

# **Womenomics for Japan: is the Abe policy for gendered employment viable in an era of precarity? 日本にとってのウーマノミクス 安倍政権、雇用政策のジェンダー化はプレカリアートの時代に実現可能か**

**Helen Macnaughtan**

Womenomics is a theory that advocates the empowerment of women, arguing that enabling women to have access to equal participation in an economy and society will result in economic benefits and social progress. The need for Japan to implement womenomics was first advocated by Kathy Matsui in 1999, and since 2013 Prime Minister Abe's government has pledged to promote womenomics as policy.<sup>1</sup> In theory, womenomics is a viable policy for Japan. I argue, however, that gendered norms and practices in Japanese society act as a strong impediment to its realization. In addition, the approach being taken by the Abe government is flawed by underlying gender bias. This article outlines the historical context of current womenomics policy, provides a critical analysis of implementation strategies discussing progress and socio-structural obstacles, and concludes with an assessment of the viability of womenomics for Japan.

Key words: womenomics, gender equality, precarious work, Japanese employment system

## **Locating womenomics: the Japanese context**

Prime Minister of Japan Abe Shinzō has pledged to create a society in which "all women can shine" (*subete no josei ga kagayaku nihon e*). Writing in the Wall Street Journal in September 2013, Abe acknowledged that womenomics was not a new concept, but that his government's commitment to pursuing it in Japan was new.<sup>2</sup> Why is the government now

adopting womenomics? There are arguably two key reasons. First, Japan has come under increasing international criticism because of the low level of gender equality in society, including high profile comments such as that from Christine Lagarde, Managing Director of the IMF.<sup>3</sup> Since 1999, Kathy Matsui of Goldman Sachs Japan has argued that a key solution for Japan's economic woes is her brand of womenomics, advocating breaking down structural impediments in the labour market and raising female labour participation to that of men in order to generate GDP growth. At the very least, Abe wants to appear to be responding to this international criticism and has latched onto the concept of womenomics, a term which fits neatly into his Abenomics policy. Second, on the domestic front, Japan is dealing with well-known demographic and economic challenges, including a declining and aging population, low birth rate, emerging labour shortage, low GDP growth rates, deflation and stagnating levels of domestic investment and consumer spending. All of this has combined to prompt the government to acknowledge that Japanese women have long been underutilised in the economy and must now be called upon to help 'save Japan'.

Since taking office in December 2012, Abe has been pushing his agenda of economic growth and reform known as Abenomics. With the headline that "Japan is Back", Abenomics is focused on the so-called "three arrows" of (1) fiscal stimulus (2) monetary easing and (3) structural reform. As part of the third arrow,

Abe has been citing 'womenomics' with a promise to enable Japanese women to 'shine', better contribute to the economy and reach leadership positions. But in precisely what way and how are women to 'shine'? Is Abenomics a program, a set of policies, or simply a somewhat condescending statement that women have not been 'shining' in Japan.<sup>4</sup> Based on Matsui's central argument about enabling women to raise their current levels of participation in the paid economy, the Abe government claims that it is advancing a new approach to women's employment. However, I will demonstrate that, far from a new approach, it remains wedded to much that has been attempted previously and with scant results. In the early 1960s, Japanese women were perceived as essential to meet increased demand for labour under high levels of economic growth. Given official reluctance to seek additional labour via immigration, women were encouraged into the workplace. Specifically, they were encouraged to work for a few years before marriage as regular workers and then again after several years of child-rearing as non-regular workers.<sup>5</sup> The result was a system of highly gendered employment that continues today. Under the guise of womenomics, many aspects of this system are being reinforced and Japanese women are again being asked to fill a gap. This time there is both a supply and demand gap for them to help re-stimulate economic growth. This is due in part to the long underutilisation of female labour but is also the product of a growing labour shortage under depopulation. The government once again wants more women to work as a means to fill a perceived employment gap and support a core male labour force. I show that Abe's brand of womenomics has little intention to question the gendered status quo of an employment system that allocates productive roles to men and reproductive roles to women. On the surface there is the promise of delivering gender equality, but gender equality has been debated since the mid-1980s only to stall again and again. If the Abe

government really had gender equality as an aim then key barriers both in society and in the workplace would need to be challenged and overcome. Herein lies the crux of the policy known as womenomics that is being prescribed for Japan by Matsui and loosely translated by the Abe government. In sum, the womenomics being prescribed for Japan assumes an implicit gender bias: the assumption that core male employment is normative. Moreover, womenomics will have only limited success at best because it is focused on women. In order to really deliver employment equality, womenomics needs to include men too.

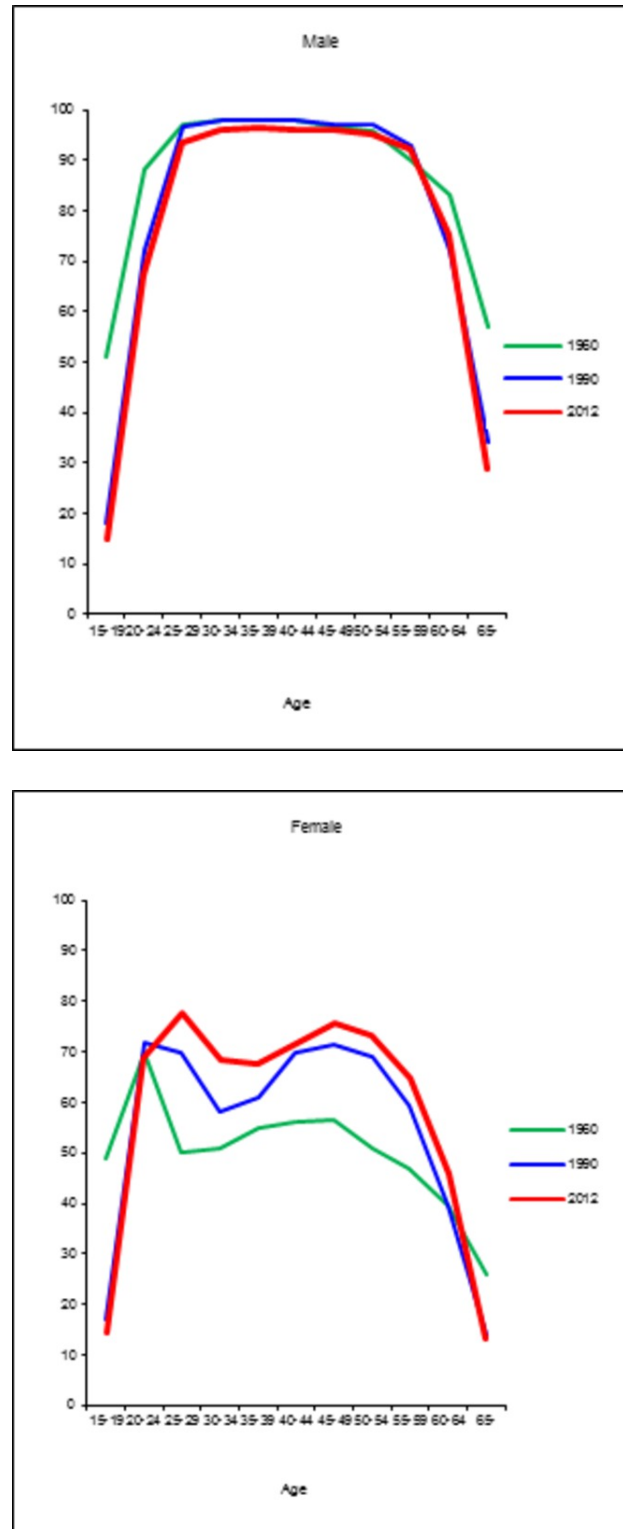
### *The gendered life cycle of work in Japan*

Japan's post-war employment system is well-known for being distinctly gendered, and has been described as having a "gender fault line".<sup>6</sup> The system is founded on the male breadwinner model, with men primarily responsible for productive roles and women for reproductive roles within the family unit and more broadly in society. At its core, this division of labour is premised on harnessing the strong commitment of a core male workforce with stable employment while making use of a supporting non-regular workforce which has increasingly comprised female workers. While the male breadwinner model was certainly not unique to Japan in the early post-war years, its persistence as an ideology over time is striking, particularly when comparing employment practices with that in other advanced nations. Even though the reality of this model has been much debated - with the acknowledgement that at best only one third of the Japanese workforce has ever been within this core elite 'lifetime' system - this model continues to be held as an 'ideal' and is a pervasive force underpinning the political and institutional organisation of work. While acknowledging the increasingly precarious reality of work for both women and men in Japan, I will argue that an attachment to this male breadwinner model continues to impede any real progress toward

gender equality, and that any solution to employment problems must go beyond Abe conceptions of womenomics and seek to break down gendered norms for both men and women in Japan.

On the surface, it appears that working women have made progress. The number of women in the labour force has risen from 18.3 million in 1960 to 26.5 million in 2012, an increase of 45%, compared to a 38% increase in the overall Japanese population.<sup>7</sup> Women now make up 42.3% of the entire Japanese work force. It is therefore evident that working women are already a mainstay feature of the Japanese economy. However, over the course of their working life cycle Japanese men and women work in significantly different patterns as illustrated in figure 1. While Japanese male employment follows the 'inverted-U' pattern, female employment takes the shape of the well-known 'M-curve' pattern of employment. What do recent movements in the 'inverted-U' and 'M-curve' signify for male and female employment in Japan today?

**Figure 1: Japan's Labour Force Participation Rate by Sex & Age: 1960-2012**  
The Inverted 'U'  
The 'M-Curve'



**Source:** JILPT, *Labor Situation in Japan and Its Analysis*, 2013/2014

An analysis of the inverted-U employment pattern shows that the male labour

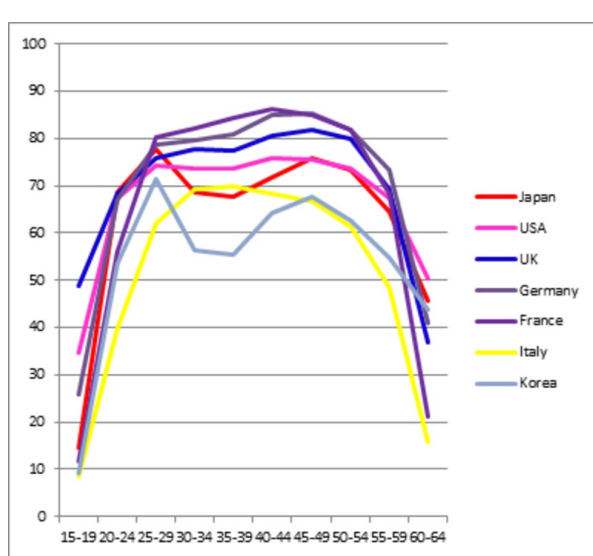
participation rate in Japan is high – averaging 95% during the key productive ages of 25-60 years, and conversely male unemployment rates are low (though there has been a slight 1-3% increase in male unemployment in the 20s and 30s age groups since 1990). By 2012, Japanese males were delaying their entry into the workforce (reflective of longer years of education) and retiring earlier when compared with 1960, but otherwise there has been little change over time. Japanese male employment is high by comparison with their peers in other developed countries. Japanese men aged 25-60 have an average participation rate of 95% (second highest in the OECD), compared to 87% in the USA, 90% in the UK and 92% in Germany.<sup>8</sup> The Japanese employment system prioritises and protects full male employment. On the one hand this provides a comparatively high level of employment stability for men. On the other hand, it hinders choice and opportunity for Japanese men, and creates gender rigidity.

By contrast, the pattern of female labour participation shows significant change between 1960 and 2012. First, there has been a striking increase in the proportion of women participating in employment across all age groups, and this is particularly notable in older age cohorts. In 2012, 77.6% of females aged 25-29 were employed compared to 50% in 1960, and 75.7% of females aged 45-49 were working compared to 56.5% in 1960. The increased labour participation of women over the age of 35 years established the M shape, creating the rise of the second curve from the 1960s. Second, the dip in the M is flattening and moving to the right, indicating that fewer women are dropping out of employment during the peak childrearing years, that women are delaying the age at which they have marry and have children, or indeed are opting not to marry or have a child. The fertility rate declined from 2.0 in 1960, 1.76 in 1985, to a low of 1.26 in 2005, up to 1.42 in 2014, while the proportion of births out of wedlock remains

low at 2.2% in 2013.<sup>9</sup> The mean age of Japanese mothers at first childbirth has risen from 25.6 in 1970 to 30.4 in 2013, while 34.5% of women in the 30-34 age cohort and 20% in the 35-39 cohort remained unmarried in the 2010 census.<sup>10</sup> More Japanese women are now working compared to 1960. This is the result of several factors: a growing demand for their labour during the post-war growth decades, an increased social acceptance of working women, better availability of maternity and childcare leave, changing desire and/or financial need for women to work, delayed marriage, and lower fertility rates (which reduces the average number of years required for early childcare). While these changes broadly indicate that progress for working women in Japan has occurred, as measured by rising employment curves, the depth of that progress cannot be assumed. While more women are working in the paid economy, this has not led to enhanced career opportunities for Japanese women. The high rates of female non-regular employment and the significant decline in fertility both suggest that gender and motherhood are key barriers to career employment opportunities for women in Japan.<sup>11</sup>

A third feature of female employment is that Japanese women participate in the workforce at significantly lower rates than Japanese men. In 2012, around 95% of Japanese men were working compared to around 70-75% of women. In other words, in the key productive years, some 25-30% of Japanese women were not working in the economy compared to only 5% of Japanese men. The M-curve of Japanese employment is notable when placed in an international context and compared to selected countries

**Figure 2: The M-Curve in an International Context**

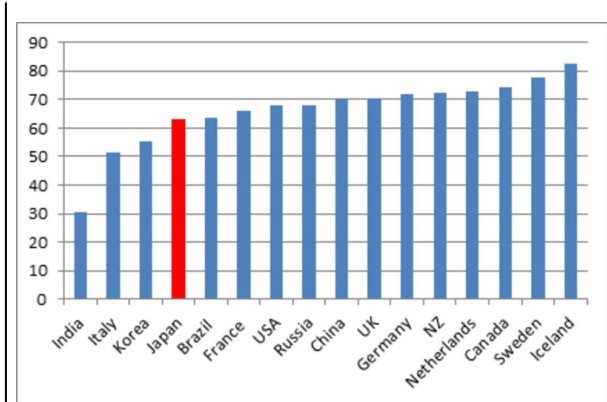


Source: JILPT 2013/14 and OECD 2013

The M-curve is a phenomenon in Japan and South Korea. In other OECD countries there has been a clear trend towards an inverted-U pattern of female employment during the post-war decades. Even in countries, for example Italy, where female labour participation is relatively low, the inverted-U is still a pattern. The lower rates of female participation and the persistence of the M-curve (the dip in the M) signify that marriage and children are an impediment to continuous employment for Japanese women. In fact, the labour force participation rate for prime age (aged 25-64) Japanese women (69% in 2013) is the sixth lowest in the OECD.<sup>12</sup>

Womenomics for Japan, as prescribed by Kathy Matsui, recommends expanding the current rate of participation of women in the workforce. There is arguably scope to do this. Japan has an average female participation rate of 63%, compared to 70% in China, 72% in Germany and 78% in Sweden (see figure 3).

**Figure 3: Female Labour Participation Rates in Selected Countries**



Source: OECD 2013

Matsui argues that optimal increased participation of women can boost Japan's GDP by as much as 13-15%. However, I suggest that this expectation and focus on growth is unrealistic as it is based on a calculation of gender parity (if female labour participation attains the same rate as males). This is extremely unlikely to happen since the current gender divide in Japan acts as a strong impediment to the achievement of gender parity. Moreover, I will argue that it is not obvious that a rise in female employment rates within the current social context would immediately translate into a rise in GDP, given the allocation of labour in the household and the way in which women are currently employed.

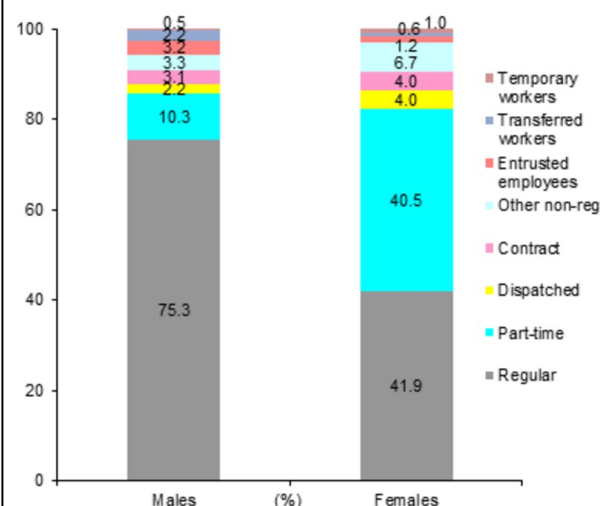
### *The gendered nature of regular and non-regular work*

There has been much attention on the increasing proportion of non-regular and part-time workers in the Japanese economy, particularly since the 1990s, and the issues associated with a precarious workforce.<sup>13</sup> In Japan there is a clear gender difference when it comes to regular versus non-regular work (see figure 4).

**Figure 4: Regular and Non-Regular Workers, by**



# Sex (2011)



Source: JILPT 2013/14

While 75.3% of all male employees are regular workers, only 41.9% of female employees fall into this category. Women are far more likely than men to be employed as non-regular workers, with 58.1% of women falling into this employment category in 2011 compared to 24.7% of men. This gender difference is to a great extent the result of an employment culture that prioritises regular employment for prime age men, while women are far more likely to be allocated to non-regular employment, particularly among older age cohorts. The emergence of the part-time worker category, and the prominence of females in non-regular categories of employment (77% of all non-regular workers were female in 2012), is a direct result of the 1960s 'blueprint' practice to utilise women as a temporary and cheap workforce supporting core male employment. The issue of temporary or indeed precarious employment was not viewed as an overriding problem for the Japanese economy by political and business leaders until increasing numbers of young men began to enter non-regular employment during the 1990s post-bubble economic years, and

arguably has limited priority within Abenomics policy.

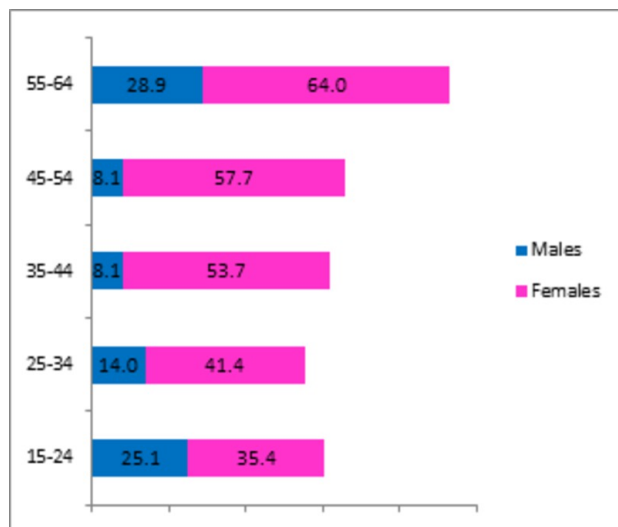
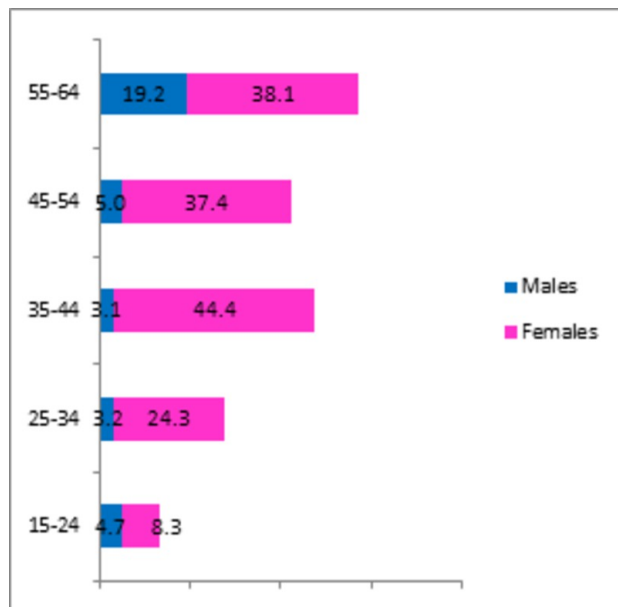
A breakdown of non-regular employment by age and gender (figure 5) shows that there has been an increase in non-regular employment for both sexes across all age cohorts since the mid-1980s, which is not surprising given the 1990s economic woes and moves toward deregulation of the labour market. Not only have expectations of lifetime employment among men faded, but large numbers of younger age cohorts of men now hold irregular and part-time jobs (which include *arubaito* and *freeter* workers) and in the oldest cohort (includes entrusted workers).<sup>14</sup> However, there is still a significant gender divide, with women much more likely than men to be non-regular workers across all age cohorts. In fact, women are more likely to be non-regular workers now compared with 1985, which demonstrates an increased use of a non-regular female buffer work force. Moreover, it is interesting to note that only 8% of male workers aged 35-54 are in non-regular employment. This is the generation of men who came of age in the so-called 1990s 'ice age' when the demise of regular employment was much discussed in the context of the implosion of Japan's economy. While there has definitely been an increase in non-regular work for this age group since the mid-1980s (while overall unemployment rates rose from 2.6% in 1985 to 4.2% in 2011),<sup>15</sup> it certainly does not indicate that regular employment for prime age men has dissipated to any great extent. Rather, more than 90% of male workers in their peak productive years are in regular work. This ongoing, and arguably increasing, gender divide in employment practice continues to favour regular employment for men over women. The purpose of this discussion is not to gloss over the uncertainty of employment for younger men and women in Japan today. The higher proportion of non-regular employment in the younger cohorts (both men and women) is of concern and need to be closely observed for

future impact. The point I wish to make is that any solution for Japanese employment that aims to enhance gender equality must include solutions that can not only break down the continuing gender divide in employment but also address the uncertain nature of non-regular work for *both* sexes. Precarious employment for men has only recently been identified as a key problem in Japan, but women have long faced this uncertainty when it comes to paid employment.

**Figure 5: Breakdown of Non-Regular Workers by Age and Sex**

*Non-Regular Workers by Age/Sex (%: 1985)*

*Non-Regular Workers by Age/Sex (%: 2011)*



*Source: JILPT 2013/14*

## Womenomics as policy: the impact so far and the challenges to success

As noted, women have been increasing their presence in the Japanese workforce for some decades now. On the positive side, women are a visible and key component of the workforce, there is gender equal employment legislation in place,<sup>16</sup> and womenomics is finally on the political agenda. On the negative side is the fact that the nature of women's work has changed little since the 1960s and there continue to be political, institutional and social constraints that act to impede any real progress in gender equality as measured by more than relative incomes and security. These factors include a range of issues: Japanese workplace culture and practice, childcare, spousal tax legislation and social attitudes toward lifetime work and careers for women (and men).

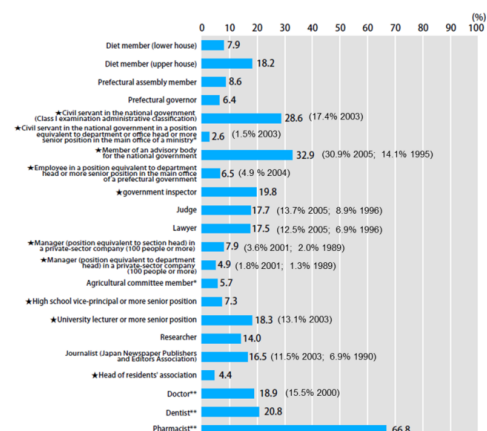
### *Womenomics in action: the 30% targets*

A key focus of Abe's womenomics policy has been the so-called 30% targets, which aim to increase the presence of women in leadership positions to 30% by 2020. It is important to note that the 30% targets are not new policy initiatives. Rather, they have been a key strategy of the Gender Equality Bureau, a division of the Japanese Cabinet Office, since its establishment in 2001 during a shake-up of government ministries. In 2005, the Gender Equality Bureau announced its Second Basic Plan for Gender Equality with the aim: "to expand women's participation in every field so that women will have at least 30% of the leadership positions in all fields of society by 2020".<sup>17</sup> In that same year, Abe Shinzō, then Acting Secretary General of the LDP, led a conservative campaign directly opposing the promotion of gender equality.<sup>18</sup> Since his election in 2012, he appears to have made a complete turnaround, now advocating womenomics and publicly backing the 30%

targets. So what has prompted this apparent change of heart?

There is certainly international pressure on Japan to improve gender equality. According to the World Economic Forum's Global Gender Gap Report 2013, Japan ranked 105 out of 136 countries in terms of the report's measurement of gender-based gaps in access to resources and opportunities by country.<sup>19</sup> Japan ranks high in health and educational equality, but low in economic and political equality. It may well be causing political embarrassment that Japan keeps slipping down the annual Gender Gap rankings, not because Japan is not making some progress but because other countries are making much faster progress, causing Japan to decline or at the very least stagnate by comparison. In order to critically assess the progress for working women and the viability of the 30% targets, an analysis of impact thus far is required. Figure 6 shows the percentage of females in various sectors of the economy and society, with earlier comparative data provided in parentheses.

**Figure 6: The 30% Targets for Gender Equality**



**Source: Gender Equality Bureau, White Paper on Gender Equality, various years**

There has been progress for women in some sectors and a lack of progress in others. The presence of women in the public sector has shown rapid increase in the new millennium. The percentage of civil servants who are women rose from 17.4% in 2003 to 28.6% in 2011, while the percentage of women on national government advisory boards grew from 1.41% in 1995 to 32.9% in 2011. In terms of senior positions within the civil service, however, only 2.6% of women are at leadership levels, up slightly from 1.5% in 2003. As in other countries (e.g. the UK), the public sector is more meritocratic in recruitment procedures than private companies with civil service entry based on examination results. The public sector has also done better in promoting continued employment after childbearing and encouraging men to take up parental leave. The poor results in senior positions, however, would suggest that even in a sector where gender equality has made progress at entry level, and occupations such as teaching and government administrative jobs make it possible for women to remain in regular employment tracks, the retention and promotion of women still lags behind. In terms of female political presence, in 2012, only 7.9% of Diet members in the lower house and 6.4% of prefectural governors were female. In the latest election in which Abe's government was re-elected in December 2014 the number of women elected to the House of Representatives increased from 38 to 45 members, which represents 9.47% of members. If Abe's administration serves a full four year term to the end of 2019, then a target of 30% women by 2020 is impossible. Recent scandals over Abe's appointment of female cabinet ministers, forcing two high profile women ministers to resign, have also tarnished his female friendly agenda. If Abe cannot achieve or even approach a 30% target in his own government, one can question how serious such targets really are.

The proportion of women working in professional occupations such as law,



journalism and academia has grown over the last decade, but there is limited progress in attainment of senior positions within these professions. For example, the percentage of female non-professorial academic staff in Japanese universities is below 20% (compared to 46.8% in the UK), while only 14% of research academics in Japan are women (38% in the UK), and women hold only around 5% of professorial positions in Japanese universities (19.8% in UK).<sup>20</sup> There does seem to be clear progress in the medical and healthcare professions in Japan, with 18.9% of doctors, 20.8% of dentists and 66.8% of pharmacists now female. Again, there is little indication of the proportion of women at senior positions in these fields. With the relative decline of the manufacturing sector, and rising healthcare needs of an aging population, labour is increasingly required in Japan's healthcare economy. In Japan, women have long been deemed responsible for care-giver roles, with the male-breadwinner model assigning primary responsibility for the care of young and elderly family dependants to women. In line with the WEF findings, it is above all the comparative lag in women's equality in the political and economic sectors of Japanese society that has not been prioritised.

The low proportion of women in senior positions in corporate Japan is the focus of the majority of criticism, and a critical focus of Abe's 30% targets. Although women now comprise some 25% of employees in large enterprises and 35% in medium enterprises, the proportion of women in senior positions in private sector enterprises in Japan remains low. According to the Grant Thornton IBR report 2014, Japan ranks the lowest in a survey of 45 economies in terms of proportion of women in senior roles in private sector companies. Japan has held this bottom position every year since the start of the survey in 2004, with the current 9% attainment having only risen by 1% in a decade from 8%.<sup>21</sup> Abe has been keen to promote the appointment of women to

corporate boards as a key strand of his womenomics policy. While this top-down approach may go some way to encouraging companies to promote women into senior positions and to focus corporate minds on achieving better diversity at the company board level, there are clear problems of pipeline and skill impacting on this approach, with companies citing a lack of female candidates for senior positions.<sup>22</sup> This is because the current workplace environment in Japan does not make it easy for women to be identified in talent management programmes and to emerge through the succession pipeline.

### *The Japanese workplace: an impediment to womenomics*

A crucial impediment for working women in Japan continues to be corporate culture and employer practice, most notable in medium and large private sector organisations. Well known aspects of this workplace culture include: long hours, limited flexibility, status and hierarchy, long term loyalty to the firm, and career progression based on continuous employment. It is very difficult for both female and male workers with caring responsibilities, particularly when faced with decisions relating to maternity, childcare, and other caring roles (notably aging parents) within the family, to meet the demands of Japan's current workplace culture. Abe has pledged to increase the number of childcare outlets, and this is certainly a step in the right direction as childcare is an ongoing challenge for Japanese working women. Provision of childcare facilities alone will not solve the problem, though. Employers value length of service and continuous employment when assessing employee performance and promotion. Those who take maternity and childcare leave do not meet this criterion of continuous employment. Little wonder that despite a 2008 survey suggesting that 32% of men would like to contribute more to family life by taking childcare leave, the take-up rate remains

persistently low; only 1.9% per cent in 2012.<sup>23</sup> This is no doubt reflective of the risk of stepping out of performance tracks that are assessed on continuous employment as well as a rational financial choice for a majority of couples where the male earns the higher income. More revealing is that despite the availability of maternity and childcare leave, 68% of Japanese women choose to quit their job upon marriage or childbirth, resulting in the persistence of a dip that shapes the M-curve and is the decisive first step toward women's marginalization in future employment as non-regular workers.<sup>24</sup> The reasons for this are two-fold. First, social norms continue to encourage women to shoulder the main reproductive and caring roles within the family, with women assuming key responsibility for housework, childcare and care of aging parents.<sup>25</sup> Contributing to this is a lack of early childcare places, especially in key urban areas such as Tokyo, where nuclear households, commuting times, and geographical distance from wider family members such as grandparents increases the inability of working parents to combine work and childcare. An additional pressure is the notion of *sansaiji shinwa* (the three-year-old myth),<sup>26</sup> a conventional belief that mothers should be the ones to take care of children until the age of three, and an ongoing pressure on mothers to be the family member committed to their child's development and education, for example by providing a nutritious home-made *obentō* lunch daily, getting involved with PTA activities, and monitoring homework (one facet of the *kyōiku mama* role).<sup>27</sup> Second, corporate culture not only encourages men to leave such domestic and childcare responsibilities to women, but the focus on continuous employment as a determinant of career and promotion opportunities makes it extremely difficult for women to fit back into a demanding working culture after taking childcare leave. Nor do employers expect a working mother to be able to work as intensively and with the level of dedication of their male counterparts

(including working fathers) which is why women are side-lined from many career enhancing training and roles. Those women who do return are encouraged to work as non-regular workers who, as non-core workers, face fewer demands on their loyalty and time.

The opportunity costs for both women and men to break out of the implicit constraints imposed by this gendered workplace culture are high. Women can pursue a career, but they have to do so by either opting not to marry and have children or restricting themselves to one child (both are key reasons driving the declining birth-rate in Japan) and be prepared to commit and work in the same way expected of a core male regular employee. Women who manage to do this often cite the need for a supportive framework that is negotiated within the family rather than any broader workplace culture of support.<sup>28</sup> Recent survey data also recorded that one in four women have been a victim of maternity harassment (*matahara*) within the organisation.<sup>29</sup> Arguably, Japanese men have even less opportunity and face stronger social resistance to opt out of a secure lifetime career track within an organisation. Moreover, those men in precarious employment find it increasingly difficult to be able to commit to marriage and family.<sup>30</sup> As part of womenomics policy, Abe has proposed extending childcare leave from one year to three years. While this might appear progressive on the surface, in reality this will further reinforce the notion that women are responsible for caring for children before the age of three, make it even more difficult for men to ask for leave in a corporate culture that already frowns upon men opting for such leave, and make it even more difficult for women to return to the current rigidities of the workplace after a three year absence. It is not surprising that 77% of women who re-enter employment after a break for child-rearing do so as non-regular workers. A return to non-regular work for working mothers offers less career opportunity, stability and pay, but does offer the flexibility to combine work with

parenting. It does not, however, lead to a strong presence of women in the middle and senior management cohorts in Japanese companies.

Another factor that encourages a clear gender divide within the workplace is the practice of employment management defined by career tracking. Although the EEOL was strengthened in 1999 in an attempt to discourage gender discrimination by tracking, around half of medium and large companies continue to utilise a career tracking system.<sup>31</sup> Females accounted for only 11.6% of graduate recruits placed onto the main career track in medium and large organisations in 2012.<sup>32</sup> An employment culture that discourages women entering career paths at entry level and at key lifecycle stages such as motherhood means that conditions are not favourable for women to rise through corporate ranks, attain middle or senior management positions, and actively participate in the decision making process. A common view in large Japanese companies is that it takes twenty years to identify 'talent',<sup>33</sup> at which point there are likely to be few women who have continuously made their way up the corporate ladder. This lack of female role models in senior positions in corporate Japan, particularly those who have managed to combine a career and parenthood, may even be discouraging young women to opt for regular employment over the course of their lifecycle.

#### *The spousal tax system: an impediment to womenomics*

There are also significant legislative and social impediments that discourage women from pursuing regular employment. Abe has said he will consider a review of the current system of the spousal tax, but as yet no action has occurred. Married women who keep their annual income under ¥1.03 million pay no income tax or social security, and their husband gets an income tax deduction for them as a dependant. The spousal tax was

established in 1961 when there was increased labour demand for 'housewives' to work part-time, while protecting their role as dependants or home-makers within the male breadwinner model.<sup>34</sup> This tax system is clearly anachronistic not only from the perspective of the demographic and financial pressures currently facing the Japanese tax and social security system, but also from the perspective of encouraging gender equality in the workplace and within the family unit. The number of dual income households (10.65 million in 2013) has exceeded the number of single income households (7.45 million in 2013) since 1995.<sup>35</sup> There is nevertheless a cluster of some 14 million married women who keep their income below the ¥1.03m yen ceiling, and it is estimated that this costs the government ¥600 billion in potential annual fiscal revenue in addition to the amounts provided to such households in tax relief.<sup>36</sup> Moreover, this encourages employers to pay low (capped) wages and offer non-regular jobs to married female employees. This is a disincentive for women to pursue regular employment over the course of their lifecycle, while the internal career system in Japanese elite companies is based on regular employment.<sup>37</sup> The spousal tax system therefore legitimises the male breadwinner as the core workforce within the Japanese employment system. It encourages employers to focus core compensation packages around male breadwinner needs and cap the income of married female employees. It also increases pressure on Japanese men. If they wish to marry they must earn a breadwinner salary, increasingly difficult in an environment of declining real income and increasing non-regular employment for younger male workers.

Resistance to scrapping the spousal tax arguably comes from several quarters of society: policy makers, employers, academics and women themselves. Scrapping the system would have to be accompanied by, and could trigger, a complete overhaul of employer

compensation packages. Resistance to such an overhaul has centered on capital, as firms (particularly SMEs) would face pressures to pay higher wages.<sup>38</sup> There might well be resistance from some Japanese women also who, unlike their male counterparts, have long perceived benefits from a lifecycle flexibility that their role as 'dependants' offers. These multiple sources of resistance highlight the complexity of implementing womenomics policy. Working women in Japan are not a single entity. The spousal tax model assumes that a married woman is primarily a housewife (*shufu*) and therefore only requires a 'supplementary' income, as her husband can be the primary earner. While there are households who still fit this 'ideal' higher earning middle class model, there are also increasing numbers that do not, including low income households and those with single or divorced parents. Despite the complexities of abolishing the spousal tax, to do so would send a clear signal that the government is serious about dismantling a dated system that is out of touch with the changed realities of contemporary working and family life.

Current policy is fundamentally misguided. It is not simply a matter of labour supply or demand, or how quickly an increase in working women can translate into a potential boost in GDP. In launching womenomics, the government is asking more Japanese women to work and encouraging those who already work to work longer hours. The reality is that Japanese women simply cannot and do not want to work like Japanese men are expected to do, because they cannot slot into the current workplace environment modelled upon core male commitment and male breadwinner needs, particularly when their responsibilities as mothers remain intact. Womenomics in Japan does not directly challenge this normative model, but rather urges more women to work in the ways that have been prescribed for Japanese core male workers since the period of high economic growth.

There are many questions that this poses. If womenomics were to achieve its aim and the female employment rate did gain parity to that of males, how would the unpaid work currently undertaken by women (childcare, housework and care of the elderly) be reallocated or reevaluated? While immigrant workers have been encouraged to enter some key sectors such as low skilled manufacturing and healthcare, Japan has thus far refused to open its doors to allow the high levels of immigrant labour that would be required to take up this sort of domestic or care work or indeed to meet the overall forecasted labour shortfall.<sup>39</sup> In order to really achieve the benefits of female empowerment and to work towards gender equality, there needs to be a renegotiation of gender norms across Japanese society. Policy-makers certainly have a role to play in the renegotiation of legislation and workplace practice in order to dismantle the barriers outlined above. However, this 'top-down' approach must also be accompanied by a 'bottom-up' response. Gender equality can only be advanced if employers, educators, families and individuals (men and women) collectively opt to implement such change.

### *Japanese society: an impediment to womenomics?*

Social perception and media attention may lean toward the idea that things have significantly changed in Japan since the early post-war decades, but the reality is more complex. In 2012, the Cabinet Office surveyed opinion on the statement that: "husbands should earn a living and wives should be responsible for the home". 51.6% agreed. For the first time since the start of the poll, which dates to 1979, the ratio of agreement increased over the previous poll for both male and female respondents.<sup>40</sup> By contrast, in 2014, another poll reported that 40% of men and women aged 20-49 years believed husbands should work full-time and wives should stay at home, while 60% believed that wives should dedicate themselves to



childcare while children are young.<sup>41</sup> Such survey results are at odds with the government policy to increase the participation of women in the workforce via womenomics. While there has been a clear shift in attitudes since the original Cabinet poll in 1979 when 73% of respondents agreed with the statement, the 51.6% agreement in 2012 indicates ongoing support and attachment for a gendered division of labour particularly during the early years of childrearing.

Social attachment to 'traditional' gender roles is an acknowledgement that current workplace culture makes it difficult for women to pursue career opportunities, particularly if they wish to marry and have children. Such barriers lead to women themselves reinforcing the expectation of the male breadwinner. While career tracks (*sōgō-shoku*) in Japanese companies are increasingly open to young women, the hardships of this track particularly when it comes to decisions on maternity and childcare leads to a continued desire amongst women to marry a man who has stable career employment at a time when a declining proportion of young working men are able to obtain stable jobs.<sup>42</sup> Is this an attachment to core traditional values or a fear of change? Arguably it is both. A recent survey recorded that more women (49%) who quit their jobs do so because of 'push' factors (rigid work schedules and unsupportive employers) than those (32%) who cite 'pull' factors (childcare-related factors).<sup>43</sup> Japanese women are refusing to conform to work expectations for Japanese men. Japanese men, given the chance, might also prefer to work differently, but in the current environment they have little choice but to seek regular employment, particularly if they wish to find a marriage partner. The government's womenomics policy is not directly targeting core male employment practices in Japanese companies, which is one factor that will limit policy success. Womenomics will not make any real impact if it cannot challenge or inspire women and men to give up the status

quo or indeed challenge the increasingly precarious modes of livelihood for both women and men.

### Gender and employment in Japan: the way forward

Can womenomics offer a viable way forward for Japan? In its current form, I would argue not. It offers at best limited solutions and would need to go beyond its current focus on women and embrace men as well. There are three compelling arguments for renegotiating gendered employment to promote gender equality in Japan. First, there is the demographic argument. Japan's population is fast declining and aging, a trend which results in a shrinking labour force and creates challenges in key sectors of the economy ranging from manufacturing to healthcare. It also produces a high national dependency ratio, with only 2.1 productive workers predicted to be supporting each pensioner by 2025. If one of those 2.1 workers is a female part-time worker with her income capped under the spousal tax system then there will be in reality only one worker contributing tax and providing for each pensioner. This is financially unsustainable. Not only does this system encourage the setting of low wages for non-regular workers, particularly married women, but it places the burden of tax contribution predominantly on core male regular workers. Second, there is a strong business argument for gender equality. Encouraging more women, including many with higher education and technical skills, into career tracks and into middle and senior management will promote employee diversity, and can be translated into improved corporate and government performance, creativity and agility. Japanese companies have long defined 'diversity' to encompass women and, more recently, non-Japanese employees, but diversity policy must also be extended to include Japanese men. Male workers have long been viewed as one core group of workers with no acknowledgement that they may have diverse



aspirations, needs or flexibility. They are not differentiated in Japan, as women have been since the 1960s, into various categories of employees. Japanese companies need to move away from the 1990s 'lost decade' view that the best way to restructure labour is to utilise secondary tracks of cheap non-regular workers in order to protect core male employee tracks. This is an approach to employee management that has focused on cost at the expense of talent and contributed to the growing ranks of the precariat in the Japanese labour force over the last twenty years. The third argument is one of social justice, specifically an aim to ensure that access to opportunities and privileges within a society are fully available regardless of gender. Policy and action in Japan therefore needs to not only (re)balance the position of women in employment and society, but also address the needs of men too. There are a range of solutions going forward that could be implemented in order to achieve this in Japan.

Progress toward womenomics requires the Abe government to move beyond rhetoric to action. A review of the spousal tax should be undertaken, with low income households compensated in some way, but the tax breaks scrapped for higher income households. A clear signal needs to be sent to employers that it is no longer acceptable to regard non-regular work as cheap, or to cap the income of women as married dependants. This would also send a message to women that, if they opt to work in the paid economy, they will be treated equally, their work will be valued by the market, and they must make tax contributions. Employment legislation can also be tightened to promote gender equality, particularly with regard to recruitment and childcare. Japanese women are well educated, outperforming men on average at university, but even when recruited into career tracks in Japanese companies the ability for them to remain following marriage and childbirth is problematic. Recognizing that the 30% target for female leadership in the private

sector by 2020 is unattainable, the government has revised the target sharply to just 10%. Thirty years since Japan's equal employment legislation (EEOL, 1986) when companies began to recruit female university graduates into career tracks, current rates of women in leadership positions remain low. Setting rigorous gender-balanced recruitment targets at entry level (e.g. for large companies) could help to advance gender diversity at the leadership level. But there needs to be investment in female employees along the career track and strong encouragement for women to return to main stream jobs without penalties after maternity and childcare leave. There is scope to strengthen the existing Japanese legislation. The UK offers a good example. Current UK legislation stipulates that upon return from maternity leave women have the right to the same or a similar job, with the same or better terms and conditions of employment. This is currently not the case in Japan where women who return to work after maternity leave and child care find themselves permanently marginalized in part-time positions. In addition, from April 2015 the UK will extend leave to both sexes, so that working couples can share paid parental leave during the first 12 months of childcare. Policy can send a signal to Japanese men that they are responsible for childcare, too. Japanese men are currently discouraged from taking childcare leave by the nature of the corporate culture and by the limited corporate and state financial and social incentives to do so. Providing better paid statutory leave and even going so far as to make an initial period of parental leave mandatory for working fathers could ensure the *ikumen* (men who do childcare) policy has actual substance.<sup>44</sup>

Legislation and policy can, however, only go so far. Any real drive for change must come from institutions, from business, and from society. Employers appear to be a major source of resistance. Since the late 1980s, the more Japanese policy seems to strive toward gender

equality, the more employers' implementation of policy has served to differentiate the management of male and female employees, even widening the gap between the sexes. Abe's womenomics is not viable because it expects women to slot into and in many ways continues to support the current male-focused workplace culture in Japan. There is a need to break down rigidity as well as nurture flexibility. Japanese employment can be loosened to encourage work-life balance, mobility and flexibility, and opportunities for both men and women to flex their career and share childcare at key stages of the lifecycle. This would require performance management to be result-oriented, and a curtailment of the inefficiency and barriers to working parents inherent within the long hours culture. Talent could be fast-tracked and gender-equal, with employee engagement and diversity strategies identifying individual employee aspirations, skills and work-life balance needs. Japanese employees, particularly men, are managed as group cohorts within a *sempai-kohai* hierarchy, but fostering competent and engaged employees requires abandoning the 'one size fits all' mentality.<sup>45</sup> A workplace sub-culture of harassment also needs to be confronted, notably the practices of maternity harassment, stigmatisation of men who want to take childcare leave, the conscious allocation of non-career roles and responsibilities to women, and the status and stability distinctions between regular and non-regular employees.

These approaches have proven to be effective in advancing gender equality in other countries. It is also important to note that ushering in elements of best-practice global or 'western' human resource management does not mean that local or Japanese strengths have to be completely abandoned. Rather, core Japanese elements such as corporate loyalty and citizenship, commitment to investment in employee training and careers, and a priority for employee security before corporate profits can be extended to encompass female and non-

regular employees. The balance sheets of many Japanese companies have recovered since the 1990s, and under Abenomics they are being encouraged to invest their profits and expand to help drive Japanese economic growth. However, much of this investment is targeted abroad and they must be encouraged to also invest and re-structure employment domestically in order to foster talent and relieve the employment precarity that has been created under economic stagnation. A *kaizen* focused employee management culture that continually scrutinises and adapts to individual and diverse employee competencies and needs could be a way forward.<sup>46</sup> Such solutions may, however, prove to be difficult to implement, not because it is problematic to design policy and processes for their delivery, but because they rely on the commitment of management and the engagement and willingness of employees. They cannot simply be forced through via legal obligation, but require encouragement as a proactive and transparent process of positive change. In other words, they require a change of both corporate and social mentality to foster gender equality and wellbeing, and create increased opportunities and social justice for both men and women.

## Conclusion

At present, in spite of the increasingly complex reality of work, the model that continues to underpin the Japanese employment system is the male breadwinner-female dependent model. This has led to the entrenchment of gender segregated employment that is modelled on 'conventional' Japanese gender norms and perpetuated in business, society and in popular culture.<sup>47</sup> Unless that model is dismantled, then progress for women in Japan will be only incremental at best and they will continue to predominantly work as a mainstay buffer force supporting an ideal of core male regular employment. Japan may continue to favour this system. However, unless there is progress for women, there will be no progress for men, who

will remain constrained by regular, continuous employment with little work-life balance and little recourse for renegotiation of their role in the family. Gender equality may disrupt to some extent the stability and privilege of elite male employment. It may also disrupt the current flexibility that Japanese women might be deemed to have in terms of their lifecycle choices (e.g. to work or not to work) compared to Japanese men. However, a new competitive model of employment can bring about enhanced business agility, social choice, opportunity and wellbeing for *both* sexes. The lingering ideal of the male *salaryman* and the female *shufu* (housewife) is now hugely disconnected from social realities, but remains as an ideal because the alternative – the renegotiation of men, women, work and childcare – is complex. This is true not just in Japan, but in any society, even in a country such as Sweden which is often cited as a model of advanced progress in gender equality. The complexity of change is also potentially jarring of social expectations, particularly the expectations of the core cohort of men in their prime working years in regular employment in Japan. However, the reality is that an increasing proportion of workers (women and young men) fall outside of a system that aims to secure this 'ideal' core. This model needs to be abandoned. Employment needs to embrace diversity and flexibility while reducing precariousness, and seek to promote sustainability, wellbeing and equality for both sexes. This very renegotiation of gender norms is the only viable way forward for Japan.

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## Notes

<sup>1</sup> Kathy Matsui published her first report on womenomics in August 1999. The latest report is: Matsui, Kathy et.al (2014) *Japan: Portfolio Strategy womenomics 4.0: Time to Walk the Talk*, Goldman Sachs, May 30, 2014

<sup>2</sup> Abe, Shinzō (2014). *Unleashing the Power of 'womenomics'*, The Wall Street Journal, September 25, 2013

<sup>3</sup> Lagarde, Christine, [The Economic Power of Women's Empowerment](#), September 12, 2014, Tokyo.

<sup>4</sup> For an insight into the reception of Abe's womenomics policy in Japan see, for example, the following: Tsunoda Yukiko, *Mienai josei sabetsu to josei ga kagayaku shakai, gekkan shakai kyōiku*, 2014.12 AERA, *Hataraku josei wa Abe no mōsō*, 2014, 12:22 Asahi Shinsho, [Abe shushō no mōsō-teki josei seisaku kimochi warui furēzu dake ga odorikuru akumu](#), 2014.

<sup>5</sup> A regular employee (*seishain*) is one who is hired directly by an employer on an open-ended and full-time contract. This makes them eligible not only for public insurance schemes but also for corporate pension and welfare programmes including bonus payments. While there is no legal definition of a regular employee it remains difficult to terminate their employment

under legislation. On the other hand, there are a range of non-regular (*hiseishain*) employment categories under prescribed contracts that essentially limit their eligibility for the status and benefits of regular employment. For a discussion of how 'permanent' regular employment in Japan is, see: Matanle, P. and Matsui, K. 2011, *Lifetime employment in 21st century Japan: stability and resilience under pressure in the Japanese management system*, in S. A. Horn (ed.) *Emerging perspectives in Japanese human resource management*, Berlin: Peter Lang.

<sup>6</sup> Kano Ayako and Vera Mackie, *The gender fault-line in Japan*, East Asia Forum, 3 November 2012

<sup>7</sup> The Japan Institute for Labor Policy and Training (JILPT) *Labor Situation in Japan and Its Analysis, 2013/2014*

<sup>8</sup> Calculated from JILPT, 2013/2014, p.200

<sup>9</sup> Vital Statistics of Japan, Ministry of Health Labor and Welfare, 2014

<sup>10</sup> Vital Statistics of Japan, Ministry of Health Labor and Welfare, 2014

<sup>11</sup> Average number of births per woman has declined from 4.54 in 1947 to 2.22 in 1950 and 1.41 in 2012. Ministry of Health Labor and Welfare (MHLW), *Jinkō Dōtai Tōkei*, 2013

<sup>12</sup> OECD (2013) *OECD Employment Outlook: How does Japan compare?*, July 2013

<sup>13</sup> Allison, Anne, *Precarious Japan*, Duke University Press, 2013.

<sup>14</sup> An entrusted worker typically refers to a senior regular employee who is re-hired on a non-regular contract at lower wages after mandatory retirement age. *Freeter* is a term used to describe those aged 15-34 years who are working in non-regular jobs after graduation from educational institutions, while

*arubaito* is a term for temporary or casual work done by those who primarily have other responsibilities in addition to employment such as housewives or students. The classification of the increased range of categories of non-regular work in Japan is complex, but a common point is that they are all defined as *not* regular (*seishain*) employees.

<sup>15</sup> Statistics Bureau, Japan

<sup>16</sup> There is a legal framework for gender equality including: Equal Employment Opportunities Legislation (EEOL, 1986 & 1999), Basic Law for a Gender-Equal Society (1999) and Childcare and Family Care Leave Law (1995 & 1999) which is available to both sexes.

<sup>17</sup> Gender Equality Bureau, *Danjo Kyōdō Sankaku Jihon Keikaku (Dai 2-ji)*, December 2005

<sup>18</sup> Kano, Ayako, *Backlash, fight back and back-pedaling: responses to state feminism in contemporary Japan*, International Journal of Asian Studies, 2011, 8(1)

<sup>19</sup> World Economic Forum, *The Global Gender Gap Report 2013*

<sup>20</sup> Data is for 2012. University College Union (UCU), *The position of women and BME staff in professorial roles in UK HEIs*, November 2012 and Kyoto University Gender Equality Promotion Center, *Strengthening Japan's Research Capacity: Women Researchers at a Glance: Japan*, 2014

<sup>21</sup> Grant Thornton, *Women in business: from classroom to boardroom*, Grant Thornton International Business Report, 2014

<sup>22</sup> Pipeline theory argues that increasing the number of women in employment should lead to more equality over time in the labour market. However, in practice there can be many factors which serve to work against this



and perpetuate gender inequality in employment.

<sup>23</sup> Gender Equality Bureau, *White Paper on Gender Equality 2013*

<sup>24</sup> JILPT, *Labor Situation in Japan and Its Analysis, 2013/2014*

<sup>25</sup> Japanese men (with children under six years of age) spend an average 1.07 hours per day on housework including childcare, compared to 2.46 in the UK, 3.0 in Germany and 3.21 in Sweden. Gender Equality Bureau, *Women and Men in Japan 2013*

<sup>26</sup> This idea emerged in the early post-war years and continues to be debated.

<sup>27</sup> The *kyoiku mama* ('education mother') is a post-war social construct – a mother who is dedicated to her child's educational development and achievement.

<sup>28</sup> Roberts, Glenda, *Salary Women and Family Well-Being in Urban Japan*, Marriage & Family Review, 2011, 47:8

<sup>29</sup> Maternity harassment, which refers to workplace discrimination against pregnant or childbearing women, was recently ruled illegal by the Japanese supreme court. JTUC-Rengo (2013) *Shokuba no matanitiharasumento o nakusou*.

<sup>30</sup> Cook, Emma, *Expectations of failure: maturity and masculinity for freeters in contemporary Japan*, Social Science Japan Journal 16 (1)

<sup>31</sup> Around half of companies with 5,000 or more employees and 45.9 % of companies with 1,000 to 4,999 employees have introduced a career tracking system. Gender Equality Bureau, 2013

<sup>32</sup> Gender Equality Bureau, *White Paper on Gender Equality 2013*

<sup>33</sup> N.Kambayashi, M. Morita and Y. Okabe, *Management Education in Japan*, Chandos Publishing, 2008

<sup>34</sup> Osawa, Mari, *Social Security in Contemporary Japan*, Routledge 2013

<sup>35</sup> Gender Equality Bureau, *White Paper on Gender Equality 2014*

<sup>36</sup> Bloomberg Business, *Japan Working Women Face Tax Blow as Their Numbers Swell*, April 4, 2014

<sup>37</sup> Lechevalier, Sébastien (2014) *The 'Re-segmentation' of the Japanese labor market: Investigating the impact of industrial dynamics*, Keio University, Discussion Paper Series, August, 2014

<sup>38</sup> Akabayashi, Hideo, *The labor supply of married women and spousal tax deductions in Japan-a structural estimation*, *Review of Economics of the Household*, 2006,4(4). S. Bessho and M. Hayashi, *Intensive margins, extensive margins, and spousal allowances in the Japanese system of personal income taxes: A discrete choice analysis*, Journal of the Japanese and International Economies, vol 34, 2104. *Haigūshakōjo oyobi haigūshatokubetsukōjo no haishi no zehi ni tsuite*, Tsutomu Kaikei Jōhō Kenkyūkai Nenpō (4), 2015-01-31.

<sup>39</sup> Matanle, Peter, *Should Japan increase immigration to arrest depopulation?* 5 January 2015.

<sup>40</sup> Gender Equality Bureau, *Women and Men in Japan 2013*

<sup>41</sup> Meiji Yasuda Institute of Life and Wellness (2014), *2014-Nen 20 ~ 40-dai no ren'ai to kekkon (dai 8-kai kekkon shussan ni kansuru chōsa yori)*.

<sup>42</sup> Diamond Online, *Nenshū 200 man-en-miman no yaku 6-bai!? 20-dai, nenshū 600 man-en ijō*



*no dansei kikon-ritsu wa 65-pāsento*, 20 November 2012.

<sup>43</sup> Hewlett, Sylvia Ann et.al, *Off-Ramps and On-Ramps Japan: Keeping Talented Women*

*on the Road to Success*, Center for Work-Life Policy, October 2011

<sup>44</sup> For a discussion of *ikumen* policy see Scott North, *Hiding Fatherhood in Contemporary Japan* in Marcia Inorn et.al. edited *Globalized Fatherhood: Emergent Forms and Possibilities in the New Millennium*, Berghahn Books, 2015

<sup>45</sup> *Sempai* (senior member) and *kohai* (junior member) are Japanese terms that reflect the

hierarchal relationships between age cohorts in educational and corporate institutions.

<sup>46</sup> *Kaizen* is a Japanese term commonly translated as 'continuous improvement'. It is a philosophy that emphasises efficiency and the elimination of waste and originates from Japanese lean manufacturing processes that gained business attention in the post-war high growth decades.

<sup>47</sup> Matanle, Ishiguro and McCann, *Popular Culture and Workplace Gendering among Varieties of Capitalism: Working Women and their Representation in Japanese Manga*, Gender, Work & Organization, 2014, 21:5