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Can Women Be a Catalyst for Japan's Renewal?

By Ben W. Heineman Jr.

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The country's women have suffered from workplace discrimination for years. Could a global crisis in the face of dropping population numbers herald a new era?



Japan faces the daunting task of rebuilding after the earthquake and the tsunami. But these natural disasters struck a nation with deep structural issues, including a slow-growth economy, an aging population, often sclerotic political, bureaucratic, and business leadership -- and significant workplace discrimination against women.

Many commentators have speculated that Japan's response creates the possibility -- though hardly the certainty -- of broader renewal. Indeed, prior to the natural disasters, *The Economist* in [a special report on the Japanese economy](#) last November stated that "people almost seem to be yearning for a proper crisis to shake the country out of its stated lethargy, ingrained after 20 years of economic stagnation and almost 15 years of decline in the working age population."

Japan's unequal treatment of working women is no mystery:

- Employment rates for Japanese men are 20 percent higher than for women, the greatest disparity in the industrialized world. On average, women only earn 60 to 70 percent of compensation paid to men.
- A 2006 UN study found that Japan was last among industrialized nation in economic empowerment of women, with women holding only 10.7 percent of managerial positions in government and business (compared with 42 percent in the U.S.). The World Economic Forum's recent analysis of women's progress in politics, economics, education, and health showed that Japan ranked 101st out of 134 nations, down from 80th in 2006.
- Japanese women are often put on an "administrative" job track, not a "career" job track by Japanese companies. And, according to a Goldman Sachs analysis, nearly 70 percent of Japanese women leave the work force after having their first child and don't return to work due, among other things, to absence of child care and inflexible work conditions (in contrast to the U.S. where only one-third don't return to work after having a child).
- In Sony, 3.2 percent of the managers in Japan are women, with women constituting 32 percent of managers in the U.S. In the past year, Japan Airlines named its first woman flight captain in its air-freight subsidiary; American Airlines had its first woman pilot near a quarter of a century ago. Kirin Beer recently announced it was going to double its female managers by 2015 -- to six percent! The November *Economist* analysis reported that there are more women directors of companies in Kuwait than in Tokyo.
- Japan again is last in the league rankings among industrialized nations for representation of women in the national legislature.
- The rates of participation in the job market of Japanese college-educated women are 5 to 15 percent less than other developed nations. And, at the elite Tokyo University, women only make up 20 percent of the student body.

The impact of this differential treatment is a significant loss of economic growth, according to a 2010 economic study by Goldman Sachs ("Womenomics 3.0: The Time Is Now" [[PDF](#)]). If the gender employment gap could be closed (80 percent of men work; 60 percent of women), then more than 8 million additional people would participate in the economy (with attendant increases in production and consumption), which, the study argues, would increase Japan's GDP by 15 percent.

The reasons for this fundamental problem of women's workplace differences in participation rates, job tracks, wages, the professions, and leadership include: weak and poorly enforced anti-discrimination laws; poor diversity programs in firms and government; inadequate and insufficient child care; a patriarchal society with aging

leadership and few women role models; pressures to have children in a de-populating society; and rigid immigration laws (which prevent both women and men from entering Japan to provide essential functions). These gender-specific causes relate, in turn, to the broader traditional culture of Japan which has made institutional change in the past generation so difficult and which would include such characteristics as humility, loyalty, respect, seniority, and consensus.

The need for significant change comes not just from fissures in institutions revealed by the recent earthquake and tsunami but from the much remarked-upon long-term demographic tsunami which threatens Japan. With current birth rates, Japan's current population of 127 million will decline to under 100 million by 2046 and to about 90 million by 2055, according to the Japan government. The working-age population (ages 18 to 64) was 50 million in 1950, 87 million in 1987 and will be 50 million again in 2050. In 2000, four workers supported one retiree, but by 2020 only two workers will support a retiree. And those over 65 were 20 percent of the population in 2006 and are estimated to be 40 percent of the population in 2055.

So Japan must confront a basic paradox. It needs much greater participation of women (and women immigrants) in productive jobs at all levels of the economy to increase growth and provide more workers per retiree. Yet it also needs higher birth rate to slow the absolute decline in total population and the inexorable increase in proportion of the society over 65. It thus faces the same issues as other nations of work-life balance, of men and women sharing more equally in day to day family responsibilities, of making a productive career *and* child-rearing, for women who wish it, the hallmark of success, not a painful trade-off.

Japan, unfortunately, starts significantly behind other industrialized nations -- and resolving the paradox will require a concerted and sustained effort, with changes in public policy (e.g. anti-discrimination laws, more child care, child-care credits tied to work, etc.) and in the private sector (e.g. changes in attitudes, aggressive programs to give women opportunities, and to promote them).

In the very near term, Japan still has to find the dead, house the homeless, repair the infrastructure, and deal with the uncertain aftermath of the nuclear plants. The disasters have, however, raised deeper questions about the structure and practices of Japanese society, politics, and economics. Whether processes of fundamental change can occur is a question for the future.

But if deeper cultural change is to occur then improving the role of women in the workplace -- and providing flexible support so family and work co-exist more easily -- could be a leading indicator, indeed a vital catalyst.

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