

## CLOSE UP ON THE NEWS

### 1. The Abe government and the gender equality issue: “towards a society where women shine”<sup>2</sup>

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Regardless of the attention it attracts, the notion of “a country’s place in the world” is generally held to designate its economic power and political influence. And yet, in this age of *benchmarking*<sup>3</sup>, it seems every domain is the subject of one international ranking or another. From traditional areas such as economics to education and innovation, more and more sectors are becoming the

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<sup>2</sup> In Japanese, *josei ga kagayaku shakai he*: the slogan of the campaign promoting jobs for women launched in spring 2013 by the Abe government.

<sup>3</sup> Benchmarking: in the field of international rankings, this can be defined as “a tool for the comparative evaluation of national metrics based on the definition, quantification and calibration of common performance indicators”; the implicit objective is for the “bad” pupils to learn from the “good” pupils. For a critical appraisal of the notion of benchmarking, see Isabelle Bruno and Emmanuel Didier, *Benchmarking - L’État sous pression statistique*, Paris, La Découverte, 2013.

object of measurement, evaluation and, naturally, rankings. These league tables are typically compiled by consulting firms or analysts commissioned to carry them out, or by international agencies which evaluate all entities included in the ranking through the lens of a standardized set of metrics. One point that most have in common is that they leave to one side the question of how suitable a “single” metric – conceived in a particular country, but applied to radically diverse local contexts – is for evaluating perceptions as subjective as “quality of urban living” or the “liveability” of a city. Nevertheless, we might also argue that since they are based on the measurement of the salary levels rankings and occupational ranks of men and women in each individual country, gender equality rankings provide a useful starting point for comparisons and debate on why a given country scores so well – or so poorly – in the ranking<sup>4</sup>.

While Japan’s level of development ensures it a high placing in many international rankings,

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<sup>4</sup> The author thanks Sophie Buhnik for her input on the development and use of rankings.

there is one domain where the available data singles Japan out for a position well down in the ranking. This domain is gender equality. In its 2013 edition, the World Economic Forum's Global Gender Gap Report ranked Japan in 105<sup>th</sup> position in a total of 136 countries hardly a flattering score for the world's third-biggest economy. And as it does every year, it has attracted considerable media coverage. Japan's poor performance in gender equality issues is regularly underlined by various international organizations. Recent reports by the IMF and investment bank Goldman Sachs<sup>5</sup> attracted much attention from the Japanese government and business world, as they stressed the loss to the economy signified by low employment rates among Japanese married women. The impact of these reports was not without consequences for Abe Shinzō's government, which announced in spring 2013 that female employment would be at the heart of its growth strategy.

### **The state of play on gender inequality in Japan**

Before turning to government policy, let's briefly look over the gender equality situation in Japan. Of the various gender equality indexes, by far the most influential is the World Economic Forum's Global Gender Gap Index (GGGI). Launched in 2006, the GGGI is a composite index which expresses the gender gap in terms of a score between 0 and 1. A score of 1 means perfect equality; a score of 0 means absolute inequality<sup>6</sup>. The GGGI merely expresses the gap between genders (i.e. in relative terms) and not the absolute levels attained by either gender in the evaluated domains, a method which reduces

the risk of bias in favour of the more developed countries.<sup>7</sup> This method therefore allows the Philippines to reach fifth place in the ranking, with a score of 0.7832 (2013) – well ahead of Japan, which occupies the 105<sup>th</sup> position with a score of 0.650. A cursory analysis of Japanese results allows us to state the following: while Japan scores very well in the areas of health and education<sup>8</sup>, its performance in the business and political spheres is very poor. The limited presence of women in positions of leadership – in business as well as politics – and an employment market which remains largely two-track<sup>9</sup> are the main causes of this situation. While this situation is far from specific to Japan, it is much stronger than in other developed countries, with only a few exceptions<sup>10</sup>. Nevertheless, not all international gender equality indexes place Japan among the “bad” pupils. For example, the United Nations Development Programme's Gender Inequality Index (GII), which addresses such domains as reproductive health, empowerment and the labour market<sup>11</sup>, ranked Japan in 21<sup>st</sup> position

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<sup>7</sup> Several gender equality indexes combine absolute and relative values. One example is the Gender-related Development Index (GrDI) created in 1995 by the UNDP.

<sup>8</sup> Indicators for the health domain: sex ratio at birth and life expectancy; indicators for the education domain: literacy rates, primary/secondary/higher education enrolment rates.

<sup>9</sup> Note for example the gap of 25-30% between male and female employment rates. The GGGI figures report a ratio of 0.74 (85% against 63%). Other indicators (GII, see below) report ratios of 0.68 (71.1% against 49.4%).

<sup>10</sup> One example is South Korea, where the situation is similar.

<sup>11</sup> More specifically, the GII measures: [reproductive health]: maternal mortality rates and fertility rates among adolescents (15-19 years old); [empowerment]: percentage of seats in parliament and proportion of population with secondary or higher education; [labour market]: employment rates among women of working age. For more details, see the UNDP human development reports: [http://hdr.undp.org/fr/content/rapport-sur-le-d %C3 %A9veloppement-humain-2013](http://hdr.undp.org/fr/content/rapport-sur-le-d%C3%A9veloppement-humain-2013) (in French).

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<sup>5</sup> Can Women Save Japan? (IMF, October 2012) and Womenomics 3.0: The Time Is Now (Goldman Sachs, 2010).

<sup>6</sup> In 2013, the best score was 0.8731 (Iceland) and the worst 0.5128 (Yemen).

out of 145 countries in its 2013 edition.<sup>12</sup> This ranking might seem to contradict the findings of the GGGI, but it principally reflects the good Japanese performance in areas such as the reproductive health of women;<sup>13</sup> and the Gill also confirms the country's poor performance in terms of gender equality of participation in the spheres of business and politics.

### Can Women Save Japan?<sup>14</sup>

While gender inequalities in politics have not received the attention they have received in other countries,<sup>15</sup> the same cannot be said of inequalities in the business sphere. The interest shown by the media and senior business management in female employment can be partly explained by the relation which has been established between female participation rates in the labour market and the economic health of a country. This relation has been extensively addressed in the last five or ten years in various reports from international institutions (such as the IMF and World Bank) and major private groups (notably Goldman Sachs). Japan is regularly mentioned in these reports: it is viewed as one of the developed countries whose economy would most benefit from greater gender equality in the occupational sphere. In concrete terms, it's estimated that closing the gender inequality gap in employment would increase Japan's

GDP by anywhere between 9 and 15%.<sup>16</sup> Behind these figures are a number of precepts which are common to all of the reports, starting with those published by the IMF (for example "Can Women Save Japan?" from 2012) and Goldman Sachs ("Womenomics 3.0: The Time Is now", from 2010). The first, on the macroeconomic level, maintains that Japan must find new sources of labour if it wants to offset the impact of the reduction in its active population on its economy.<sup>17</sup> To do so, two options are open to it: either it recruits foreign labour, or it taps into its "most underexploited resource"<sup>18</sup> – women.<sup>19</sup> Given the political difficulties inherent in an ambitious migration policy, the second option looks more promising in the short term. With female employment rates of 65.6% against 85.1% for men (according to data from March 2014),<sup>20</sup> the labour market needs to take on

<sup>16</sup> An IMF note of September 2013 (*Work and the Economy: Macroeconomic Gains from Gender Equality*) estimates an increase of 9% in Japanese GDP (p. 4), based on the research of Aguirre *et al.* (*Empowering the Third Billion. Women and the World of Work in 2012*, 2012, Booz and Company). The 15% estimate is based on research by Kevin Daly (GS Global ECS Research) and is cited in the latest report from Goldman Sachs.

<sup>17</sup> The population of working age in Japan (15-64 years of age) is expected to fall from 87 million in 1995 (the historic maximum) to 55 million by 2050 (figures taken from the IMF report *Can Women Save Japan?*, 2012).

<sup>18</sup> Matsui Kathy *et al.*, *Japan: Portfolio Strategy – Womenomics 3.0: The Time is Now*, Goldman Sachs, October 2010, p. 1.

<sup>19</sup> To these two options a third is frequently added: senior citizen employment (+65 years). This option is not examined in the reports cited here.

<sup>20</sup> The author's calculations on the population aged between 15 and 64, based on the data from the survey "Rōdōryokuchōsa (kihonshūkei) – March 2014 – shūgyōjōtaihetsu 15 saijōjinkō, sangyōbetsushūgyōshasū" [the Japanese government's bureau of statistics]. By way of comparison, employment rates in France are 74.8% for men and 66.2% for women: a gap of 8.6 points.

<sup>12</sup> UNDP Human Development Report (available online). 2012 figures.

<sup>13</sup> Sugibashi Yayoi, "Kokuren kaihatsu keikaku ga teishō suru atarashii genā fubyōdō shisū \_dētā kakō no otoshiana" [The new gender inequality index proposed by the UNDP: the data processing trap], *Cutting-Edge*, no. 40-41, February 2011 (available online).

<sup>14</sup> To echo the title of the IMF report of October 2012.

<sup>15</sup> In France, for instance, where debates in gender parity are the norm.

7.5 million women if female employment rates are to reach parity with male. This second option promises not only more numerous but also better-qualified labour, for Japanese women have on average pursued their studies longer than men<sup>21</sup>. The second precept underpinning these reports is microeconomic in character, and holds that businesses would have much to gain from recruiting more women and promoting them to positions of responsibility. With only 11.9% of leadership posts occupied by women<sup>22</sup> against almost 43% in the United States and a little less than 40% in France,<sup>23</sup> the decision-making process in Japanese businesses remains largely off-limits to women, even if the situation is improving.<sup>24</sup> For business, these figures come at a cost: they mean restricted access to skilled labour, and poorer performance in markets dominated by women. Greater diversity in Japanese enterprises would lead to a greater diversity of opinion and prepare the way for “new perspectives to open up”. That, at least, is what we are led to conclude by these reports, which argue in favour of “diversity”<sup>25</sup> in the business environment. But the challenges facing Japan in its efforts to close the gender

equality gap in the professional sphere are considerable. Low rates of female occupancy of positions of leadership and the gap between employment rates among men and women were mentioned above. To these we must add that 70% of “casual” jobs<sup>26</sup> – which account for 35% of all jobs – are occupied by women.<sup>27</sup> This predominance of females in so-called “casual” employment – a phenomenon which is far from specific to Japan – follows a distinct pattern in terms of breakdown by age groups: the percentage of women in “casual” employment increases gradually from the age of 30, peaking in the 45-49 age group and falling off as women leave the employment market. This pattern is not found in the male population, where “casual” employment tends to be the preserve of men in their twenties and sixties. The discontinuity in the occupational lifecycle of women is also reflected in the persistence of the “M-shaped curve”<sup>28</sup> that is specific to female employment in Japan. Even today, six in every ten women leave their jobs when their first child is born.

<sup>26</sup> Casual jobs (*hisei*) include employment on fixed-term contracts, temporary employment, “odd jobs” (*arubaito*) and part-time employment.

<sup>27</sup> Source: 2012 figures from the government’s statistics department, “Rōdōryoku chōsa no kekka wo mirusai no pointo n° 16 - hiseiki no yaku 7 wari ha joseigashimeru” [Salient points in the findings of the survey on labour, point no. 16: almost 70% of “casual” employees are women], 19 February 2013, p. 4.

<sup>28</sup> Employment rates among Japanese women increase rapidly as women enter their first jobs, reaching a maximum of 77.6% in the 25-29 age group. This peak is followed by a trough where female employment rates drop off by 10 percentage points, as young mothers leave the employment market. After dedicating several years to bringing up their children, these women then return to paid employment, most frequently in the form of “casual” labour. This phenomenon causes a new spike in female employment, which reaches a second peak of 75.7% in the 45-49 age group. Represented in graphic form, this employment pattern forms a distinctive M shape (source: MHLW report “Hataraku josei no jitsujō” [The situation of working women], 2012).

<sup>21</sup> Steinberg Chad, Nakane Masato, *Can Women Save Japan?*, IMF working paper, 2012, p. 5.

<sup>22</sup> Taken from the MHLW survey “koyōkintōkijonchōsa - 2011 (kakuho) - kigyō chosa” [Baseline survey on equality in employment (2011 edition): based on enterprise survey data].

<sup>23</sup> Data from IMF (*op. cit.*, p. 18) and Goldman Sachs (*op. cit.*, p. 18) reports.

<sup>24</sup> In 1989, the proportion of positions of leadership occupied by women was 5.0%; in 2003, 8.2%; and in 2006, 10.5% (source: MHLW report, *loc. cit.*).

<sup>25</sup> “Discourse on the management of diversity emerged in the United States in the 1990s, as it broke free from the moral and legalistic dimensions which characterize discourse on affirmative action, and increasingly found a place in the rhetoric of economic efficiency” (quoted in Bereni Laure, « Le discours de la diversité en entreprise: genèse et appropriations », *Sociologies pratiques*, 2/2011 (no. 23), pp. 9-24).

This metric has remained unchanged since the latter half of the 1980s.<sup>29</sup> While the number of women leaving their jobs before pregnancy (often on the occasion of their marriage) has fallen by approximately 10 percentage points in the last 25 years, the number of women who leave work when they become pregnant with their first child has remained the same.<sup>30</sup> Among the reasons most often cited for this phenomenon are the desire to dedicate time to household chores and bringing up children (34% of women on permanent employment contracts; 48% of women in “casual” employment), over-long or irregular working hours (26% and 9% respectively), absence of measures enabling reconciliation of family and professional life (21%, 8%), health-related issues (15%, 19%) and dismissal or invitation to resign by employers (14%, 8%).<sup>31</sup> Looking over these figures, we can see that the withdrawal of young mothers from the employment market is as much a conscious choice to dedicate all their time to bringing up their new-born children as a “default” decision,

<sup>29</sup> These figures are for the 2005-09 period: For every 100 women in work before their first pregnancy, only 38 will still be in employment when their first child celebrates its first birthday. The other 62 women will have left their jobs during their pregnancy or after giving birth. These figures are broadly similar to those for the 1985-89 period, when only 39% of women remained in their careers after the birth of their first child (source: MHLW report “Hataraku josei no jitsujō” [The situation of working women], 2011).

<sup>30</sup> One change is worth noting: the increase in the number of women taking maternity leave. In 1996, 49% of women in employment at the time of their childbirth took maternity leave. This figure had risen to 72% by 2005. In 2008, the symbolic threshold of 90% was passed. Since then, the figure has fallen slightly to 83.6% in 2012 (source: MHLW, “kōyō kintō kihon chōsa” [Baseline survey on employment equality], 2012).

<sup>31</sup> These figures are taken from a survey by Mitsubishi UFJ Research & Consulting, *Iku jikyū gyōsei donado ni kansuru jittai wa aku no tame no chōsa (rōdōsha ankēto chōsa)* [Survey on the situation relative to the parental leave and other systems (employee survey)], 2011. Multiple responses were possible.

for professional life remains difficult to reconcile with family life for a majority of women. Increasing the employment rates of the female population therefore involves implementing measures ensuring greater equilibrium between family and professional life, which would reduce the “default” departures from the employment market.

## **Womenomics – the cornerstone of the Abe government’s growth strategy**

All of this leads us to turn our attention to the recent conversion of Japan’s Prime Minister, Abe Shinzō, to the appeals of *Womenomics*. In an opinion piece published in the *Wall Street Journal* in September 2013,<sup>32</sup> Abe wrote: “*Unleashing the potential of Womenomics is an absolute must if Japan’s growth is to continue.*” A few months earlier, in an eagerly-awaited speech on his growth strategy, Abe had declared that creating a society which would allow “*the skills which slumber in the depth of women to awake and blossom*”, those “*human resources [which Japan is slow to] put to good use*”<sup>33</sup>, was the key to renewed growth. Declarations like these recall the reports of the IMF and Goldman Sachs, and with good reason: they are directly inspired by them. In his article in the *Wall Street Journal*, Abe made no attempt to hide this,<sup>34</sup> acknowledging his

<sup>32</sup> Abe Shinzō, “Unleashing the Power of ‘Womenomics’”, *Wall Street Journal*, 25 September 2013.

<sup>33</sup> Abe Shinzō, “seichōsenryaku no supīchi” [Speech on growth strategy], 19 April 2013.

<sup>34</sup> “I have no idea who first coined the word ‘Abenomics’. [...] I do know, however, who first promoted one concept that is a vital component of Abenomics: ‘Womenomics’. In 1999, Kathy Matsui and her colleagues at Goldman Sachs first advocated that Japan could increase its gross domestic product by as much as 15% simply by tapping its most underutilized resource – Japanese women. Fourteen years have elapsed since then, and the idea has finally entered Japan’s political lexicon [...]” Abe Shinzō, “Unleashing the Power of ‘Womenomics’”, *Wall Street Journal*, 25 September 2013.

debt to the work of Kathy Matsui and her team at Goldman Sachs<sup>35</sup>.

Among the measures announced by the Japanese prime minister was a national plan addressing the scarcity of daycare facilities for young children. Under this plan, approximately 45,000 daycare places were to be created.<sup>36</sup> This emergency plan has the particularity of including deregulation, and is based on the lessons of the “Yokohama model”.<sup>37</sup> Another key vector of the Abe government’s programme is increased support for women looking to return to work after a period of economic inactivity – maternity leave or longer breaks. This package includes incentives for the creation of businesses by women seeking to turn to account the experience and knowhow they have accumulated in their years at home. These government measures have been accompanied by an appeal to the cooperation of employers in the promotion of women and the provision of maternity allowances. Japan’s prime minister has set the target of tripling the presence of women in positions of responsibility to reach the 30% mark by 2020, and has called on the country’s three leading employers’ associations to

introduce regulations requiring that at least one woman sit on the boards of directors of Japanese companies. The programme also includes the introduction of a parental leave period of three years (at present, this leave lasts one year), with the objective of securing the return to the employment market of women and men who wish to dedicate more than a year to bringing up their children. However, it is important to note that all the measures announced by the Japanese premier are no more than proposals, and will not be formalized by legislation, as Abe made clear in his speech of 19 April 2013. With no law to enforce their application, the adoption of these proposals will depend on the good will of employers.

### **Change is coming, but to what extent?**

What emerges from this brief overview of the situation is that female employment is a central element – if not the core element – of the economic policy of Japan’s current government. It is a statement of intent which must have surprised more than one commentator, Abe Shinzō – and more generally the Jimintō – being known for their conservative views on social issues. An illustration of this is the central importance attached to the family, “the natural building block of society”,<sup>38</sup> as a unit whose role in terms of social solidarity must be respected. According to this view, excessive state encroachment threatens to undermine not only the family but society as a whole. The Jimintō promotes an ideal of society that has long constituted an obstacle to the implementation of measures advancing the employment of women, and more particularly women who are married with children. For if it is to function correctly in the social role assigned to it, the family needs a caregiver in its midst. The family model which implicitly reflects this ideal typically takes the

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<sup>35</sup> Kathy Matsui and her team published the report *Womenomics: Buy the Female Economy* in 1999. It was followed by two further reports, *Womenomics: Japan’s Hidden Asset* (2005) and *Womenomics 3.0: The Time is Now*, (Goldman Sachs, 2010).

<sup>36</sup> The situation as of 1 October 2013. Source: MHLW.

<sup>37</sup> Three years after being the Japanese city with the longest waiting lists for daycare places, in spring 2013 Yokohama announced that it had reached its objective of “zero children on the waiting list”. Thanks to the action of its mayor, Fumiko Hayashi, elected in 2009, Yokohama has worked actively to increase the number of places in daycare. In addition to the “classic” responses – increased budgetary allocation to childcare, creation of more daycare centres – Abe’s programme has also opened the daycare market to private enterprise and relaxed the regulations on obtaining official certification.

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<sup>38</sup> Constitutional reform bill by Jimintō (LDP) dated 2012, article 24, paragraph 1.



form of a man who is the breadwinner, and a woman who stays at home and is in charge of bringing up the children and looking after their grandparents.

The importance accorded the family as a bastion of social solidarity also finds expression in the proposals of the Abe government we examined above. On several occasions, Japan's premier has underlined the value of the experience acquired by women at home, and has declared himself to be especially inspired by the example of women who have translated their knowhow in the caregiving domain into viable business projects. The measures for promoting business initiatives by women have to be seen in this context. More generally, the measures announced by the Abe government seek to address the needs of a female population of diverse profiles. The increase in the number of daycare places is principally directed at mothers who want to return to work quickly; the proposed extension of the parental leave period is addressed at women who want to dedicate more time to their children with the assurance that they can return to their jobs after their maternity leave; and the measures designed to promote the return to the employment market are aimed at women who opted to take an extended break from the employment market to devote themselves to bringing up their children. Of these three possible life choices, none is promoted at the expense of the others; all are "respectable career choices".

Despite the factors putting a brake on the "revolutionary" character of the Japanese prime minister's proposals, it seems evident that Abe's government is committed to a family policy more favourable to women. The economics and the largely utilitarian discourse of Womenomics seem to have won over even a conservative like Abe. The

groundwork was already in place, however. In an article published in 2011 – well before Womenomics became part of the Japanese government's agenda – the researchers Martin Seeleib-Kaiser and Tuulla Toivonen<sup>39</sup> examined the reasons why Japan, a country reputed to be conservative in the sphere of family policy, had come since the 2000s to progressively adopt measures in favour of the employment of women with young children.<sup>40</sup> With the arrival of the new millennium, successive Japanese administrations began to encourage businesses and corporations to show more consideration to the needs of families; debate on the reconciliation of family and professional life began to gain momentum; and, in an unprecedented development, the points of view of *fathers* began to be taken into account. Demographic factors alone were not enough to explain this change, the authors stressed. The emergence of new economic concerns must also be considered: "Although it can potentially be linked with a variety of considerations, *[this] pleading in favour of an improved equilibrium [between professional and family life] is often made in direct reference to human capital concerns.*"<sup>41</sup> This trend was already visible in the 2000s, and has gathered momentum under Abe. Seeleib-Kaiser and Toivonen conclude that these changes nevertheless raise questions "*on the identity of the people on whose behalf these policies are implemented and whether the principles of gender equality will be able to support the*

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<sup>39</sup> Seeleib-Kaiser Martin and Toivonen Tuukka, "Promoting Gender Equality, Birthrates, or Human Capital? Germany, Japan and Family Policy Discourse" in Coulmas Florian and Lützel Ralph (eds.), *Imploding Populations in Japan and Germany – a Comparison*, Brill, Leiden, 2011, pp. 175-201.

<sup>40</sup> The 1990s saw some progress towards the employment of women with young children, such as the introduction of the law on parental leave in 1992, and the implementation of the first (1994) and second (1999) Angel plans for increasing the number of daycare places.

<sup>41</sup> *Op. cit.* p. 181.

*weight of economic, and principally utilitarian, imperatives [...].*<sup>42</sup>

Abe's government seems to have crossed a watershed with regard to female unemployment, and it is a move which has divided opinion. Some are optimistic; others have their misgivings. Japan's prime minister nevertheless deserves credit for stimulating debate on a national level. Given its historic weight and its influence in business circles, the declaration of intent of the Jimintō is especially important. While it's still too early to gauge the concrete effects of the measures announced in spring 2013, other reforms are now on the table. The emergence of the debate on the future of the dependent exemption tax rebate<sup>43</sup>, and the proposals for the deregulation of working hours (*rōdōjikan kisei kanwa*) are currently receiving considerable media attention. One thing is certain: future developments are going to be interesting.

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<sup>42</sup> Seeleib-Kaiser Martin and Toivonen Tuukka, *op. cit.*, p. 200.

<sup>43</sup> “Shushō ga haigūshakōjō nado no minaoshi kentō wo shij” [The prime minister backs revision of dependent exemption], *Nenkin jitsumu*, 7 April 2014, no. 2088, pp. 17-18.