to be reformed. Creating a society in which every citizen is able to fully exercise their individuality and abilities regardless of gender may be the key to restoring Japan's vitality. **JTI**

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